

VALLEY CENTER MUNICIPAL WATER DISTRICT AGENDA

Regular Meeting of the Board of Directors
Monday, June 19, 2023 — 2:00 P.M.

The VCMWD Board of Directors welcomes the public to its Board Room while accommodating virtual observation options as a convenience to the public. Additionally, Board Meetings continue to be livestreamed for those who wish to observe remotely. *Please note that in the event of technical issues that disrupt the meeting livestream or receipt of public comments by phone or email, the meeting will continue.*

Instructions for members of the public who wish to address the Board of Directors:

Members of the public who wish to address the Board of Directors under “Audience Comments/ Questions” or on specific agenda items, may do so as instructed below. All comments will be subject to a limit of three (3) minutes.

- **Making Public Comment for Those Attending In-Person:** Members of the public who wish to observe or to address the Board may join the Board Members at the noticed, physical location. A Request to Speak slip is required to be submitted to the Board Secretary prior to start of the meeting *(if possible)*.
- **Phone Comments During the Meeting:** Before the meeting, or before public comment period for the item closes during the meeting, submit a telephone number by email to the Board Secretary at publiccomments@vcmwd.org, together with the agenda item number, and the Board Secretary will call when the board is ready to hear public comments; *or*
- **Emailed Comments:** Before the meeting, or before public comment period for that item closes at the meeting, email your comments to the Board Secretary at publiccomments@vcmwd.org and the Board Secretary and it will be read aloud at the public comment period; *or*
- **Written Comments:** Written comments can be also be physically dropped off in advance of the meeting at the District’s Administrative Office or mailed in advance of the meeting to 29300 Valley Center Rd., Valley Center, CA 92082, for receipt no later than 1:00 pm on meeting day.

These public comment procedures supersede the District’s standard public comment policies and procedures to the contrary. If modifications or accommodations from individuals with disabilities are required, such persons should provide a request at least 24 hours in advance of the meeting by email to the Board Secretary at boardsecretary@vcmwd.org.

Meeting Broadcast: Members of the public may watch the meeting electronically by visiting the District’s website at vcmwd.org/Board/Board-Documents and then clicking the link listed below “live stream” on the page.

Meeting Documents: Board Meeting Packets *(except for closed session materials)* will be made available to the public once distributed to the Board. Please visit the District’s website at vcmwd.org/Board/Board-Documents for Agenda and related Board Meeting Documents.

ROLL CALL

APPROVAL OF AGENDA

At its option, the Board may approve the agenda, delete an item, reorder items and add an item to the agenda per the provisions of Government Code Section 54954.2.

PUBLIC COMMENT(S)

Comments and inquiries from the audience will be received on any matter not on the agenda, but within the jurisdiction of the Board. Comments and inquiries pertaining to an item on the agenda will be received during the deliberation of the agenda item (Government Code §54954.3).

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Board of Directors' Meeting Agenda

CONSENT CALENDAR ITEM(S)

Consent calendar items will be voted on together by a single motion unless separate action is requested by a Board member, staff, or member of the audience.

1. **Minutes of the Regular Board Meeting Held Monday, June 5, 2023;**
2. **Audit Demands and Wire Disbursements;**
3. **Bid Results & Request to Approve PO #115436 for Purchase of 1 New 2023 Vehicle; and**
4. **Bid Results & Request to Approve PO #115494 for Purchase of 1 New 2023 Vehicle.**

ACTION ITEM(S)

5. **Request Adoption of Proposed Meter Capacity and Annexation Charges and Ordinance No. 2023-06 to Amend the District's Administrative Code:**

Adoption of Ordinance No. 2023-06, amending the Administrative Code and approving the proposed Meter Capacity and Annexation Charges, will be considered.

- a. Report by District Engineer
- b. Discussion
- c. Public comments/questions
- d. If desired, motion to approve or deny Ordinance No. 2023-06

6. **Request Adoption of Resolution No. 2023-20, Recognizing and Congratulation the Santa Fe Irrigation District on its 100-Year Anniversary:**

Adoption of Resolution No. 2023-20, Recognizing and Congratulation the Santa Fe Irrigation District on its 100-Year Anniversary will be considered.

- a. Report by General Manager
- b. Discussion
- c. Public comments/questions
- d. If desired, motion to approve or deny Resolution No. 2023-20

INFORMATIONAL/POSSIBLE ACTION ITEMS

7. **Proposed Fiscal Year 2023-24 Operating and Capital Budget:**

An update to the presentation made on May 15, 2023 regarding the Revenue, Expense, and Capital Project Projections requested in the proposed FY 2023-24 Budget. Resolution No. 2023-21 adopting the proposed FY 2023-24 Operating and Capital Budget will be considered. If adopted, two ordinances to amend the District's Administrative Code to incorporate changes to Article 8 (*Compensation*), 40 (*Staff Organization*), and 50 (*Finance Policies*) will be requested.

- a. Report by Manager of Accounting
- b. Discussion
- c. Public comments/questions
- d. If desired, motion to approve or deny Resolution No. 2023-21
- e. If desired, motion to approve or deny Ordinance No. 2023-07
- f. If desired, motion to approve or deny Ordinance No. 2023-08

Valley Center Municipal Water District
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GENERAL MANAGER'S ITEM(S)

8. San Diego County Water Authority's Board Meeting Summary:

A report on the San Diego County Water Authority's Board of Directors' Meeting of May 25, 2023 will be provided.

- a. Report by General Manager
- b. Discussion
- c. Public comments/questions
- d. Information item only, no action required

9. General Information:

General Informational items will be reviewed.

- a. Report by General Manager
- b. Discussion
- c. Public comments/questions
- d. Information item only, no action required

DISTRICT GENERAL COUNSEL'S ITEM(S)

BOARD OF DIRECTORS' ITEM(S) and AB1234 REPORTING

CLOSED SESSION ITEM(S)

At any time during the regular session, the Board may adjourn to closed session to consider litigation, personnel matters, or to discuss with legal counsel matters within the attorney-client privilege. Discussion of litigation is within the attorney-client privilege and may be held in closed session. *Authority: Government Code §54956.9.*

ADJOURNMENT

NOTICE TO THE PUBLIC:

This agenda was posted at least 72 hours before the meeting in a location freely accessible to the public. No action may be taken on any item not appearing on the posted agenda, except as provided by Government Code Section 54954.2. Any written materials provided to a majority of the Board of Directors within 72 hours prior to the meeting regarding any item on this agenda will be available for public inspection on the District's website. The agenda is available for public review on the District's website, <http://www.vcmwd.org>.

For questions or request for information related to this agenda contact Kirsten Peraino, *Board Secretary*, at (760) 735-4517 or publiccomments@vcmwd.org. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the American with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the Board Secretary at least 48 hours before the meeting, if possible.

— **End of Agenda** —

VALLEY CENTER MUNICIPAL WATER DISTRICT
MINUTES

Regular Meeting of the Board of Directors
Monday, June 5, 2023 – 2:00 P.M.

The Valley Center Municipal Water District Board of Directors’ meeting was called to order by President Polito at 2:00 PM. In the Board Room at 29300 Valley Center Rd.; Valley Center, CA 92082. Additionally, the Board Meeting was livestreamed for those who wish to observe remotely.

ROLL CALL

Board Members Present: *President Polito, Vice President Ferro, Directors Holtz, Smith, and Ness.*

Staff Members Present: *General Manager Arant, Director of IT Pilve, District Engineer Grabbe, Director of Finance and Administration Pugh, Director of Operations and Facilities Lovelady, Manager of Accounting Velasquez, Project Manager Carrillo, Project Manager Powers, Senior IT Specialist Day, Executive Assistant/Board Secretary Peraino, General Counsel Nick Norvell, and Federal Consultant Howells (HGR) present in-person.*

PUBLIC COMMENT(S)

President Polito established for the record the process by which public comments are received by the Board; this process was also described in the Agenda for the meeting.

CONSENT CALENDAR ITEM(S)

1. **Minutes of the Regular Board Meeting Held Monday, May 15, 2023;**
2. **Audit Demands for Check Nos. 166080 – 166292 from April 28, 2023 thru May 25, 2023;**
3. **Treasurer’s Report for Month Ending April 30, 2023;**
4. **Board of Director’s Request for Reimbursement of Expenses and Report of Expense Reimbursements per Government Code Section 53065.5; and**
5. **Adoption of Resolution No. 2023-17 Setting the District’s FY 2023-24 Appropriation Limit for Proceeds from Taxes per Article XIIIB of the State Constitution.**

Action: Upon motion by Smith, seconded by Ness; and unanimously carried, the previously listed consent calendar items were approved.

PUBLIC HEARING ITEM(S)

6. **Public Hearing to Consider Adoption of Proposed Misc. Water Meter Fees/Charges for FY 2023-24 and Adoption of Ordinance No. 2023-04 Amending the District’s Administrative Code:**

A public hearing was opened by President Polito at 2:07 P.M. to consider adopting revisions to Administrative Code Article 160, increasing meter connection and component charges for FY 2023-24, and incorporating updates that will align the code with procedures and policies that reflect current needs. District Engineer Grabbe stated that staff advertised the Public Hearing ten days in advance through appropriate publications, with notice posted on May 18, and 15, 2023. It was announced that no public comments were received.

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Mr. Grabbe continued by describing the basis behind the proposed charge increases. Charges are analyzed yearly by comparing current charges to the actual material, labor, and equipment costs. Staff also takes into consideration industry standards such as Consumer Price Index for All Urban Consumers (San Diego-Carlsbad) (CPI-U), Engineering News Record (ENR), and Cost of Living Adjustment (COLA) to help determine the appropriate updates to the charges. ENR and CPI Indexes indicated a 7-8% increase from last year, and the District's 4.5% COLA salary increases for FY 2023-24 pursuant to the Employee Association Memorandum of Understanding is scheduled to take effect July 1, 2023. Staff found the majority of the costs remained stable, with the exception of backflow devices, experiencing up to 50% increases, attributed to the continued market volatility of those parts.

The miscellaneous water service fees and charges shown in the District's Administrative Code are recommended to be increased to match the actual material, labor, and equipment costs of the various items as follows:

- Material costs are based on the average cost of the District's material inventory plus 3% to account for an estimated 6% annual increase in the average inventory cost over the next year.
- Current "Top of Range" labor rates were used in the evaluation and were increased by 4.5% to reflect the proposed COLA increase for next year pursuant to the employee association Memorandum of Understanding.
- Equipment rates are based on standard cost values published by Caltrans.

Certain categories denoted with no change are being recommended to remain the same as currently in effect. These particular categories consist of both labor and material costs, although labor increased with COLA, some materials had a slight decrease in cost offsetting the labor impact, yielding insignificant change overall. Material pricing is based on the average cost of the existing inventory at the time of evaluation. The average cost of materials is adjusted only when new components are purchased and added to inventory.

The following sections of the Administrative Code reflect the proposed revisions and increases:

- **§160.2 Water Service Applications and Installations:**
 - Clarified the Water Meter Application Approval and Installation and Six-Month Grace Period for completing Application requirements.
 - Clarified that additional costs incurred to install a service lateral in excess of 40 feet would be charged on a time and material basis.
- **§160.4 Connection of Service:**
 - Updated the Fees and Charges, and
 - Clarified Meter Manifold options for installation of multiple meters at one location.
- **§160.8 Meter Relocation:**
 - Updated the Fees and Charges, and
 - Clarified Additional Costs Associated with a Meter Relocation.
- **§160.12 Back Flow Prevention Devices:**
 - Updated the Fees and Charges.

Following discussion, the public hearing was closed at 2:15 P.M. Staff recommended the adoption of Ordinance No. 2023-04, amending the Administrative Code to increase the various meter connection and component charges to be effective July 10, 2023.

Action: Upon motion by Holtz, seconded by Ness; staff's motion to approve the following Ordinance passes unanimously:

ORDINANCE NO. 2023-04

**ORDINANCE OF THE BOARD OF DIRECTORS OF THE VALLEY CENTER
MUNICIPAL WATER DISTRICT AMENDING THE ADMINISTRATIVE CODE TO
PROVIDE FOR MODIFICATIONS OF MISCELLANEOUS WATER METER FEES
AND CHARGES AND RELATED ADMINISTRATIVE CODE SECTIONS**

Was adopted by the following vote, to wit:

AYES: *Directors Polito, Ferro, Holtz, Smith, and Ness*
NOES: *None*
ABSENT: *None*

7. Public Hearing to Consider Adoption of Proposed Water Availability Charges for FY 2023-24 and Adoption of Ordinance No. 2023-05 Amending the District's Administrative Code:

A public hearing to receive written and oral input on the adoption of Ordinance No. 2023-05, regarding proposed revisions to Water Availability Charges for FY 2023-24, was opened by President Polito at 2:17 PM. Annually, the District holds a public hearing to receive public testimony on the water availability charge of \$10 per acre with a \$10 per parcel minimum, reported Manager of Accounting Velasquez. This charge has been in place at the same rate since FY 1995-96. The availability charge will generate a dedicated source of revenue of approximately \$573,000 for FY 2023-24 which will be used for the District's debt service and ongoing capital requirements.

Notice of the public hearing was published in the local paper on May 11, and 18, 2023 (as required by law). Letters were also mailed on April 14, 2023, to all new property owners within the District. The District received no written protests but noted that the District received four (4) new deferral applications (all from the same owner). The opportunity was provided for public comment and there was none. The public hearing was closed at 2:24 PM.

Action: Upon motion by Ferro, seconded by Smith; staff's motion to approve the following Ordinance passes unanimously:

ORDINANCE NO. 2023-05

**ORDINANCE OF THE BOARD OF DIRECTORS OF THE VALLEY CENTER
MUNICIPAL WATER DISTRICT ESTABLISHING WATER AVAILABILITY
CHARGES FOR FY 2023-24 ON ALL PROPERTY WITHIN THE DISTRICT**

Was adopted by the following vote, to wit:

AYES: *Directors Polito, Ferro, Holtz, Smith, and Ness*
NOES: *None*
ABSENT: *None*

ACTION ITEM(S)

- 8. Set Public Hearing Date for July 17, 2023 to Consider Collecting the Woods Valley Ranch Sewer Service Charges (Service Areas 1 & 2) and the Woods Valley Ranch Grinder Pump Maintenance Charges (Service Area 2) on the FY 2023-24 Tax Roll, and Preview of the FY 2023-24 Annual Assessments for the Woods Valley Ranch Sewer Standby Fee (Service Areas 1 & 2), Annual Assessments for Assessment District No. 2012-1 and the Annual Special Taxes for Community Facilities District No. 2020-1:**

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The date for a public hearing to receive input and consider collecting the FY 2023-24 Woods Valley Ranch (WVR) annual Sewer Service Charge (Service Areas 1 and 2) and the annual WVR Grinder Pump Maintenance Charge (Service Area 2) on the tax roll, was requested by District Engineer Grabbe. Notification of the public hearing on Monday, July 17, 2023, will be published in the local newspaper.

District's Sewer Service Charges

The sewer service charges and grinder pump maintenance charges for the Woods Valley Ranch Sewer Service Areas have been collected annually on the County of San Diego property tax roll (tax roll). The service charges provide for the operation, annual maintenance, and ultimate replacement of the District owned and operated collection, treatment, and seasonal storage facilities and are levied on those properties connected to the wastewater collection system as of the end of the fiscal year. These charges consist of the following:

- WVR Service Area 1 Annual Sewer Service Charge:
 - No Change from the prior year (\$1,183.20 per year per EDU)
- WVR Service Area 2 Annual Sewer Service Charge:
 - No Change from the prior year (\$1,183.20 per year per EDU)
- WVR Service Area 2 Annual Grinder Pump Maintenance Charge:
 - 5.18% increase:
 - Simplex Unit: \$581.04 per year per EDUs to \$611.16 per year per EDU.
 - Duplex Units:

EDUS	ANNUAL FEE
1	\$752.04
2	\$917.16
3	\$1,073.64
4	\$1,223.40
5	\$1,365.60
6	\$1,500.24
7	\$1,627.08
8	\$1,744.80
9	\$1,856.28
10	\$1,960.08
11	\$2,056.20
12	\$2,144.52
13	\$2,223.96
14	\$2,297.04
15	\$2,362.44
16	\$2,419.92
17	\$2,469.96
18	\$2,512.20
19	\$2,545.56
20	\$2,572.44

District Engineer Grabbe previewed the FY 2023-24 annual assessments for the Woods Valley Ranch Sewer Standby Fee, the annual assessments for Assessment District No. 2012-1 (AD 2012-1 / Woods Valley Ranch Wastewater Expansion Project), and the annual special tax levy

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for Community Facilities District No. 2020-1 (CFD 2020-1). The District's Sewer Service Fee responsibility is just under \$3,550 based on the 3 EDUs connected to the wastewater system at the Corporate Facility Site stated Mr. Grabbe. The resolutions approving the assessments and levies for the FY 2023-24 tax roll will be presented to the Board for approval at the July 17, 2023 Board Meeting and are due to the County by August 10, 2023, stated Mr. Grabbe.

Sewer Standby Fee Annual Assessment

Staff recommended the current Annual Sewer Standby Fee (\$550.32 per EDU) be continued for FY 2023-24 and collected on the County property tax roll. It is levied on those parcels in the service area that have a capacity reservation but are not connected to the wastewater collection system as of July 1, 2023. The standby fee provides funding for the following costs for the Woods Valley Ranch Water Reclamation Facility and Collection System, a) certain fixed maintenance cost items, b) operation support, and c) replacement reserve contribution; all of which are necessary to maintain a parcel's capacity commitment until the parcel is developed and connected to the wastewater collection system.

The Woods Valley Ranch Water Reclamation Facility Service Area is comprised of two separate areas, the Woods Valley Service Area ("Service Area 1") and the Woods Valley Ranch Water Reclamation Facility Service Area 2 ("Service Area 2"). The District's Sewer Standby Fee responsibility is just over \$24,200, based on 35 EDUs for the VCMWD Lilac Road Site and 9 EDUs of the 12 EDUs allocated to the Corporate Facility Site (3 EDUs are considered connected and are subject to the Sewer Service Charge).

Assessment District No. 2012-1 Annual Assessment

The annual assessments of AD 2012-1 are used to fund the debt service repayment of the three California State Water Resources Control Board SRF Loans and two 1915 Act Limited Obligation Improvement Bonds (Bonds) used to finance the Expansion Project and a portion of the Orchard Run Lift Station construction.

Proposed annual assessments totaling approximately \$1.87M (including the CFD 2020-1 share funded from its annual special tax levy) are estimated for FY 2023-24. Costs for the Expansion project were allocated to seven Benefit Areas (A through G) based on the benefit received as defined in the Engineer's report for the assessment district. In the current FY 2022-23, modifications to the assessments included the transfer and reallocation of 5 EDUs. The modifications will be included in the assessments for the FY 2023-24 tax roll.

The Valley Center Municipal Water District has a total capacity reservation of 47 EDUs; 35 EDUs reserved for the future Lilac Road corporate facility site and 12 EDUs for the Valley Center Road Corporate Facility Site. The annual assessment for VCMWD's capacity reservation totals approximately \$75,000.

Community Facilities District No. 2020-1 Special Tax Levy

The amount of the annual CFD 2020-1 Special Tax levy is established and determined by the Rate and Method of Apportionment (RMA) document prepared by Koppel & Gruber Public Finance, is approved with the formation of the community facilities district, and allows for a maximum 2% annual increase in the special tax levy. The Special Tax Levy is based on whether the property is undeveloped (without a building permit) or developed (with a building permit) as of May 15th. The Special tax for the developed property is further dependent on the characteristics (square footage) of the home permitted for the parcel and its development Zone, as defined in the RMA. The special tax levy for FY 2023-24 is estimated at approximately \$871,400. Of this amount, \$545,600 is allocated to the CFD 2020-1's share of AD 2012-1 debt

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and administration fees with the balance, \$326,800, available for the debt service on the proposed Series 1 bond and administration fees. Staff indicated that the special tax revenue requirements anticipated for the future Series 1 and Series 2 bonds will require the maximum allowable increase in the special tax levy to continue for the foreseeable future.

Action: Upon motion by Smith, seconded by Ness; motion to set July 17, 2023 as the public hearing date was unanimously approved.

9. Adoption of Resolution No. 2023-18, Awarding the Construction Contract for the Moosa Clarifier No. 1 Upgrade Project:

Project Manager Carrillo provided a summary of the Moosa Clarifier No. 1 Upgrade Project (Project). The Lower Moosa Canyon Water Reclamation Facility (Moosa) has been in operation since 1974. Over the years, the Moosa facility has had equipment and software upgrades allowing the facility to operate more efficiently. This project is an upgrade to the clarifier rake system that was installed for the original facility.

The Project consists of the demolition and disposal of the existing clarifier rake system. Once the existing rake system has been removed, the contractor will make concrete repairs to all of the walls within the 33-foot diameter clarifier. After repairs are complete, a protective coating will be applied on concrete walls and effluent trough surfaces. This protective coating will provide longevity to the existing concrete clarifier structure. The contractor will install a new District furnished clarifier rake system per the manufacturer's installations manual. All components to the new system have been delivered and are on site ready for the contractor to install. As part of the installation, the contractor will connect all electrical and influent/effluent piping to the existing facilities. The start-up will occur with the manufacturer's representative on site to insure proper installation.

The apparent low bidder was Jennette Company, Inc. with a total bid of \$237,360, approximately 19% less than the second bid and 17% lower than the engineer's estimate (\$290,000 at the time of bid). Sufficient funding to award the contract is available in the current fiscal year (2022-23) annual budget, and no additional funds would be required. The contract allows for one hundred twenty (120) calendar days for the project, with an estimated completion date of November 9, 2023.

Staff recommended adoption of Resolution No. 2023-18, awarding the construction contract for the Moosa Clarifier No. 1 Upgrade Project to Jennette Company, Inc. for their low bid amount of \$237,360.

Action: Upon motion by Smith, seconded by Holtz; staff's motion to approve the following Resolution passes unanimously:

RESOLUTION NO. 2023-18

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
VALLEY CENTER MUNICIPAL WATER DISTRICT AWARDING THE
CONTRACT FOR THE MOOSA CLARIFIER NO. 1 UPGRADE PROJECT**

Was adopted by the following vote, to wit:

AYES: *Directors Polito, Ferro, Holtz, Smith, and Ness*
NOES: *None*
ABSENT: *None*

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10. **Adoption of Resolution No. 2023-19, Ratifying Staff's Approval of Amendment No. 2 to the Professional Services Agreement with CSI Services, Inc. for the Meadows No. 1 and Reid Hill Reservoirs Painting and Recoating Project:**

Project Manager Powers presented background on the professional services agreement with Coating Specialist and Inspection Services, Inc. ("CSI"). The District entered into the Agreement with CSI on November 2, 2022, for providing inspection services for the Meadows No. 1 and Reid Hill Reservoirs Painting and Recoating Project ("Meadows and Reid Project"); for the initial amount of \$44,690.

On December 5, 2022, the Board approved an amendment for additional inspection services related to the San Gabriel No. 1 Reservoir Painting and Recoating Project in the amount of \$59,860. The initial funding for inspection services related to the Meadows and Reid Project has been expended, mostly with the inspection of the Meadows Reservoir. To minimize delays to the projects, staff approved an amendment to CSI's agreement for continued inspection on the Reid Hill Reservoir in the amount of \$49,200, resulting in a revised total agreement amount of \$153,750.

Initial estimates for the costs of the inspection services were based on 8-hour days with many days being split between the two projects when the project schedules overlap. As the two projects progressed, it was found that on days when both projects require technical inspection, the inspector is required for 10 hours. To keep on schedule and ensure that the reservoirs could be brought back online as soon as possible, the contractors frequently worked Saturdays. However, the high volume of Saturdays worked was not anticipated in the initial estimates, which added approximately 50% more labor time.

The total project budget for the Meadows and Reid Project was established at \$2,315,000 when the project was awarded by Resolution No. 2022-29 on September 19, 2022. Within that total, \$44,690 was allocated to funding an inspection consultant and has largely been expended. Amendment No. 1 to the CSI Professional Services Agreement was funded through the San Gabriel Project budget. Additional funding for Amendment No.2 to the CSI Professional Services Agreement is available from the project contingencies for the Meadows and Reid Project.

Staff recommended that the Board of Directors adopt Resolution No. 2023-19 ratifying the staff approval of Amendment No. 2 for \$49,200 to the professional services agreement with CSI Services, Inc. resulting in a revised total contract amount of \$153,750.

Action: Upon motion by Ferro, seconded by Ness; staff's motion to approve the following Resolution passes unanimously:

RESOLUTION NO. 2023-19

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLEY CENTER
MUNICIPAL WATER DISTRICT APPROVING AMENDMENT NO. 02 TO THE
COATING SPECIALIST AND INSPECTION SERVICES INC. PROFESSIONAL
SERVICES AGREEMENT FOR INSPECTION SERVICES FOR THE MEADOWS NO. 1
AND REID HILL RESERVOIRS PAINTING AND RECOATING PROJECT**

Was adopted by the following vote, to wit:

AYES: *Directors Polito, Ferro, Holtz, Smith, and Ness*
NOES: *None*
ABSENT: *None*

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GENERAL MANAGER'S ITEM(S)

11. General Information:

A review of General Informational items reported on by General Manager Arant.

Action: Informational item only, no action required.

DISTRICT GENERAL COUNSEL'S ITEM(S)

None

BOARD OF DIRECTORS' AB1234 REPORTS ON MEETINGS ATTENDED

CLOSED SESSION ITEM(S)

At any time during the regular session, the Board may adjourn to closed session to consider litigation, personnel matters, or to discuss with legal counsel matters within the attorney-client privilege. Discussion of litigation is within the attorney-client privilege and may be held in closed session. *Authority: Government Code §54956.9.*

12. A Closed Session was Called by President Polito at 3:17 PM, Pursuant to:

Government Code Section 54957 – Public Employee Performance Evaluation

Title – General Manager

RECONVENE

Action: The Board came out of closed session at 3:28 p.m. with no reportable action.

ADJOURNMENT

Action: Upon motion by Smith, seconded by Ness; motion passes unanimously, the regular meeting of the Board of Directors was adjourned at 3:29 p.m.

ATTEST:

ATTEST:

Robert A. Polito, *President*

Kirsten N. Peraino, *Secretary*

VALLEY CENTER M.W.D.
DISBURSEMENTS
FOR PERIOD MAY 26, 2023 THROUGH JUNE 01, 2023

JUNE

CHECK #	PAYEE	DESCRIPTION	AMOUNT
166293	Advanced Detection Systems	Monitoring Electronic Security System	828.00
166294	AT&T	Services	618.39
166295	Atlas Technical Consultants LLC	Services - Oat Hill Discharge	4,046.50
166296	Shannon Beach	Refund Check 018332-000, Spearhead Trail	67.68
166297	Best Best & Krieger LLP	Legal Services - April 2023	19,431.10
166298	Birdseye Planning Group	Services-Bond Issuance Costs	2,867.20
166299	Brax Company, Inc.	Services	6,710.35
166300	California Bank & Trust	Credit Cards - Meals, Travel, Meetings	1,500.50
166301	California Bank & Trust	Credit Cards - Meals, Travel, Meetings	236.45
166302	Charlie L. Hoffa	Vehicle Maintenance	660.00
166303	Core & Main LP	Materials - Field	4,040.63
166304	County of San Diego	Permits	691.31
166305	Culligan of Escondido	Washrack Service	170.00
166306	David A Payne	Materials - Field	649.10
166307	Daniel De La Rosa	Safety Boot Reimbursement	200.00
166308	Diamond Environmental Services, LP	Services	1,268.00
166309	DIRECTV	Dish Service 05/24/23-06/23/23	55.28
166310	EDCO Waste & Recycling Service	Trash Services - May 2023	846.76
166311	Lorena Espinoza	Janitorial Service - May 2023	1,875.00
166312	Farmer Brothers Co.	Breakroom Supplies	251.54
166313	FedEx	Shipping Services	24.29
166314	Ferguson Waterworks #1083	Materials - Field	5,138.60
166315	Fidelity Security Life Insurance Company	Vision Plan Premium - June 2023, Group ID:1038	1,213.95
166316	Fieldman, Rolapp & Associates	Services	5,328.00
166317	Brent Fredenburg	Refund Check 007416-001, Roadrunner Ridge	158.00
166318	Gosch Ford Escondido	Vehicle Maintenance	123.10
166319	Grainger, Inc	Materials - Field	1,108.77
166320	Grangetto's Farm & Garden Supply Co	Materials - Field	557.78
166321	Lon W. House	Services-Energy Consulting Analysis of Moosa So	2,100.00
166322	Jankovich Company	Materials - Field	4,563.05
166323	Kaiser Foundation Health Plan Inc	Medical Premiums/Purchaser ID 104350 - June 2023	66,504.71
166324	Konica Minolta Premier Finance	Copier Rental - June 2023	1,753.94
166325	Maria Medina	Refund Check 016073-001, 8923 Nelson Way	80.82
166326	Maria Medina	Refund Check 016073-002, 8923 Nelson Way	80.82
166327	Ann Nagorski	Refund Check 011781-000, Cor Hilldale Lop & W	61.64
166328	Nova Services	Services-Lilac Rd Pipeline Upsize	6,176.50
166329	Occupational Health Centers of California	Medical Services	425.50
166330	Parkhouse Tire, Inc.	Vehicle Maintenance	675.91
166331	Reliance Standard Life Insurance	Life Insurance Premiums - May 2023	8,489.53
166332	Rockwell Construction Services, LLC	Services	1,080.00
166333	David Rodriguez	Refund Check 009265-000, 28333 Sunset Rd	135.36
166334	Payton Rutherford	Safety Boot Reimbursement	172.38
166335	San Diego Gas & Electric	Gas Services - May 2023	30,210.21
166336	Moses Shubin	Safety Glasses Reimbursement	320.00

VALLEY CENTER M.W.D.
DISBURSEMENTS
FOR PERIOD MAY 26, 2023 THROUGH JUNE 01, 2023

JUNE

CHECK #	PAYEE	DESCRIPTION	AMOUNT
166337	Supreme Oil Company	Gasoline and Oil	6,937.11
166338	SWRCB	Renewal Distribution Grade 4-Cliff Reeh #9689	140.00
166339	Tierra Data, Inc.	Services	726.32
166340	TSAC Engineering	Services	1,370.00
166341	S Turley	Refund Check 008036-001, Deathridge Rd	123.28
166342	United Water Works, Inc.	Materials - Field	2,155.89
166343	Vince Dixon Ford	Replacement Truck for #48	75,107.14
TOTAL			<u>270,056.39</u>

Approved By: _____

General Manager



Director of Finance & Administration

VALLEY CENTER M.W.D.
DISBURSEMENTS
FOR PERIOD JUNE 02, 2023 THROUGH JUNE 08, 2023

JUNE

CHECK #	PAYEE	DESCRIPTION	AMOUNT
166344	Advanced Detection Systems	Services	270.00
166345	Amazon Capital Services	Materials - Field	1,211.76
166346	APWA Membership	Membership - Wally Grabbe	452.00
166347	Ardurra Group, Inc.	Services - Miller Rd Plaza & Gordon Hill	30,520.00
166348	Arion Global Inc.	Recycling Service	3,509.00
166349	Babcock Laboratories, Inc	Testing	750.00
166350	Bavco	Materials - Field	532.29
166351	Bidell Gas Compression Inc.	Materials - Field	3,021.30
166352	Brax Company, Inc.	Materials - Field	1,426.63
166353	Busy Bees Locks & Keys, Inc.	Services	150.00
166354	California Municipal Utilities Associati	CA Water For All: Legislative PR Support Effort	10,000.00
166355	CCL Contracting, Inc.	Gordon Hill Pipeline Replacement Project	132,383.15
166356	Corodata Records Management	Record Storage - May 2023	116.74
166357	County of San Diego	Repeater Site Rent Acct#7019 - Palomar Mountai	884.00
166358	Craneworks Southwest, Inc.	Equipment Maintenance	12,680.02
166359	Culligan of Escondido	Washrack Service	59.86
166360	Brandon Dendy	Educational Reimbursement	229.00
166361	Diamond Environmental Services, LP	Services	2,941.00
166362	Ferguson Waterworks #1083	Materials - Field	1,797.22
166363	Amber Flores	Refund Check 018897-000, 27940 Autumn Ct	221.82
166364	Erik Gonzalez	Safety Boot Reimbursement	200.00
166365	Grainger, Inc	Materials - Field	829.32
166366	GSE Construction Company Inc.	Orchard Run Lift Station Project	183,816.98
166367	Carol Hamilton	Refund Check 009649-002, N Lake Wohlford Rd	87.51
166368	HD Supply Facilities Maintenance Ltd.	Materials - Field Customer #19969	1,748.88
166369	HealthEquity Inc.	Employee Contributions - 05/19/23-06/02/23, Mon	748.77
166370	Home Depot Credit Services	Materials - Field	1,359.68
166371	Jacqueline Howells	Colorado River Water Users Association Annual C	3,815.84
166372	Andrew Huerta	Educational Reimbursement	267.05
166373	IntelePeer Holdings Inc.	Services	791.16
166374	International City Mgmt Association R	MissionSquare-Remittance 05/19/23-06/02/23	5,869.56
166375	Jankovich Company	Materials - Field	2,964.21
166376	Low Voltage Fire, Inc.	Services	248.00
166377	Mediacom	Internet Services - June 2023	1,311.00
166378	Garnishment	Garnishment Paydate 06/08/23	346.15
166379	National Safety Compliance, Inc	DQF Online Monthly Fee	58.40
166380	Nova Services	Services	1,100.50
166381	Occupational Health Centers of Califo	Medical Services	706.00
166382	Pacific Pipeline Supply	Materials - Field	1,425.04
166383	Palomar Termite & Pest Control	Pest Control - May 2023	80.00
166384	PEBSO/Nationwide Retirement	Deferred Compensation 05/19/23-06/02/23	9,689.49
166385	Polydyne Inc.	Chemicals	1,856.88
166386	Quality Chevrolet	Vehicle Maintenance	427.66
166387	Ramona Paving and Construction Cor	Refund Check 015477-009, 1416609 FH@33.28t	2,133.89

VALLEY CENTER M.W.D.
DISBURSEMENTS
FOR PERIOD JUNE 02, 2023 THROUGH JUNE 08, 2023

JUNE

CHECK #	PAYEE	DESCRIPTION	AMOUNT
166388	San Diego Friction Products, Inc.	Vehicle Maintenance	372.31
166389	Sedano Ford Of LM, Inc	CIP-Vehicles	40,470.86
166390	Self Insured Services Company	Reimbursement Request for Dental Funding Date:	5,021.90
166391	Sierra Analytical Labs, Inc	Testing	200.00
166392	Stericycle, Inc.	Record Destruction	210.34
166393	Superior Ready Mix Concrete LP	Materials - Field	632.06
166394	Tri County Pump Company	Services	4,069.22
166395	Turbine Supply Co	Materials - Field	2,076.00
166396	United Way of San Diego County	Employee Contributions 05/19/23-06/02/23	20.00
166397	UPS	Shipping	31.23
166398	Laurie and Dennis Van Grol	Refund Check 006356-000, 9810 North View Ct	2,251.09
166399	VCMWD Employees Assoc.	Employee Contributions 05/19/23-06/02/23	684.50
166400	Mike Young	Educational Reimbursement	348.00
166401	Zip's Truck Equipment, Inc.	CIP - Vehicles	115.39
TOTAL			<u>481,540.66</u>

Approved By: _____

General Manager



Director of Finance & Administration

VALLEY CENTER MUNICIPAL WATER DISTRICT
ELECTRONIC DISBURSEMENTS
FOR PERIOD MAY 1, 2023 THROUGH MAY 31, 2023

SEQ. #	DATE	PAYEE	DESCRIPTION	AMOUNT
BANK TRANSFERS:				
ACH:				
533	05/11/23	Direct Deposit	DIRECT DEP PAYROLL 04/21/23-05/05/23	201,171.56
	05/12/23	IRS	P/R TAX 04/21/23-05/05/23	41,328.74
	05/12/23	EDD	P/R TAX 04/21/23-05/05/23	12,215.22
	05/12/23	CALPERS	CALPERS CONTRIBUTIONS 04/21/23-05/05/23	54,316.26
	05/12/23	EXPERTPAY	GARNISHMENT 04/21/23-05/05/23	1,241.54
534	05/25/23	Direct Deposit	DIRECT DEP PAYROLL 05/05/23-05/19/23	199,618.58
	05/26/23	IRS	P/R TAX 05/05/23-05/19/23	41,269.46
	05/26/23	EDD	P/R TAX 05/05/23-05/19/23	12,063.02
	05/26/23	CALPERS	CALPERS CONTRIBUTIONS 05/05/23-05/19/23	54,376.79
	05/26/23	EXPERTPAY	GARNISHMENT 05/05/23-05/19/23	1,241.54

ONE TIME WIRES:

RECURRING WIRES:

583	05/10/23	SDCWA	WATER DELIVERY - MARCH 2023	660,947.98
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TOTAL	<u>1,279,790.69</u>
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APPROVED BY:

GENERAL MANAGER

J.V. Pyle

DIRECTOR OF FINANCE

June 19, 2023

TO: Honorable President and Board of Directors

FROM: Gary T. Arant, General Manager

**SUBJECT: BID RESULTS AND REQUEST TO APPROVE PURCHASE ORDER #115436
FOR THE PURCHASE OF ONE (1) NEW 2023 VEHICLE**

PURPOSE:

Provide bid results and request approval of purchase order #115436 for the purchase of one (1) new 2023 vehicle, as approved in the Fiscal Year 2022 – 2023 budget, to replace one (1) older existing vehicle.

SUMMARY:

In October the District solicited bids to purchase one (1) new 2023 1 ½ ton cab and chassis truck. Bid requests were sent out to a total of (40) truck dealerships.

On October 31, 2022 the District received bids to purchase one (1) new 2023 1 ½ ton cab and chassis truck to replace one older cab and chassis truck outfitted with a service body, truck #48. A new service body will be separately purchased and installed on the new cab and chassis. The truck was purchased in 2002 and has over 111,000 miles.

The District received the following bid quotes:

Courtesy Chevrolet Center	\$62,762.22 - (Does not meet spec.)
Paradise Chevrolet Cadillac	\$68,799.00 - (Does not meet spec.)
Ken Grody Ford	\$77,186.71 - (unable to guarantee delivery)

Due to the unprecedented number of economic challenges during the past two years and the ongoing supply chain issues, 1 ½ ton trucks are not readily available for purchase or order. Staff performed an extensive nationwide search for a truck similar to the Districts specifications and was unable to locate a truck or a dealership able to guarantee delivery of a truck.

Staff was contacted by Ken Grody Ford on May 26th of a truck similar to the Districts specifications that had just become available. The main difference between the available truck from Ken Grody and the Districts specifications is the location of the fuel tank. Staff will remove the rear fuel tank and install a midship tank to accommodate the new service body. The rear fuel tank along with other minor deviations from the Districts specifications decreased Ken Grody Ford's previous bid by \$2,079.57 to \$75,107.14.

Funds are available within the approved Fiscal Year 2022-2023 budget, for the approval of Purchase Order #115436 to Ken Grody Ford for their bid of \$75,107.14 including tax and fees.

RECOMMENDATION:

Staff requests approval of Purchase Order #115436 to Ken Grody Ford for the purchase of one (1) new 2023 1 ½ ton cab and chassis truck, for their bid of \$75,107.14.

PREPARED BY:



Brian Lovelady
Director of Operations/Facilities

APPROVED BY:



Gary T. Arant
General Manager



Valley Center Municipal Water District

A Public Agency

Purchase Order No:

115436

3 PRINTING STATION PRINTING OFFICE 10/10/00 11:00 AM 11/11/2001

Vendor Name: Vince Dixon Ford		Ship To: Valley Center Municipal Water District	
Ken Grody Ford			
Address: PO Box 1576		Address: 29300 Valley Center Road	
Carlsbad, CA 92018		Valley Center, CA 92082	
Telephone:	Fax:	Attn: Roy Rutherford	
Contact Name:	Delivery		
E-mail:	Instructions:		

Quote No: _____

Purchased For: Replacement for #48

Job No: _____

Ordered By: Roy Rutherford

Account No: 01067851371

Date Ordered: 5/26/2023

Required: 6/2/2023

Line	Item Number	Description	Qty	U/M	Unit Price	Ext Price	Tax
1		2023 Ford F550 Cab & Chassis	1	EA	\$72,095.00	\$72,095.00	<input checked="" type="checkbox"/>
2		Discount Savings	1	EA	(\$2,500.00)	(\$2,500.00)	<input checked="" type="checkbox"/>
3		Document Prep Price	1	EA	\$110.00	\$110.00	<input checked="" type="checkbox"/>

Subtotal: \$69,705.00

Shipping: \$0.00

7.75% Tax: \$5,402.14

Order Total: \$75,107.14

Approved By: _____

Date: 5.26.2023

Received By: _____

Date: _____

June 19, 2023

TO: Honorable President and Board of Directors

FROM: Gary T. Arant, General Manager

**SUBJECT: BID RESULTS AND REQUEST TO APPROVE PURCHASE ORDER #115494
FOR THE PURCHASE OF ONE (1) NEW 2023 VEHICLE**

PURPOSE:

Provide bid results and request approval of purchase order #115494 for the purchase of one (1) new 2023 vehicle to replace one (1) older existing vehicle.

SUMMARY:

In October the District solicited bids to purchase one (1) new 2023 1 ½ ton cab and chassis truck. Bid requests were sent out to a total of (40) truck dealerships.

On October 31, 2022 the District received bids to purchase a new 2023 1 ½ ton cab and chassis truck to replace one older cab and chassis truck outfitted with a service body. A new service body will be separately purchased and installed on the new cab and chassis.

The District received the following bid quotes:

Courtesy Chevrolet Center	\$62,762.22 - (Does not meet spec.)
Paradise Chevrolet Cadillac	\$68,799.00 - (Does not meet spec.)
Ken Grody Ford	\$77,186.71 - (unable to guarantee delivery)

Due to the unprecedented number of economic challenges during the past two years and the ongoing supply chain issues, 1 ½ and 1 ¼ ton trucks are not readily available for purchase or order. Staff has performed several extensive searches for a truck similar to the Districts specifications since October and was recently able to locate only one available truck. Staff purchased the available truck from Ken Grody Ford.

Ken Grody Ford is a Ford Pro Commercial dealership. As a Ford Pro dealership, they are granted additional vehicle allocations that are unavailable to other Ford dealerships. The additional vehicle allocations become available to Ken Grody after the vehicle has been manufactured and is ready to ship. Staff was contacted by Ken Grody Ford on June 6th of another truck similar to the Districts recent purchase and specifications that had just become available for delivery in late June. The main difference between the available truck from Ken Grody Ford and the Districts specifications is the location of the fuel tank. Staff can remove the rear fuel tank and install a midship tank to accommodate the new service body. The rear fuel tank along with other minor deviations from the Districts specifications decreased Ken Grody Ford's previous bid from October by \$2,079.57 for a new total of \$75,107.14.

Staff has been unable to locate a 1 ¼ ton truck for the replacement of truck #13 for the approved Fiscal Year 2022-2023 budget. For the proposed Fiscal Year 2023-2024 budget, staff is recommending the replacement of truck #26, a 2010 Ford F-550 with a new 1 ½ ton truck. The funds for the replacement of truck #13 would be used to purchase the Ford F-550 from Ken Grody Ford for the replacement of #26. Upon approval of the Fiscal Year 2023-2024 budget, the 1 ½ ton truck funds would then be used to purchase the 1 ¼ ton truck for the replacement of truck #13. The cost difference between the 1 ¼ and 1 ½ ton trucks is approximately \$2,500.

Funds are available within the approved Fiscal Year 2022-2023 budget, for the approval of Purchase Order #115494 to Ken Grody Ford for their bid of \$75,107.14 including tax and fees.

RECOMMENDATION:

Staff requests the approval and reallocation of funds for Purchase Order #115494 to Ken Grody Ford for the purchase of one (1) new 2023 1 ½ ton cab and chassis truck, for their bid of \$75,107.14.

PREPARED BY:



Brian Lovelady
Director of Operations/Facilities

APPROVED BY:



Gary T. Arant
General Manager



Valley Center Municipal Water District

A Public Agency

Purchase Order No:

115494

A FORMERLY SERRAVALLO COMPANY

Vendor Name: <u>Vince Dixon Ford</u>	Ship To: <u>Valley Center Municipal Water District</u>
<u>Ken Grody Ford</u>	
Address: <u>PO Box 1576</u>	Address: <u>29300 Valley Center Road</u>
<u>Carlsbad, CA 92018</u>	<u>Valley Center, CA 92082</u>
Telephone: _____ Fax: _____	Attn: <u>Roy Rutherford</u>
Contact Name: _____	Delivery _____
E-mail: _____	Instructions: _____

Quote No: _____

Purchased For: Replacement for #26

Job No: _____

Ordered By: Roy Rutherford

Account No: 01067851371

Date Ordered: 6/12/2023

Required: 6/19/2023

Line	Item Number	Description	Qty	U/M	Unit Price	Ext Price	Tax
1		2023 Ford F550 Cab & Chassis	1	EA	\$72,095.00	\$72,095.00	<input type="checkbox"/>
2		Discount Savings	1	EA	(\$2,500.00)	(\$2,500.00)	<input type="checkbox"/>
3		Taxes / Fees	1	EA	\$5,512.14	\$5,512.14	<input type="checkbox"/>

Subtotal: \$75,107.14

Shipping: \$0.00

7.75% Tax: \$0.00

Order Total: \$75,107.14

Approved By: _____

Date: 6.13.2023

Received By: _____

Date: _____

KEN GRODY FORD

V.C.M.W.D.

2023 F-550 XL 6.7L 4X4 CREW CAB

169"WB / 84"CA

STOCK #: B231554 -- DEAL #: PDA04238

SALESPERSON: KYLE KAINZ

6/6/2023 3:52 PM

Incentive programs and rebates are estimates, subject to change and verification. Tax Profile: 7.75% Tax

CASH PURCHASE

Market Value 72,095.00

Discount Savings - 2,500.00

Vehicle (after Savings) 69,595.00

Taxes / Fees 5,512.14

Due On Delivery 75,107.14

Interest Rates, Pricing, Rebates and Terms are estimates, subject to change and apply only on 6/6/2023.

FOR INTERNAL USE ONLY

Ken Grody Ford - Carlsbad -- (866) 376-9821

01.06.75.00

OHI-000936

CA

9-NORMAL, NB, 100936, PD111

128

ULN CERT CERT CERT TRD RAMP BUMP CAMP BOOK EXPL ROTA

013170
128/350

1FDUF5HT4

PDA04238 NB

BU09



ford.com

VEHICLE DESCRIPTION

SUPER DUTY

2023 F550 4X4 REG CHASSIS
XL 169" WB CHASSIS CAB
6.7L POWER STROKE V8 DIESEL
10-SPEED AUTO TORQSHIFTEXTERIOR
OXFORD WHITE
INTERIOR
MEDIUM DARK SLATE VINYL

PD A04238

STANDARD EQUIPMENT INCLUDED AT NO EXTRA CHARGE

EXTERIOR

- HEADLAMPS - AUTOLAMP (ON/OFF)
- HEADLAMPS - WIPER ACTIVATED
- MIRRORS - HTD, PWR GLASS/MANUAL FOLD/TURN SIGNALS
- ROOF CLEARANCE LIGHTS
- TOW HOOKS
- TRAILER BRAKE CONTROLLER
- TRAILER SWAY CONTROL
- TRAILER TOW WIRE HARNESS
- WIPERS - INTERMITTENT

INTERIOR

- 4.2" PRODUCTIVITY SCREEN
- AIR COND, MANUAL FRONT
- BLACK VINYL FLOOR COVERING
- OUTSIDE TEMP DISPLAY
- PARTICULATE AIR FILTER
- POWER LOCKS AND WINDOWS
- STEERING/TILT/TELESCOPE/CRUISE & AUDIO CONTROLS
- UPFITTER SWITCHES

FUNCTIONAL

- 4-WHEEL ANTILOCK BRAKE SYS
- FORDPASS™ CONNECT 5GWI-FI HOTSPOT TELEMATICS MODEM
- HILL START ASSIST
- JEWEL EFFECT HEADLAMPS
- REMOTE KEYLESS ENTRY
- STABILIZER BAR, FRONT/REAR
- SYNC®4 W/8" SCREEN

SAFETY/SECURITY

- ADVANCETRAC™ WITH RSC®
- AIRBAGS - SAFETY CANOPY®
- BELT-MINDER CHIME
- DRIVER/PASSENGER AIR BAGS
- SECURILOCK® ANTI-THEFT SYS
- SOS POST-CRASH ALERT SYS™

WARRANTY

- 3YR/50,000 BUMPER / BUMPER
- 5YR/60,000 POWERTRAIN
- 5YR/60,000 ROADSIDE ASSIST
- 6YR/100,000 DIESEL ENGINE

INCLUDED ON THIS VEHICLE

(MSRP)

OPTIONAL EQUIPMENT/OTHER

PREFERRED EQUIPMENT PKG.660A
6.7L POWER STROKE V8 DIESEL
10-SPEED AUTO TORQSHIFT
4.30 RATIO LIMITED SLIP AXLE
PAYLOAD PLUS PACKAGE UPGRADE
FRONT LICENSE PLATE BRACKET
FORD PRO UPFIT INTEGR REMOVAL
19500# GVWR PACKAGE
ENGINE BLOCK HEATER
60 STATE EMISSIONS
120V/400W OUTLET
HIGH CAPACITY TRAILER TOW PKG
CENTER HIGH MOUNT STOP LAMP
JACK
40 GAL AFT OF AXLE FUEL TANK
350 AMP ALTERNATOR
DUAL BATTERY
XL CHROME PACKAGE
FOG LAMPS
BRIGHT GRILLE
REMOTE START SYSTEM

9,995.00
NO CHARGE
395.00
1,155.00
NO CHARGE
400.00
100.00
NO CHARGE
175.00
590.00
NO CHARGE
55.00
NO CHARGE
NO CHARGE
NO CHARGE
225.00

PRICE INFORMATION

BASE PRICE
TOTAL OPTIONS/OTHER

(MSRP)

\$82,920.00
12,280.00

TOTAL VEHICLE & OPTIONS/OTHER
DESTINATION & DELIVERY

\$52,000.00
1,895.00

TOTAL MSRP \$67,095.00

RAMP ONE

RH27

RAMP TWO

RAIL

STEER 1:

71-D913 O/T 60



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SPECIAL ORDER

PD111-N RB 2X 335 000936 04 11 23

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FUEL ECONOMY RATINGS NOT
REQUIRED ON THIS VEHICLE

fuelconomy.gov

Calculate personalized estimates and compare vehicles



The FordPass® Connect modem is active and sending vehicle data (e.g., diagnostics) to Ford.** See in-vehicle settings for connectivity options.

*Based on 1977-2022 CY total sales.
**FordPass Connect (optional on select vehicles), the FordPass App and complimentary Connected Service are required for remote features (see FordPass Terms for details). Connected service and features depend on compatible AT&T network availability. Evolving technology/cellular networks/vehicle capability may limit functionality and prevent operation of connected features. Connected service excludes Wi-Fi hotspot.



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SCAN OR TEXT 1FDUF5HT4 PDA04238 TO 48028

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to print
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for help

www.ford.com/help/privacy-terms/

06/06/2023

June 19, 2023

TO: Honorable President & Board of Directors

FROM: Gary T. Arant, General Manager

SUBJECT: CONSIDER ADOPTING ORDINANCE NO. 2023-06 APPROVING PROPOSED INCREASED WATER METER CAPACITY AND ANNEXATION CHARGES AND APPLICABLE AMENDMENTS TO THE DISTRICT'S ADMINISTRATIVE CODE

PURPOSE:

Present for Board of Directors approval Ordinance No 2023-06 amending the District Administrative Code to 1) implement an increase in meter capacity and annexation charges to reflect current water system asset values, 2) clarify water meter requirements for Accessory Dwelling Units (ADUs) and 3) clarify approved uses and administration of the water meter capacity charges.

SUMMARY:

VCMWD collects Meter Capacity Charges for new meters and a per acre VCMWD Annexation Charge from properties requesting annexation to the District. The SDCWA sets their capacity charges independently of VCMWD ("the District"). The last adjustment to the District's meter capacity and annexation charge was approved in February 2022. Staff is proposing an increase in the meter capacity charges of approximately 8.3% and an annexation charge increase of approximately 7.0% based on the current water system and non-facility asset values as of June 30, 2022.

Modifications to the approach since last year include the following:

- Updated the Asset Values to the current Replacement Cost New Deprecation
- Updated the Equivalent Meter Count

The methodology used for determining the charge recommendations is a "Buy-In" approach to the water system asset value for the meter capacity charge and the corporate asset value for the annexation charge. The "Buy-In" components are based on a determination of the water facility's current value including Replacement Cost New Less Depreciation ("RCNLD") valuation of the facilities and applicable reserve balances as of June 30, 2022 divided by the number of equivalent ¾-inch water meters. This "Buy-In" methodology is in accordance with recommendations included in the AWWA Manual of Water Supply Practices entitled, "*M1 - Principles of Water Rates, Fees, and Charges*" and described in more detail in the attached staff memorandum dated May 11, 2023. Capacity charge revenues collected under this methodology can be used for capital replacement or investment in expansion projects. An additional incremental charge for funded projects that have a substantial benefit to new

connections within a specific, clearly defined, service area is added to the meter capacity charge for properties that are in those specific areas.

Proposed Water Meter Capacity Charge - The meter capacity charge recommendation from the described evaluation results in a 8.83% increase in the meter capacity charge from \$5,242 to \$5,705 for a ¾-inch meter. The following table summarizes the proposed water meter capacity charges for consideration.

Meter Size	¾-inch	1-inch	1 ½-inch	2-inch	3-inch
Current Capacity Charge	\$5,242	\$8,737	\$17,473	\$27,957	\$61,157
Proposed Increase	\$463	\$772	\$1,543	\$2,469	\$5,402
Proposed Capacity Charge	\$5,705	\$9,509	\$19,016	\$30,426	\$66,559
Percent Increase	8.83%	8.83%	8.83%	8.83%	8.83%

Incremental Charges

An Incremental Component to the Water Meter Capacity Charge is added for projects either 1) constructed by the District that benefit future connections in a specific area or 2) for contributed capital projects (Developer Projects with Reimbursement Agreements) that benefit future connections in a specific area. Where an Incremental Component applies, a Specific Benefit Area ("SBA") is established and a Specific Benefit Area Capacity Charge ("SBACC") is separately approved, conceptually during the project approval process based on estimated project costs, with final approval after project completion when all project costs are known. This charge is added to the meter capacity charge for new meters for only property within the Specific Benefit Area.

District Funded Projects - Incremental Charges have been established for the following water facility projects previously funded by the District; High Mountain Waterline, Red Ironbark Pump Station, and the Wilkes Road Waterline Extension Project. All new connections in the Red Ironbark SBA have been funded and the SBACC is complete. The High Mountain Drive and Wilkes Road projects are active SBAs.

Developer Funded Projects - Currently there is one remaining water facility developer reimbursement agreement in effect, the Via Piedra Waterline Extension Project.

The attached staff memo describes in more detail the previously approved SBACCs and locations of the Specific Benefit Areas. The RCNLD asset value for the projects is adjusted each year based on the Engineering News Record Construction Cost Index and an additional year of depreciation. The factors resulted in an average 4.4% increase from the previous year. The proposed charges are summarized in the following table:

Specific Benefit Area Capacity Charges					
SPECIFIC BENEFIT AREA (SBA) DESCRIPTION	Total Project Value (6/30/2021) (RCNLD) ¹	Total Project Value (6/30/2022) (RCNLD) ¹	SBA Build Out (Equivalent ¾-inch meter)	SPECIAL BENEFIT AREA CAPACITY CHARGE (per equivalent ¾ inch meter)	Percent Change from Previous Year
High Mountain Waterline	\$216,261	\$226,652	168	\$1,349	4.80%
Wilkes Road Waterline	\$743,668	\$791,917	362	\$2,187	6.49%
Via Piedra Waterline Extension - Total	\$571,203	\$571,203	37	N/A	
Via Piedra Waterline Extension - Subarea	\$3,656	\$3,656	10	\$366	0.00%
Via Piedra Waterline Extension - Subarea	\$73,611	\$73,611	6	\$12,268	0.00%
Via Piedra Waterline Extension - Subarea	\$493,936	\$493,936	21	\$23,521	0.00%

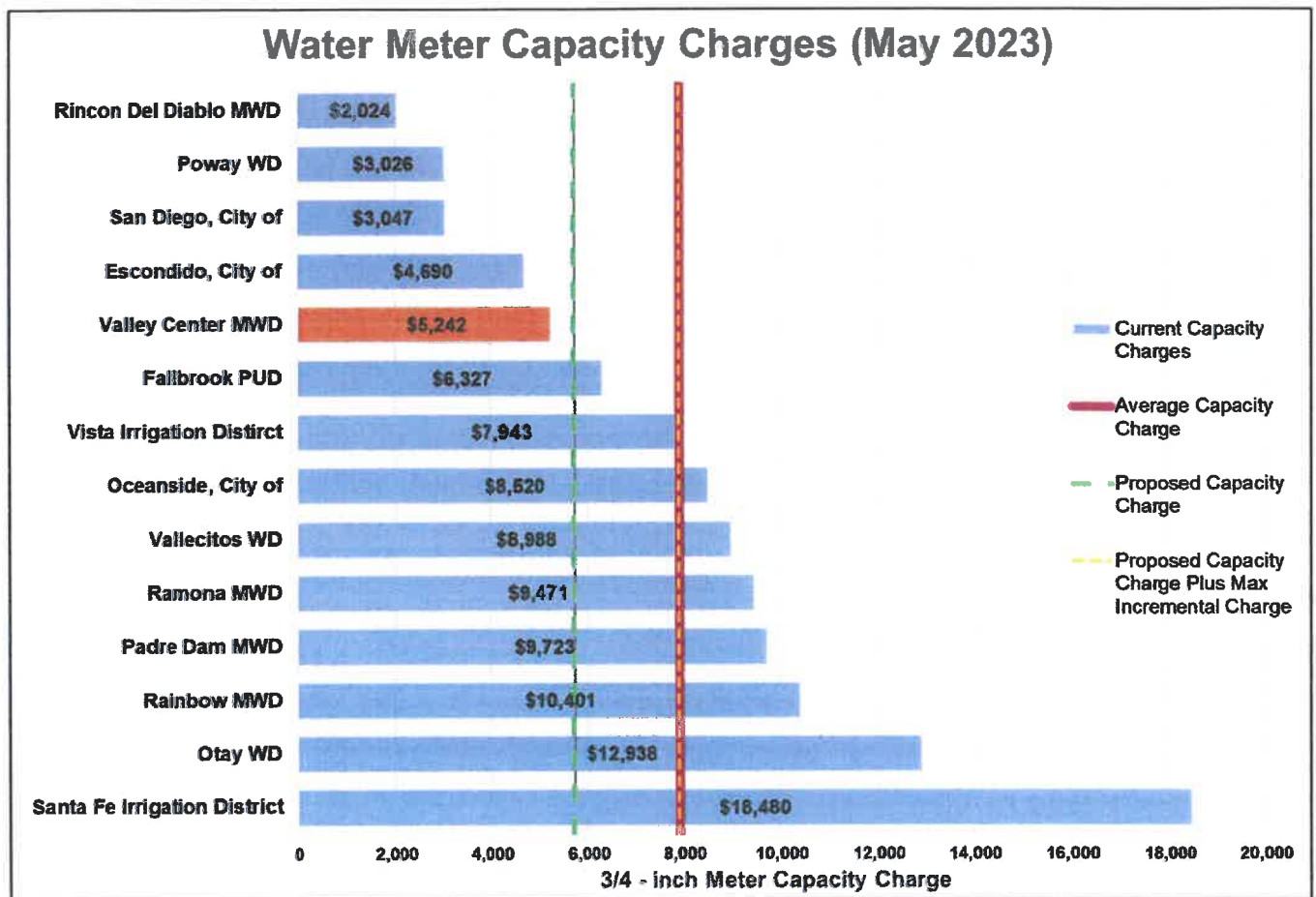
¹ Original Cost with No Depreciation is used for the Via Piedra SBACC pursuant to the Reimbursement Agreement.

Proposed Annexation Charge

Using a similar "Buy-In" methodology as the meter capacity charge, the annexation charge is determined as described in the District's Administrative Code Article 220.6. Modifications to this section are proposed to clarify the methodology used to determine the Annexation Charge. The attached memorandum, documents the June 30, 2022 asset values and valuations used to determine the annexation charge recommendation. Using this methodology, an increase of 7.0% of the annexation charge from \$1,325 per acre to \$1,418 per acre is recommended.

Capacity Charge Comparison

The following chart shows how the District's current Meter Capacity Charge for a ¾-inch meter compares to the current water meter capacity charges of other agencies in the San Diego County area. The solid red vertical line represents the average capacity charge for the agencies shown. The dashed green vertical line represents the proposed Valley Center Meter Capacity Charge. The dashed blue vertical line represents the proposed Valley Center Meter Capacity Charge plus the Wilkes Road Waterline SBA Capacity Charge.



Administrative Code Modifications

In addition to modifying the Administrative Code to reflect the increases in the capacity charges, staff is proposing two other modifications: 1) to clarify the capacity charge requirements for Accessory Dwelling Units (ADUs) and 2) to clarify the reserve requirements for administration of the capacity charges.

ADUs – The proposed modification to Section 160.2 (see Exhibit A to the Ordinance) would indicate that pursuant to state legislation there is no additional capacity or connection charge for adding an ADU to an existing service. Capacity and connection charges for ADUs constructed with new single-family dwelling units would be based on the water meter size required for the new development.

Capacity Charge Administration – The proposed modification to Section 50.2 (a) Reserves (see Exhibit C to the Ordinance) clarifies the administration of “Incremental” and “Buy-In” components of the collected capacity charges and approved uses of the collected capacity charges.

California Environmental Quality Act Considerations

The setting of Meter Capacity and Annexation Charges are not considered a “project” subject to CEQA review under State CEQA Guidelines section 15378, subdivision (b)(4) because they are considered a government funding mechanism that does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. The proposed meter capacity charges are also statutorily exempt from CEQA review under Public Resources Code section 21080, subdivision (b)(8) and State CEQA Guidelines section 15273 because the charges are for the purpose of obtaining funds for capital projects necessary to maintain service within existing service areas. Specific facilities are not being considered for approval but rather the Meter Capacity Charges that would be necessary to fund such facilities.

RECOMMENDATION:

Staff recommends the Board of Directors adopt Ordinance No. 2023-06, amending the following District Administrative Code articles:

- Article 160.2(a)4 to clarify ADU meter requirements and Article 160.4(c) and (e) to implement an increase in meter capacity charges as indicated above (see Exhibit A),
- Article 220.2 (e) to implement an increase in the Annexation Charge as indicated above (see Exhibit B),
- Article 50.2(a) 4 to clarify administration and uses of the meter capacity charges (see Exhibit C).

The proposed Administrative Code amendments are recommended to be made effective Monday, July 24, 2023 to provide for a 30-day public protest period pursuant to Administrative Code Article 30.12(a).

PREPARED BY:



Wally Grabbe
District Engineer

SUBMITTED BY:



Gary T. Arant
General Manager

Attachments:

Staff Memorandum dated May 11, 2023
Ordinance No. 2023-06

Exhibit A - Administrative Code Article 160.4 Revisions
Exhibit B - Administrative Code Article 220 Revisions
Exhibit C - Administrative Code Article 50 Revisions

DATE: May 11, 2023

TO: Gary Arant, General Manager

Jim Pugh, Director of Finance

FROM: Wally Grabbe, PE, District Engineer/Deputy General Manager

SUBJECT: Proposed Increase of the Water Meter Capacity and Annexation Charges

Water meter capacity charges are one portion of a system of charges and fees that provide the District with revenue from new customers for water system replacement or upgrade projects in accordance with Administrative Code Article 160.4. The District collects a meter capacity charge for each new meter installation that reflects the costs of providing and maintaining the capacity in the water supply and distribution system for the capacity rating of the meter size being purchased. These meter capacity charges are developed using a two component buy-in approach; 1) a base buy-in component to District wide beneficial facilities and 2) an incremental buy-in component for capital improvement projects benefitting specific portions of the District's service area. Revenue received from the meter capacity charges can be utilized for the replacement, upgrade and upsizing of the existing water facilities.

The last update to these charges was implemented in February 2021. The methodology for the water meter capacity charge incorporates a "buy-in" approach to the water facility asset value pursuant to recommendations included in the AWWA Manual of Water Supply Practices entitled, "M1 - Principles of Water Rates, Fees, and Charges" ("AWWA-M1"). This memo documents the facility asset value and meter capacity units that serve as the basis for the Meter Capacity Charges and the Annexation Charge. In addition, to the Buy-In component of the meter capacity charge, the memo further identifies certain Specific Benefit Areas where an "incremental" component of the meter capacity charge applies. The incremental component of the meter capacity is also pursuant to the recommendations included in AWWA-M1.

Base Buy-in Component

The Base Buy-In Component is developed to recognize and protect the investment of existing District customers who have contributed towards the installation and maintenance of the existing water system assets. This component reflects the meter capacity share of the value of the of the water system in existence as of the end of the fiscal year. Through payment of the proposed Buy-In Component, the new customers will be on an equal par basis as the existing customer's investment in the water system. The development process for the Buy-In component now further refines District asset values by adjusting the service life of the assets listed in the Fixed Asset Database to reflect their estimated actual useful life. The charges also reflect the revenues generated by properties within the District service area through payment of property taxes and availability charges that are applicable to the total value of the water system. This latter consideration is used in determining an equitable meter capacity and annexation charge.

Fixed Asset Database – A database of water facility assets (the District's Fixed Asset Database¹) is maintained that includes a description of the asset, the date the asset was placed in service, the asset's original value and the asset's depreciable life based on Governmental Accounting Standards Board (GASB) standards and guidelines.

Useful Life Determination - For most assets, the GASB standard for depreciable life used in the financial statements is substantially less than the asset's actual useful life. The useful life is the amount of time the asset is expected to be functional and fit-for-purpose. Facility assets that are in service and performing as intended are considered to have not reached the end of their useful life and continue to have value to the District. The Fixed Asset Database was evaluated to determine the current replacement cost of the facility using the Engineering News Record Construction Cost Index adjustment to the original value. Straight-Line depreciation was calculated based on the estimated actual useful life of the asset and subtracted from the estimated current value to determine the Replacement Cost New Less Depreciation ("RCNLD") valuation considered in the buy-in component calculation.

Incremental Buy-In Component

The incremental component comes into play when the existing system had limited capacity for new development and new facilities were constructed that allow the development of property within a specific benefit area that would not have been available without the improvements. This component applies to new customers that are impacted by either District or developer projects that have a substantial benefit to new connections in a specifically defined service area. The incremental component is used to buy-in to the facilities that were constructed and to reimburse the District or Developer their fair share of the improvements. This incremental component is associated with a Specific Benefit Area Capacity Charge (SBACC) approved by the Board of Directors. An Specific Benefit Area ("SBA") is a specifically defined portion of the overall service area. This SBACC is applied only to new customers (i.e., new meter sales) within an SBA and is in addition to the Meter Capacity Charge.

Meter Capacity Charges

Base Buy-in Component Calculation

The buy-in calculation is based on the total current value of existing capacity related water system assets found in District accounting records excluding contributed capital/assets. However, 1) both customers and non-customers within the District's service area pay availability charges and property taxes; 2) these availability charges and property taxes are used in constructing facilities and maintaining facilities to sustain longevity; and 3) the percentage of income available for capital projects that was generated by availability charges and property taxes since the year 2000 is calculated to be approximately 40%. It would not be appropriate to include this 40% as part of the buy-in to the current value of existing system assets in determining the meter capacity charge. To do so would be essentially charging new customers twice for the water facility assets funded by property taxes and availability charges previously paid by the new customer. Thus, properties applying for water service that are within the District service area should only be responsible for buying into 60% of the total value of existing system assets, since that property has already participated in funding 40% of that value.

¹ The Fixed Asset Database is incorporated herein by reference and is available for review upon request.

Considering the above, meter capacity charges are based on the following calculation utilizing values as of the end of fiscal year 2021-2022:

$$\frac{\text{Value of Water System Assets}}{\text{Number of Equivalent } \frac{3}{4}\text{-inch Meter Connections}}$$

Value of Water System Assets

The following eight items make up the total value of Existing Water System Assets. The individual value of these items as of the end of fiscal year 2021-2022 are obtained from year-end financial statements², unless otherwise indicated, and are presented in the table at the end of this section:

- Debt Service Reserve,
- Capacity Charge Reserve,
- Capital Improvements Reserve,
- Continuing Projects Reserve,
- Construction in Progress,
- Inventory,
- Land associated with capacity related assets (carried at its original value), and
- Facility Asset Value (Water Facilities only).
 - Less Remaining Principal Balance of applicable Capital Improvement Debt, and
 - Less Portion of Facility Asset Value Attributable to Property Taxes and Availability Charges.

Debt Service Reserve - Cash assets, equivalent to one annual debt service payment, set aside in a designated restricted reserve account to ensure payments to the State for the Drinking Water State Revolving Fund debt incurred for the Cool Valley Reservoir Cover/Liner replacement project as required by the terms of the loan agreement.

Capacity Charge Reserve – Unallocated cash reserves from meter capacity charge revenues that are available for capital improvement projects. Allocation of these reserve funds require General Manager and Board of Directors approval.

Capital Improvements Reserve – Unallocated cash reserves available for capital improvement projects generated from net revenues. Allocation of these reserve funds require General Manager and Board of Directors approval.

² The year-end financial statements are incorporated herein by reference and are available for review upon request.

Continuing Projects Reserve - Unexpended portions of previously authorized and budgeted capital improvement projects not completed by the end of the fiscal year. These funds will be carried over into the next fiscal year for completion of the projects.

Construction In Progress – Expended portion of previously authorized and budgeted capital improvement projects that have not been completed and/or capitalized by the end of the fiscal year. Once the capital improvements are completed the total project cost will be capitalized.

Inventory – The District maintains a stock inventory of materials to be used for the installation of water meters and repair of the water facilities. The value of the inventory is audited at the close of the fiscal year and the value is included as part of the investment in the Water System Facilities. The inventory is valued at its original cost and is not depreciated.

Land - The original acquisition value, as shown in the Fixed Asset Database, of the land on which water facilities are located is included in the total Water System Facilities value.

Water System Facilities – Represents the current value of the water system capital improvements constructed with District funds (i.e., not contributed capital). These improvements are sized and maintained to supply and deliver water to the District's customers at the rated meter capacity. The current value is based on the total RCNLD value of each system component as of the end of the fiscal year.

For each system component (an asset line item in the Fixed Asset Database) the Replacement Cost New (RCN) is calculated by multiplying the original asset cost (from District accounting records) by the ratio of the current Engineering News Record Construction Cost Index (ENR CCI) divided by the ENR CCI at the acquisition date of the identified asset. From this RCN value, accumulated depreciation is subtracted based on the estimated useful life of the asset. The timeframe for accumulated depreciation is based on a table of useful lives developed through the melding of industry standard actuarial tables and the District's experience with certain facilities and the actual serviceability of the asset. A straight-line method of depreciation based on asset age is used. Thus, the age of the asset is divided by its useful life, the result of which is multiplied by the RCN to arrive at the accumulated depreciation. This amount is subtracted from the RCN to arrive at the RCNLD.

Outstanding Capital Improvement Debt – Debt, in the form of a Drinking Water State Revolving Fund (DWSRF) loan, was issued for financing the Cool Valley Liner and Cover Replacement project. The annual debt service is funded from the net revenues of the District. As such, the outstanding principal balance of the DWSRF loan is deducted from the Water System Facilities value in calculating the meter capacity charge to avoid the potential double-charging of these debt costs through both the meter capacity charge and user rates.

Credit toward Availability Charge and Property Tax Revenues – A portion of the Water System Assets is funded from the District's availability charge and property tax revenues. There is also a potential of double-charging the property owner if the portion of these revenues applicable to the Water System Assets value is included in the calculation of the Meter Capacity Charge. Property owners within the District, both customers and non-customers, pay availability charges and property taxes. A portion of these availability charges and property taxes have been used in constructing facilities, maintaining facilities to sustain their longevity, and generating capital improvement reserve funds. The percentage of income available for capital projects that was generated by availability charges and property taxes since the year 2000 is calculated to be

approximately 40%³. Thus, it is equitable to not include this 40% share as part of the buy-in to the current value of existing water system assets. To do so would be double-charging property owners within the District for the water facility assets funded by availability charges and property taxes they previously paid. Thus, 40% of the total Water System Asset value is deducted for this purpose.

The following table summarizes, as of the end of the fiscal year, the value of each component making up the Water System Asset value:

Table 1 - Meter Capacity Charge Summary			
ITEM	WATER SYSTEM ASSETS	FINAL WATER SYSTEM VALUE (as of 06/30/2021)	FINAL WATER SYSTEM VALUE (as of 06/30/2022)
1	Debt Service Reserve	\$220,421	\$220,421
2	Capacity Charge Reserve (Unallocated Funds)	\$1,601,616	\$3,136,286
3	Capital Improvement Reserve (Unallocated Funds)	\$5,681,716	\$0
4	Continuing Projects Reserve (Carry Over to Next FY)	\$6,271,398	\$13,171,165
5	Construction in Progress (Funds Spent to Date on Projects not yet Complete)	\$4,839,267	\$3,864,382
6	Inventory	\$981,756	\$1,067,459
7	Land - (not including Corporate Facility Land and District Annexation Fees to MWD and SDCWA)	\$2,094,558	\$2,094,558
8	Water System Facilities (RCNLD)	\$137,114,524	\$151,816,712
	Less Outstanding Capital Improvement Debt	(\$3,100,629)	(\$2,929,134)
	Subtotal Water System Assets	\$155,704,628	\$172,441,848
	Less 40% of Subtotal as a Credit toward Availability Charge and Property Tax Revenues	(\$62,281,851)	(\$68,976,739)
	Total Water System Asset Value Related to Capacity Charge	\$93,422,777	\$103,465,109

Equivalent ¾-inch Meter Connections

There are 9,824 capacity related water meters in the District as of June 30, 2022, including both active and inactive accounts. Capacity related water meters do not include fire service meters or service meters at District facility sites. Capacity charges collected from the sale of water meters reflect the cost of that meter capacity in the existing water distribution system and are used to maintain that capacity in the system. The meters range in size from ¾-inch to 8-inch. Each progressively larger size meter will allow proportionally more water usage based on the meter's maximum safe operating capacity and thus, represents a proportionally greater number of equivalent ¾-inch meter connections. With the idea of assigning buy-in costs scaled to potential water capacity availability of each meter size, the District utilizes ratios of meter capacity, or multipliers, that relate to the 30 gpm maximum safe operating capacity of a ¾-inch meter as established by AWWA M1.

³ This percentage will be examined periodically to determine if modifications are necessary.

For example, the 100 gpm capacity of a 1½-inch meter is 3.33 times the capacity of a ¾-inch meter, and thus a 1½-inch meter represents 3.33 equivalent ¾-inch meters. As such, 100 - 1½-inch existing meters would represent 333 equivalent ¾-inch meters. This approach is applied to all the capacity related meters, both active and inactive and ranging from ¾ to 3-inch in size, which includes the vast majority of meters in the District. The multipliers for each meter size are shown in the following table.

Table 2 - Water Meter Capacity Ratios					
ITEM	Meter Size				
	¾-inch	1-inch	1 ½-inch	2-inch	3-inch
Maximum Rated Safe Operating Flow Rate (gpm)	30	50	100	160	350
Meter Equivalent Ratio	1.0000	1.6667	3.3333	5.3333	11.6667

Master Meters – There are four areas in the District served by master meters that are 6-inches and 8-inches in size. The master meter installation also includes a smaller meter installed in parallel with the larger meter to capture low flow readings more accurately. The equivalent ¾-inch meter connections represented by the master meters, are determined based on the number of units/homes in the specific development served by the master meter. The following table summarizes the equivalent ¾-inch meter calculations for the master meter installations and the appropriate adjustments to the total District meter counts.

Table 3 - Master Meter Adjustment				
Development	Connections	Primary Meters		Secondary Meters
		8-inch	6-inch	2-inch
Skyline Ranch	221		1	1
Castle Creek Villas	66	1		1
Circle R HOA	80	1		1
Champagne Village	460	1		1
Total	827	3	1	4

The following table represents the equivalent meter calculations used for determining the Meter Capacity Charge as of June 30, 2022. Considering that the inactive meters do not purchase water and that the revenue from the sale of water generated a substantial portion of the capital improvement funds in the past, the number of equivalent meters was reduced by 25% of the equivalent inactive meter count in determining the meter capacity charge. As a result, 18,136 equivalent ¾-inch meter connections, as presented in the following table, were used in determining the new Meter Capacity Charge:

Table 4 - Equivalent Meter Count as of June 30, 2022								
Meter Size/Type	Active Water Meters	InActive Water Meters	Total Capacity Meter Count	Master Meter Adjustment	Equivalent Active Meters	Equivalent InActive Meters	InActive Meter Adjustment	Equivalent Meter Count
¾-inch	6,684	252	6,936	827	7,511	252	(63)	7,700
1-inch	1,506	165	1,671		2,510	275	(69)	2,716
1½-inch	488	85	573		1,627	283	(71)	1,839
2-inch	576	141	717	(4)	3,051	752	(188)	3,615
3-inch	141	71	212		1,645	828	(207)	2,266
6-inch	1		1	(1)	0	0	0	0
8-inch	3		3	(3)	0	0	0	0
Total	9,399	714	10,113		16,343	2,391	(598)	18,136

Meter Capacity Charge – The Meter Capacity Charge is calculated by dividing the Total Water System Asset value by the equivalent number of ¾-inch meters. The following tables summarize the calculation for the ¾-inch meter capacity charge (Table 5) and the extrapolation of the ¾-inch charge to the other meter sizes (Table 6) using the meter capacity multiplier values discussed earlier.

Table 5 - Meter Capacity Charge Calculation		
	FINAL WATER SYSTEM VALUE (as of 06/30/2021)	FINAL WATER SYSTEM VALUE (as of 06/30/2022)
Total Water System Asset Value Related to Capacity Charge	\$93,422,777	\$103,465,110
Equivalent Connections	17,822	18,136
Proposed Meter Capacity Charge	\$5,242	\$5,705
Percent Increase	5.9%	8.8%

Table 6 - Water Meter Capacity Charge Summary					
ITEM	Meter Size				
	¾-inch	1-inch	1 ½-inch	2-inch	3-inch
Proposed Capacity Charge	\$5,705	\$9,509	\$19,016	\$30,426	\$66,559
Current Capacity Charge	\$5,242	\$8,737	\$17,473	\$27,957	\$61,157

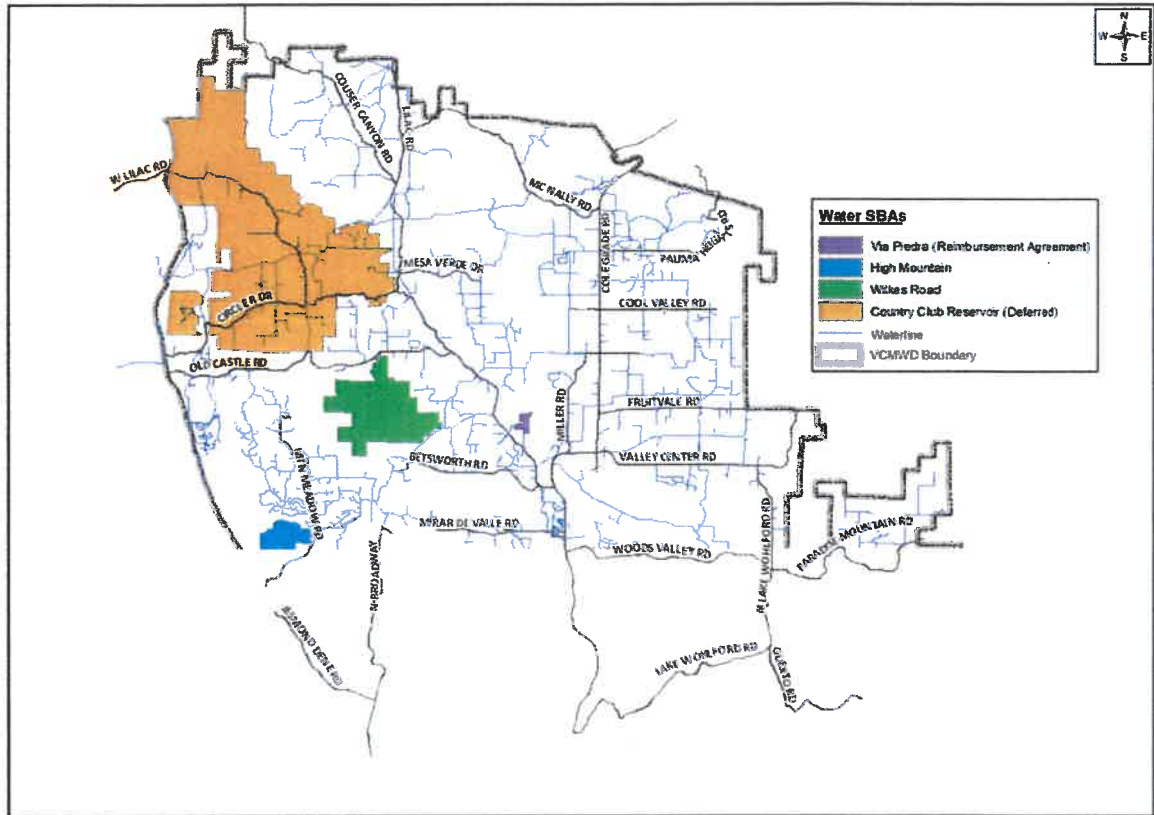
Specific Benefit Area Capacity Charge (SBACC)

All of the incremental charges associated with an SBA are created on a case-by-case basis for projects that benefit a specific identified area. The SBACC's are given conceptual approval during the project funding stage, then receive final approval after project completion. Thus, the SBACC is initially approved separately from the Meter Capacity Charge process but is included in the review with each update of the Meter Capacity Charges. These incremental charges are assigned to parcels benefitting from the improvement. The value associated with the charge depreciates over time and will eventually cease to exist. The Board of Directors can determine to eliminate the SBACC at any time during the life of the asset, subject to the terms of the reimbursement agreement for developer funded projects, if applicable.

There are two completed and funded system upgrade projects that have an active SBACC (Wilkes Road and High Mountain Waterline Extension) and one remaining active developer reimbursement agreement (Via Piedra Waterline Extension). The SBA established for the Red Ironbark Pump Station has been completed and all new connections at the time the SBA was established have funded the required SBACC. The Country Club Reservoir Upgrade project was considered for an SBACC, but without a County approved General Plan Amendment increasing densities in the area, an SBACC is not justified.

SBACC Calculation - The cost of the project is established at final acceptance, capitalized and included in the Fixed Asset Database at the project's original cost. Full buildout of the SBA is determined (in equivalent ¾-inch meters) and the project cost per ¾-inch equivalent meter is identified. Only new connections with the SBA established for the project are responsible for the SBACC. With the exception of the Via Piedra reimbursement agreement, the amount of the SBACC is adjusted each year using a similar methodology as used for Meter Capacity Charge in which the RCNLD value of the project is determined and the full buildout of the SBA verified and used to calculate a new SBACC per ¾-inch equivalent meter. In contrast to this, the SBACC for the Via Piedra project remains constant for the 20-year term of the reimbursement agreement pursuant to the terms and conditions of the developer's reimbursement agreement.

The active SBAs are identified and shown in the following exhibit and discussed in the following sections.



High Mountain Waterline Extension Project – This project connected the waterline in Mountain Meadow Road to the existing waterline in High Vista Drive by construction of an 8-inch waterline in High Mountain Drive. The waterline improved redundancy, water quality and water pressure in the High Vista area, allowing new connections in the area. The amount of the proposed SBACC for the High Mountain Waterline project is shown in the table below.

Wilkes Road Waterline Extension Project – This project connected the dead-end waterline in Wilkes road completing a looped system improving redundancy and water quality in the area, allowing new connections in the service area in the vicinity of Wilkes and Mystery Mountain Road. The amount of the proposed SBACC for the Wilkes Rd Waterline project is shown in the table below.

Via Piedra Line Extension Project - The Via Piedra Line Extension project is the remaining active developer reimbursement agreement. The project proponent installed 1,900 linear feet of 8-inch waterline in Via Piedra Road to provide water service and fire protection to the area. New development in the service area would require the installation of a fire hydrant and benefits from the project. The installation consists of three reaches progressively serving three separate subareas, A through C. Subarea A is wholly owned by the project proponent and not subject to the SBACC, although its applicable share of the project cost is shown in the table below, along with the SBACC applicable to the other two subareas. The project was accepted in December 2006 and the reimbursement agreement will remain in effect for 20 years, through November 2026. The amount of the SBACC was established at acceptance based on the original cost to the project as indicated in the table below.

County Club Reservoir Upgrade Project – The single basin 10 mg Country Club reservoir was upgraded to a two 5 mg basin design. The reservoir upgrade provided more adequate

redundancy for the service area. eliminating the need for the Hauck Mesa Reservoir; allowing that reservoir to be declared surplus and sold. The proceeds of the sale of the reservoir was roughly equivalent to the portion of the reservoir upgrade cost attributable to anticipated new development in the service area pursuant to the existing General Plan Land Use designations. Thus, no SBACC is recommended for the Country Club Reservoir upgrade project at this time. Should the County of San Diego approve a General Plan amendment in the Country Club Reservoir service area increasing the allowable density, resulting in an increase in the ultimate buildout of the area, the recommendation for implementing an SBACC for the area may need to be re-evaluated.

TABLE 7 - Specific Benefit Area Capacity Charges - FYE 2022					
SPECIFIC BENEFIT AREA (SBA) DESCRIPTION	Total Project Value (6/30/2021) (RCNLD)¹	Total Project Value (6/30/2022) (RCNLD)¹	SBA Build Out (Equivalent ¾-inch meter)	SPECIAL BENEFIT AREA CAPACITY CHARGE (per equivalent ¾ inch meter)	Percent Change from Previous Year
High Mountain Waterline	\$216,261	\$226,652	168	\$1,349	4.80%
Wilkes Road Waterline	\$743,668	\$791,917	362	\$2,187	6.49%
Via Piedra Waterline Extension - Total	\$571,203	\$571,203	37	N/A	
Via Piedra Waterline Extension - Subarea A	\$3,656	\$3,656	10	\$366	0.00%
Via Piedra Waterline Extension - Subarea B	\$73,611	\$73,611	6	\$12,268	0.00%
Via Piedra Waterline Extension - Subarea C	\$493,936	\$493,936	21	\$23,521	0.00%

¹ Original Cost with No Depreciation is used for the Via Piedra SBACC pursuant to the Reimbursement Agreement.

Annexation Charge

The Annexation Charge reflects the per acre cost for a property owner to annex their property into the District and be on par with the investment other properties within the District have made in the District's Assets. Annexation charges are separate from the water meter capacity charges and any costs associated with extending service lines to the subject property. The Annexation Charge is calculated as a buy-in to the District's Water Facility and Corporate Assets. This annexation charge does not consider the additional cost to buy-in to existing wastewater facilities.

The Facility Asset Value used in determining the annexation charge is that portion of the total facility asset value attributable to availability charge and property tax revenues. The Corporate Assets used in determining the Annexation Charge include the following components: A) the Corporate Non-Facility Assets of the District, B) Corporate Facility Assets (Buildings), and C) Land Associated with the Corporate Facility Assets. The Annexation Charge is calculated by the sum of the following:

- 1) the Facility Asset Value portion describe above divided by the Total Non-Exempt Acreage in the District, and
- 2) the Corporate Asset Value divided by the Total Non-Exempt Acreage plus the Exempt Acreage with water service.

Facility Assets attributable to Availability Charge and Tax Revenue – Same value deducted from the meter capacity charge calculation.

Corporate Assets – Include the following:

- Non-Facility Assets consisting of Operations Reserve, Office Equipment, Lease, Vehicles, Field Equipment and Water Inventory. Operations Reserve and Water Inventory values are the account balances obtained from year-end financial statements as of the end of fiscal year 2021-2022. The values for Office Equipment, Vehicles and Field Equipment reflect the depreciated value (Replacement Cost New Less Depreciation) as of the end of fiscal year 2021-2022 utilizing the item service life represented in the Fixed Asset Database⁴. ENR CCI adjustments were used to estimate the replacement cost new valuation.
- Corporate Facility Assets – Include the value of the buildings located at the Corporate Facility site on Valley Center Road as of the end of June 30, 2021. The value is calculated utilizing the RCNLD methodology of the water facility assets adjusting the depreciable life of the assets as listed in the Fixed Asset Database to reflect the estimated actual useful life of the facilities.
- Land – Original acquisition value of the corporate facility property at Valley Center Road and value of the property acquired on Lilac Road for the potential relocation of the corporate facilities.

District Acreage – The acreages used as the denominator for the calculation of the Annexation Charge represents 1) the total acreage of the District for the Facility charge portion and 2) the total non-exempt acreage of all property within the District plus the acreage of the Exempt acreage with water service. All acreages are determined from the District's Geographic Information System ("GIS"). A weighted acreage component of the deferred properties is used to adjust for the payment of taxes but not availability charges.

The acreage used for the Facility Asset portion includes only property generating availability charge and tax revenues (no Exempt Property). The acreage used for the Corporate Asset portion includes all non-exempt property in the District plus the acreage of the exempt property with water service. Thus, the Corporate Asset portion of the charge excludes those properties that generate neither availability charge revenue, tax revenue or water revenue. The District facility sites that have water service are also excluded because the water service does not generate water revenues.

The following table summarizes the breakdown of the District acreage, with and without water

⁴ The year-end financial statements and Fixed asset Database are incorporated herein by reference and are available for review upon request.

service, that is Non-Exempt (paying taxes and availability charge) and the total of those properties that are Exempt from Taxes and Availability Charges, (Government lands, ROWs, a weighted portion of the Deferred Properties).

Table 8 - District Acreage Summary					
Service Area Designation	Non-Exempt Acreage¹	Exempt Acreage²	Total Acreage	Facility Assets Acreage	Corporate Assets Acreage
Deferred Property³	1,307	88	1,395	1,307	1,307
Not Served	11,412	5,100	16,512	11,412	11,412
<i>Not Served Property</i>	<i>11,268</i>	<i>3,379</i>	<i>14,647</i>	<i>11,268</i>	<i>11,268</i>
<i>VCMWD Property</i>		<i>523</i>	<i>523</i>	<i>0</i>	<i>0</i>
<i>ROW and Undefined</i>	<i>144</i>	<i>1,198</i>	<i>1,342</i>	<i>144</i>	<i>144</i>
With Water Service	43,953	2,433	46,386	43,953	46,386
Total Service Area Acreage	56,672	7,621	64,293	56,672	59,105

¹ Non-Exempt Acreage pays property taxes.

² Exempt Acreage does not pay property taxes but does pay Water Availability Charges - Except Deferred Property and VCMWD.

³ Deferred Property is Non-Exempt but does not pay Water Availability Charges. Deferred Property's Non-Exempt Acreage is reduced based on the ratio of estimated property tax revenue and deferred water availability charge revenue.

The following table summarizes the individual component values making up the Total Corporate Asset Value and the recommended Annexation Charge:

Table 9 - Annexation Charge Summary			
ITEM	ASSET DESCRIPTION	FINAL CORPORATE ASSET VALUE (as of 06/30/2021)	FINAL CORPORATE ASSET VALUE (as of 06/30/2022)
1	Facility Assets funded from Availability Charges and Taxes (Divided by Non-Exempt Acreage)	\$62,281,851	\$68,976,739
2	Corporate Assets		
2(A)	Corporate Non-Facility Assets	\$8,398,982	\$6,587,230
2(A)1	Operations Reserve	\$7,138,008	\$5,483,188
2(A)2	Office Equipment	\$625,133	\$483,858
2(A)3	Lease		\$41,935
2(A)4	Vehicles	\$475,977	\$364,110
2(A)5	Field Equipment	\$48,094	\$120,575
2(A)6	Water Inventory	\$111,770	\$93,563
2(B)	Corporate Facility Assets (Buildings)	\$3,250,000	\$3,571,439
2(C)	Land Associated with Corporate Facility Assets	\$1,712,071	\$1,712,071
2	Total Corporate Assets (Divided by Non-Exempt Acreage plus Exempt Acreage with Service)	\$13,361,053	\$11,870,740
Total Corporate Assets Related to Annexation Charges		\$75,642,904	\$80,847,479
Total Non-Exempt District Acreage		56,672	56,672
Total Non-Exempt plus Exempt Acreage with Service		59,105	59,105
Annexation Charge (\$/Acre)		\$1,325	\$1,418
Percent Increase from Previous FY		9.5%	7.0%

Summary Recommendations

It is recommended that

- The meter capacity charge be established at \$5,705 per equivalent $\frac{3}{4}$ -inch meter (8.8% increase).
- The Specific Benefit Area Capacity Charges for High Mountain, Wilkes Rd, and Via Piedra Waterline Extension Projects be increased as shown in Table 7, above, and
- The Annexation Charge be increased to \$1,418 per acre (a 7.0% increase).

ORDINANCE NO. 2023-06

**ORDINANCE OF THE BOARD OF DIRECTORS OF
VALLEY CENTER MUNICIPAL WATER DISTRICT
AMENDING ADMINISTRATIVE CODE
ARTICLE 160 INCREASING WATER METER CAPACITY CHARGES AND
CLARIFYING ACCESSORY DWELLING UNIT METER REQUIREMENTS,
ARTICLE 220 INCREASING THE ANNEXATION CHARGE, AND ARTICLE 50
CLARIFYING CAPACITY CHARGE RESERVE REQUIREMENTS**

WHEREAS, California Government Code Section 66013 sets forth certain requirements for local agencies concerning the establishment of new or increases to capacity charges;

WHEREAS, the District has previously established Water Meter Capacity Charges pursuant to Government Code Section 66013;

WHEREAS, the District has previously established procedures for calculating Annexation Charges;

WHEREAS, the District has undertaken a review of its Water Meter Capacity and Annexation Charges and determined that increases to the rates of the current Meter Capacity Charges and modifications to the procedures for calculating the Annexation Charge are necessary to recover the costs of the identified public facilities that are of proportional benefit to persons or property who will be charged;

WHEREAS, a Water Meter Capacity and Annexation Charge Memorandum dated May 11, 2023 (the "Memorandum") has been prepared by District staff and describes the methodology and basis for the determination of the proposed Water Meter Capacity and Annexation Charge and by this reference is incorporated herein;

WHEREAS, the proposed Water Meter Capacity Charges do not exceed the estimated reasonable cost of public facilities in existence at the time a charge is imposed or charges for new public facilities to be acquired or constructed in the future that is of proportional benefit to the person or property being charged providing the service for which they are proposed to be imposed;

WHEREAS, the District, as lead agency, has determined that the proposed Water Meter Capacity and Annexation Charges are not subject to environmental review under the California Environmental Quality Act ("CEQA"), Public Resources Code section 21000 *et seq.*, and the State CEQA Guidelines, Title 14 of the California Code of Regulations, section 15000 *et seq.*;

WHEREAS, the proposed Water Meter Capacity and Annexation Charges are not considered a "project" subject to CEQA review under State CEQA Guidelines section 15378, subdivision (b)(4) because they are considered a government funding mechanism that does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment;

WHEREAS, the proposed Water Meter Capacity and Annexation Charges are also statutorily exempt from CEQA review under Public Resources Code section 21080, subdivision (b)(8) and State CEQA Guidelines section 15273 because the charges are for the purpose of obtaining funds for capital projects necessary to maintain service within existing service areas;

WHEREAS, specific facilities necessary to maintain service within existing service areas are not being considered for approval but rather the Meter Capacity and Annexation Charges that would be necessary to fund such facilities; and

WHEREAS, the Board of Directors has considered all comments received at the June 19, 2023 Board Meeting, prior to the adoption of this Ordinance, and the exemption finding reflects the Board of Directors' independent judgment and analysis.

BE IT ORDAINED by the Board of Directors of the VALLEY CENTER MUNICIPAL WATER DISTRICT as follows:

1. The above Recitals are true and correct and are made findings and determinations of the Board of Directors.
2. The findings and determinations contained in the Memorandum are hereby adopted and made findings and determinations of this Board of Directors, including the methodology and factual basis for determining the rates for the Water Meter Capacity and Annexation Charges.
3. Water Meter Capacity and Annexation Charges will be used for the purpose of financing public facilities as specified in the Memorandum.
4. In accordance with the District's Administrative Code Article 220 "Annexation Procedures", an Annexation Charge shall be charged on any parcel approved for annexation to the District as a part of the terms and conditions for annexation.
5. In accordance with the District's Administrative Code Article 160 "Water Service - Rules and Regulations", a Water Meter Capacity Charge shall be imposed on:
 - a. any parcel without a meter requesting new service; and
 - b. any parcel with an existing meter requesting additional capacity.

6. The Board hereby adopts the following amounts for the Water Meter Capacity Charges:

Table 6 - Water Meter Capacity Charge Summary					
ITEM	Meter Size				
	¾-inch	1-inch	1 ½-inch	2-inch	3-inch
Proposed Capacity Charge	\$5,705	\$9,509	\$19,016	\$30,426	\$66,559
Current Capacity Charge	\$5,242	\$8,737	\$17,473	\$27,957	\$61,157

7. The District's Administrative Code, Sections 160.4(c) and (e) shall be and are amended, as set forth in Exhibit A, attached hereto.
8. The District's Administrative Code, Sections 160.2 shall be and is amended, as set forth in Exhibit A, attached hereto.
9. The Board hereby adopts \$1,418 per acre for the Annexation Charge.
10. The District's Administrative Code, Article 220 shall be and is amended, as set forth in Exhibit B, attached hereto.
11. The District's Administrative Code, Article 50 shall be and is amended, as set forth in Exhibit C, attached hereto.
12. The Administrative Code changes shall become effective July 24, 2023.
13. The District General Manager is hereby authorized and directed to take all actions necessary to collect the authorized Water Meter Capacity and Annexation Charges.
14. All ordinances, resolutions, or administrative actions by the Board of Directors, or parts thereof that are inconsistent with any provision of this Ordinance are hereby superseded only to the extent of such inconsistency.
15. If any section, subsection, clause or provision in this Ordinance or the application thereof to any person or circumstances is for any reason held invalid, the validity of the remainder of this Resolution or the application of such provisions to other persons or circumstances shall not be affected thereby. The Board of Directors hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases or the application thereof to any person or circumstance be held invalid.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Valley Center Municipal Water District held on the 19th day of June, 2023, by the following vote, to wit:

Robert A. Polito, *President*

ATTEST:

Kirsten Peraino, *Board Secretary*

EXHIBIT A

Article 160 Water Service - Rules and Regulations

Sec. 160.2 Water Service Applications.

(a) Meter Requirements

1. All water service provided by the District shall be supplied through a District installed water meter purchased by the Applicant/Owner in accordance with this Article.
2. A separate irrigation meter shall be required for all new commercial, industrial, and institutional developments.
3. A separate water meter shall be required for each unit of a newly constructed multiunit residential structure and each residential unit of a mixed-use residential and commercial structure. The General Manager, or his or her designee, may exempt the following types of structures from this requirement where the applicant demonstrates and submits evidence that compliance would result in undue hardship and excessive expense:
 - i. Categories of structures exempt from submetering requirements under applicable law, including, but not limited to, the following:
 - a) Low income housing,
 - b) Housing at places of education,
 - c) Long-term health care facilities,
 - d) Time-share property, and
 - e) Residential care facilities for the elderly.
 - ii. Apartment buildings where the owner installs, maintains, reads, bills, and tests a submeter for each residential unit, in accordance with applicable laws, including, but not limited to, the California Plumbing Code and California Water Code.
 - iii. Multiunit residential structures exempted from this requirement would be subject to the Water Serviceability Charge provisions of Section 160.10.
4. Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs)
 - i. ADUs and JADUs being added to a residential lot with an existing single-family structure may utilize the existing water service to the residential lot. However, the property owner shall be responsible for upsizing the water service if the property owner determines that the water service is not adequate for additional units.
 - ii. ADUs and JAUs being constructed concurrently with a new single-family structure on a residential lot may be served from one water service adequately sized for the proposed improvements; however, a separate

water meter would be required for both dwellings on the residential lot.

- iii. Fire service meters for the ADUs shall be subject to the provision of Section 160.23.

Sec. 160.4 Connection of Service

- (c) Valley Center Municipal Water District (VCMWD) Meter Capacity Charge. In addition to any other charge provided herein, the applicant requesting new service for any parcel shall be required to pay a VCMWD meter capacity charge for capital improvements to the District's water system as follows:

<u>3/4"</u>	<u>1"</u>	<u>1-1/2"</u>	<u>2"</u>	<u>3"</u>
\$5,242	\$8,737	\$17,473	\$27,957	\$61,157
\$5,705	\$9,509	\$19,016	\$30,426	\$66,559

Plus any Special Benefit Area charges approved by the Board of Directors. The Engineering Department shall maintain a map and list of all approved charges.

- (e) VCMWD Meter Capacity Credits. When an existing meter is downsized in accordance with Section 160.7 hereof, and a credit balance remains, a VCMWD Meter Capacity Credit, in the form of an agreement between the District and property owner, may be issued for the amount of capacity represented by the credit balance as follows:

6. The capacity credit shall be calculated as a ratio of the credit balance to the VCMWD meter capacity charge of a 3/4" meter.

Example: Applicant desires to downsize a 2" meter to four 3/4" meters and transfer the remaining capacity to another of his/her parcels. The capacity credit would be calculated as follows:

Capacity Credit = Credit Balance ÷ 3/4" VCMWD Meter Capacity Charge⁽¹⁾

VCMWD Meter Capacity Charge:	
4-3/4" meters @ \$5,705⁽¹⁾	\$22,820
Less 2" VCMWD Meter Capacity Charge	- (30,426)
Credit Balance	(\$7,606)

Thus, the Capacity Credit = **7,606 / 5,705** = 1.3333

- ⁽¹⁾ Use the VCMWD meter capacity charges per Sec. 160.4(c) current at the time the meter is downsized.

11. When used to purchase new meter capacity, the amount of the capacity credit would be multiplied by the 3/4" VCMWD meter capacity charge in

place at that time. The capacity credit may be applied only to the VCMWD meter capacity charge and to no other charges.

Example: Applicant desires to purchase 1" meter and has a 1.3333 meter capacity credit. Balance due for this transaction would be calculated as follows:

$$\text{Available Credit} = \text{VCMWD Meter Capacity Credit} \\ \times 3/4" \text{ VCMWD Meter Capacity Charge}^{(2)}$$

$$\text{Available Credit} = 1.3333 \times \$5,705 = \$7,606$$

VCMWD 1" Meter Capacity Charge ⁽²⁾	\$9,509
Less the available credit	(7,606)
Balance due for VCMWD Meter Capacity Charge	\$1,903

- ⁽²⁾ Use the VCMWD Meter Capacity Charges per Sec. 160.4(c) current at the time the new meter is being purchased.

EXHIBIT B

Article 220 Annexation Procedures

Sec. 220.2 Request for Annexation. Applicants shall be the owners of the territory proposed to be annexed to the District. Applicants shall submit an RFA in a form prescribed by the District, and a description of the area proposed to be annexed. Such description shall be made by reference to a map on file with the District, which map shall govern for all details as to the extent of the area proposed to be annexed. The RFA shall be submitted concurrently with an application for annexation to SDCWA and MWD, if applicable.

- (a) Upon receipt of the RFA, the Applicant shall have an initial meeting with District staff to review the reasons for the annexation request, intended use on or development of the territory to be annexed, as well as the District's annexation policies, procedures, tentative terms and conditions, including any possible mitigation measures, for completion of annexation.
- (b) If the Applicant desires to move forward with the RFA, the Applicant shall deposit \$10,000.00 with the District to reimburse the District for its administrative, processing, investigation, and review costs and expenses (including data collection, engineering and legal analysis, preparation of maps and legal descriptions, and application documents) including all costs of District staff and retained consultants incurred as a result of the annexation proceedings and the concurrent annexation to SDCWA and MWD, if applicable.
- (c) Once the annexation deposit is made, the Applicant shall provide the District, as it deems appropriate and necessary, any additional technical information and detailed data concerning site conditions, existence of local surface and groundwater, and the intended uses and associated gross and net imported water demands for proposed development on the annexing territory so as to complete the formal annexation application and recommendation for submission to the Board of Directors.
- (d) In order for the District to recover all costs incurred in connection with the annexation, Applicants shall be periodically charged in advance for any anticipated costs and expenses that the District may incur in connection with the annexation proceedings. Any such charges shall be paid in a timely manner to maintain active processing of the RFA. Upon completion of the annexation process, any excess funds will be refunded to the Applicant.
- (e) Prior to the District Board of Directors' adoption of an Ordinance approving an annexation of territory, the Applicant shall pay a separate "Annexation Charge", in the amount of \$1,325 ~~\$1,418~~ per acre, in accordance with Section 220.6.

EXHIBIT A

adequately sized for the proposed improvements; however, a separate water meter would be required for both dwellings on the residential lot.

- iii. Fire service meters for the ADUs shall be subject to the provision of Section 160.23.

Sec. 160.4 Connection of Service

- (c) Valley Center Municipal Water District (VCMWD) Meter Capacity Charge. In addition to any other charge provided herein, the applicant requesting new service for any parcel shall be required to pay a VCMWD meter capacity charge for capital improvements to the District's water system as follows:

<u>3/4"</u>	<u>1"</u>	<u>1-1/2"</u>	<u>2"</u>	<u>3"</u>
\$5,242	\$8,737	\$17,473	\$27,957	\$61,157
\$5,705	\$9,509	\$19,016	\$30,426	\$66,559

Plus any Special Benefit Area charges approved by the Board of Directors. The Engineering Department shall maintain a map and list of all approved charges.

- (e) VCMWD Meter Capacity Credits. When an existing meter is downsized in accordance with Section 160.7 hereof, and a credit balance remains, a VCMWD Meter Capacity Credit, in the form of an agreement between the District and property owner, may be issued for the amount of capacity represented by the credit balance as follows:

6. The capacity credit shall be calculated as a ratio of the credit balance to the VCMWD meter capacity charge of a 3/4" meter.

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Capacity Credit = Credit Balance ÷ 3/4" VCMWD Meter Capacity Charge⁽¹⁾

VCMWD Meter Capacity Charge:	
4-3/4" meters @ \$5,705⁽¹⁾	\$22,820
Less 2" VCMWD Meter Capacity Charge	- (30,426)
Credit Balance	(\$7,606)

Thus, the Capacity Credit = **7,606 / 5,705** = 1.3333

- ⁽¹⁾ Use the VCMWD meter capacity charges per Sec. 160.4(c) current at the time the meter is downsized.

EXHIBIT A

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Available Credit = VCMWD Meter Capacity Credit
x 3/4" VCMWD Meter Capacity Charge⁽²⁾

Available Credit = 1.3333 x **\$5,705 = \$7,606**

VCMWD 1" Meter Capacity Charge ⁽²⁾	\$9,509
Less the available credit	(7,606)
Balance due for VCMWD Meter Capacity Charge	\$1,903

- ⁽²⁾ Use the VCMWD Meter Capacity Charges per Sec. 160.4(c) current at the time the new meter is being purchased.

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- (a) Upon receipt of the RFA, the Applicant shall have an initial meeting with District staff to review the reasons for the annexation request, intended use on or development of the territory to be annexed, as well as the District's annexation policies, procedures, tentative terms and conditions, including any possible mitigation measures, for completion of annexation.
- (b) If the Applicant desires to move forward with the RFA, the Applicant shall deposit \$10,000.00 with the District to reimburse the District for its administrative, processing, investigation, and review costs and expenses (including data collection, engineering and legal analysis, preparation of maps and legal descriptions, and application documents) including all costs of District staff and retained consultants incurred as a result of the annexation proceedings and the concurrent annexation to SDCWA and MWD, if applicable.
- (c) Once the annexation deposit is made, the Applicant shall provide the District, as it deems appropriate and necessary, any additional technical information and detailed data concerning site conditions, existence of local surface and groundwater, and the intended uses and associated gross and net imported water demands for proposed development on the annexing territory so as to complete the formal annexation application and recommendation for submission to the Board of Directors.
- (d) In order for the District to recover all costs incurred in connection with the annexation, Applicants shall be periodically charged in advance for any anticipated costs and expenses that the District may incur in connection with the annexation proceedings. Any such charges shall be paid in a timely manner to maintain active processing of the RFA. Upon completion of the annexation process, any excess funds will be refunded to the Applicant.
- (e) Prior to the District Board of Directors' adoption of an Ordinance approving an annexation of territory, the Applicant shall pay a separate "Annexation Charge", in the amount of ~~\$1,325~~ **\$1,418** per acre, in accordance with Section 220.6.

EXHIBIT A

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Sec. 160.2 Water Service Applications.

(a) Meter Requirements

1. All water service provided by the District shall be supplied through a District installed water meter purchased by the Applicant/Owner in accordance with this Article.
2. A separate irrigation meter shall be required for all new commercial, industrial, and institutional developments.
3. A separate water meter shall be required for each unit of a newly constructed multiunit residential structure and each residential unit of a mixed-use residential and commercial structure. The General Manager, or his or her designee, may exempt the following types of structures from this requirement where the applicant demonstrates and submits evidence that compliance would result in undue hardship and excessive expense:
 - i. Categories of structures exempt from submetering requirements under applicable law, including, but not limited to, the following:
 - a) Low income housing,
 - b) Housing at places of education,
 - c) Long-term health care facilities,
 - d) Time-share property, and
 - e) Residential care facilities for the elderly.
 - ii. Apartment buildings where the owner installs, maintains, reads, bills, and tests a submeter for each residential unit, in accordance with applicable laws, including, but not limited to, the California Plumbing Code and California Water Code.
 - iii. Multiunit residential structures exempted from this requirement would be subject to the Water Serviceability Charge provisions of Section 160.10.
4. Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs)
 - i. ADUs and JADUs being added to a residential lot with an existing single-family structure may utilize the existing water service to the residential lot. However, the property owner shall be responsible for upsizing the water service if the property owner determines that the water service is not adequate for additional units.
 - ii. ADUs and JAUs being constructed concurrently with a new single-family structure on a residential lot may be served from one water service

EXHIBIT C

Sec. 50.2 Budget Policies. The following policies shall be followed both in preparing the annual budget and during the course of financial operations of the District.

- (a) Reserves. Reserves are to be established and used as follows. Reserves may carry negative balances if it is probable that the deficits will be recovered within a reasonable time.

Reserves funds will not earn interest unless noted below.

The disposition of funds collected in excess of limits shown is at the discretion of the Board of Directors.

All reserves have specific funding sources except for the Operating and Capital Improvement Reserves which will be funded in the order presented from accumulated net earnings.

1. Rate Stabilization Reserves:
2. Operating Reserves
3. Restricted Reserves:
4. Capital Reserves:
 - A. Continuing Projects Reserves: Unexpended appropriations for capital projects which are not completed in a fiscal year will be carried forward to the following fiscal year.
 - B. **Capacity Charges Reserves:** ~~The “Incremental” component of~~ Capacity charges shall be credited to the Capacity Charges Reserve in accordance with state statute to provide funding for ~~capacity expansion~~ **future capital** projects identified in the facility master plan ~~allocable to future demand~~. This reserve shall earn interest in accordance with state statute.
 - i. **The “Buy-In” component of the water capacity charge shall be credited to the Capacity Charges Reserve. The reserve shall not exceed the current estimated cost of all projects outlined in the Water Master Plan which are (1) not allocable to future demand, (2) not previously appropriated, and (3) not contingent on outside factors.**
 - ii. **The “Incremental” component of capacity charges shall be credited to the Capacity Charges Reserve in accordance with Board approved allocations for Specific Benefit Area (SBA) Projects.**
 - C. Capital Improvements Reserve: Water availability charges not allocated to the readiness-to-serve charge and debt service, and property taxes

EXHIBIT C

not otherwise allocated shall be credited to the capital improvements reserve to provide funding for future capital projects. In addition, retained earnings not reserved for other purposes shall be transferred to this reserve. ~~The “Buy-In” component of the water capacity charge shall be credited to this reserve. The reserve shall not exceed the current estimated cost of all projects outlined in the Water Master Plan which are (1) not allocable to future demand, (2) not previously appropriated, and (3) not contingent on outside factors.~~

The following table provides reference to reserves. For complete details refer to Section 50.2:

Reserve	Source	Use	Minimum	Maximum	Index
Capital Projects Reserves:					
Continuing Projects	Unexpended appropriations for capital projects carried forward	Budgeted capital projects	None	Unexpended appropriations	No
Capacity Charges	“Buy-In” Component	Future capital projects	None	Projects outlined in Master Plan	Interest
	“Incremental” Component for SBA			Authorized SBA Total Reimbursement Amount	
Capacity Charges	Capacity charges (“Incremental” component)	Capacity Expansion projects for future demand	Unexpended capacity charges	Unexpended capacity charges	Interest
Capital Improvements	Availability charges not allocated to RTS and debt service, property taxes, and “Buy-In” component of Water Capacity Charge plus earnings not reserved for other purposes	Future capital projects	None	Projects outlined in Master Plan	No

June 19, 2023

TO: Honorable President and Board of Directors

FROM: Gary Arant, General Manager

**SUBJECT: RESOLUTION NO. 2023-20 RECOGNIZING AND HONORING THE
SANTA FE IRRIGATION DISTRICT ON ITS 100th ANNIVERSARY**

PURPOSE:

To recognize and honor the Santa Fe Irrigation District on its 100 Anniversary with adoption of Resolution No. 2023-20.

SUMMARY:

On Wednesday, June 21, 2023, the Santa Fe Irrigation District will be celebrating 100 years of successful water delivery to the constituents and communities within its service area. Adoption of Valley Center Municipal Water District Resolution No. 2023-20 will recognize and honor the Santa Fe Irrigation District for this outstanding accomplishment.

RECOMMENDATION:

After review and discussion, if so desired, adopt Resolution No. 2023-20 and direct staff to forward a certified copy of the resolution to the Santa Fe Irrigation District.

SUBMITTED BY:

A handwritten signature in dark ink, appearing to be 'Gary Arant', is written over a horizontal line.

**Gary Arant
General Manager**

Attached:

Valley Center MWD Resolution No. 2023-20

RESOLUTION NO. 2023-20

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLEY CENTER MUNICIPAL WATER DISTRICT RECOGNIZING AND CONGRATULATING THE SANTA FE IRRIGATION DISTRICT ON ITS 100-YEAR ANNIVERSARY

WHEREAS, as a pioneer retail water agency in San Diego County, on June 21, 2023, Santa Fe Irrigation District (SFID) will celebrate 100 years of safely, sustainably and reliably meeting the water supply needs for all of its customers and beneficial uses in its service area; and

WHEREAS, on February 26, 1923, the County of San Diego Board of Supervisors certified that SFID was duly organized and certified the election of its five Board of Directors; and

WHEREAS, and for 100-years, Santa Fe Irrigation District has been responsible for the regulation of water provided from Lake Hodges to the city of Solana Beach and areas of Rancho Santa Fe and Fairbanks Ranch; and

WHEREAS, because of a reliable water supply after the creation of Santa Fe Irrigation District, its service area has been able to grow and thrive economically and environmentally, into the robust agriculture and urban community it is today; and

WHEREAS, as a founding member, in 1948 Santa Fe Irrigation District joined the San Diego County Water Authority to acquire the right to purchase and distribute imported water to its customers; and

WHEREAS, in 1967, Santa Fe Irrigation District and the San Dieguito Water District entered a joint venture to build the R.E. Badger Filtration Plant to treat water from Lake Hodges and imported water purchased from the San Diego County Water Authority, improving the over-all quality of water delivered to the respective service areas; and

WHEREAS, in 1969, this joint venture purchased a conveyance flume, the San Dieguito Reservoir and a 30-inch pipeline from the City of San Diego to move and store water, enhancing the overall water quantity and reliability for its customers; and

WHEREAS, Santa Fe Irrigation District continues today to reliably and cost effectively serve a safe and healthy water supply to its customers, 100 years later; and

WHEREAS, the dedicated efforts of the Board of Directors of Santa Fe Irrigation District and staff over 10 decades have played a major role in maintaining the quality of life and contributing to the economic growth of the communities it serves; and

NOW, THEREFORE, BE IT RESOLVED, Board of Directors of the Valley Center Municipal Water District does hereby recognize and congratulate Santa Fe Irrigation District on its valuable contributions to the San Diego County Water Community and its service area through 100 years of outstanding and dedicated service.

PASSED and ADOPTED at a regular meeting of the Board of Directors of **VALLEY CENTER MUNICIPAL WATER DISTRICT** held on the 19th day of June, 2023 by the following vote:

ATTEST:

Robert Polito, *Board President*

Kirsten Peraino, *Board Secretary*

June 19, 2023

TO: Honorable President and Board of Directors

FROM: Gary T. Arant, General Manager

SUBJECT: PROPOSED FISCAL YEAR 2023-24 BUDGET

PURPOSE:

To provide the Board with an update to the presentation made on May 1, 2023, of the revenue, expense, and capital project projections requested in the proposed 2023-24 budget and to seek possible adoption.

SUMMARY:

At the Board meeting of May 1, 2023, staff presented an overview of the proposed Fiscal Year 2023-24 operations, maintenance, and capital budget. A copy of the Board report provided on 5/1/2023 is attached. Since that meeting several changes have been made to the major assumptions. Additionally, the San Diego County Water Authority (SDCWA) released their proposed rate increases for calendar year 2024. Using that information, staff determined reasonable rate increases to cover passing through the wholesale costs and cover local operating costs.

Staff presented a supplementary report at the Board meeting of May 15, 2023 that included an analysis and comparison of the proposed Pumping Charge increase. At the conclusion of that presentation, the Board directed staff to proceed with incorporating a 17.3% pumping rate increase into the proposed budget. A copy of the Board report provided on 5/15/2023 is attached.

The Proposed Annual Budget for Fiscal Year 2023-24 is presented today under separate cover in its entirety for review at the Board meeting.

CHANGES SINCE THE LAST PRESENTATIONS ON MAY 1, 2023

Since the last report to the Board presented on May 1, 2023, there were a few material changes to some of the major assumptions. They are summarized below:

The pumping charge increase was changed from 10% to 17.3% as directed by the Board. This increase will ensure that the District is passing through the anticipated pumping Utility Costs increased from SDG&E and beginning to close the deficit that currently exists in the Net Pumping Revenues, with the ultimate goal of closing the gap over the next 6 fiscal years. Refer to the Board Report presented on May 15, 2023 for more details (copy attached).

The proposed pass through of the SDCWA Infrastructure Access Charge was originally proposed to increase 1.9% effective January 1, 2024. The updated proposal by SDCWA

is a 4.0% increase that would increase the IAC for a ¾-inch meter to \$4.41/month, that's up \$0.17 from the current rate of \$4.24/month.

OVERALL SUMMARY

Staff is projecting that water operating revenues and non-operating revenues will exceed projected operating expenses by \$346,146, or 0.65% of General Fund Revenues, in the proposed Fiscal Year 2023-24 Budget. New water capital appropriations are estimated at \$4,707,750 of which \$3.8M will be funded with revenues collected from general property tax, water availability charges, and capacity charges. The remaining \$950K will be funded with State Revolving Fund Loan Proceeds.

WATER

Water Sales

For the year ending June 30, 2022, the District sold 16,207 acre feet of water. For the current year ending June 30, 2023, it is projected that the District will sell 14,400 acre feet of water which is lower than the current budgeted sales amount of 16,500 acre feet and is related to both extreme wet weather conditions and the related reduction in agricultural demand. Reflecting the general downward trend in water demand, for Fiscal Year 2023-2024 the District has budgeted water sales at 16,000 acre feet. Staff believes that the estimate for Fiscal Year 2023-24 is reasonable given the uncertain agricultural environment and potential drought response impacts.

Water Rates

Included in the budget numbers are estimates for rate increases based on the most recent information received from the San Diego County Water Authority (SDCWA) regarding options for their proposed wholesale commodity rates. Also included in the water charges the District is required to pay SDCWA and Metropolitan Water District (MWD) in 2024 are fixed charges for capacity, readiness to serve, customer service, emergency storage, and supply reliability. The District calculates the per-acre-foot equivalent of these charges by dividing the total charges by projected water sales, less an 10% reserve for sales levels under budgeted amounts. For the fiscal year ending 2024 budgeted sales are 16,000 acre feet and the 2024 projected fixed charges are allocated over 14,400 acre feet. Total fixed charges from the SDCWA and MWD are 0.14% lower than estimated actuals for Fiscal Year 2023, reflecting the continued decline in water sales.

The San Diego County Water Authority plans to present their rate options to their Board for final adoption on June 22, 2023.

Using data from the most recent draft of the expected rate increases from the SDCWA, the estimated rates, shown below were used to prepare the proposed budget. Actual rates to be adopted in June of 2023, effective February 1, 2024, may be slightly different.

Component	Domestic			PSAWR		
	Current	Proposed	% Increase	Current	Proposed	% Increase
Imported Water Costs	\$2,198.65	\$2,420.72	10.1%	\$1,605.88	\$1,744.49	8.6%
VCMWD	\$273.64	\$278.57	1.8%	\$273.64	\$278.57	1.8%
Total	\$2,472.29	\$2,699.29		\$1,879.52	\$2,023.06	
Wholesale Rate Increase		\$222.07			\$138.61	
Total Proposed Increase		\$227.00			\$143.54	
		9.2%			7.6%	

As a percentage, the Permanent Special Agricultural Water Rate (PSAWR) increase is lower because of the charges discussed below not paid by the PSAWR customers. Agricultural sales are estimated at 60% of the total volume of water sold for Fiscal Year 2023-24. The prior year budget estimated agricultural sales accounted for 62% of the volume.

It is recommended that all SDCWA wholesale rate changes be passed through to the District's customers in accordance with the District's Rate and Budgeting Policies contained in Section 160.3 (g) of the Administrative Code.

SDCWA Permanent Special Agricultural (PSAWR) Discount

Based on the draft rates from the SDCWA, VCMWD customers participating in the Permanent Special Agricultural Water Rate (PSAWR) program will pay an estimated retail rate that is \$676 or 25% lower than their domestic counter-parts, current differential is \$593. As of March 31, 2023, there were 637 Certified Agricultural customers in the PSAWR program. The current PSAWR rate differential is comprised of:

\$ 148 / AF	avoided in not paying the SDCWA Supply Reliability Charge;
\$ 316 / AF	avoided in paying the MWD supply rate and not paying the melded SDCWA melded supply rate; and
\$ 212 / AF	avoided in not paying the SDCWA Storage Charge, for a total of:
<u>\$ 676 / AF</u>	

Local Commodity Component

At this time, the District's local cost component of the water rate, effective February 1, 2024, is proposed to be \$278.57 per acre foot. This represents an increase of 1.8% over the current rate of \$273.64. This 1.8% increase generates additional revenue of \$78,756 on an annual basis.

Water Service Charge

The proposed budget includes increasing the monthly water service charges by 1.8%. This results in proposed service charges as shown below.

Meter Size	<u>Proposed Water Service Charge</u>			
	<u>Water Service Charge</u>		<u>Fire Service Charge</u>	
	Current	Proposed	Current	Proposed
¾"	\$ 47.46	\$ 48.31	\$ 9.94	\$ 10.11
1"	\$ 64.84	\$ 66.00	\$ 13.91	\$ 14.16
1.5"	\$ 97.26	\$ 99.00	\$ 20.74	\$ 21.24
2"	\$ 129.69	\$ 132.00	\$ 27.56	\$ 28.32
3"	\$ 194.53	\$ 198.00	\$ 41.49	\$ 42.48
4"	\$ 259.38	\$ 264.00		
6"	\$ 389.07	\$ 396.00		
8"	\$ 518.76	\$ 528.00		

This 1.8% increase would generate additional service charges of approximately \$162,576 over a 12-month period. We propose the increase be implemented on February 1, 2024, concurrent with the VCMWD Commodity Rate.

With these increases, the Fiscal Year 2023-24 budgeted local operating costs would be covered 27.4% with revenue from the Local Commodity Component and 59.6% with the Meter Service Fee for a total of 87.0% coverage with Local Revenues alone. The remaining 13.0% will be covered with Non-Operating Revenues, including investment income, lease revenue, and other miscellaneous non-operating income.

Pumping Rates

Total energy costs including electricity, natural gas, and pump and motor maintenance are estimated to increase 12.8% over the prior year budget. The Pumping Rate Reserve was depleted in Fiscal Year 2016-17. Every year since then, energy costs have exceeded pumping revenues at a rate higher than the District could raise rates. Below is a summary of budgeted Pumping Revenues versus Energy Costs for Fiscal Year 2023-24:

Pumping Revenues	3,105,000
Electricity	1,868,000
Natural Gas	879,000
Pump Station Maint.	361,800
Motor Maintenance	637,000
Total Pumping Costs	3,745,800
Decifit	(640,800)

Included in the preliminary budget and in the pumping revenues stated above is a 17.3% increase to the pumping rates. In order to break even, the District would have to increase the pumping rates by 42%. Instead of attempting to recover the loss in one year, staff recommends working towards recovering all energy costs over the next 6 years. In the meantime, the deficit will be recovered with other miscellaneous non-operating income.

Wastewater Service Rates

There are no changes to the existing wastewater service rates and charges proposed for February 1, 2024.

There is however one new charge proposed for the Lower Moosa Canyon Wastewater service area. It is a fixed \$12 per month per EDU Capital Improvement Charge that along with a \$1.1M loan from the General Fund is required in order to meet the capital improvement requirements outlined in the Moosa Plan that was approved by the Board on February 1, 2023. The Capital Improvement Charge would generate an additional \$550,000 in annual net revenues needed to meet the debt service requirements to be eligible for funding from the Clean Water State Revolving Fund Loan Program.

RECOMMENDATION:

Staff recommends the Board adopt the following (copies attached):

1. Resolution No. 2023-21 adopting the Final Operating and Capital Budget for the Fiscal Year 2023-24.
2. Ordinance No. 2023-07 to provide for changes in Authorized Staffing Levels for Fiscal Year 2023-24 and to incorporate changes per the approved Memorandum of Understanding with employees.
3. Ordinance No. 2023-08 to adopt the addition of a Reserve for the Low Pressure Sewer system for the Lower Moosa Canyon WRF.
4. Rate increases would be adopted later by separate ordinance for implementation on February 1, 2024.

The Board has the option to forgo adoption today, at which point the Proposed Fiscal Year 2023-24 Budget will be presented for a 2nd review and adoption at the next Board meeting scheduled for July 17, 2023.

PREPARED BY:



Vanessa Velasquez
Manager of Accounting

APPROVED BY:



Gary T. Arant
General Manager

REVIEWED BY:



James V. Pugh
Director of Finance and Administration

May 1, 2023

TO: Honorable President and Board of Directors

FROM: Gary Arant, General Manager

**SUBJECT: REVENUE AND EXPENSE PROJECTIONS IN THE PROPOSED
FISCAL YEAR 2023-2024 BUDGET**

PURPOSE:

To provide the Board with a preliminary overview of revenue and expense projections and capital projects to be requested in the upcoming proposed 2023-24 Budget.

SUMMARY:

The budget for Fiscal Year 2023-24 is in preparation and will be presented to your Board at the June 19, 2023 Board meeting. To keep the Board apprised of what to anticipate, the following is an overview of major assumptions, capital projects, and changes expected in the new budget.

WATER

Water Sales

For the current year ending June 30, 2023, it is projected that the District will sell 14,400 acre feet of water. This is 12.7% under the budgeted 16,500 acre feet. The last time the District recorded water sales that low was in Fiscal Year 1972-73 with a total of 14,588 acre feet. The significant shortfall in water sales compared to budget is due to the unforeseen onslaught of powerful atmospheric river storms that California faced during the winter. This led to record-breaking snowpack, nearly full reservoirs and overflowing watersheds. Additionally, agricultural sales continue to decline due to rapid increases in the wholesale water costs, regulatory restrictions, labor costs and shortages and market competition. For Fiscal Year 2023-2024, staff feels reducing the estimated sales to 16,000 acre feet would be more reasonable and reflective of the overall decline in agricultural sales.

Water Rates

On January 1, 2024, aggregate wholesale costs from San Diego County Water Authority (SDCWA) and Metropolitan Water District (MWD) will increase. Included in the preliminary rate estimates is the most recent information that the District has received. SDCWA staff continues to seek Board input and refine multiple series of key inputs and assumptions that are expected to have significant influence on the ultimate Calendar Year 2024 rate recommendation come May.

The following estimated rates are being used in preparing the Budget. Actual rates adopted for January 1, 2024, will likely be different.

Component	Domestic			PSAWR		
	Current	Proposed	% Increase	Current	Proposed	% Increase
Imported Water Costs	\$2,198.65	\$2,469.16	12.3%	\$1,605.88	\$1,771.28	10.3%
VCMWD	\$273.64	\$278.57	1.8%	\$273.64	\$278.57	1.8%
Total	\$2,472.29	\$2,747.73		\$1,879.52	\$2,049.85	
Wholesale Rate Increase		\$270.51			\$165.40	
Total Proposed Increase		\$275.44			\$170.33	
		11.1%			9.1%	

The District's local cost component of the water rate is budgeted at \$278.57 per acre foot. This represents an increase of 1.8%, or \$4.93 over the current rate of \$273.64. This increase is necessary to cover a portion of the local fixed costs. This 1.8% increase would generate additional service charges of approximately \$78,000 over 12 months to further free property taxes for capital improvements.

It is recommended that all SDCWA wholesale rate changes be passed through to the District's customers in accordance with the District's Rate and Budgeting Policies contained in Section 160.3 (g) of the Administrative Code.

Agricultural Discount

Based on the current rate information from the SDCWA for Fiscal Year 2023-24, VCMWD Permanent Special Agricultural Water Rate (PSAWR) customers will pay a retail rate that is \$698 or 25% lower than their domestic counter-parts. To summarize, the current PSAWR rate differential is comprised of:

\$ 342 / AF	avoided in paying the MWD supply rate and not paying the melded SDCWA melded supply rate; and
\$ 208 / AF	avoided in not paying the SDCWA Storage Charge; and
\$ 148/ AF	avoided in not paying the SDCWA Supply Reliability Charge;
<u>\$ 698 / AF</u>	

The current PSAWR differential rate is \$593, indicating an increase in the differential of \$105. This is due to the fact that the wholesale rate increase for treated Agricultural water is increasing at a lower percentage than the Domestic supply rate.

Local Revenues

Current Board policy states that the District's local water rates and charges, which include but are not limited to the District's Local Commodity Charges and Monthly Meter Service Charge, be set so that revenue from these sources would fully cover the District's local operating costs, excluding wholesale water and power costs. Presently, the combination of the two revenues is not sufficient to fully cover the District's local operating costs. As a result, other non-operating revenues including investment income, lease revenues, and delinquent penalties make up the difference. It is the District's goal to close that gap over the next two years, and meet that goal by Fiscal Year 2024-25.

Staff asks that the Board consider increasing the monthly service charge \$0.85 and \$1.16 for a ¾-inch and 1-inch meter, respectively. This 1.8% increase would generate additional service charges of approximately \$147,000 over 12 months to further free property taxes for capital improvements. Doing so will bring the local fixed cost coverage from monthly service charges up to 59.85%. The District is on target to reach its goal of covering 60% of all local fixed costs with the monthly service charge by FY 2024-25.

Staff proposes that the increase be implemented on January 1, 2024, concurrent with the wholesale increases.

SDCWA Infrastructure Access Charge (IAC)

Annually the SDCWA assesses the District a fixed charge based on the number and size of the active meters within the District. The charge to the District is passed through and collected from active customers. Based on the latest information from the SDCWA, the proposed IAC to go into effect on January 1, 2024 for a ¾-inch meter is \$4.32, representing an increase of 1.9% or \$0.08 from the current rate of \$4.24.

Pumping Rates

Total energy costs including electricity, natural gas, and pump and motor maintenance are estimated to increase 12.8% over the current year estimated actual. The Pumping Rate Reserve was depleted in Fiscal Year 2016-17. Every year since then, energy costs have exceeded pumping revenues at a rate higher than the District could raise rates.

The current Fiscal Year is the first year since FY 2000-2001 that the revenues generated from the pumping charge were insufficient to cover the cost of electricity and natural gas. A shortfall of \$232,500 is anticipated which will be covered by other non-operating revenues, further reducing the contribution to capital replacement reserves. The total expected shortfall including pump and motor maintenance is approximately \$1.2M.

Included in the preliminary budget is a 10% increase to the pumping rates. In order to break even in FY 2023-2024, the District would have to increase the pumping rates by 42%. With the 10% proposed rate increase, it's anticipated that revenue from the pumping charge will be sufficient to cover the cost of electricity and natural gas with a small excess of approximately \$165,000 going towards the coverage of the pump and motor maintenance costs that are estimated at \$998,800. This would leave an estimated total shortfall of approximately \$834K.

Instead of attempting to recover the loss in one year, staff recommends working towards recovering all energy costs over the next 3-5 years. In the meantime, the deficit will continue to be recovered with other non-operating revenue.

Property Taxes

Secured property taxes are budgeted at \$3,151,000 for 2023-24, 2% more than the estimated actual for the current year. The District will also receive \$573,000 in water availability charges. The revenues collected entirely from both sources will fund the proposed new Capital Improvement appropriations.

Investment Income

Investment Income is budgeted at \$864,900 for Fiscal Year 2023-24, 27.5% higher than budgeted in the current year. The estimated rate of return is 3.00%. The current year estimated average rate of return is 2.00%. The Federal Reserve increased the Federal Funds Rate multiple times in the current year in an effort to offset the upward pressures on inflation. There is no indication that the Federal Reserve plans to stop the increases as inflation remains elevated. Staff anticipates that because of the conservative holdings it currently has it will take the entire fiscal year before the District's portfolio sees the full effects of the most recent increases to interest rates.

Personnel

Staffing necessary to maintain operating, maintenance and administrative service levels for Fiscal Year 2023-24 is proposed at 72 full-time equivalent (FTE's) positions; that is the same as was authorized in the Fiscal Year 2022-23 Budget. A cost of living salary adjustment is included in the calculations at 4.5%, in accordance with the current Memorandum of Understanding as well as average overall merit increases totaling 2.5% have also been included in the budgeting considerations for Fiscal Year 2023-24.

There are two employees scheduled to retire in the coming year: John Martineau, Senior Construction Maintenance Technician, will be retiring in December; and Wally Grabbe, District Engineer, will be retiring in March. Overlap for training purposes is included in the Fiscal Year 2023-24 Budget.

Operating Expenses

Total operating expenses shown below, excluding Source of Supply, are budgeted at a total of \$14.9M compared to \$14.7M for the current Fiscal Year, a net increase of \$159,000 or 1% year-over-year. The following items are included in the increase.

- **General and Administrative Department** expenses are budgeted to increase 0.6% largely due to increases in legal services, the water conservation program and the LAFCO budget assessment that were partially offset by decreases to both labor and benefits and the unclassified contingency fund.
- **Finance Department** expenses, including debt service of \$44,873, are budgeted to decrease by 3.1% compared to the current year. The decrease is largely due to lower write off of uncollectible accounts and the elimination of the Emergency Paid Sick Leave both related to the COVID-19 Pandemic. Those decreases were partially offset by increases to outside professional services, labor and benefits, training and education, and transportation, meals and travel.
- **Information Technology Department** budget amount is expected to increase 6.7% due to an increase in labor and benefits and the cost of maintaining equipment partially offset by a decrease to the cost of maintenance agreements & contracts.
- **Engineering Department** budget is estimated to be 6.7% greater than last year. The increase represents higher labor and benefits that includes overlap for a new

District Engineer and higher software technical support costs that are partially offset by decreases in outside professional services, maintenance of equipment, special department expenses, transportation, meals & travel, and membership fees and dues.

- **Operations and Facilities Department, Water** expenses for 2023-24 are expected to have a net change of nearly zero. The major changes comprise of decreased labor and benefits, outside professional services, gas, oil and grease, and maintenance of engines. The decreases were almost entirely offset by increased temporary labor, chlorine, maintenance of valves, meter installation costs, maintenance of facilities and installation of backflow devices.

Debt

The District currently has three Clean Water State Revolving Fund (CWSRF) Loans with an outstanding balance in the amount of \$18,408,960 at 2.2% interest. The funds were used solely for the Woods Valley Ranch Wastewater Expansion Project. In Fiscal Year 2023-24, Debt Service payments against this loan amount to \$1,542,388.

In addition, a Safe Drinking Water State Revolving Fund loan for the Cool Valley Reservoir Cover/Liner replacement was obtained by the District. At June 30, 2023, the outstanding amount of the loan will be \$2,754,885 at 1.6% interest. The Debt Service payment is \$220,421 for Fiscal Year 2023-24.

On March 21, 2022, the Board authorized an SRF Financing Agreement totaling \$8,500,000 to fund the following three projects: 1. Oat Hill Pump Station Discharge; 2. Gordon Hill Rd Pipeline; and 3. Lilac Road Pipeline. The term of the loan will be 30 years at an interest rate of 1.2%. Construction periods vary for the three projects with the first beginning in March 2022 and the final completing in November 2023.

Reserves

Fiscal Year 2023-24 will still meet the requirements as set forth in the District's Strategic Goals.

WASTEWATER

Staff is projecting that the Moosa operating revenues will be sufficient to meet the anticipated operating expenditures for Fiscal Year 2023-2024. However, the new proposed capital appropriations (discussed on the following pages) will require additional funding generated from a new proposed Capital Improvement Charge as well as a loan of \$1.1M from the General Fund.

It's anticipated that Woods Valley Ranch WRF will have sufficient revenues to meet the anticipated operating and capital costs.

Moosa Wastewater

The preliminary budget indicates that no change to the wastewater service charges nor the low-pressure wastewater collection system maintenance fee are necessary and that the current charges will be sufficient to cover the operating expenses as well as ensure funding of the Replacement Reserve at the historical average of about \$340,000 per year. Currently the monthly **Moosa wastewater service charge** is \$61.72 per Equivalent Dwelling Unit (EDU) and the monthly **low-pressure wastewater collection system maintenance fee** is \$50.93 per EDU.

On February 21, 2023 the Board approved the Moosa Master Plan which outlined the capital improvement requirements over the next 20 years. Included in the Master Plan was a discussion about leveraging the net sewer service charge revenues through short-term funding from the District's General Fund and long-term Clean Water State Revolving Fund (CWSRF) Loans. For those CWSRF Loans, the State Water Resources Control Board has debt coverage requirements that would require increasing the total net revenues from \$340,000 to \$690,000. The new Capital Improvement Charge is proposed at \$12/month/EDU for that reason. There are approximately 2,490 active connections that would generate the additional \$350,000 annually as required by the State. It is estimated that a loan of \$1.1M will be required from the General Fund with a 5-year term at 2.5% interest.

Woods Valley Ranch Wastewater

The **sewer service charges** of \$98.60 per month, or \$1,183.20 per year will remain the same as no increase is required.

Sewer standby fees for properties not yet connected to the sewer system will remain unchanged at \$550.32 per EDU and will be utilized to fund the replacement reserve.

The **grinder pump maintenance charge** for those properties requiring a grinder pump unit will also remain unchanged at the current rate of \$50.93 per month or \$611.16 per year.

It is important to note that Fiscal Year 2023-24 is expected to be the first year that the Wastewater Services Charges will be sufficient to cover the Operating Expenses. This means that Standby Fees will be available for funding Capital Improvement projects as they are meant to be initially.

All fees and charges related to the Woods Valley Ranch Wastewater service area will be collected as fixed charge special assessments on the annual property tax roll.

Woods Valley Ranch Wastewater Expansion Project

The property owners that benefit from the Expansion are assessed via the property tax roll a fixed charge special assessment called **Assessment District 2012-1**. The Debt Service related to all three CWSRF loans discussed on page 5 are paid for completely with funds collected from Assessment District (AD) 2012-1.

Development of the Park Circle Development required the construction of the Orchard

Run Lift Station. A Series 1 Special Tax Bond will need to be sold to reimburse funds provided for design and construction of the Orchard Run Lift Station facility. The bonds will be issued by Community Facilities District No. 2020-1 (Park Circle East/West) ("CFD") and represent the first of two bond issuance series anticipated for the CFD. The Series 1 Bonds will be secured by and payable from the Special Tax Revenue levied on property within the CFD.

Staff is in the process of determining the required amounts for the AD 2012-1 assessment and the CFD 2020-1 special tax. That information will be presented in detail at the Board meeting on June 19, 2023.

WATER CAPITAL PROJECTS

New water capital improvement projects and expenditures total \$4,707,750 of which an estimated \$3.7M will be funded with revenues collected from general property tax and water availability charges. The remaining \$1.0M will be funded through non-operating revenues.

Below is a list of the four largest proposed projects:

McNally and Mizpah Reservoirs Paint and Recoat	\$2,250,000
Ridge Ranch Reservoir & Pump Station Replacement:	\$ 900,000
Vehicle Replacements:	\$ 456,750
Gordon Hill Upper Pipeline Relocation Project:	\$ 350,000
Subtotal:	\$3,956,750

There are eleven other capital projects that make up the remaining difference of \$751,000 in new requests. Details for each new requested project will be presented at the June 19th Board Meeting.

Additionally, there are \$767,000 in un-appropriated budgeted funds from prior year projects that will not be used and will not be carried forward.

MOOSA WASTEWATER CAPITAL PROJECTS

New appropriations for Moosa are proposed at \$1,468,700 and will require the use of funds from the Replacement Reserve as well as a loan from the General Fund.

Below is a list of the three largest proposed projects at Moosa:

Clarifier No. 2 Upgrades:	\$ 600,000
Clarifier No. 1 Upgrades	\$ 250,000
<u>Server Room Relocation</u>	<u>\$ 250,000</u>
Subtotal:	\$1,100,000

There are four other capital projects that make up the remaining difference of \$368,700 in new requests. Details for each new requested project will be presented at the June 19th Board Meeting.

Additionally, there are \$304,744 in un-appropriated budgeted funds from prior year projects that will not be used and will not be carried forward.

WOODS VALLEY WASTEWATER CAPITAL PROJECTS

New appropriations for Woods Valley Ranch are proposed at \$824,300 for 4 different projects. The one major project being the purchase and installation of Rapid Thickener Equipment for an estimated cost of \$750,000.

There are no new capital appropriations proposed for the Woods Valley Ranch Expansion in Fiscal Year 2023-24.

RECOMMENDATION:

Information item only, no action is required. The completed budget will be presented at a later date.

PREPARED BY:



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Manager of Accounting

APPROVED BY:



Gary T. Arant
General Manager

REVIEWED BY:



James V. Pugh
Director of Finance & Administration

May 15, 2023

TO: Honorable President and Board of Directors

FROM: Gary Arant, General Manager

SUBJECT: PUMPING CHARGE INCREASE ANALYSIS AND COMPARISON

PURPOSE:

To provide the Board with an analysis and comparison of the proposed Pumping Charge increase options in the Fiscal Year 2023-24 Proposed Budget.

SUMMARY:

Total Pumping Costs including electricity, natural gas, and pump and motor maintenance are estimated to increase 12.8% over the current year estimated actual expenses. The Pumping Rate Reserve was depleted in Fiscal Year 2016-17. Every year since then, Total Pumping Costs have exceeded pumping revenues at a rate higher than the District was willing or able to raise rates. This decision was made in an effort to moderate rate increases. Utility costs alone have increased at such a fast pace over the past three years, that now, the District is significantly behind in its ability to cover Total Pumping Costs with the pumping charge revenues alone.

Below is a 3-year summary of budgeted Pumping Revenues compared to Total Pumping Costs:

	2021-22 Actual	2022-23 Estimated Actual	2023-24 Budget	
Water Sales (Acre Feet)	16,207	14,400	16,000	
Rate Increase	10%	10%	10%	
Pumping Revenues	2,286,452	2,120,000	2,912,000	
Electricity	1,402,408	1,606,640	1,868,000	
Natural Gas	580,245	745,860	879,000	
Utilities Subtotal	1,982,653	2,352,500	2,747,000	+16.8%
Gross Margin	303,799	(232,500)	165,000	
Pump Station Maint.	244,085	315,037	361,800	
Motor Maintenance	662,269	653,394	637,000	
Maintenance Subtotal	906,354	968,431	998,800	+3.1%
Total Pumping Costs	2,889,007	3,320,931	3,745,800	+12.8%
Deficit	(602,555)	(1,200,931)	(833,800)	

Below are 4 options to consider for raising the pumping charge in Fiscal Year 2023-24. Each of the four options will, at minimum, cover the wholesale Utility Costs of electricity and natural gas.

1. 10.0%

- Will generate annual revenue, just barely sufficient to cover the anticipated pumping utility costs.
- However, it will only cover approximately 6% of the anticipated maintenance costs.
- Leaves an expected deficit of \$833,800.

2. 12.8%

- Represents the Total Pumping Utility Cost increase anticipated in the Fiscal Year 2023-24 Budget when compared to the estimated actual figures for the current Fiscal Year 2022-23.
- A 12.8% increase will cover the anticipated increases in the Budget for Fiscal Year 2023-24. However, it will do nothing to resolve the larger issue of not generating sufficient annual revenues from the pumping charges to cover Total Pumping Costs.

3. 17.3%

- This option will be discussed in detail further in this report in the section titled "Seeking a Long-term Solution".

4. 42.0%

- Represents the increase required to cover 100% of the anticipated Total Pumping Costs in Fiscal Year 2023-24 with pumping charge revenues in the same year.
- A 42.0% increase relies heavily on the last 5 months of Fiscal Year 2023-24 (February 2024 – June 2024) to catch up on an issue that has been growing over the past 5 years and is not recommended.

2023-24 Budget				
Water Sales (Acre Feet)	16,000			
Rate Increase	10.0%	12.8%	17.3%	42.0%
Pumping Revenues	2,912,000	2,986,000	3,106,000	3,759,000
Electricity	1,868,000			
Natural Gas	879,000			
Utilities Subtotal	2,747,000			
Gross Margin	165,000			
Pump Station Maint.	361,800			
Motor Maintenance	637,000			
Maintenance Subtotal	998,800			
Total Pumping Costs	3,745,800	3,745,800	3,745,800	3,745,800
Deficit	(833,800)	(759,800)	(639,800)	13,200

NO CHANGE IN
EXPENSE
ASSUMPTIONS

SEEKING A LONG-TERM SOLUTION:

It has taken 6 years for the Net Deficits in the Pumping Revenues to reach the levels that we're seeing today. Before looking to the future, it's important to understand what happened in the past. The chart below breaks down Utility Costs into a per unit cost based on acre feet. As shown below, whether the calculation is done based on wholesale purchases or water sales the average SDG&E cost increase for the past 5 years is 16%.

History

	Actual 2018-19	Actual 2019-20	Actual 2020-21 ¹	Actual 2021-22	Estimated 2022-23	Budgeted 2023-24	Average
Total Utility Costs	\$ 1,380,925	\$ 1,516,859	\$ 1,720,958	\$ 1,982,653	\$ 2,352,500	\$ 2,747,000	
Purchases (AF)	17,166	16,684	18,862	17,131	15,320	17,020	17,031
Utility Cost Per AF	\$ 80.44	\$ 90.92	\$ 91.24	\$ 115.73	\$ 153.56	\$ 161.40	
Percent Increase Over Prior Year		13%	0% ¹	27%	33%	5%	16%
Sales (AF)	16,116	15,691	17,683	16,207	14,400	16,000	16,016
Utility Cost Per AF	\$ 85.68	\$ 96.67	\$ 97.32	\$ 122.33	\$ 163.37	\$ 171.69	
Percent Increase Over Prior Year		13%	1% ¹	26%	34%	5%	16%

Future Projections

The analysis that follows looks at 6 years into the future to attempt to bring the Pumping Revenues back in line to cover Total Pumping Costs completely. Accomplishing this would free up non-operating revenues that are currently subsidizing those deficits, for capital improvements instead. Below is a summary of the assumptions that were made in the chart that follow:

Water Sales (AF) – Assumed to be 16,000 AF

Water Purchases (AF) – Assumed to be 17,020 AF

Cost Increase Assumptions:

Utilities – Assumed to increase an average of 16.0% annually.

Maintenance – Assumed to increase an average of 3.0% annually.

Revenue Increase Assumptions:

Pump Charge Revenue – Passing through the Total Pumping Cost increases PLUS 4.5% annually for the next 6 years.

¹ The Actual for Fiscal Year 2020/21 percent increase over prior year was approximately 7%, however it's showing as 0% because the total includes an SDG&E \$120,000 refund for a rate error that spanned the immediate 2 preceding years.

	Estimated 2022-23	Budget 2023-24	Projected 2024-25	Projected 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29
Pump Charge Revenue	\$ 2,120,000	\$ 3,106,000	\$ 3,633,000	\$ 4,262,000	\$ 5,012,000	\$ 5,909,000	\$ 6,978,000
Utilities	\$ 2,352,500	\$ 2,747,000	\$ 3,186,520	\$ 3,696,363	\$ 4,287,781	\$ 4,973,826	\$ 5,769,639
Maintenance	\$ 968,431	\$ 998,800	\$ 1,028,764	\$ 1,059,627	\$ 1,091,416	\$ 1,124,158	\$ 1,157,883
Total Pumping Costs	\$ 3,320,931	\$ 3,745,800	\$ 4,215,284	\$ 4,755,990	\$ 5,379,197	\$ 6,097,985	\$ 6,927,521
Deficit	\$ (1,200,931)	\$ (639,800)	\$ (582,284)	\$ (493,990)	\$ (367,197)	\$ (188,985)	\$ 50,479
Total Pumping Cost percent increase Over prior year		12.8%	12.5%	12.8%	13.1%	13.4%	13.6%
Additional Fixed Increased Requirement		4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Total Proposed Rate Increase		17.3%	17.0%	17.3%	17.6%	17.9%	18.1%

As previously established, for the Fiscal Year 2023-24 Proposed Budget, the Total Pumping Cost percent increase is expected to be the 12.8%. Adding an additional 4.5% increase would bring the proposed pump charge rate increase up to a total of 17.3%. This would ensure that the District is passing through all cost increases and beginning to close the deficit that currently exists in the Net Pumping Revenues.

For Fiscal Years 2024-25 through 2028-29 shown in the chart above, the Total Pumping Cost percent increase is based on assumptions that use historical averages. Staff plans to complete this analysis annually, within the budget process, to report on the actual expected pass throughs for each particular year. Staff expects the proposed rate increase for the "Projected" years shown in the chart above would likely be different and are shown for information purposes only.

Assuming that whatever the actual Total Cost Increases maybe in each year are passed through, the additional Fixed Increase Requirement of 4.5% annually is the figure that Staff determined is needed in order to close the gap in deficits by Fiscal Year 2028-29. The ultimate goal would be to ensure that annual revenues from pumping charges are sufficient to cover Total Pumping Costs 100% as displayed above in the last column, Projected 2028-29.

Pumping Rates

The pumping rates for all 4 rate increase options in Fiscal Year 2023-24 are shown in acre feet on the following page:

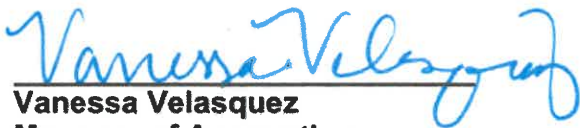
		Proposed Increase Options to be Effective Feb.1, 2024							
		10.0%		12.6%		17.3%		42.0%	
Zone	Current \$/AF	Rate	Increase	Rate	Increase	Rate	Increase	Rate	Increase
0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1	\$52.73	\$58.00	\$5.27	\$59.47	\$6.75	\$61.85	\$9.12	\$74.87	\$22.14
2	\$105.42	\$115.97	\$10.54	\$118.92	\$13.49	\$123.66	\$18.24	\$149.70	\$44.28
3	\$116.96	\$128.65	\$11.70	\$131.93	\$14.97	\$137.19	\$20.23	\$166.08	\$49.12
4	\$174.66	\$192.13	\$17.47	\$197.02	\$22.36	\$204.88	\$30.22	\$248.02	\$73.36
5	\$256.19	\$281.80	\$25.62	\$288.98	\$32.79	\$300.51	\$44.32	\$363.78	\$107.60
6	\$285.77	\$314.35	\$28.58	\$322.35	\$36.58	\$335.21	\$49.44	\$405.79	\$120.02
7	\$303.06	\$333.36	\$30.31	\$341.85	\$38.79	\$355.48	\$52.43	\$430.34	\$127.28
8	\$343.48	\$377.83	\$34.35	\$387.44	\$43.97	\$402.90	\$59.42	\$487.74	\$144.26
9	\$355.76	\$391.34	\$35.58	\$401.30	\$45.54	\$417.31	\$61.55	\$505.18	\$149.42
10	\$471.21	\$518.33	\$47.12	\$531.52	\$60.31	\$552.72	\$81.52	\$669.11	\$197.91

The pumping charges would be proposed to go into effect for the February 1, 2024 billing.

RECOMMENDATION:

After review and discussion, provide input and direction on which pump charge rate increase to include in the calculations for the Fiscal Year 2023-24 Proposed Budget.

PREPARED BY:


Vanessa Velasquez
 Manager of Accounting

APPROVED BY:


Gary T. Arant
 General Manager

REVIEWED BY:


James V. Pugh
 Director of Finance & Administration

RESOLUTION NO. 2023-21

**RESOLUTION OF THE BOARD OF DIRECTORS OF
VALLEY CENTER MUNICIPAL WATER DISTRICT
ADOPTING THE FINAL OPERATING AND CAPITAL BUDGET
FOR THE FISCAL YEAR 2023-2024 AND ESTABLISHING CONTROLS
ON CHANGES IN APPROPRIATIONS FOR THE VARIOUS FUNDS**

WHEREAS, the Board of Directors of Valley Center Municipal Water District has reviewed a preliminary budget for 2022-2023 and has made changes therein;

NOW, THEREFORE, IT IS HEREBY RESOLVED, DETERMINED AND ORDERED by the Board of Directors of **VALLEY CENTER MUNICIPAL WATER DISTRICT** as follows:

1. That the budget document which is on file with the Secretary to the Board, a summary of which is attached hereto as "Exhibit A", is adopted as the final operating and capital budget for the District for the Fiscal Year 2023-2024.
2. That the amounts designated in the final Fiscal Year 2023-2024 operating and capital budget are hereby appropriated and may be expended by the departments or funds for which they are designated and such appropriation shall be neither increased nor decreased except as provided herein.
3. That the following controls are hereby placed on the use and transfer of budgeted funds:
 - a. The General Manager is responsible for keeping expenditures within budget allocations approved by the Board of Directors for positions, salaries, operational expenses and capital acquisitions and may adopt budget procedures as necessary to carry out that responsibility. No expenditure of funds shall be authorized unless sufficient funds have been appropriated by the Board or General Manager as described herein.
 - b. The General Manager may reallocate budget items to respond to changed circumstances, provided any single modification in excess of \$50,000 shall require approval by the Board.
 - c. The Department Heads may reallocate budget items, within their department, to respond to changed circumstances, provided that any single modification in excess of \$15,000 shall require approval by the General Manager.
 - d. The Board must authorize any increase in the overall budget and any increase in the number of authorized permanent personnel positions above the level identified in the final operating and capital budget. The General Manager may authorize the hiring of temporary or part-time staff as necessary, within the limits imposed by the available funds in the operating and capital budget.

4. That authorization is made for any carry over or continuing appropriations for the capital budget.

PASSED AND ADOPTED at the regular meeting of the Board of Directors of **VALLEY CENTER MUNICIPAL WATER DISTRICT** held the 19th day of June, 2023, by the following vote to wit:

Robert Polito, ***Board President***

ATTEST:

Kirsten Peraino, ***Board Secretary***



Valley Center Municipal Water District

Recap of Budget and Source of Financing All Budgeted Funds

	Operating	Debt Service	Capital Projects	Total General	Moosa Wastewater	Woods Valley	WVR Expansion	Total All Funds
ESTIMATED BALANCE, JUNE 30, 2023	\$ 7,449,527	\$ 220,420	\$ 15,637,073	\$ 23,307,021	\$ 1,711,957	\$ 3,053,693	\$ 5,243,018	\$ 33,315,688
RECAP OF EXPENDITURES BY FUNCTION								
General Administration	\$ 956,562			\$ 956,562				\$ 956,562
Information Technology	\$ 1,069,927			\$ 1,069,927				\$ 1,069,927
Finance	\$ 2,610,640	\$ 44,873		\$ 2,655,513			\$ 484,988	\$ 3,140,501
Engineering	\$ 2,215,932			\$ 2,215,932				\$ 2,215,932
Operations & Facilities	\$ 8,045,994			\$ 8,045,994	\$ 1,394,349	\$ 1,115,757		\$ 10,556,100
Source of Supply	\$ 33,395,749			\$ 33,395,749				\$ 33,395,749
Capital Projects			\$ 4,707,750	\$ 4,707,750	\$ 1,469,500	\$ 824,300	\$ -	\$ 7,001,550
Total Budgeted Expenditures	\$ 48,294,804	\$ 44,873	\$ 4,707,750	\$ 53,047,427	\$ 2,863,849	\$ 1,940,057	\$ 484,988	\$ 58,336,321
SOURCE OF FINANCING								
Revenues:								
Water Sales	\$ 38,068,000			\$ 38,068,000				\$ 38,068,000
Meter Service Charges/Wastewater Charges	\$ 8,209,000			\$ 8,209,000	\$ 2,117,530	\$ 1,739,695	\$ 2,398,964	\$ 14,465,189
New Connection Sales	\$ 466,350		\$ 778,100	\$ 1,244,450				\$ 1,244,450
Other Revenue	\$ 1,097,600			\$ 1,097,600				\$ 1,097,600
Investment Income	\$ 800,000			\$ 800,000				\$ 800,000
Property Taxes			\$ 3,268,000	\$ 3,268,000				\$ 3,268,000
Water Availability Charges		\$ 44,873	\$ 528,127	\$ 573,000				\$ 573,000
Total Revenues	\$ 48,640,950	\$ 44,873	\$ 4,574,227	\$ 53,260,050	\$ 2,117,530	\$ 1,739,695	\$ 2,398,964	\$ 59,516,239
NET REVENUES & EXPENDITURES	\$ 346,146	\$ -	\$ (133,523)	\$ 212,623	\$ (746,319)	\$ (200,362)	\$ 1,913,976	\$ 1,179,918
EXPENDITURES OF CONTINUING PROJECTS	\$ -	\$ -	\$ (6,437,953)	\$ (6,437,953)	\$ (767,112)	\$ (243,989)	\$ (3,416,161)	\$ (10,865,215)
TRANSFERS (See page 3-2)	\$ (1,446,146)	\$ -	\$ 346,146	\$ (1,100,000)	\$ 1,100,000	\$ -	\$ -	\$ -
ESTIMATED BALANCE, JUNE 30, 2024	\$ 6,349,527	\$ 220,420	\$ 9,411,744	\$ 15,981,691	\$ 1,298,526	\$ 2,609,342	\$ 3,740,833	\$ 23,630,391

ORDINANCE NO. 2023-07

**ORDINANCE OF THE VALLEY CENTER MUNICIPAL
WATER DISTRICT AMENDING THE ADMINISTRATIVE
CODE TO PROVIDE FOR CHANGES IN AUTHORIZED
STAFFING LEVELS PER THE FISCAL YEAR 2023-24
BUDGET AND STAFF ORGANIZATION AND TO
INCORPORATE CHANGES PER THE APPROVED
MEMORANDUM OF UNDERSTANDING WITH EMPLOYEES**

BE IT ORDAINED by the Board of Directors of the **VALLEY CENTER MUNICIPAL WATER DISTRICT** as follows:

- Section 1.** The VALLEY CENTER MUNICIPAL WATER DISTRICT Administrative Code be and it is amended to provide for changes in the District's Classification and Compensation Plan by modification of Article 8 Section 8.6 Standby Pay, Section 8.7 Shift Differential, and Section 8.9(c) Salary Schedule as set forth in "Exhibit A" attached hereto.
- Section 2.** The VALLEY CENTER MUNICIPAL WATER DISTRICT Administrative Code be and it is amended to provide for changes in the District's organization chart and the authorized staffing level by the modification of Section 40.11 as set forth on "Exhibit B" attached hereto.
- Section 3.** That this ordinance shall take effect June 30, 2023, mid-shift, to comply with the Memorandum of Understanding with the District Employees' Association adopted by Ordinance 2019-04.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the **VALLEY CENTER MUNICIPAL WATER DISTRICT** held on the 19th day of June, 2023, by the following vote, to wit:

Robert Polito, ***Board President***

ATTEST:

Kirsten Peraino, ***Board Secretary***

Sec. 8.6Standby Pay

- (a) Standby Duty Pay. The employee assigned to the overnight standby duty shall receive ~~\$38.07~~ **\$39.78** for the overnight standby shift plus a minimum of two (2) hours pay at applicable overtime rates for the first call back in each overnight standby shift. Any successive call backs in the same overnight standby shift will be paid for actual time worked at applicable overtime rates.

Exempt employees are not eligible to receive standby pay.

- (b) Weekend/Holiday Standby Pay. The employees assigned overnight standby duty on Fridays shall receive the standby pay as set forth in Section 8.6(a) for the overnight standby shift. The employees assigned to twenty-four (24) hour standby duty on Saturdays, Sundays and holidays shall receive ~~\$72.87~~ **\$76.15** per twenty-four (24) hour standby shift. The employees shall receive a minimum of two (2) hours pay at applicable overtime rates for the first call back in each shift. Any successive call backs in the same shift will be paid for actual time worked at applicable overtime rates.

Exempt employees are not eligible to receive weekend/holiday standby pay.

Sec. 8.7

Shift Differential Pay. Employees assigned to work a different shift from the District's regular work period of Monday through Thursday from 7:00 a.m. to 4:30 p.m., and on Friday from 7:00 a.m. to 3:30 p.m. for Field personnel and 7:30 a.m. to 4:00 p.m. for Office and Field Administrative personnel shall receive ~~\$1.74~~ **\$1.79** per hour shift differential pay in addition to his/her regular pay for those hours worked other than the District's regular work period.

Sec. 8.8

Payroll Period and Pay Day. Payroll periods shall be on a biweekly basis beginning four (4) hours and one (1) minute into the workday on Friday and end 168 hours later. Pay checks will normally be distributed in the week following the end of the payroll period.

Per Ordinance No. 2021-09 Adopted July 6, 2021 [Sec. 8.6; 8.7 and 8.8]

Per Ordinance No. 2020-07 Adopted 7/6/20 [Sec. 8.6 & 8.7]

Per Ordinance No. 2008-05 Adopted 6/16/08 [Sec. 8.8]

Sec. 8.9

Compensation Policy - Position Classifications and Salary Ranges. This section sets forth the basic policies of the District. However, notwithstanding any policy set forth herein, the Board of Directors reserves the right and power to determine salary schedules and compensation of all employees after meeting and conferring with recognized employee associations and employee representatives.

It has been determined to be in the best interest of the Valley Center Municipal Water District to compensate its employees at salaries competitive with individuals being paid for comparable duties and responsibilities in public agencies providing similar services within the District's employment area, which is defined as San Diego and Southwestern Riverside Counties. Competitive compensation shall be deemed to be salary rates at 100%-105% of the mean salary paid for comparable duties and responsibilities in the employment area. Variance from this may be justified by circumstances and conditions specific to the Valley Center Municipal Water District.

- (a) Position Classifications and Salary Ranges. The District shall review and evaluate the position classifications existing within the District as negotiated. Based on comparative studies made in the District's employment area, the General Manager may recommend to the Board of Directors that adjustments to all or any part of the salary ranges be made.
- (b) Implementation of Findings. If, upon the review and evaluation of the position classifications by the District or by outside consultants, employees are found:
 - (1) to be compensated below the bottom of the recommended and adopted salary range for their respective position(s), then the affected employee(s) may receive a salary range adjustment increase effective with the adoption of the revised salary range, and such increase shall have no effect on subsequent meritorious salary consideration, or
 - (2) to be compensated above the top of the recommended range for their respective position(s), then subject employee(s) shall be deemed to be "above range", and shall retain the current pay level and qualification for annual cost of living increases, if awarded, as long as the incumbent employee(s) retains the present classification. Employees subsequently hired into the same classification shall be compensated within the salary range in effect at the time of hire.
- (c) Classification and Compensation Plan. Simultaneous with submission of the fiscal year budget, a list of all positions required for the coming year, along with the recommended salary range for each position, are submitted. The Board, after full consideration of the recommendations, shall adopt a classification and compensation plan.

The present District salary ranges are shown on the immediately following pages.

Per Ordinance No. 99-4 Adopted 6/21/99 [Sec. 8.9(b)(2)]

Per Ordinance No. 2008-05 Adopted 6/16/08 [Sec. 8.9]

Per Ordinance No. 2008-05 Adopted 6/16/08 [Sec. 8.9(a)]

Per Ordinance No. 2020-07 Adopted 7/6/20 [Sec. 8.9(c)]

Sec. 8.9

Compensation Policy - Position Classifications and Salary Ranges (Cont'd.)(c) Classification and Compensation Plan (Cont'd.)*Effective 06/30/23, at mid shift*

<u>Classifications</u>	<u>Salary Range Number</u>
General Manager	As set by Board
Executive Assistant/Secretary to the Board	25
Special Projects and Compliance Manager	31
Administrative/Clerical Series	
Administrative Assistant I	14 ⁽¹⁾
Administrative Assistant II	16
Administrative Assistant II/Assistant Board Secretary	17
Administrative Assistant III	18
Administrative Assistant III/Assistant Board Secretary	19
Sr. Administrative Assistant	21
Administrative Supervisor	23
Engineering Series	
District Engineer/Deputy General Manager	37.6
Senior Engineer	34
Project Coordinator	27
Project Manager	30.5
Project Manager/Deputy Engineering (Dept. Director)	31
Engineering Technician I	19 ⁽¹⁾
Engineering Technician II	21
Engineering Technician III	23
Sr. Engineering Technician	25
Engineering Services Supervisor	27
GIS/Mapping Technician	21
GIS Analyst	23
Senior GIS Analyst	25
Construction Inspector	22.5
Sr. Construction Inspector	24.5
Construction Inspector Supervisor	27
Finance, Accounting and Consumer Services Series	
Director of Finance and Administration	36.6
Accounting Specialist I	18
Accounting Specialist II	21
Manager of Accounting/ Deputy Director <i>of Finance & Administration</i>	34 33

Notes: ⁽¹⁾ Employees may be hired in the "Training Range", as defined by Section 5.3(e), hired at 15% below classification level.

Sec. 8.9 Compensation Policy - Position Classifications and Salary Ranges (Cont'd.)(c) Classification and Compensation Plan (Cont'd.)*Effective 06/30/2023, at mid shift*

<u>Classifications</u>	<u>Salary Range Number</u>
Finance (Cont'd)	
Consumer Services Assistant	16
Sr. Consumer Services Assistant	18
Consumer Services Supervisor	25
Human Resources Analyst	25
Information Technology Series	
Director of Information Technology	36.6
Information Technology Specialist	23 ⁽¹⁾ ⁽²⁾
Sr. Information Technology Specialist	27
SCADA IT Administrator	29
Operations and Facility Maintenance Administration and Operating Divisions Series	
Director of Operations/Facilities	36.5
Safety & Regulatory Compliance Officer	25.0
Construction-Maintenance, Landscape Division	
Construction/Maintenance Technician I	17 ⁽¹⁾ ⁽²⁾
Construction/Maintenance Technician II	19.5
Construction/Maintenance Technician III	21.5
Sr. Construction/Maintenance Technician	23.5
Construction/Maintenance Supervisor	27
Landscape Maintenance Worker I	13 ⁽¹⁾ ⁽²⁾
Landscape Maintenance Worker II	15
Landscape Maintenance Worker III	17
Sr. Landscape Maintenance Worker	19
Meter Services Division	
Meter Services Technician I	17 ⁽¹⁾ ⁽²⁾
Meter Services Technician II	19.5
Meter Services Technician III	21.5
Sr. Meter Services Technician	23.5
Meter Services Supervisor	27

- Notes: ⁽¹⁾ Employees may be hired in the "Training Range", as defined by Section 5.3(e), hired at 15% below classification level.
- ⁽²⁾ Employees may be hired as "Provisional Employees" and, as such, have two (2) years to obtain the licenses and certifications required to perform their specified duties or be subject to actions as described in Section 5.3(f)

Sec. 8.9 Compensation Policy - Position Classifications and Salary Ranges (Cont'd.)(c) Classification and Compensation Plan (Cont'd.)*Effective 06/30/2023, at mid shift*

<u>Classifications</u>	<u>Salary Range Number</u>
Pumps-Motors, Electrical, Fleet Maintenance Division	
Pump Facilities Technician I	17 ^{(1) (2)}
Pump Facilities Technician II	19.5
Pump Facilities Technician III	21.5
Sr. Pump Facilities Technician	23.5
Pumps and Motors Supervisor/ <i>Deputy Director of Operations & Facilities</i>	27 27.5
Electrical Technician I	17
Electrical Technician II	19.5
Electrician	21.5
Sr. Electrician	23.5
Fleet Mechanic I	17 ^{(1) (2)}
Fleet Mechanic II	19.5
Fleet Mechanic III	21.5
Sr. Fleet Mechanic	23.5
Wastewater Operations Division	
Wastewater Systems Technician I	17 ^{(1) (2)}
Wastewater Systems Technician II	19.5
Wastewater Systems Technician III	21.5
Sr. Wastewater Systems Technician	23.5
Wastewater Systems Supervisor	27
Water Operations Division	
Water Systems Technician I	17 ^{(1) (2)}
Water Systems Technician II	19.5
Water Systems Technician III	21.5
Sr. Water Systems Technician	23.5
Water Systems Supervisor	27

- Notes: ⁽¹⁾ Employees may be hired in the "Training Range", as defined by Section 5.3(e), hired at 15% below classification level.
- ⁽²⁾ Employees may be hired as "Provisional Employees" and, as such, have two (2) years to obtain the licenses and certifications required to perform their specified duties or be subject to actions as described in Section 5.3(f)

Per Ordinance No. 2021-09 Adopted July 6, 2021 [Sec. 8.9(c)]

Per Ordinance No. 2020-07 Adopted 7/6/20 [Sec. 8.9(c)]

VALLEY CENTER MUNICIPAL WATER DISTRICT
SALARY SCHEDULE FOR 2023-2024

RANGE NO.	BIWEEKLY SALARY RANGE		MONTHLY SALARY RANGE		YEARLY SALARY RANGE		HOURLY SALARY RANGE	
	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX
Gen Mgr *	\$9,388.90	\$9,388.90	\$20,342.62	\$20,342.62	\$244,110.50	\$244,110.50	\$122.173	\$122.173
37.6	\$6,637.76	\$8,863.84	\$14,381.81	\$19,204.99	\$172,581.76	\$230,459.84	\$82.972	\$110.798
37.5	\$6,545.44	\$8,771.52	\$14,181.79	\$19,004.96	\$170,181.44	\$228,059.52	\$81.818	\$109.644
37.0	\$6,387.68	\$8,560.08	\$13,839.97	\$18,546.84	\$166,079.68	\$222,562.08	\$79.846	\$107.001
36.6	\$6,326.08	\$8,446.16	\$13,706.51	\$18,300.01	\$164,478.08	\$219,600.16	\$79.076	\$105.577
36.5	\$6,233.76	\$8,353.84	\$13,506.48	\$18,099.99	\$162,077.76	\$217,199.84	\$77.922	\$104.423
36.0	\$6,083.52	\$8,152.48	\$13,180.96	\$17,663.71	\$158,171.52	\$211,964.48	\$76.044	\$101.906
35.5	\$5,936.88	\$7,956.00	\$12,863.32	\$17,238.00	\$154,358.88	\$206,856.00	\$74.211	\$99.450
35.0	\$5,793.84	\$7,764.24	\$12,553.32	\$16,822.52	\$150,639.84	\$201,870.24	\$72.423	\$97.053
34.5	\$5,654.24	\$7,577.12	\$12,250.85	\$16,417.09	\$147,010.24	\$197,005.12	\$70.678	\$94.714
34.0	\$5,517.92	\$7,394.56	\$11,955.49	\$16,021.55	\$143,465.92	\$192,258.56	\$68.974	\$92.432
33.5	\$5,384.96	\$7,216.32	\$11,667.41	\$15,635.36	\$140,008.96	\$187,624.32	\$67.312	\$90.204
33.0	\$5,255.20	\$7,042.40	\$11,386.27	\$15,258.53	\$136,635.20	\$183,102.40	\$65.690	\$88.030
32.5	\$5,128.56	\$6,872.72	\$11,111.88	\$14,890.89	\$133,342.56	\$178,690.72	\$64.107	\$85.909
32.0	\$5,004.96	\$6,707.04	\$10,844.08	\$14,531.92	\$130,128.96	\$174,383.04	\$62.562	\$83.838
31.5	\$4,884.32	\$6,545.44	\$10,582.69	\$14,181.79	\$126,992.32	\$170,181.44	\$61.054	\$81.818
31.0	\$4,766.64	\$6,387.68	\$10,327.72	\$13,839.97	\$123,932.64	\$166,079.68	\$59.583	\$79.846
30.5	\$4,651.76	\$6,233.76	\$10,078.81	\$13,506.48	\$120,945.76	\$162,077.76	\$58.147	\$77.922
30.0	\$4,539.60	\$6,083.52	\$9,835.80	\$13,180.96	\$118,029.60	\$158,171.52	\$56.745	\$76.044
29.5	\$4,430.24	\$5,936.88	\$9,598.85	\$12,863.24	\$115,186.24	\$154,358.88	\$55.378	\$74.211
29.0	\$4,323.44	\$5,793.84	\$9,367.45	\$12,553.32	\$112,409.44	\$150,639.84	\$54.043	\$72.423
28.5	\$4,219.28	\$5,654.24	\$9,141.77	\$12,250.85	\$109,701.28	\$147,010.24	\$52.741	\$70.678
28.0	\$4,117.60	\$5,517.92	\$8,921.47	\$11,955.49	\$107,057.60	\$143,465.92	\$51.470	\$68.974
27.5	\$4,018.32	\$5,384.96	\$8,706.36	\$11,667.41	\$104,476.32	\$140,008.96	\$50.229	\$67.312
27.0	\$3,921.52	\$5,255.20	\$8,496.63	\$11,386.27	\$101,959.52	\$136,635.20	\$49.019	\$65.690
26.5	\$3,826.96	\$5,128.56	\$8,291.75	\$11,111.88	\$99,500.96	\$133,342.56	\$47.837	\$64.107
26.0	\$3,734.80	\$5,004.96	\$8,092.07	\$10,844.08	\$97,104.80	\$130,128.96	\$46.685	\$62.562
25.5	\$3,644.80	\$4,884.32	\$7,897.07	\$10,582.69	\$94,764.80	\$126,992.32	\$45.560	\$61.054
25.0	\$3,556.96	\$4,766.64	\$7,706.75	\$10,327.72	\$92,480.96	\$123,932.64	\$44.462	\$59.583
24.5	\$3,471.20	\$4,651.76	\$7,520.93	\$10,078.81	\$90,251.20	\$120,945.76	\$43.390	\$58.147
24.0	\$3,387.52	\$4,539.60	\$7,339.63	\$9,835.80	\$88,075.52	\$118,029.60	\$42.344	\$56.745
23.5	\$3,305.92	\$4,430.24	\$7,162.83	\$9,598.85	\$85,953.92	\$115,186.24	\$41.324	\$55.378
23.0	\$3,226.24	\$4,323.44	\$6,990.19	\$9,367.45	\$83,882.24	\$112,409.44	\$40.328	\$54.043
22.5	\$3,148.48	\$4,219.28	\$6,821.71	\$9,141.77	\$81,860.48	\$109,701.28	\$39.356	\$52.741
22.0	\$3,072.64	\$4,117.60	\$6,657.39	\$8,921.47	\$79,888.64	\$107,057.60	\$38.408	\$51.470
21.5	\$2,998.56	\$4,018.32	\$6,496.88	\$8,706.36	\$77,962.56	\$104,476.32	\$37.482	\$50.229
21.0	\$2,926.32	\$3,921.52	\$6,340.36	\$8,496.63	\$76,084.32	\$101,959.52	\$36.579	\$49.019
20.5	\$2,855.76	\$3,826.96	\$6,187.48	\$8,291.75	\$74,249.76	\$99,500.96	\$35.697	\$47.837
20.0	\$2,786.96	\$3,734.80	\$6,038.41	\$8,092.07	\$72,460.96	\$97,104.80	\$34.837	\$46.685
19.5	\$2,719.76	\$3,644.80	\$5,892.81	\$7,897.07	\$70,713.76	\$94,764.80	\$33.997	\$45.560
19.0	\$2,654.24	\$3,556.96	\$5,750.85	\$7,706.75	\$69,010.24	\$92,480.96	\$33.178	\$44.462
18.5	\$2,590.24	\$3,471.20	\$5,612.19	\$7,520.93	\$67,346.24	\$90,251.20	\$32.378	\$43.390
18.0	\$2,527.84	\$3,387.52	\$5,476.99	\$7,339.63	\$65,723.84	\$88,075.52	\$31.598	\$42.344
17.5	\$2,466.96	\$3,305.92	\$5,345.08	\$7,162.83	\$64,140.96	\$85,953.92	\$30.837	\$41.324
17.0	\$2,407.44	\$3,226.24	\$5,216.12	\$6,990.19	\$62,593.44	\$83,882.24	\$30.093	\$40.328
16.5	\$2,349.44	\$3,148.48	\$5,090.45	\$6,821.71	\$61,085.44	\$81,860.48	\$29.368	\$39.356
16.0	\$2,292.80	\$3,072.64	\$4,967.73	\$6,657.39	\$59,612.80	\$79,888.64	\$28.660	\$38.408
15.5	\$2,237.60	\$2,998.56	\$4,848.13	\$6,496.88	\$58,177.60	\$77,962.56	\$27.970	\$37.482
15.0	\$2,183.68	\$2,926.32	\$4,731.31	\$6,340.36	\$56,775.68	\$76,084.32	\$27.296	\$36.579
14.5	\$2,131.04	\$2,855.76	\$4,617.25	\$6,187.48	\$55,407.04	\$74,249.76	\$26.638	\$35.697
14.0	\$2,079.68	\$2,786.96	\$4,505.97	\$6,038.41	\$54,071.68	\$72,460.96	\$25.996	\$34.837
13.5	\$2,029.52	\$2,719.76	\$4,397.29	\$5,892.81	\$52,767.52	\$70,713.76	\$25.369	\$33.997
13.0	\$1,980.64	\$2,654.24	\$4,291.39	\$5,750.85	\$51,496.64	\$69,010.24	\$24.758	\$33.178
12.5	\$1,932.88	\$2,590.24	\$4,187.91	\$5,612.19	\$50,254.88	\$67,346.24	\$24.161	\$32.378
12.0	\$1,886.32	\$2,527.84	\$4,087.03	\$5,476.99	\$49,044.32	\$65,723.84	\$23.579	\$31.598
11.5	\$1,840.88	\$2,466.96	\$3,988.57	\$5,345.08	\$47,862.88	\$64,140.96	\$23.011	\$30.837
11.0	\$1,796.48	\$2,407.44	\$3,892.37	\$5,216.12	\$46,708.48	\$62,593.44	\$22.456	\$30.093
10.5	\$1,753.20	\$2,349.44	\$3,798.60	\$5,090.45	\$45,583.20	\$61,085.44	\$21.915	\$29.368
10.0	\$1,710.96	\$2,292.80	\$3,707.08	\$4,967.73	\$44,484.96	\$59,612.80	\$21.387	\$28.660

* General Manager salary is effective on January 1.

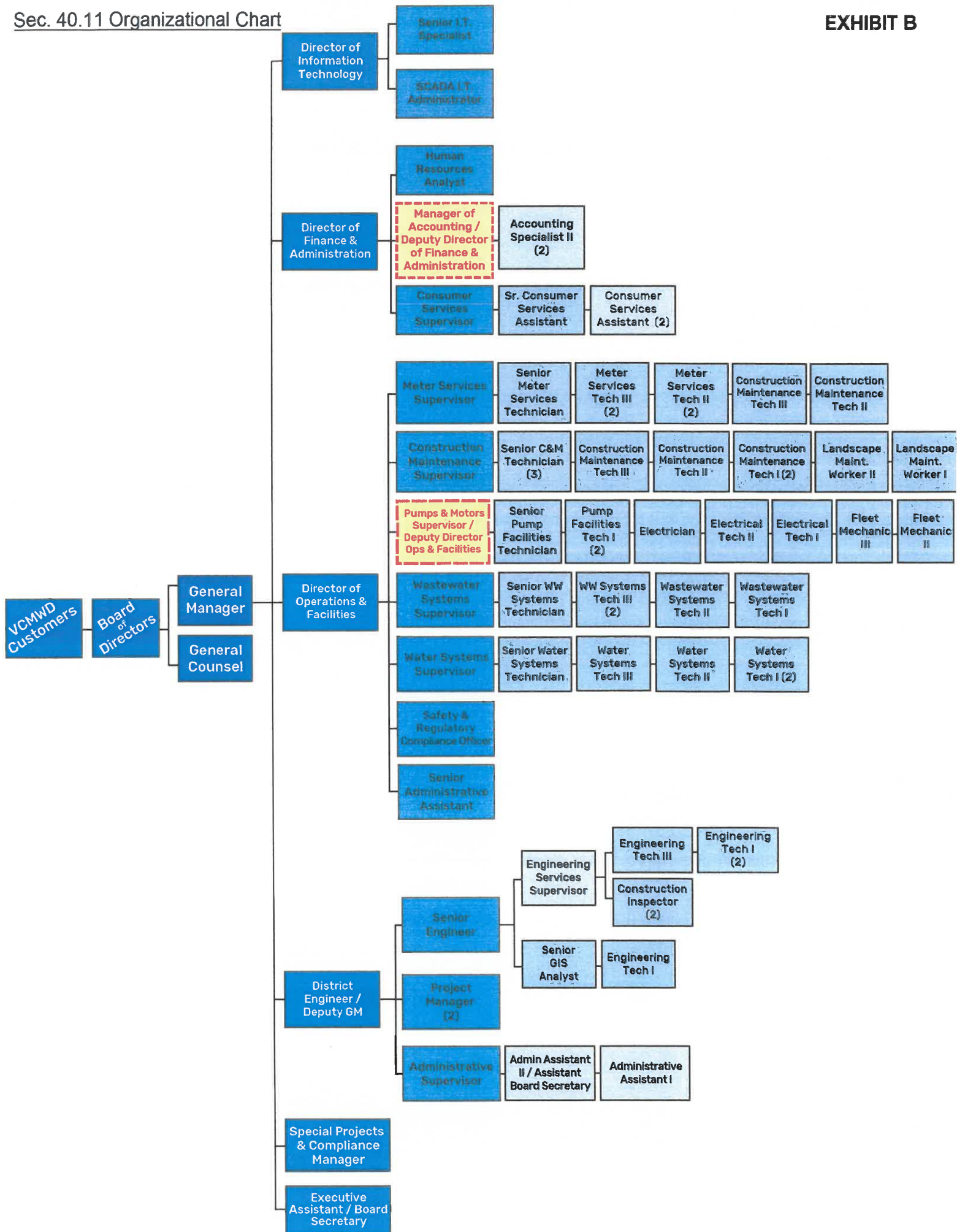
Sec. 40.10 Director of Information Technology. The Director of IT shall, subject to Board approval, be appointed by and be directly responsible to the General Manager. This position requires education and long term experience in computer science and information systems, including network engineering and administration, database administration, software development, and information systems security.

This person shall be responsible for overall planning, organizing, and execution of all Information Technology functions. This includes directing all IT operations as well as the support and maintenance of existing infrastructure, applications, and development of new technical solutions.

Sec. 40.11 Organizational Chart. As shown below and on the following Organizational Chart, the authorized staff level by department is:

<u>Department</u>	<u>Authorized Staff Level</u>
Administration	3.00
Information Technology	3.00
Finance	9.00
Engineering	15.00
Operations	<u>42.00</u>
Total Authorized Positions	<u>72.00</u>

With the approval of the General Manager and subject to availability of budget appropriations, promotions, demotions or reclassification of employees may occur within the total staff level authorized above to meet the goals and needs of the District.



ORDINANCE NO. 2023-08

**ORDINANCE OF THE BOARD OF DIRECTORS OF
VALLEY CENTER MUNICIPAL WATER DISTRICT
AMENDING THE ADMINISTRATIVE CODE
SECTION 50.2(a) BUDGET POLICIES - RESERVES**

WHEREAS, the District desires to amend the Replacement Reserve Policy to establish a reserve for the Low Pressure Sewer System at the Lower Moosa Canyon Water Reclamation Facility Service Area;

WHEREAS, the District also desires to modify the Replacement Reserve Policy to make the following clarifications:

- a) Revise the Woods Valley Ranch Replacement Reserve terminology to match that of the new Lower Moosa Canyon Water Reclamation Facility.

BE IT ORDAINED by the Board of Directors of the VALLEY CENTER MUNICIPAL WATER DISTRICT as follows:

1. The above Recitals are true and correct and are made findings and determinations of the Board of Directors.
2. The District's Administrative Code, Article 50 shall be and is amended, as set forth in Exhibit A, attached hereto.
3. The Administrative Code changes shall become effective upon approval of the Board of Directors.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Valley Center Municipal Water District held on the 19th day of June, 2023, by the following vote, to wit:

Robert A. Polito, President

ATTEST:

Kirsten Peraino, Board Secretary

Sec. 50.2Budget Policies (Cont'd.)(a) Reserves (Cont'd.)

2. Operating Reserve:

A reserve shall be established for the asset categories listed below to provide funding for emergencies and natural disasters, such as fire, earthquake, flooding, etc. This reserve need not be funded in the budget.

- (1) General Fund
- (2) Lower Moosa Canyon Water Reclamation Facility
- (3) Woods Valley Ranch Water Reclamation Facility

The Operating Reserves and the Rate Stabilization Reserves together are considered to be discretionary reserves, unrestricted or uncommitted reserves not anticipated to be used in the current fiscal year. The District shall endeavor to maintain these discretionary reserves at a minimum three and a maximum six months operations and maintenance budget (excluding wholesale water and power purchases for the General Fund Operating Reserve).

3. Restricted Reserves:

A. Debt Service Reserve: This reserve includes debt service taxes collected but not yet payable to debt holders, reserves required by debt agreements, and unexpended proceeds from debt issues, and will be used to fulfill debt requirements in accordance with debt covenants. This reserve shall earn interest in accordance with state statute.

B. Replacement Reserves: Reserves for the following asset categories shall be established.

- (1) Lower Moosa Canyon Water Reclamation Facility
- (2) Woods Valley Ranch Water Reclamation Facility
- (3) Woods Valley Ranch ~~Grinder-Pumps~~ Low Pressure Sewer System
- (4) Lower Moosa Canyon Water Reclamation Facility Low Pressure Sewer System

Each reserve shall receive an annual budget appropriation based on a percentage of the current annual depreciation of the asset category as determined from the estimated current replacement cost, service life and age of facility. Proceeds from the sale of these assets shall be credited to these reserves. The "Buy-In" component of the capacity charges for the asset category shall be credited to these reserves. This reserve shall earn interest in accordance with state statute.

Sec. 50.2Budget Policies (Cont'd.)(a) Reserves (Cont'd.)1. Restricted Reserves (Cont'd)

B. (Cont'd)

These reserves may be used for the replacement of assets or facilities or installation of system upgrades, but not for installation of additional assets or facilities needed for increasing capacity. The reserve shall not exceed the replacement value of the assets covered. With Board approval, funds may be loaned from this reserve for other purposes subject to full repayment of the principle amount plus interest.

Sec. 50.2 Budget Policies (Cont'd.)(a) Reserves (Cont'd.)

The following table provides reference to reserves. For complete details refer to Section 50.2:

Restricted Reserves:					
Debt Service	Debt service taxes, reserves under debt agreements, and unexpended debt proceeds	Fulfill debt requirements in accordance with debt covenants	Per debt agreements	Per debt agreements	Per debt agreements
Replacement: <ul style="list-style-type: none"> ◦ Lower Moosa Canyon WRF ◦ Woods Valley Ranch WRF ◦ Grinder Pumps ◦ Low Pressure Sewer System 	Budget appropriation equal to a percentage of annual depreciation on related assets, plus proceeds from sales of those assets	Replacement of assets, System Upgrades	None	Replacement cost of assets	Interest



SUMMARY OF FORMAL BOARD OF DIRECTORS' MEETING MAY 25, 2023

1. Approve Water Rights Legislative Policy Guidelines.
The Board approved water rights legislative policy guidelines to be included in the Water Authority's Legislative Policy Guidelines.
2. Adopt positions on various bills.
The Board adopted positions of Oppose on: AB 460 (Bauer-Kahan), relating to State Water Resources Control Board: Interim Relief; AB 1337 (Wicks), relating to State Water Resources Control Board: Water Shortage Enforcement; SB 389 (Allen), relating to State Water Resources Control Board: Determination of Water Right; and Support on AB 530 (Boerner), relating to County Water Authority Act: Exclusion of Territory: Procedure.
3. Monthly Treasurer's Report on Investments and Cash Flow.
The Board noted and filed the Treasurer's report.
4. General Manager's Recommended Budget for Fiscal Years 2024 and 2025.
The Board approved CY 2024 Rate Alternative 2B: Use Reserves Beyond Board Policy and Defeas bonds for an 8.2% Effective rate Increase and directed the General Manager to look at the entire organization FTEs and come back with a risk analysis reducing the FTEs by five.
5. Resolution setting a Public Hearing date and time for proposed Calendar Year 2024 Rates and Charges.
The Board adopted Resolution No. 2023-19 setting the time and place for a public hearing on June 22, 2023, at or after 9:00 a.m., or as soon thereafter as may practicably be heard, during the Administrative and Finance Committee meeting, to receive comments regarding proposed rates and charges to be effective January 1, 2024.
6. Adopt resolution supporting candidates for President of the Association of California Water Agencies.
The Board adopted Resolution No. 2023-21 supporting Cathy Green for President of the Association of California Water Agencies.
7. Retirement of Director.
The Board adopted Resolution No. 2023-20 honoring Elsa Saxod upon her retirement from the Board of Directors.
8. Approval of Minutes.
The Board approved the minutes of the Special Administrative and Finance Committee meetings of April 11 and 13, 2023 and the Formal Board of Directors' meeting of April 27, 2023.
9. CLOSED SESSION
The Board approved staff to continue negotiations on potential properties as listed on the agenda.

June 19, 2023

TO: Honorable President & Board of Directors

FROM: Gary T. Arant, *General Manager*

SUBJECT: DISTRICT STATUS REPORT – APRIL 2023

PURPOSE:

To provide the Board with a status report on District operations, activities and projects.

SUMMARY:

For the month of April 2023, the following reports are presented by the Operations, Engineering, Finance, IT and General Administration Departments:

I. OPERATIONS DEPARTMENT:

A. WATER / WASTEWATER DIVISION:

	APR 2023	APR 2022	FY 2022-23 to Date	FY 2021-22 to Date
Water Operations				
Flow (average cfs)	13.9	23.98	18.59	23.02
Total Rainfall (inches)	0.05	0.16	24.27	10.32
Average 24 Hr. Temp. (EF)	58	64	61	63
Average High Temp. (EF)	70	74	73	76

Water Purchases (A.F.)	827.13	1,424.56	11,254.23	13,758.35
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	Budgeted 2022-23	Projected 2022-23	Actual 2021-22
Water Sales (A.F.)	16,500.0	13,900.0	16,207.0

	MAR 2023	FEB 2023	F.Y. 2022-23 to Date
Power Purchases			
Electricity and Natural Gas			
Total kWh Purchased	330,984	375,106	5,997,630
Avg. Cost/kWh	\$0.315343	\$0.310852	\$0.235762
Total Therms Purchased	10,402	8,319	326,606
Avg. Cost/Therm	\$1.45677	\$2.77671	\$1.57725

RENEWABLE ENERGY PROGRAM

Project	Start Date	kWh Produced MAR 2023	Savings from Solar MAR 2023	CSI Rebate MAR 2023	kWh Produced Fiscal Year	Savings from Solar Fiscal Year	CSI Rebate Fiscal Year	kWh Produced To Date	Savings from Solar To Date	CSI Rebate To Date
Lake Turner	1/1/2009	126,703	Not Available		872,431	Not Available		24,208,113	\$443,357	
Tyler Pump Station	6/3/2013	6,518	\$1,695		60,530	\$13,386		866,332	\$170,063	\$61,739
Circle R Pump Station	11/13/2013	6,799	\$1,768		61,485	\$13,623		875,954	\$174,726	\$68,201
Cobb Reservoir	4/1/2015	4,090	\$1,063		37,110	\$8,193		442,006	\$89,129	\$37,481
MJM Pump Station	6/1/2015	3,530	\$918		31,711	\$7,004		364,612	\$74,042	\$32,525
Cool Valley Pump Station	3/23/2016	11,630	\$3,024		88,087	\$19,802		1,068,447	\$222,364	
Miller Pump Station	7/1/2016	8,729	\$2,270		80,795	\$17,835		752,932	\$155,916	
TOTALS		167,999	\$10,737	\$0	1,232,149	\$79,842	\$0	28,578,396	\$1,329,597	\$199,946

Total Program Cost Savings **\$1,529,543**

Total Metric Tons of CO2e Offset by Renewable Energy Production **9,202**

SDG&E CO2e Factor **0.322**

Total Renewable Energy Credits Sold:	23,284	Value:	\$33,549.60
	+ 177		+ \$531.00
	23,461		\$34,080.60

Operations and Facilities Department RENEWABLE ENERGY PROJECTS



Country Club Res - 58kW



Miller Pump Sta. (A) - 70kW



Tyler Pump Station - 52kW



Cool Valley Res - 91kW



MJM Pump Station - 30kW



Lake Turner - 1.1MW



Cobb Res - 30kW

Solar Sites Online

^ (7) Sites - Total: 1.43MW

Proposed Future Solar Sites

P Betsworth Pump Station	868kW
P Corporate Facility	110kW
P Lower Moosa Canyon WRF	187kW
P Miller Pump Station (B)	431kW
Total: 1.6MW	

Terms:

kW - Kilowatt or 1,000 Watts
MW - Megawatt or 1,000 Kilowatts
1 MW will power 1,000 Homes



Wastewater	<u>APR 2023</u>	<u>APR 2022</u>	<u>APR 2021</u>
Daily Flows (Average M.G.D.)			
Moosa	.340	.333	.339
Woods Valley	.126	.072	.059

	<u>APR 2023</u>	<u>APR 2022</u>	<u>F.Y. 2021-22 to Date</u>	<u>F.Y. 2020-21 to Date</u>
Recycled Water				
Woods Valley Ranch WWRF (A.F.)	11.68	6.60	97.58	57.57

B. CUSTOMER CONTACTS:

	<u>APR 2023</u>	<u>APR 2022</u>	<u>F.Y. 2022-23 to Date</u>	<u>F.Y. 2021-22 to Date</u>
Customer Service Requests				
Backflow Leaking		4	51	50
Conservation	0	0	0	0
Facilities Damaged by Others	1	0	2	8
Leaks	33	15	225	222
Miscellaneous	13	17	316	241
No Water	2	6	37	43
Pressure	12	14	102	105
Sewer	0	0	2	0
STEP System	1	0	6	20
Water Quality	0	0	7	9
After-Hour Call-Outs				
SCADA	5	11	40	36
Customer	9	14	98	78

C. SAFETY/MEETINGS:

Safety Meetings

04/04/23 — Poison Oak (Bill Morris)
04/18/23 — Rattlesnakes (Bill Morris)

Seminars/Meetings

04/05/23 — eAR Reporter Brown Bag #2 hosted by SWRCB attended by Julee Scott
04/13/23 — Drought Reporting Brown Bag hosted by SWRCB attended by Julee Scott
04/19/23 — eAR Reporter Brown Bag #3 hosted by SWRCB attended by Julee Scott
04/25/25 — Drought Reporting Brown Bag hosted by SWRCB attended by Julee Scott

D. SECURITY:

	<u>APR 2023</u>	<u>APR 2022</u>	<u>F.Y. 2022-23 to Date</u>	<u>F.Y. 2021-22 to Date</u>
Trespassing/Break-ins	0	0	1	2
Vandalism	0	0	1	0
Threats/Suspicious Activity	0	0	1	0
Theft	0	0	0	2

E. METER SERVICES DIVISION:

	<u>APR 2023</u>	<u>F.Y. 2022-23 to Date</u>	<u>F.Y. 2021-22 to Date</u>
Installation/Maintenance/Repair			
Meters Installed	10	464	478
Meter Service Repairs	13	82	36
Total Meters Exchanged	29	175	208
Meter Flow Test Bench			
Meters Tested	1	74	64
Backflow Program RP & DC Devices			
Tested	611	5,264	4,735
Repaired	20	203	235
Installed	41	381	557
Replaced Due to Theft/Damages	0	0	13

F. WATER FACILITIES DIVISION:

	<u>APR 2023</u>	<u>F.Y. 2022-23 to Date</u>	<u>F.Y. 2021-22 to Date</u>
Pump Maintenance			
Pumps Pulled	1	5	3
Electric Motors Repaired	0	1	0
Electric Motors Rewound	0	0	0

G. CONSTRUCTION & MAINTENANCE DIVISION:

	<u>APR 2023</u>	<u>F.Y. 2022-23 to Date</u>	<u>F.Y. 2021-22 to Date</u>
Pipeline Maintenance/Repair			
Mainline Repairs	2	18	11
Shutdowns	2	7	14
Shutdowns Due to New Construction	2	11	7

Valve Maintenance

Quad completed: A – J

19% through Quad K

Leak Detection Program Status

100% of facilities detected through Quads: A – J

19% of facilities detected through Quad K

	<u>APR 2023</u>	<u>F.Y. 2022-23 to Date</u>	<u>F.Y. 2021-22 to Date</u>
Landscape (Reservoirs) Maintenance			
Station Maintenance	12	162	224

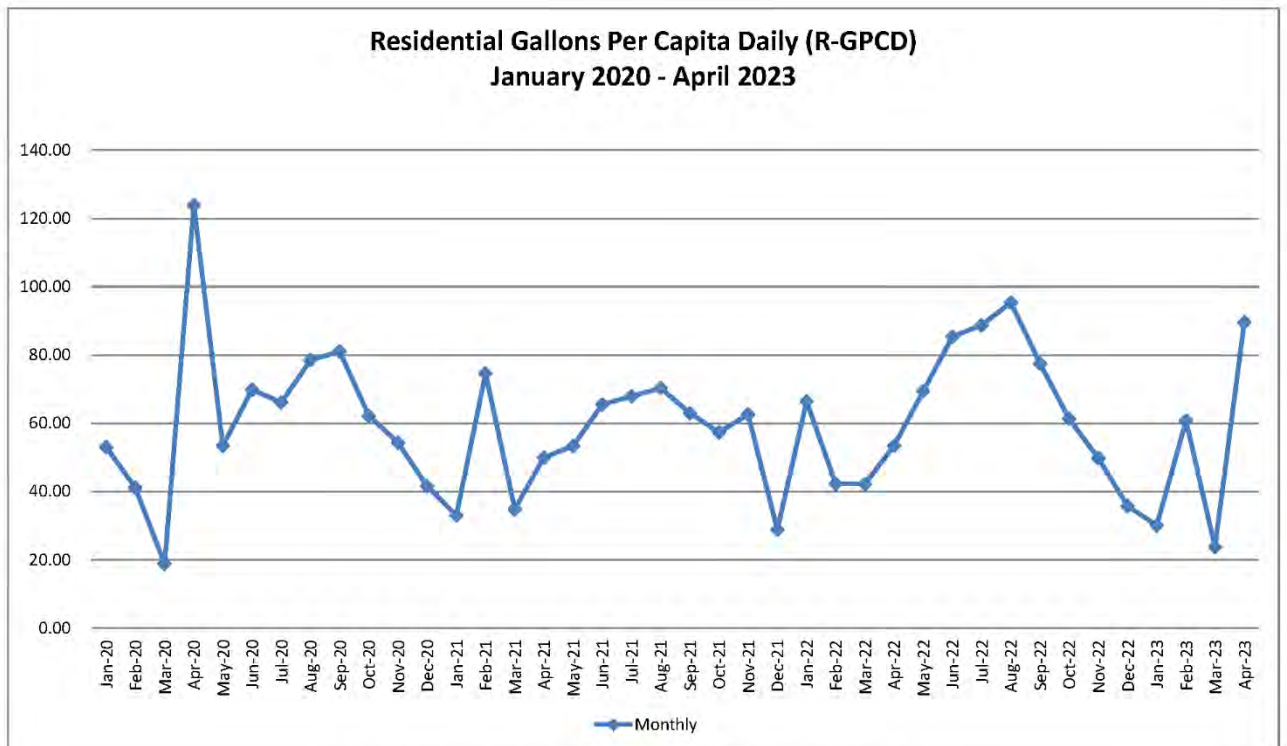
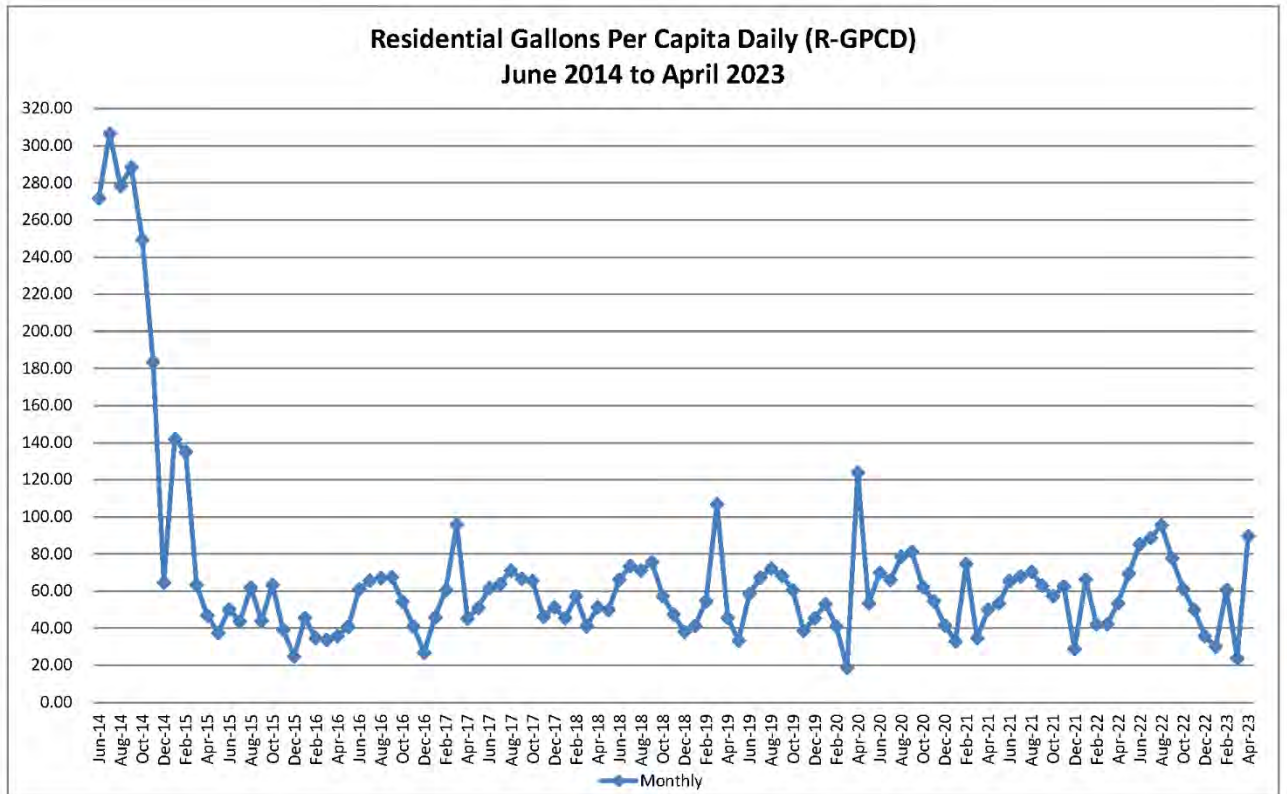
H. VEHICLE MAINTENANCE:

	<u>APR 2023</u>	<u>F.Y. 2022-23 to Date</u>	<u>F.Y. 2021-22 to Date</u>
Vehicles Serviced	7	52	48
Miles Driven	26,888	274,701	250,578
Gallons of Fuel Consumed - Vehicles	2,356	23,146	21,408
Gallons of Fuel Consumed – Equipment	169	2,044	1,361
MPG (average)	11.3	11.9	11.5
Pickup Trucks MPG	13.6	14.7	13.9
Service Trucks MPG	7.4	7.3	7.3
Average Vehicle Miles	507	520	464
Total Mileage on Vehicles		4,913,585	5,032,365
 Total Number of Vehicles in Fleet	 53		
Vehicles in Service	47		
Surplus Vehicles in Service	3		
Surplus Vehicles Out of Service	3		

**FIELD DEPARTMENT
CAPITAL FUNDED PROJECTS SUMMARY**

Project No.	Name	F.Y. Auth- orized	Budget 2022- 2023	Total Project Budget	Contracts			Comments	Dept.
					Contractor / Consultant	% Complete MAR	APR		
01-06-78-51050	Natural Gas Engine Controls Upgrade and Automation	16-17		\$190,000		33%	33%	Construction in progress	P&M
01-06-78-51650	Risk and Resilience Assessment and Emergecy Response Plan	20-21		\$151,000		95%	95%	Risk and Resiliency Assessment 100% complete. ERP Plan is complete. Training will take place after COVID	SAFETY
01-06-78-51080	Pump Station Power Monitors	22-23	\$56,220	\$56,220		15%	15%	Construction in progress	P&M
01-06-78-51370	Vehicles - Pickup Truck	20-21	\$54,500	\$214,100		50%	50%	1 Complete, 1 On Order	P&M
01-06-78-51371	Vehicles - Service Truck	21-22	\$283,100	\$430,525		35%	37%	1 Receveived, Out Fitting in Progress	P&M
01-06-78-51372	Vehicles - Dump Truck	21-22	\$189,100	\$353,525		20%	20%	On Order	P&M
01-06-78-51373	Vehicles - Hooklift Truck	22-23	\$238,800	\$238,800		20%	20%	On Order	P&M
13-06-78-53140	Lower Moosa Collection System Vitrified Clay Pipe Lining	18-19		\$119,000		90%	90%	Contractor making repairs	WW
13-06-78-53060	Lower Moosa Canyon Reclamation Facility Solar Eval	19-20		\$15,000		0%	0%		WW
13-06-78-53430	Lower Moosa Canyon WRF Islands Lift Station Generator	20-21		\$55,000		20%	20%	On Order	P&M
13-06-78-53300	Sludge Transfer Pump Upgrade/Replacement	22-23	\$33,000	\$33,000		70%	70%	Pump purchased, waiting install	WW
13-06-78-53370 17-06-78-57370	Vehicles - Pickup Truck	22-23		\$58,000		20%	20%	On Order	P&M
13-06-78-53371 17-06-78-57371	Vehicles - Utility Pumper Truck	21-22	\$135,000	\$135,000		50%	100%	Completed	P&M
13-06-78-53372 17-06-78-57372	Vehicles - Service Truck	22-23		\$119,590		15%	15%	Received	P&M
17-06-78-57040	Lift Pumps	21-22	\$33,000	\$33,000		100%	100%	Completed	WW

II. Residential Gallons Per Capita Daily (R-GPCD):



Residential Gallons Per Capita Daily for April 2023 is 89.6

III. ENGINEERING DEPARTMENT:

A. ENGINEERING SERVICES:

	<u>April 2023</u>	<u>March 2023</u>	<u>F.Y. 2022-23 To Date</u>	<u>F.Y. 2021-22 Total</u>
Fire Meter Sales	2	9	234	315
Meter Sales	0	6	228	295
Meter Relocation	13	8	45	7
Meter Resize	0	0	3	5
Maps Processed (PF letters)	1	0	16	15
Agency Clearances Signed	13	10	68	107
Fire Hydrants/Special Projects Accepted	0	0	2	6
Underground Service Alerts/Mark-Outs	309	295	2,784	2,514
Potable Construction Meters	4	4	48	34
Non-Potable Construction Meters	0	0	0	0
One Day Permits	0	0	2	2
Wastewater Inspections	1	0	3	3

General Activity:

In addition to the items listed above, Engineering Services has been evaluating data for the upcoming meter relocations for the Lilac Road Pipeline Upsize Project. All meter relocations for the Gordon Hill Pipeline Replacement Project, and the Oat Hill Discharge Pipeline Replacement Project have been completed.

B. **GEOGRAPHICAL INFORMATION SYSTEM (GIS):**

GIS staff gathers and updates the facility data in the GIS as it is modified and assists project managers with various project maps/exhibits and data analysis.

The following took place in April:

1. The Engineering technician is continually adding water and wastewater infrastructure to the GIS system. This month she added several waterlines and wastewater lines for the Park Circle Development. She also added 36 water meters and Backflows. Additionally, she has taken on the task of analyzing, adding, and updating all our facilities. Drawing out any improvements and bringing the as-builts together to hyperlink for staff to use in the Cityworks application or GIS web maps. This month the Reidy Canyon Reservoir and Valley Center Pump Station were reviewed and updated;

2. Preparing data and work processes for Cityworks Phase II, CMMS (Computerized Maintenance Management System). Fleet vehicles will be tracked, inspected, and supported in Cityworks. We have made some updates to the list of data we are tracking. We have now updated the service, republished the survey, which is available to update and add vehicles, and created a dashboard to view the information ;
3. Staff employed a consultant to digitize district easements to display in GIS. We have received multiple files consisting of over 900 Easements. We are currently reviewing this data and have added it to our Geodatabase so we can view it in our Web applications.

C. EASEMENT ENCROACHMENTS:

Summary of Activities:

In the month of April, no Violations were discovered and no Permits were requested. All other existing files are still pending.

ENCROACHMENT STATUS TABLE					
April	Encroachment Violations			Encroachment Permits	
	Pending Evaluation ⁽¹⁾	Owner Resolution ⁽²⁾	District Resolution ⁽³⁾	Pending Evaluation ⁽⁴⁾	Active Permits ⁽⁵⁾
Beginning Log	12	22	11	18	9
Plus New	0	0	0	0	0
Less Completed	0	0	0	0	0
Ending Log	12	22	11	18	9

Encroachment Table Footnotes:

- 1) Pending Evaluation – This column represents the status of reported encroachment violations. The number of new violations reported during the month is indicated along with the number of violations that were resolved during the month. Resolution may result in either a) the property owner agreeing to remove the encroachment violation, b) in some cases, the District allowing the encroachment violation to remain pending resolution by the District, c) issuance of an encroachment permit that allows the encroachment to remain as is, or d) issuance of an encroachment permit that requires modification of the encroachment by the owner. Once the course of action for resolution of the encroachment violation has been determined, it is shown completed in the Pending Evaluation column and becomes a new item in either the Owner Resolution Column, the District Resolution Column or the Active Permit Column.
- 2) Owner Resolution – Removal of the encroachment violation is a property owner action requirement and will be inspected by District staff. The number of encroachment violations that were removed during the month is indicated as completed in this column.
- 3) District Resolution – Staff has determined that the encroachment violation is not a result of current owner's action and has agreed allow the encroachment to remain pending resolution by the District. The encroachment violation is properly documented and made clear to the owner that the District is not responsible for damage to the encroachment as a result of the operation, maintenance or failure of the District's facility in the easement.

- 4) Pending Evaluation – This column represents the status of requests to construct facilities or other improvements within a District easement under review and consideration. The number of requests received during the month is indicated as new and the number of requests resolved is indicated as completed. Resolution of the request included either a) denial of the encroachment request, or b) issuance of an encroachment permit. Many times the encroachment permits is issued concurrently with the completion of the work. Encroachment permits that will require further follow up inspection are shown in the Active Permits column.
- 5) Active Permits – This column shows the status of encroachment permits approved by District with work in progress and being inspected by District staff. Although the work is authorized, work may not commence immediately.

D. DEVELOPER FUNDED PROJECTS:

See Table I and Location Map for project details and general status of the Special Projects, Private Low-Pressure Wastewater Collection System Installations and Cell Site Projects that are in process.

See Table II and Location Map for general status of all developer funded projects.

**ENGINEERING DEPARTMENT
TABLE I - ENGINEERING SERVICES PROJECTS SUMMARY**

Special Projects (01-00-00-182xx)								
Job # 182xx	PROJECT NAME	<u>Owner Engineer</u>	Plan Approval	Estimated Construction Cost	Contractor	% Complete Construction	Final Accept.	April 2023 Comments
15	North Avenue Estates - RDDMWD & COE Project, Incl. VCMWD Waterline Relocation and Access Easement	Jared Aronowitz (Beazer) <u>Masson & Associates</u>	11/2/2022	N/A	TNT Blanchard	5%		No VCMWD activity since the preliminary pre-construction meeting held in February.
28	Miller Road Plaza - Shopping Center: Water/Irrig. & Fire Service, w/Grinder Pump	<u>Valley Center View Properties</u> Wynn Engineering	10/12/22	\$400,000	Gratzl Heavy Equipment Rental (Grading)	0%		VCMWD reviewed submittal revisions and provided additional comments. Performance, warranty bonds and copy of county excavation permits were received. District is awaiting contractor's revised submittals.
39	KA Enterprises - Fire Service/FH/Meter Relocate for new Circle R at Mountain Meadow Rd.	<u>KA Enterprises</u> Omega Engineering Consultants	6/3/2021	\$21,200	BC3 Equipment	90%		Final Punchlist items remain outstanding. VCMWD staff working with Developer and contractor towards project completion.
44	San Pasqual Retail Center adjacent to Horizon Ph 1 - Water Service Installation Ph 2 - Road Widening and Appurtenance Relocation	<u>San Pasqual Economic Development Corporation</u> Masson and Associates Inc	3/18/2021	\$92,758	TLM Petro Labor force, Inc.	70%		Onsite fire protection discussions continued from March with VCFPD. No further VCMWD activity in April.

**ENGINEERING DEPARTMENT
TABLE I - ENGINEERING SERVICES PROJECTS SUMMARY**

Special Projects (01-00-00-182xx), Continued.								
Job # 182xx	PROJECT NAME	<u>Owner</u> Contactor	Plan Approval	Estimated Construction Cost	Contractor	% Complete Construction	Final Accept.	April 2023 Comments
64	Anthony Rd. Fire Hydrant - Blackrock	<u>David Klose</u>	N/A	Pending	Pending	0%		Project was established and performance bond received in October 2021. No VCMWD Activity in April.
65	ARCO Gas Station and Store at VC Rd & Cole Grade Rd Domestic/Irrig/Fire Service and Sewer with Grinder pump	<u>Rafat Mikhail</u> Civil Landworks	5/2/2023	Pending	Gratzl Heavy Equipment Rental	5%		VCMWD reviewed plans for signature in early May. VCMWD easements were recorded, April 12th.
66	Darling Sewer Lateral	<u>Terri Darling</u>	4/29/2021	\$15,300	Draves Pipeline Inc.	100%	8/23/2022	In 1-year Warranty Period through August 2023.
67	Hamid Quitclaim	<u>Hamid Liaqhat</u>		\$2,000	Szytel Engineering	80%		Staff transmitted comments to the property owners surveyor to address. Staff is awaiting revised documents to proceed. Property owner put quitclaim on hold for now.
69	Goldman FH	<u>Melanie Goldman</u>		\$17,365	Draves Pipeline Inc.	0%		Wynn Engineering placed survey stakes to mark the edge of Right of Way. Fire Hydrant submittals were approved back in September. VCMWD currently awaiting installation date from contractor.
81	Erler/Carney Rd FH	Hank Erler	N/A	\$37,090	Draves Pipeline Inc.	100%	1/10/2023	In 1-year Warranty Period through January 2024.
82	V.C. Fire Station No. 3 Domestic Service and Fire Detector Assembly	Erickson-Hall Construction Co. Brandon Hamlett	N/A		Pending	0%		Staff communicated conditions for service as part of Agency Clearance approval.
83	McNally - JHR Partners Fire Hydrant	JHR Partners Wade Rupe	N/A		Pending	0%		Project account was established and initial \$5,000 deposit was received in February. VCMWD waiting for developer to procure contractor and start submittal process. No further VCMWD activity in April.

**ENGINEERING DEPARTMENT
TABLE I - ENGINEERING SERVICES PROJECTS SUMMARY**

Private Grinder Pump - LPS Installations (13-06-78-53250 or 17-06-78-57250 - Function 64)								
App#	APPLICANT	Plan Submittal	Plan Approval	Estimated Construction Cost	Contractor	% Complete Construction	Final Accept.	April 2023 Comments
417	Papa Bears (Armando & Maria Sanchez)	11/26/18	11/26/18	N/A	Pending	98%		No VCMWD Activity in April.
11165	Humberto Perez (10137 Tall Oak Dr)	11/29/22	11/29/22	N/A	Pending	100%		Grinder pump was connected and start up was completed in April. Finance started billing for wastewater service on April 20th.
11166	Antonio Vera (Woods Valley Ct)	11/09/22	11/09/22	N/A	Property Owner	25%		Grinder pump panel and electrical is pending installation. Once completed, customer can schedule start up.
11698	Good Standing - Hakeem Milbes (Tall Oak Lot 27)	01/23/23	01/25/23	N/A	Pending	0%		Received Plan Submittal and approved in January. Waiting on customer to start installation.
11699	Good Standing - Hakeem Milbes (Tall Oak Lot 24)	09/20/22	09/26/22	N/A	Pending	0%		No VCMWD Activity in April.
11727	Ryan Scharbarth (27674 High Vista Dr)	Pending		N/A	Pending	0%		Waiting on customer to procure contractor and start plan and installation approval process.
10564	Joi Blake (Tall Oak Lot 17)	Pending		N/A	Pending	0%		Sent customer grinder pump information but have not had any follow up contact from customer.
Cell Site Installations (01-03-23-50001 Function 122)								
Site #	SITE	Plan Submittal	Plan Approval	Estimated Construction Cost	Cell Company	% Complete Construction	Final Accept.	April 2023 Comments
	NO CELL SITE INSTALLATIONS ARE IN PROCESS AT THIS TIME							

**ENGINEERING DEPARTMENT
TABLE II - DEVELOPER FUNDED PROJECTS SUMMARY**

Job # 01-00-00-180xx	PROJECT NAME		Proj. Mgr.	Map No.	Lots/ Units	P h a s e	PLANNING	Planning		CONSTRUCTION				April 2023 Comments
							Engineer	Concept Approval	Plan Approval (1)	Estimated Cost	Contractor	% Complete	Final Acceptance	
02	Butterfield Trails		NL	TM 5551	71	G	Alidade Engineering - Larry Dutton	09/02/14		\$2,457,000				No VCMWD Activity in April.
05	Belmont Estates		NL	TM5110-1	4	G	ACAL Engineering	08/04/14	02/04/16	\$166,655				No response to letter requesting status update sent February 2018. No VCMWD Activity in April.
06	Lake Wohlford Resort Annexation Office of Water Programs - Sacramento State (OWP) is providing management services for the Facility Grant with the SWRCB		WG			F	Dexter Wilson Engineering							OWP obtained approval in February of an amendment to the SWRCB Grant to fund additional Annexation and Planning costs of the private water facilities needed to serve the resort and adding participating of the San Pasqual Band of Mission Indians for water service at Duro Road. Contracts with the consultants are being processed. District activities on hold pending funding of VCMWD project expenses and the SDCWA and MWD annexation processing fees. April Project Meeting was canceled by OWP.
07	Viking Grove Development		NL	20689 & 20690	9	B	ACAL Engineering	05/16/16	11/09/22	\$318,507	TAD Construction	5%		Tie in for temporary high line was completed March 2nd. Developer was weather delayed on finishing their storm water improvements. Storm water improvements have to be completed before construction of public waterline can continue.
09	Duffywood LLC Waterline Extension	P	NL	TM 5478	7	B	Florentina/ Civil Land Works	01/03/22	11/24/20	\$360,000	TAD Construction	100%	4/14/2023	All final punch list items were completed from March 27th update. Project was final accepted on April 14th.
17	Bear Peak (Shady Oak)		NL		47	B	Rick Engineering Company	03/18/19	07/08/19	\$600,000	GPS Plumbing and H7 Contrating & Engineering	99%		CCTV inspection started in March was completed in April. One final punch list item is remaining in order to issue final acceptance.
19	The Oaks (Washington Meadows Dev., Inc.)		NL	TM 5174.1	11	D	Spears and Assoc.	10/19/15	09/08/22	\$186,710		0%		The final map and plans were signed by the District and transmitted to the developer in September 2022. No VCMWD activity in April.
22	El Cidro		NL		10	G	BWE, Inc. (formerly Burkett & Wong Engineering)	04/15/13	11/30/15	\$410,250				Joint Agreement to Improve Subdivision, Joint Lien Agreement & Lien Hold Agreement approved by the County and the Final Map was recorded in July 2016. With project under a Lien Hold Agreement, construction will be delayed indefinitely. No VCMWD Activity in April.
	Park Circle Touchstone Communities (Backbone Facilities) (neighborhoods A & C)		NL	TM 5603 Units 2 & 3		B		04/15/19	07/23/19	\$3,100,000	Basile	98%		In March, an updated punch list was issued to developer. Staff is continuing to work with developer and their contractors on completing the remaining items.

**ENGINEERING DEPARTMENT
TABLE II - DEVELOPER FUNDED PROJECTS SUMMARY**

Job # 01-00-00-180xx	PROJECT NAME	Proj. Mgr.	Map No.	Lots/ Units	Phase	PLANNING	Planning		CONSTRUCTION				April 2023 Comments
						Engineer	Concept Approval	Plan Approval (1)	Estimated Cost	Contractor	% Complete	Final Acceptance	
23	Park Circle Touchstone Communities (Neighborhood E)	NL	TM 5603 Unit 1	101	B	Dexter Wilson Engineering & Touchstone Engineering Staff	04/15/19	10/19/20		Cass/Arrieta	95%		Developer continues to construct homes. VCMWD staff working with developer to complete punch list items.
	Park Circle Touchstone Communities (Neighborhood B)	NL	TM 5603 Unit 4 & Portion Unit 5	143	B		04/15/19	11/18/19		Cass/Arrieta	95%		Remaining punch list items for Unit 4 have still not been addressed. VCMWD staff is working with the developer and their contractor towards completion.
25	Orchard Run Subdivision - Unit 1 (Backbone Facilities funded by Touchstone)	NL	TM 5087 Unit 1 - 58 Lots Unit 2 - 70 Lots Unit 3 - 120 Lots Affordable Homes - 52 lots	20	B	Dexter Wilson Engineering & Touchstone Engineering Staff	04/15/19	07/23/19	\$1,855,600	Cass/Arrieta	95%		In March, an updated punch list was issued to developer. Staff is continuing to work with developer and their contractors on completing the remaining items.
	Orchard Run Subdivision - Unit 2 (Backbone Facilities funded by Touchstone)			3	B		04/15/19	07/23/19	\$1,877,000	Cass/Arrieta H7	95%		Remaining Unit 2 work is under KB Homes Job No. Item 56.
	Orchard Run Subdivision - Unit 3 (Backbone Facilities funded by Touchstone)			120	B		04/15/19	07/23/19	\$1,717,785	Cass/Arrieta	95%		VCMWD staff continued to work with developer and their contractor to review outstanding punch list items.
27	Free-Thomas Line Extension	NL	20450	4	G	Penny Engineering	12/24/14	12/24/14	\$69,837				No activity since letter informing Owner that plan approval expired; requested project update. Owner continuing to process plans through County which is delaying water design. No VCMWD Activity in April.
30	Deer Springs Towne Center	NL		2	F	BWE, Inc. (formerly Burkett & Wong Engineering)							Staff previously met with County planner in charge of other adjacent development to explore options for wastewater service that can be applicable here as well. There may be opportunity for joint effort with other developers for a communal system, to be further explored with individual developers. No VCMWD Activity in April.
32	Keys Creek Water Line Replacement (Keys Creek Investments, Inc.)	NL	PM 1698	3	D	Engineering Design Group - Ranka Vukmanic	08/03/15	N/A	\$7,492	Draves Pipeline	100%	02/02/23	Project in 1 year warranty period through February 2023.
35	Welk Garden Villas	NL		148	B	Hale	06/19/06	07/26/10	\$458,800	Ratzlaff	90%		In October 2022, Staff met with representative from Marriot, the new Owner of Welk Resort. They indicated a contractor is in process of being selected to perform the remaining punch list items. No VCMWD Activity in April.
39	Rimrock Phase III - Unit 1	NL	TM 4744	9	D	Piro Engineering	06/07/93						District was previously requested to re-sign the joint County bonds as part of the ownership transfer process. District met with the new owner in October of 2022 representatives shortly after to review the project. The new owner is planning to resume development of the remaining lots in the near future. No VCMWD Activity in April.
	Rimrock Phase III - Unit 2			32	D	Piro Engineering	06/07/93						
	Rimrock Phase III - Unit 3			29	D	CTE, Inc.	06/07/93						

**ENGINEERING DEPARTMENT
TABLE II - DEVELOPER FUNDED PROJECTS SUMMARY**

Job # 01-00-00- 180xx	PROJECT NAME	Proj. Mgr.	Map No.	Lots/ Units	P h a s e	PLANNING	Planning		CONSTRUCTION				April 2023 Comments
						Engineer	Concept Approval	Plan Approval (1)	Estimated Cost	Contractor	% Complete	Final Acceptance	
40	Circle P	NL	TM 5468	11	G	CTE, Inc.	08/07/17						No activity since Board issued Concept Approval for the project in August 2017. Staff prepared and submitted District Facility Agreement (DFA) to Developer for signature. Plan review pending receipt of plans and signed DFA. No VCMWD Activity in April.
44	Sea Bright Line Ext.	NL	TM 5814	9	G	Sea Bright	01/22/13	06/02/17	\$639,000				No activity since Board issued Concept Approval for the project in August 2017. Staff prepared and submitted District Facility Agreement (DFA) to Developer for signature. Plan review pending receipt of plans and signed DFA. No VCMWD Activity in April.
46	Beck Subdivision	NL	TM 5060	16	G	Sea Bright	06/01/09	10/10/18	\$237,215				In March, developer reached out to VCMWD to discuss the possibility of quitclaiming VCMWD easements and reverting the subdivision back to acreage. No VCMWD Activity in April.
51	Eagles Noel (Baldwin) Water Line Extension	NL	PM 17548	3	B	Wynn Engineering	04/05/21	06/02/21	\$185,000	JPI Development	85%		All testing and BacTs were completed. Tie in of the new line and meter relocation scheduled for May.
52	Weston Towne Center (previously called Village Square)	WG		85	F	TSAC Engineering Steve McPartland							The project was acquired by Indian Creek Associates, LLC. The new owner has established a new project account, see Job No. Item 73. Owner of the commercial property (Bob's LLC) has not yet made contact with the District. This account will remain open to report on the status of the commercial property.
54	Mathew Rd. Line Ext.	NL		3	A	Wunderlin Engineering Inc.	12/21/20	09/28/21	\$58,100	Westcoast Underground	100%	06/02/22	Project in 1 year warranty period through July 2023
55	Park Circle Shea Homes (Neighborhood A)	NL	Portion TM 5603 Unit 5	88	B	Dexter Wilson Engineering & Touchstone Engineering Staff	04/15/19	11/18/19		Cass/Arieta	95%		No punchlist items were worked on by the developer in April.
56	Orchard Run KB Home Coastal (Units 1 & 2)	NL		105	B	Dexter Wilson Engineering & Touchstone Engineering Staff	04/17/19	07/23/19	\$1,717,785	H7 Contracting and Engineering	95%		Developer's contractor is working to complete punch list items.
57	Orchard Run Unit 3 Affordable Home Unit	NL	TM 5087-3	52	B	Touchstone	04/17/19	07/23/19	Incl in OR Unit 3	Cass/Arieta	50%		In March, conditional Acceptance was issued and 16 sets of 3/4-inch Domestic Meters and 1-inch Fire Meters were installed for Infill. No further VCMWD activity occurred in April.
58	Mountain Meadow Village Center	NL		1	F	PLSA							In October 2022, Developer requested additional Project Facility Availability forms to be signed as part of their ongoing permitting process with the County. No VCMWD Activity in April.

**ENGINEERING DEPARTMENT
TABLE II - DEVELOPER FUNDED PROJECTS SUMMARY**

Job # 01-00-00- 180xx	PROJECT NAME	Proj. Mgr.	Map No.	Lots/ Units	P h a s e	PLANNING	Planning		CONSTRUCTION				April 2023 Comments
						Engineer	Concept Approval	Plan Approval (1)	Estimated Cost	Contractor	% Complete	Final Acceptance	
59	Pauma Vista Winery Water Line Extension	NL		1	C	Rancho Coastal Surveying Engineering Inc.	01/07/22	11/16/22	\$255,000	Pending			Project plans were signed on November 16, 2022. Developer is currently obtaining quotes from contractors to perform the proposed improvements. No VCMWD Activity in April.
60	Liberty Bell Plaza	NL		5	F	Alidade Engineering - Larry Dutton							Staff is continuing to work with Developer on processing quitclaim, no other activity took place in April.
64	Park Circle Beazer Homes (Unit 4)	NL	TM 5603-2	79	B	Dexter Wilson Engineering & Touchstone Engineering Staff	04/15/19	09/27/21		H7 Engineering and Contracting	70%		Water and wastewater testing for Alley G-3 were completed. Next round of meter installations are tentatively scheduled for May.
65	Rincon Tribe Emergency Water Service	WG			G	JR Filanc							Staff is providing assistance and coordination to Rincon Band of Luiseno Indians regarding their evaluation of obtaining a connection location for an emergency source of water supply. Study is being conducted by JR Filanc utilizing San Diego State Engineering Department. No Activity since initial discussion with SDSU Students in October 2021.
66	Village Station	NL		200	F	Wynn Engineering	Pending						Previously requested updated preliminary design report (PDR) for all of VCVF North Village property. Owner contracted with Dexter Wilson Engineering to prepare the report. Staff had previously provided DWE with additional information. No further activity anticipated until receipt of the PDR.
67	Ivy Dell RV Park Water Line Extension	NL		1	D	Excell Engineering Robert Dentino	Pending		Pending	Pending			Final mylars are still awaiting County approval to be returned to VCMWD for final approval and signature. Once mylars are signed, developer can move forward with scheduling a pre-construction meeting.
69	Manzanita Crest Waterline Extension	NL	PM 19064		F	SMS Consulting	Pending						Developer's engineer submitted plans for review. Staff processed and returned first plan check comments in June. No VCMWD Activity in April.
72	SDG&E Strategic Undergrounding Project (SUP)	NL			B	NV5							Staff is supporting the project as necessary in response to SDG&E activity surrounding District facilities. SDG&E is working with VCMWD to obtain easement.
73	North Ranch Estates (Weston Residential Property)	NL		515	F	Dexter Wilson Engineering.							Developer is working closely with the other major developers in the North Village Area to prepare a phased expansion plan for additional wastewater capacity. Dexter Wilson Engineering will be updating their prior reports and requesting an update to the prior concept approval. No submittals received from the Developer in April.

**ENGINEERING DEPARTMENT
TABLE II - DEVELOPER FUNDED PROJECTS SUMMARY**

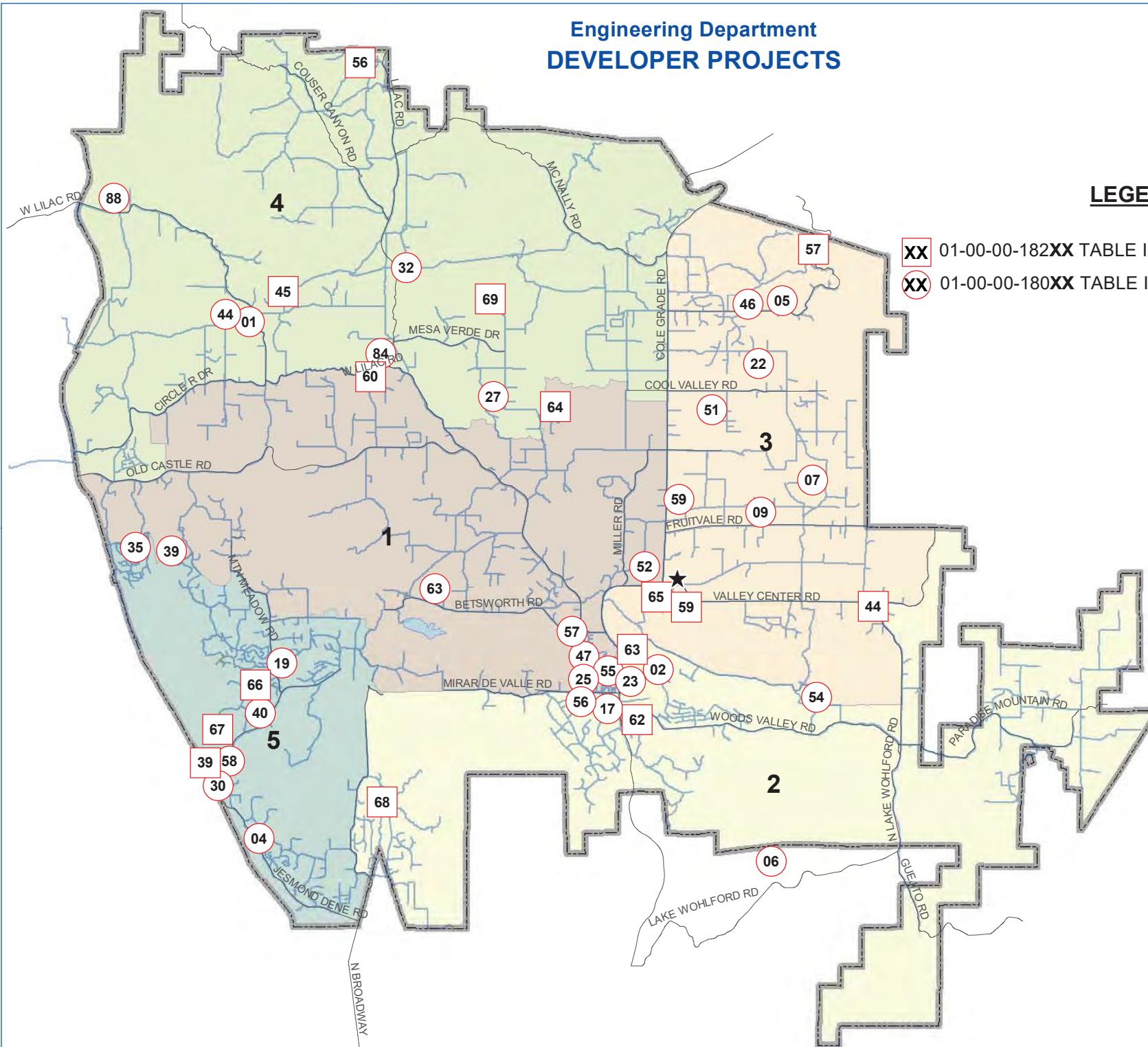
Job # 01-00-00- 180xx	PROJECT NAME	Proj. Mgr.	Map No.	Lots/ Units	P h a s e	PLANNING	Planning		CONSTRUCTION				April 2023 Comments
						Engineer	Concept Approval	Plan Approval (1)	Estimated Cost	Contractor	% Complete	Final Acceptance	
74	City of Escondido Flume Underground Project	NL			B	Michael Baker International				Sukut			Project is to account for spent inspecting construction of the City of Escondido's Flume underground project occurring in the vicinity of District Facilities. No VCMWD Activity in April.
75	Hideaway Lake Road Waterline Extension	NL		1	E	ARC Engineering	Pending						Staff requested additional information in January to process Concept Approval. Waiting on response from developer to move forward with concept approval. No activity in April.
84	Anderson Line Extension (Munster Platz)	NL	TPM 20460	5	G	Wynn Engineering	05/16/16						Developer's Engineer contacted District late May 2021 indicating that the Developer was wanting to move forward with the water line improvements in 2021. Staff responded with need to renew the Concept Approval and review the plans for compliance with latest standards. No VCMWD Activity in April.
88	Marquart Ranch Line Ext.	NL	TM 5410	9	G	MLB Engineering (Michael Benesh)	05/04/09	09/19/17	\$293,751				No activity since plans approved September 7, 2017.
	PROJECT SUMMARY				# of Projects	Lots or Units	Total Cost						
A	Warranty Period				1	3	\$58,100	(DFA) = District Facilities Agreement					
B	Under Construction				17	925	\$12,190,477	(P) = District Participation in Project					
C	Pending Construction				1	1	\$255,000	(R) = Reimbursement Agreement					
D	Design Phase				6	85	\$194,202						
E	Concept Approval (Pending Design)				1	1	\$0						
	Total in Process				26	1,015	\$12,697,779						
F	In Planning - Active				8	808	\$0	(1) Red Text indicates that Concept or Plan Approval has expired.					
G	In Planning - Inactive				10	139	\$4,273,708						
	Total Planning				18	947	\$4,273,708						
	Total Projects				44	1,962	\$16,971,487						

Engineering Department DEVELOPER PROJECTS



LEGEND

- XX** 01-00-00-182**XX** TABLE I - SPECIAL PROJECTS
- XX** 01-00-00-180**XX** TABLE II - DEVELOPER PROJECTS



E. CAPITAL IMPROVEMENT PROJECTS:

See Table III and Location Map for general status of all capital improvement projects.

F. MAPPING:

General Activity: In the month of April staff received 27 mapping update requests for a total of 128, 27 were completed. In addition, staff assisted with the Moosa Clarifier Upgrades Capital Improvement Project drawings.

Maps and Records Updates: Maps and records consist of preparing record drawings (as-builts) and valve detail drawings and updating the District base map, GIS facility map, and database. Maps and records are continually being updated to accurately reflect completed projects, non-District improvements (encroachments), and current field conditions. The following table summarizes the status of the record map updates.

MAPS AND RECORDS UPDATE STATUS TABLE					
April	Capital Improvement Projects ⁽¹⁾	Developer Projects ⁽²⁾	Encroachment Permits ⁽³⁾	Special Projects ⁽⁴⁾	Facility Mapping ⁽⁵⁾
Beginning Log	4	0	0	0	101
Plus New	1	0	0	0	27
Less Completed	(1)	0	0	0	(27)
Ending Log	4	0	0	0	101

Maps and Records Update Status Table Footnotes:

- 1) Capital Improvement Projects – This column represents AutoCAD record drawing status of recently constructed Capital Improvement Projects. Each project may generate or affect one or more record drawings. Each project is counted as one regardless of the number of improvement sheets.
- 2) Developer Projects – This column represents AutoCAD record drawing status of recently constructed Developer Improvement Projects. Each project may generate or affect one or more record drawings. Each project is counted as one regardless of the number of improvement sheets.
- 3) Encroachment Permits – This column represents changes made to our existing AutoCAD record drawings to reflect an encroachment that has been generated through the permit process.
- 4) Special Projects – This column represents AutoCAD record drawing status of recently constructed Special Projects such as the installation of new fire hydrants or service laterals.
- 5) Facility Mapping – This column represents individual minor mapping update requests from field or office staff.

ENGINEERING DEPARTMENT

TABLE III - CAPITAL FUNDED PROJECTS SUMMARY

Project Name	F.Y. Authorized	Total Budget	Contractor / Consultant	Mar	Apr	Project Manager	April 2023 Comments
Pipelines & PRV Projects							
Upsizing / Unspecified Pipeline Replacement	22-23	\$151,500	N/A	0%	0%	Wally Grabbe	Authorization with FY 2022-23 Annual Budget - \$200,000 - Previously transferred \$48,500 for the acquisition of property adjacent to Circle R Reservoir - \$151,500 remains available for future projects.
Pipeline Condition Assessment	22-23	\$150,000	Pending	1%	2%	Michael Powers	Staff continued to develop the scope and began work on a draft request for proposals including desktop condition assessment as well as physical conditions assessment for select pipelines.
North Broadway Pipeline Relocation (Design/Bid Phase)	21-22	\$100,000	In-House (Design) TSAC - Surveying	75%	75%	Michael Powers	Staff continued communications and coordination with EUSD and other property owners regarding acquisition of necessary easements as well as internal reviews of the easement documents and proposed quitclaims.
NC ESP Alternative Delivery Project Planning, Design and Funding Agreement (Design/Bid Phase)	17-18	\$1,020,000	Michael Baker International	100%	100%	Nick Lyuber	Award of all contracts took place on April 6th, staff is working on gathering required documentation for contract executions. Additionally the tri-agency agreement is being routed for signatures.
NC ESP 14-inch Pipeline Relocation (Design/Bid Phase)	21-22	\$725,000	Michael Baker International	100%	100%	Nick Lyuber	Included with the NCESP project activities.
Water System Upgrade Projects - Keys Creek Crossing Replacement (planning and design)	14-15	\$170,000	In-House	20%	20%	Fernando Carrillo	Staff is preparing a recommendation for replacement and confirming the size requirement, a pipe bridge replacement above the 100-year floodplain elevation appears the least expensive option. No Activity in April.
Cole Grade Road Pipeline Replacement Design Phase	16-17	\$610,000	In-House	95%	95%	Nick Lyuber	Staff received partial comments from the County on District's 95% submittal, once remaining comments are received consultant will be directed to incorporate into final submittal.

ENGINEERING DEPARTMENT

TABLE III - CAPITAL FUNDED PROJECTS SUMMARY

Project Name	F.Y. Authorized	Total Budget	Contractor / Consultant			Project Manager	April 2023 Comments
				Mar	Apr		
Gordon Hill Pipeline Replacement (Design/Bid/Award Phase - 100% Complete) (Construction Ongoing)	18-19	\$3,380,000	CCL Contracting	90%	100%	Nick Lyuber	Final acceptance process was started in the month of April. Notice of completion was set to be issued May 1st.
Oat Hill Discharge & Alps Way Pipeline Replacement (Design/Bid/Award Phase - 100% Complete) (Construction Ongoing)	18-19	\$1,225,000	M-Rae	80%	100%	Nick Lyuber	Final tie in took place April 4th and all meter locations were completed in the following days. Contractor is working on clean up items for the 12" portion of the project.
Lilac Road Pipeline Upsizing (Construction Phase)	18-19	\$3,700,000	Cass Arrieta	15%	40%	Fernando Carrillo	Main line 8-inch pipe installation moving south toward existing 30-inch tie-in point
Old Castle Road Pipeline Replacement - Phase 2 Design Only	21-22	\$100,000	In-House	80%	80%	Michael Powers	This project is planned to be included in the "2021 Facility Replacement Project" SRF application. Staff is working on design plans to be included with the application including the verification of existing utilities.
Duffwood Project	21-22	\$190,000	TAD Construction	95%	100%	Nick Lyuber	All final punch list items were completed from March 27th update. Project was final accepted on April 14th.
2020 DWSRF Loan Application (Reimbursement Phase)	18-19	\$150,000	Birdseye Planning Group	10%	15%	Nick Lyuber	Staff is preparing backup documentation to submit Reimbursement #2 to the state.
2021 DWSRF Loan Application	20-21	\$75,000	Birdseye Planning Group	25%	30%	Nick Lyuber	Staff has partial application information completed, and will begin uploading to the State's submission system FAAST in May.
Gordon Hill Upper Pipeline Relocation Project (Design, Bid Phase)	21-22	\$30,000	In-House	90%	90%	Michael Powers	Staff has submitted encroachment permit applications with SDG&E and is awaiting further direction. Staff began verification of existing utilities within the project boundary.

ENGINEERING DEPARTMENT

TABLE III - CAPITAL FUNDED PROJECTS SUMMARY

Project Name	F.Y. Authorized	Total Budget	Contractor / Consultant	Mar	Apr	Project Manager	April 2023 Comments
Reservoir Projects							
Kornblum Reservoir Mixing System (Construction Phase)	22-23	\$300,000	D&H/UGSI	10%	10%	Nick Lyuber	No new Activity in April. Awaiting arrival of necessary equipment to begin installation.
Ridge Ranch Interim Reservoir (Design Phase)	19-20	\$90,000	In-House Design	15%	15%	Michael Powers	Staff met with vendors to discuss pump selection and the available solutions to meet the project objectives. Staff continues to develop a request for proposals to solicit aid in preparing bid documents.
Weaver Reservoir - Paint & Recoat	21-22	\$1,800,000	AMP United	100%	100%	Nick Lyuber	Project complete and in the 1-year Warranty Period, ending 10/6/2026
Burnt Mountain & Reidy Canyon No. 2 Reservoir - Paint & Recoat	21-22	\$1,150,000	Advanced Industrial Services	100%	100%	Nick Lyuber	Project is complete and in the 1- year warranty period, ending 12/19/23.
San Gabriel No. 1 Reservoir - Paint & Recoat	22-23	\$2,040,000	AMP United	50%	77%	Michael Powers	Board of Directors ratified the approval of Change Order No. 1 to continue construction according to the recommendations resulting from the structural analysis. Contractor continued structural repairs as well as surface preparation and coating.
Mountain Meadow No. 1 & Reid Hill Reservoirs - Paint & Recoat	22-23	\$2,315,000	Capital Industrial Coatings	50%	83%	Michael Powers	Contractor continued structural repairs as well as surface preparation and coating on the Reid Hill reservoir. Staff approved Change Orders 4 and 5 which included additional earthquake rods and weather days.

ENGINEERING DEPARTMENT

TABLE III - CAPITAL FUNDED PROJECTS SUMMARY

Project Name	F.Y. Authorized	Total Budget	Contractor / Consultant	Mar	Apr	Project Manager	April 2023 Comments
Data Management Systems							
SCADA/HMI Migration - Water system - Initial Equipment Purchase FY 17/18 Migration FY 21/22	21-22	\$310,000	In-House	10%	15%	Fernando Carrillo	Rockwell is under contract and is assisting in the development of an RFP for system integrators.
Document Management System	22-23	\$65,000	Pending	0%	0%	Wally Grabbe	Recommendation for software vender delayed pending further evaluation of construction management software and other department document requirements. Recommendation scheduled for July timeframe.
GIS Easement Integration	22-23	\$75,000	In-House & Miller Spatial Services	60%	60%	Nick Lyuber	An engineering technician who is responsible for all District's mapping needs has been assigned to continue the task in house. They are being trained and software prepared to allow them to work on it.
Facilities Projects							
Turner Dam EAP	18-19	\$9,500	Chang Consultants Prestige Analytics, Inc.	95%	95%	Wally Grabbe Gaby Olson	DSOD (Division of Safety of Dams) approved the new inundation map on January 16, 2020. Staff completed and submitted the EAP (Emergency Action Plan) and received review comments from Cal OES (California Office of Emergency Services). Staff contracted with a consultant in April to address the State's comments and complete the EAP. Staff continues to work with the consultant to address the States comments and resubmit the EAP to the State for approval.
Water Age Analysis	22-23	\$100,000	Mission Consulting Services (Jen Mael)	5%	5%	Wally Grabbe	Collecting and organizing water meter usage data for use in the evaluation.

ENGINEERING DEPARTMENT

TABLE III - CAPITAL FUNDED PROJECTS SUMMARY

Project Name	F.Y. Authorized	Total Budget	Contractor / Consultant	Mar	Apr	Project Manager	April 2023 Comments
Lower Moosa Canyon Water Reclamation Facility Projects							
Moosa Wastewater O&M Manual Development	17-18	\$60,000	In-House	60%	60%	Fernando Carrillo	Rockwell is under contract and is assisting in the development of an RFP for system integrators.
Moosa Aeration Air Piping Upgrade	22-23	\$150,000	In-House	0%	30%	Fernando Carrillo	C&M saw cut asphalt and potholed existing utilities and tie-in points. C&M started the installation of 8-inch Aeration Air steel pipe
Meadows Lift Station Motor Control Upgrade	21-22	\$455,000	In-House Design	5%	5%	Fernando Carrillo	Staff is in the design phase for the MCC replacement.
Moosa Clarifier Upgrades - Design	21-22	\$250,000	In-House	35%	75%	Fernando Carrillo	Project document were completed and are out for bid. Bids will be received in May
Moosa Headworks Improvements	21-22	\$140,000	In-House	5%	5%	Fernando Carrillo	Staff has put the design on hold pending completion of the Moosa Master Plan, which may effect the Headworks improvements proposed with this project.
Woods Valley Ranch Water Reclamation Facility Expansion Projects							
Woods Valley Ranch Wastewater Expansion Project Property Acquisitions	98-99	\$250,000	In-House	80%	80%	Wally Grabbe	North Village Lift Station site acquisition pending resolution of Indian Creek Road ROW and County approval of VCVF Village Station site plan. VCVF site plan approval by County is still in process. There has been no further discussions with the new owner of the Weston residential parcels. County VMT regulations have slowed down the owner's planning processes. No Activity in April.
Woods Valley Golf Course Seasonal Storage	16-17	\$450,000	In-House	0%	0%	Fernando Carrillo	Staff continuing to work with San Pasqual Economic Development Corporation to develop additional seasonal storage facilities on the golf course. No Activity in April.
Grinder Pump Flow Meter Installation	21-22	\$72,000	In-House	0%	0%	Fernando Carrillo	Staff is developing an RFQ for installation of the flow meters at various commercial properties that are connected to the South Village Low Pressure sewer collection system. No Activity in April.
North Village Lift Station Design	16-17	\$290,000	Kennedy/Jenks (Preliminary Design)	10%	10%	Fernando Carrillo	Preliminary design complete. Lift Station site requirements identified. Site acquisition pending county approval of Village Station (VCVP) development plans. No Activity in April.

ENGINEERING DEPARTMENT

TABLE III - CAPITAL FUNDED PROJECTS SUMMARY

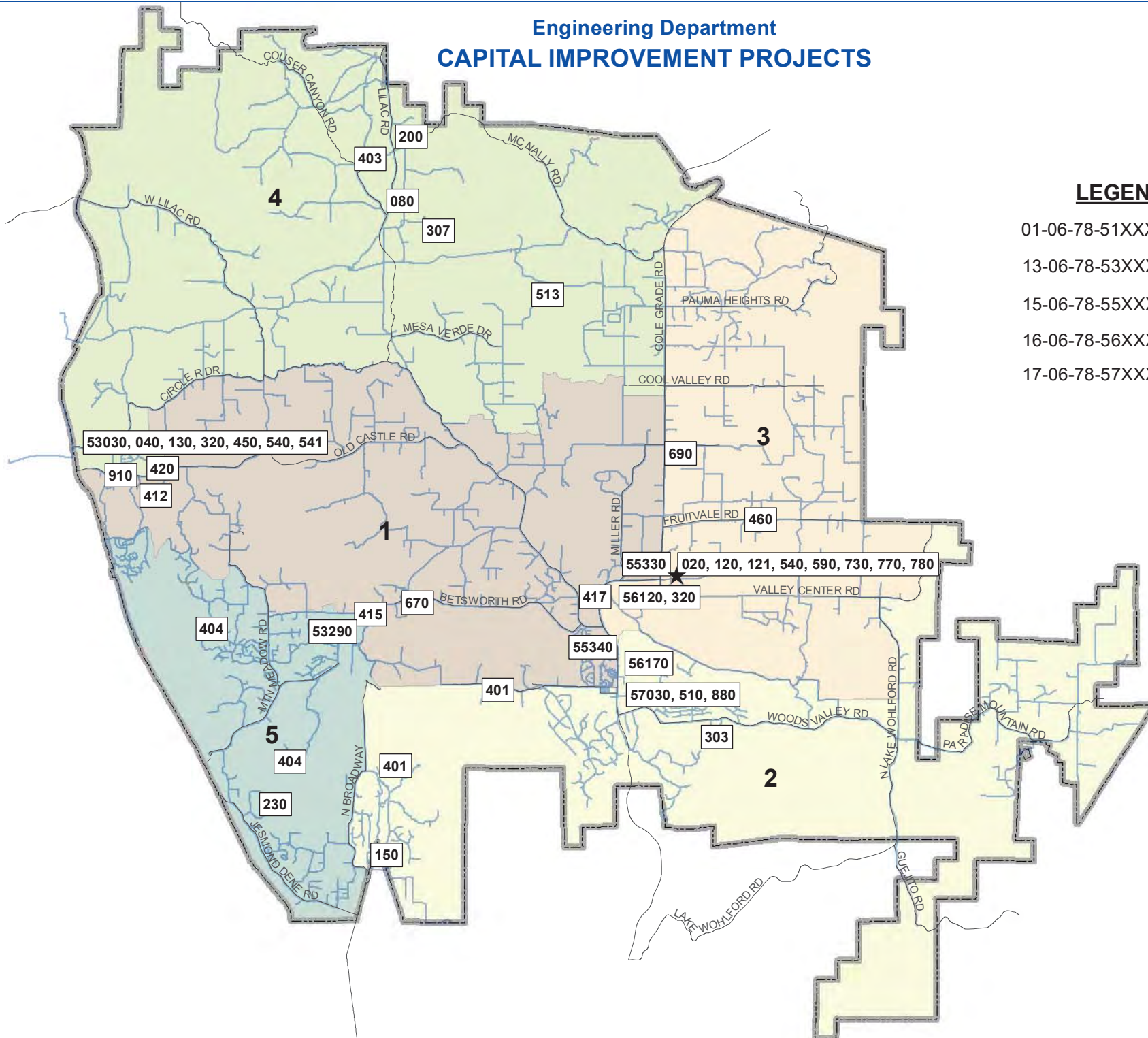
Project Name	F.Y. Authorized	Total Budget	Contractor / Consultant	Mar	Apr	Project Manager	April 2023 Comments
Woods Valley Ranch Water Reclamation Facility Expansion Projects, continued.							
Series 1 Bond Issuance Costs CFD 2020-1	21-22	\$350,000	BBK, Fieldman-Rolapp, Koppel & Gruber	90%	90%	Wally Grabbe	Staff met on-line with the SWRCB staff to discuss a path forward that would be mutually agreeable. VCMWD finance team prepared and submitted a written proposal supporting our request to add the CFD as a pledged security to the SRF Loan and not prepay the CFD share. SWRCB staff made no commitment to a timeframe for their review but would try to have an initial response by mid-May..
Orchard Run Lift Station Construction	21-22	\$3,850,000	GSE Construction (\$3,531,471)	80%	90%	Fernando Carrillo	Contractor is finishing punch list items and the facility has been operated by District personnel. Conduits to existing facility have been routed to new transforms
Woods Valley Ranch Water Reclamation Facility Projects							
WVR Wastewater O&M Manual Development	17-18	\$90,000	In-House	6%	6%	Fernando Carrillo	Engineering staff and Wastewater staff have started reviewing existing O&M and are developing a new format. No Activity in April.
WVR WRF HMI Upgrade	21-22	\$25,000	Interface Automation	5%	5%	Fernando Carrillo	WVR WRF HMI Upgrade is scheduled to start after the Water SCADA HMI Conversion Project is completed. No Activity in April.
Woods Valley Ranch WRF Waste Discharge Permit Requirements Salt Nutrient Management Plan (SNMP)	15-16	\$90,000	In-House	5%	5%	Wally Grabbe	Scheduled start in delayed to July '23

Engineering Department CAPITAL IMPROVEMENT PROJECTS



LEGEND

- 01-06-78-51XXX (XXX)
- 13-06-78-53XXX (53XXX)
- 15-06-78-55XXX (55XXX)
- 16-06-78-56XXX (56XXX)
- 17-06-78-57XXX (57XXX)



G. FUNDING REQUESTS:

Drinking Water State Revolving Fund Loan Application. Final Budget Approval (FBA) of the Installment Sales Agreement by the SWRCB for the 2020 Pipeline Projects was received in March '23. With the FBA completed staff can now submit for reimbursement of construction expenses. Staff began preparation of the Disbursement Request No. 2 for the construction expenses the District has funding through March '23.

FY23 Community Grant. EPA staff reached out to the District to establish point of contact for the \$3.06M Community Grant that was awarded to VCMWD for the Lilac Road Pipeline Replacement Project. Staff learned that while the project funds have been appropriated, we still need to complete an application to get the funds awarded. The Community Grants/STAG Grants are non-competitive but to ensure compliance with federal grant requirements we must still apply. This grant is reimbursement based and there are no deadlines associated with the application or spending for funds.

H. SEMINARS/MEETINGS:

4/20/23 – M. Wick virtually attended the DWR 3rd Thursday Water Loss webinar.

4/25/23 – M. Powers & M. Wick attended the virtual SDCWA State Legislation Wkshp #11.

IV. FINANCE DEPARTMENT:

A. COMPARISON OF STATISTICS:

	<u>APR 2023</u>	<u>FYTD 2022-23</u>	<u>FYTD 2021-22</u>
Bills Mailed:	10,433	103,535	96,114
<i>Actions for Non-Payment:</i>			
Notices Mailed	1,187	12,744	12,118
48 Hr. Phone Calls	355	4,886	4,337
Meters Flow Restricted	1	16	10
Accounts Liened	3	26	30
Lien Notices Mailed	9	127	112
Accounts Transferred	85	630	742

	<u>APR 2023</u>	<u>APR 2022</u>	<u>APR 2021</u>
Customer Counts:			
Active Water Accounts:			
Certified Ag - PSAWR	635	652	1,065
M & I	9,073	8,745	8,073
Fire Meters	<u>1,912</u>	<u>1,600</u>	<u>1,341</u>
Total Active Accounts	11,620	10,997	10,479
Inactive Water Accounts:			
PSAWR	46	37	88
M & I	707	710	675
Fire Meters	<u>134</u>	<u>139</u>	<u>137</u>
Total Inactive Accounts	887	886	900
Total Water Accounts	<u>12,507</u>	<u>11,883</u>	<u>11,379</u>
Active Wastewater Accounts			
Moosa	2,495	2,492	2,489
Woods Valley	<u>905</u>	<u>629</u>	<u>390</u>
Total Wastewater Accounts	<u>3,400</u>	<u>3,112</u>	<u>2,879</u>

	<u>Acre-Feet</u>	<u>Value</u>
Interim MWD Agricultural Program:		
July 1994 through DEC 2012	<u>513,882.8</u>	\$63,681,802
MWD RTS Estimated Savings:		
MAR 2003 through DEC 2012		\$17,884,325
SDCWA PSAWR:		
July 1998 through MAR 2023	<u>485,383.3</u>	\$32,708,246
SDCWA Emergency Storage Est. Savings:		
JAN 2003 through MAR 2023		\$34,849,752
SDCWA Supply Reliability Est. Savings:		
JAN 2016 through MAR 2023		<u>\$4,670,340</u>
TOTAL MWD & SDCWA DISCOUNTS		<u>\$153,794,465</u>

B. MEETINGS:

04/05/2023 9:00 am – 10:00 am

Jim & Vanessa attended Virtual Audit Planning Mtng w/Audit Team at DavisFarr LLP.

04/05/2023 10:00 am – 11:00 am

Jim & Vanessa attended Virtual SRF Amendment Presentation Discussion w/Fieldman Rolapp.

04/06/2023 9:45 am – 10:15 am

Jim & Vanessa attended the Virtual meeting to discuss additional information required for the State Controller's Report FY 06/30/2022 with Shannon Ayala, DavisFarr LLP.

04/12/2023 11:00 am – 12:30 pm

Jim, Vanessa, Danielle & Beatriz attended the Virtual Springbrook Cirrus Overview & Discovery Session for Finance modules with Rachel McGraw, Springbrook.

04/12/2023 9:00 am – 10:00 am

Vanessa, Andrew, Jamie, Ashlyn, & Alejandra attended the Virtual Springbrook Cirrus Overview & Discovery Session for Finance modules with Tracy Friedl, Springbrook.

04/20/2023 10:30 am – 11:00 am

Jim and Andrew attended the Virtual meeting with WaterSmart regarding final bill process and Springbrook upgrade.

4/20/2023 9:00 am – 10:00 am

John Marchetta attended the Virtual ACWA/JPIA Hot HR Topics Webinar.

V. INFORMATION TECHNOLOGY DEPARTMENT:

A. CAPITAL IMPROVEMENT PROJECTS –

SCADA HMI Improvements – Wonderware HMI system replacement at Moosa with Ignition HMI software has been completed. Replacement of the HMI system for the water system is currently in planning stages.

Asset Management System – Phase 2 of Cityworks development and deployment is in progress, which includes backflow, fleet maintenance, storeroom modules and integration with GIS and ERP systems.

Boardroom Technology Upgrade – The existing technology in the boardroom is being replaced with a new high definition media system. In-room video presentation system and video system wiring upgrades are in progress. Some components are backordered due to supply chain delays.

Server Visualization and Storage – The project upgrades the data center virtual computing environment to Windows 2022 server-based system. This includes redundant server cluster with automatic failover, software licenses, and core network switch upgrade in the data center. The existing server will be relocated to a remote site and used for data replication, back, and disaster recovery. Server hardware has been set up. Cluster system and storage arrays have been configured. Backup systems have been integrated. Testing has been concluded, and we are beginning deployment preparations. A critical network service has been moved to the cluster and configured for failover.

B. GENERAL ACTIVITY –

SCADA Upgrades – Continuous rolling upgrades are being done to replace older devices such as radios, cameras, network switches, and Uninterruptible Power Supply (UPS) units with newer models, which are faster and more reliable. Video cameras are being replaced with event-driven models that are capable of detecting humans and vehicles.

Geographic Information Systems (GIS) Upgrades – GIS staff has deployed web maps and user portals within the software, and GIS databases and maps have been integrated with the Cityworks Asset Management System. The system is being continuously enhanced and actively used by District personnel.

Backflow Application – Work is continuing to integrate the District's Backflow application with Cityworks and GIS. Data replication components have been developed to allow backflow data to populate Cityworks inspections where it will be available for remote data entry by the tester. The integration is currently being tested.

Internet Circuit Upgrade – The main circuit to the Internet is was upgraded to a faster, more reliable fiber optic connection with an alternate service provider on April 20th. This upgrade enables faster data transfers, and its lower latency allows better voice quality for phone calls and virtual meetings.

C. SYSTEM STATUS –

All systems operated normally during the month of April.

D. MEETINGS –

No meetings were attended in April 2023.

**INFORMATION TECHNOLOGY DEPARTMENT
CAPITAL FUNDED PROJECTS SUMMARY**

Project No.	Name	F.Y. Auth- orized	Total Budget	Contracts			Comments	Project Manager/ Coordinator
				Contractor / Consultant	% Complete			
					Mar	Apr		
51040	Boardroom Technology Upgrade	16-17	\$ 32,135	In-house	98%	98%	Project will upgade the Audio/Video presentation technology in the Boardroom. New sound system was installed in January 2018. Video live streaming system was installed with upgraded cameras. New monitors were installed on the dais. Video presentation system upgrade is in progress.	Ando Pilve
51480	Asset Management System	18-19	\$ 88,704	In-house, external consultant	98%	98%	Cityworks Asset Management System's implementation is in progress. Deployment is completed with DigAlert, work order modules, and GraniteNet sewer inspection system. Backflow, fleet, and storeroom modules are in development.	Ando Pilve
51240	Server Virtualization & Storage	22-23	\$ 97,423	In-house	75%	80%	Project will upgrade the data center virtual computing environment to Windows 2022 server based system. This includes redundant server cluster with automatic failover, software licenses, and core network switch upgrade in the data center. Server hardware has been set up, system and storage arrays have been configured. Testing has concluded, starting deployment.	Ando Pilve

VI. GENERAL ADMINISTRATION PROJECTS AND PROGRAMS:

A. GENERAL MANAGER'S MEETINGS AND ACTIVITIES FOR APRIL 2023 –

- 04/03/23 – VCMWD Regular Board Meeting (GA & GO);
JPIC Meeting (GO);
- 04/04/23 – Agenda Meeting (GA & GO);
WUE Internal Transfer Meeting (GA & GO);
SDCWA MWD Delegates Meeting (GA);
ACWA Clean Fleets Co-ordination Call (GA);
- 04/05/23 – WVRWRF Odor Issues Update (GA);
CFD Bond Issuance Meeting (GA);
Cityworks Fleet Consultant Meeting (GO);
- 04/06/23 – SD County Farm Bureau Board Meeting (GA);
SDCWA New Board Member Orientation (GA);
Interagency Drought & Water Shortage Task Force Meeting (GO);
- 04/11/23 – SDCWA Budget Workshop (GA);
- 04/13/23 – SDCWA Budget Workshop (GA);
- 04/17/23 – SDCWA Labor Negotiations Workshop (GA);
- 04/18/23 – Agenda Meeting (GA & GO);
SDCWA GM's Meeting (GA);
Council of Water Utilities (GA);
- 04/20/23 – SDCWA Legislative Meeting (GO);
- 04/21/23 – North County Manager (GA);
Lake Turner Solar Update Meeting (GA)
- 04/24/23 – “A” Team Staff Meeting (GA);
SDCWA Board Officers and Chairs (GA);
ACWA Clean Fleets Coordination Call (GA);
SDCWA Legislative Liaison Meeting (GO);
- 04/25/23 – “B” Team Staff Meeting (GA);
SDCWA A & F Committee Pre-Board (GA);
ACWA Infrastructure Task Force (GA);
SDCWA Water Use Efficiency Meeting (GO);
- 04/26/23 – SDCWA North County Caucus (GA); *and*
- 04/27/23 – SDCWA Regular Board Meeting (GA).

**Key: GA – Gary Arant; GO Gaby Olson*

B. Water Conservation and Public Outreach –

Deadline to submit entry forms was April 3, 2023. Staff received 100 entries from Valley Center and Lilac Elementary Schools and prepared the entries for voting.

C. Personnel –

1) Regular Full-Time Employees, as of April 30, 2023:

<u>Funds</u>	<u>Budgeted</u>	<u>Employed</u>
Water	66	64
Wastewater	<u>6</u>	<u>6</u>
Total	72	70

2) Pending Retirements –

- a) John Martinueau, *Sr. C&M Technician* – December 5, 2023
- b) Wally Grabbe, *District Engineer/Deputy GM* – March 29, 2024

Compiled By:



Kirsten N. Peraino, *Board Secretary*

Submitted By:



Gary T. Arant, *General Manager*