

# ANNUAL OPERATING, NON-OPERATING, & CAPITAL IMPROVEMENT BUDGET



FISCAL YEAR ENDING  
JUNE 30, 2025

[RAINBOWMWD.CA.GOV](http://RAINBOWMWD.CA.GOV)



# ANNUAL OPERATING, NON-OPERATING, & CAPITAL IMPROVEMENT BUDGET

## TABLE OF CONTENTS

<b>Executive Summary</b>	1
Budget Message	2-9
Officials	10
Organization Chart	11-12
Mission Statement & Core Values	13-14
Certificate of Award	15-16
Profile of the District	17-24
District Service Area Map	25-26
Employees Compensation & Benefits	27-28
Strategic Plan	29-30
<b>Financial Policies</b>	31
Reserve Summary	32
Basis of Budget & Accounting	33-35
Budget Calendar	36
Description of Major Funds	37-38
Revenue & Expense Assumptions	39-44
Fund Structure	45-46
<b>Operating Budget</b>	47
Water Fund Budget Summary	48-49
Water Fund Budgeted Revenues	50
Water Fund Budgeted Expenses	51-56
Debt Service	57-62
Wastewater Fund Budget Summary	63
Wastewater Fund Budgeted Revenues	64
Wastewater Fund Budgeted Expenses	65-66
General Fund Budget Summary	67
General Fund Budgeted Revenues	69
General Fund Budgeted Expenses	70-79
Operating Funds Summary	80
Labor Trend	81
Revenue Trend	82



<b>Capital Budget</b>	83
Capital Projects Overview	84
Five-Year Water CIP Plan	85
Five-Year Wastewater CIP Plan	86
Capital Improvement Projects	87-124
<b>Personnel Summaries</b>	125
Staffing Analysis	126-151
Administration	152
Administrative Services	155-160
Finance	161-163
Engineering	164-166
Information Technology	167-170
Construction	171-172
Meters	173-174
Technical Services	175-176
Water System Operations & Valve Maintenance	177-179
Wastewater	180-182
<b>Appendix</b>	183
Glossary	183-184





# EXECUTIVE SUMMARY

---

## Fiscal Year 2024-2025

### Budget Message

To our Ratepayers, Members of the Budget & Finance Committee, and the Board of Directors of Rainbow Municipal Water District:

On behalf of the Rainbow Municipal Water District (RMWD), we are pleased to present our 2024-25 Fiscal Year Operating and Capital Improvement Budget. The budget provides a forecast of the sources and uses of funds, it serves as a managerial tool for guiding the District towards achieving its goals outlined in the Strategic Plan. Our Strategic Plan is used to set priorities, focus energy and resources, strengthen operations, ensure that employees are working towards common goals, and assess and adjust the District's direction in response to an ever-changing environment. This plan defines the priorities and influences the development of the budgetary commitments needed in the upcoming fiscal year. The budget message will highlight some of the significant goals and priorities accomplished in the current budget year and highlight priorities for the coming year.

### A New Era for Rainbow Water

In July of 2023, four years after the District's initial filing, the San Diego Local Agency Formation Commission (LAFCO) approved the Rainbow Municipal Water District's application for detachment from the San Diego County Water Authority and concurrent annexation into Eastern Municipal Water District (EMWD) for wholesale imported water purchases. Subsequently, in November 2023, the voters within the service area of Rainbow Water overwhelmingly approved Measure B, authorizing the reorganization. The detachment effort was done to source a lower cost wholesale water supply that provides long-term stability in water rates for our customers and strengthen the District's ability to fund critical operational needs and our Capital Improvement Program. The SDCWA initiated litigation on LAFCO and Rainbow Water over the detachment approvals. However, Rainbow and SDCWA reached a settlement agreement in December of 2023 that suspended litigation, saving millions in anticipated legal costs, and collaboratively defined the necessary steps to complete the detachment. Rainbow Water completed these actions and will finalize the detachment and concurrent annexation on November 1, 2024.

### Challenges with Lower Water Sales

The District has continued to see declining water sales in a trend that has lasted well over 10 years. This decline has had a significant impact on the revenue of the district. Despite two consecutive winters that brought above average precipitation and snowpack to California, long-term drought in the West continues to threaten our imported water supply. Further restrictions and regulation by the State Water Resource Control Board could also affect the water demands in our region. The District has budgeted water sales conservatively (to the low side) and has transitioned to a strong balance of fixed revenues to combat the concerns and financial risks associated with drought and the decline in demand. Added stability in the rates due to lower cost supply may flatten the downward trend and strong growth in both water and wastewater customer accounts, primarily due to the addition of thousands of single-family residences along main transportation corridors in the District's service area is assisting with demand stability and cost allocation. This trend should continue and may be buoyed by a reduction in new development water capacity fees due to the detachment from SDCWA as EMWD collects no capacity fees on individual retail meter requests by the agencies that wholesale from them.

## Accomplishments in Current Fiscal Year 2023-24

- Near completion of the installation of \$16.2M Thoroughbred Sewer Lift Station (PN 530001)
- Completed the \$818K Live Oak Park Bridge water mainline relocation project (Project 600037)
- Completed installation of Gopher Pump Skid to pump water from Turner tank to Gopher tank.
- Received approval from the Division of Dams for reclassifying Beck Reservoir from an active site to an inactive site saving over \$30K a year in weed abatement expenses.
- Successfully added a chloramine residual Morro Reservoir in preparation for detachment.
- The District successfully completed a comprehensive overhaul of the SCADA system, upgrading control and communication equipment across all sites to the latest technology. This advancement significantly enhances the District's capacity for remote site management while greatly improving the reliability and resilience of its infrastructure.
- The District has significantly bolstered its cybersecurity posture by adopting and rigorously applying industry-standard protocols and best practices. By aligning its cybersecurity measures with recognized industry standards, the District ensures a proactive approach to protecting sensitive information, mitigating risks, and maintaining the integrity and resilience of its digital assets.
- The District was named a Top Workplace for the third consecutive year in 2023 by the San Diego Union-Tribune, based on anonymous employee responses to a survey conducted by Energage. Survey highlights were that 90% of the workforce reported being motivated to do their best, and the District's Net Promotor Score is 82%.
- The Finance Department updated the District's investment policy and cash reserves policy with Board approval to align with current law, best practices, and set an updated cash reserve target of a range between \$13.2M (minimum) to \$44.2M (maximum), with \$31.4M being the target level.
- Completed a 5 year comprehensive financial projection and plan, including updated rate and debt actions necessary in light of the anticipated detachment from the SDCWA in mid-FY 2024-25. These actions included the ability to only implement half ( or 4.5%) of the 9% water rate increase the previous water rate study had projected was necessary on July 1, 2025.
- Secured a \$10M loan with U.S. Bank at 4.7% for the Water Fund, and a \$5M loan with City National/First American Bank at 5.49% for the Wastewater Fund to cover most of the next 2 years of water CIP (FY25 and Fy26), and a portion for the \$16.2M Thoroughbred LS Wastewater Project, to help preserve cash reserve levels.
- The District developed a Comprehensive Annual Financial Report for FY 2022-23 and was awarded the Comprehensive Annual Financial Report Certificate of Achievement for Excellence award by the Government Finance Officers Association (GFOA) .
- The District developed the Annual Budget in compliance with GFOA standards (8th consecutive year) and received the Recognition of Distinguished Budget Presentation Award for the FY 2023-24 budget .
- The District achieved a clean and timely audit for FY 2022-23.

## Priorities for Fiscal Year 2024-25 include:

- Transition to the purchase of wholesale water from EMWD will be a key focus for the District. This will include executing the necessary steps to satisfy the terms of the Settlement Agreement with SDCWA and includes the following major elements:
  - ✓ Construction of three new District pump stations (PN 600013) necessary for detachment and to provide additional system reliability and lower cost operations during Aqueduct shutdowns.
  - ✓ Operations plan w/SDCWA defining ongoing protocols/communications, transfer of facilities, etc.
  - ✓ Water supply agreements between MWD/EMWD/District.
  - ✓ Payment of initial exit fees (\$3.2M).
  - ✓ Tax exempt finance total exit fee of \$15.8M, including reimbursement of initial exit fee of \$3.2M
  - ✓ Filing of the Certificate of Completion finalizing the annexation of the District into EMWD.
  - ✓ Modify rate classes and programs no longer applicable with detachment (PSAWR, etc).
- Complete the feasibility study for a new local water supply through the San Luis Rey Imported Return Flow Recovery Project. This project proposes to expand on previous studies to identify a groundwater recovery project that would be eligible for grant funding through State and Federal Programs aimed at offsetting imported supplies. The project will identify the necessary steps and estimated costs to develop a local groundwater supply to diversify the district's water supply. Initiate and facilitate an update of the District's Strategic Plan, last updated in 2020.
- The District will initiate an update of the 2016 Water and Wastewater Master Plan. The Master Plan update will create a foundation for prioritization of future capital improvement projects through the construction of a hydraulic model and subsequent analysis of water supply, water distribution, and wastewater collection facilities under current conditions and future growth forecasts.
- Complete a compensation study to assess the District's market position for pay ranges and total compensation compared to similar positions at other local agencies, compare total wage progression from 2021 through the end of current labor agreements; and make recommendations in alignment with Board direction.
- Complete construction for the Lift Station No. 1 Replacement Project (PN 530001).
- Complete feasibility and design studies for a long term District facilities plan. Perform any as needed repairs or replace necessary District headquarters (PN:300008).
- Install new manual transfer switches at the Morro Hills Pump Station, Rainbow Hills Pump Station, and Vallecitos Pump Station (PN:600058).
- Acquire SDCWA Connections 1, 8, 9, & 10 (PN:600088).
- Decommission SDCWA Connections 3,6, 7, & 11 (PN:600089).
- Connect FPUD and the District's portable water systems at Maravilla Lane (PN:600091).
- Connect FPUD and the District's portable water systems at Olive Hill Road (PN:600092).
- Replace the La Canada pipeline and install two (2) pressure reducing stations (PN:600093).



## Revenue Assumptions

Each year, the Board of Directors approves the Budget as the District’s foundational financial plan. It is on a full accrual basis with regard to operating expenses and revenues but cash basis for non-operating expenses (debt service, CIP spending, etc). Specifically, the Budget incorporates conservative revenue estimates, prudent spending plans, and a thorough review of necessary capital improvements to ensure the District’s long-term sustainability. In developing the budget, staff considered both internal and external factors, including the economy, weather, regulatory requirements, and the condition and age of the District’s infrastructure.

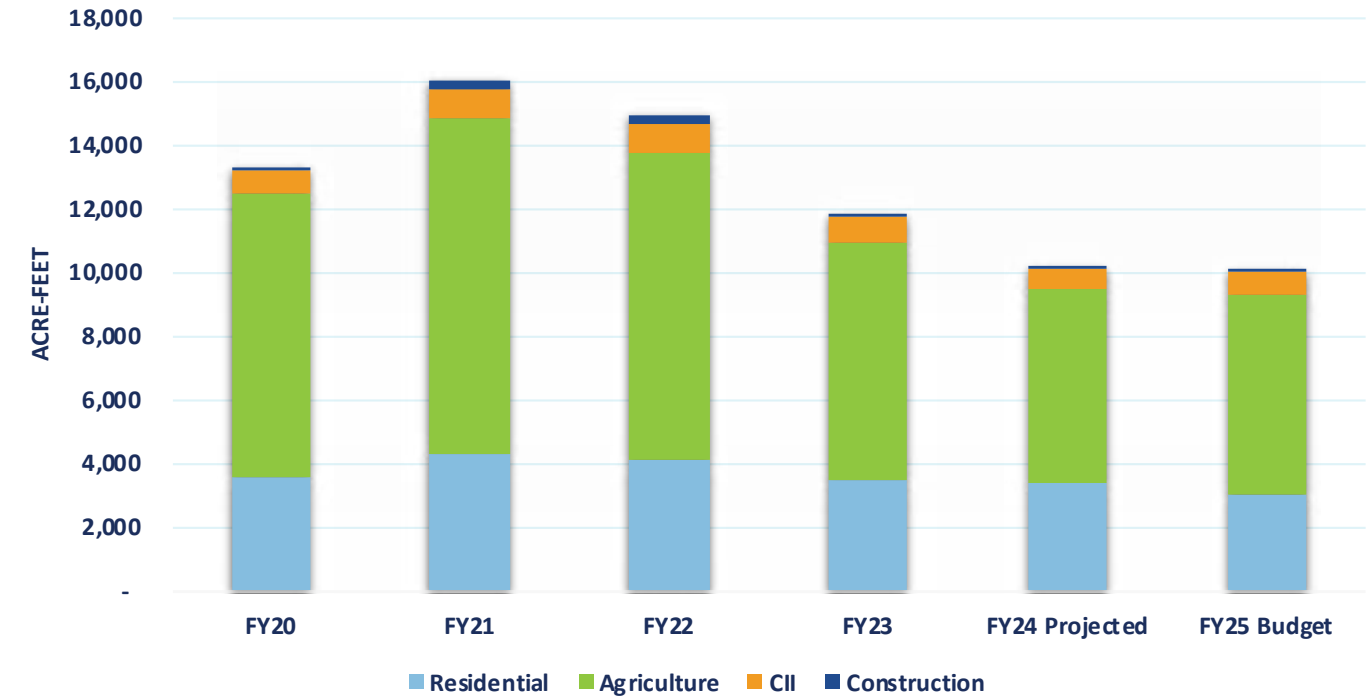
In FY23-24, water sales have decreased from the prior three years due to another particularly wet winter. Water sales have continued the years-long pattern of decline. The loss of agricultural production due to high water costs and increased irrigation efficiency has continued to impact sales. For FY24, sales are predicted to be just under 10,000 acre-feet. Increased revenues from new service connections because of development can help soften the reduction in water sales. New service connections were 112 in FY24, compared to 413 new water meters in FY23, along with 487 new wastewater EDUs in FY23, compared to 213 in FY23.

Since the inception of the District, the last few years were among the lowest in terms of water sales. At these reduced volumetric sales levels, prior to the five-year rate increase approved in June 2023, the District could not appropriately contribute to capital reserve levels for much-needed pipeline replacement projects. While delaying capital improvements may be acceptable for a short period, over time there are significant consequences for our ability to replace our aging infrastructure. The Board of Directors made the difficult decision to approve a multi-year rate increase with higher recovery of fixed costs from fixed charges that will get minimum reserve levels funded within 5 years and contribute to the capital improvement plan.

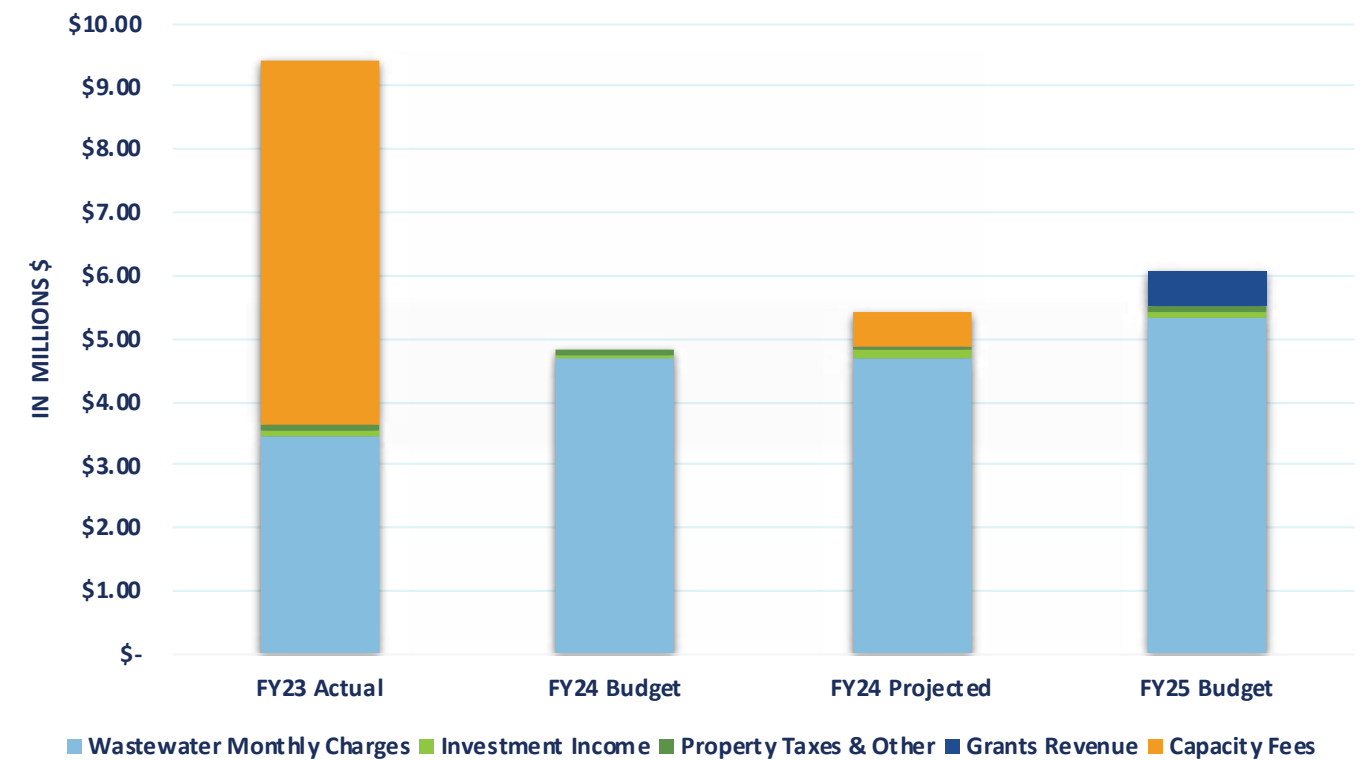
### Major Revenue assumptions for FY24-25 include:

1. Water sales continuing at the level observed in the current year – 10,000 AF.
2. No increase in the number of accounts for water or wastewater to be conservative.
3. A 4.5% across the Board increase in water rates, instead of the 9% included in the June 2023 rate study with rate requirements of 5 years (FY24 through FY28) due to savings from assumed detachment from the SDCWA projected on 1/1/2025.
4. A 3.6% pass-through rate increase to cover a 8.5% increased imported water costs from EMWD/MWD as of 1/1/2025.
5. A 13% rate increase for Wastewater per the June 2023 rate study.
6. An average interest rate on investments and cash reserves of 5% of projected monthly cash balances.
7. A \$525,000 grant from EPA for wastewater lift station emergency generators. This grant was already awarded but needs to be reallocated from the EPA to this project.

## Water Sales (AF)



## Wastewater Revenue Breakdown





## Expense Assumptions

The largest expense of the District is purchased imported water from its imported water provider at 55% of the total Water Operating Budget. The District currently purchases its imported water from the San Diego County Water Authority (SDCWA) but is anticipated to completed detachment from the SDCWA and attachment to the Eastern Municipal Water District (EMWD) by January 1, 2025, whereby the District will then be considered to be buying 100% of its water as imported water from the Metropolitan Water District of Southern California (MWD) and will pay EMWD just the MWD rates for water plus a small \$11 per AF administrative fee. The budget therefore includes half the year to be buying water from SDCWA and half from EMWD/MWD. Since water sales are heavily weighted to the first half of the fiscal year including the summer months, this breaks down to 6,745 AF assumed purchased from SDCWA and 4,055 AF from EMWD/MWD for a total of 10,800 AF (10,000 in sales + 8% water loss) for a total variable imported water cost of \$16.4M. Fixed charges are projected to be evenly split between SDCWA and EMWD/MWD, totaling \$3.3M, for a total imported water purchase budget of \$19.7M.

The District projects an overall \$8.3M decrease to the cost of imported water on a full year annual basis, offset by increased costs including an initial exit fee to detach of \$3.2M and remaining payments due to the SDCWA of \$12.6M, increased debt service from the \$10M US Bank loan total \$1.3M per year for 10 years but funds most of the CIP projects in FY25 and FY26, including \$5.4M of the \$15.5M three pump station project (Project 600013) that makes detachment possible, as well an additional \$1.3M in additional operating costs per year to power the three pump stations and add treatment chemicals necessary due to the changed operation of the system. The District also plans to use some of the savings from detachment to increase its annual Unfunded Accrued Liability (UAL) payment to CalPERS for pension debt from the minimum of \$855K to \$1.025M (+\$203K) in FY24-25 and increase the annual payment by the degree of overall payroll budget growth annually to accelerate the paydown of the debt. These additional payments are projected to reduce future UAL payments by \$1.4M and reduce complete payoff of the UAL from 20 years to 13 years.

Additionally, the budget also includes a major assumption that overall energy rates from SDG&E will increase by 10% in FY24-25 based on public information on SDG&E requests for rate increases to the California Public Utility Commission. This is on top of 30% energy cost increases observed from FY2022-23 to FY2023-24. Other major assumptions include staff compensation increases in line with approved MOU's including merit and COLAs (3%), and benefits inflationary increases of 9% starting in January 2025 when new rates are implemented from the District's health benefit provider. Finance staff reassessed the assumption on how much of the labor budget was assumed to accounted for in individual CIP project budgets by resetting the levels to actual amounts observed in the previous year (FY2022-23) since labor was consistently being capitalized less than assumed. This added approximately \$701K to the Labor Budget totaling \$10.8M that isn't an actual increase in staffing, compensation, or benefits. Materials and services operating expenses were analyzed for each department and adjusted for general inflationary increases depending on a case by case basis, while lowering contract expenses in the Administration by \$175K for FY24-25 due to unusually higher levels in FY23-24 to support detachment efforts (i.e. legal support, etc).

Capital equipment purchases for operating funds are \$150,000 for the replacement of aging vehicles required to provide service in our rural service area.

Additionally, approximately \$6.7M of capital improvement projects are included in this year's proposed Water capital budget, and \$525,000 in the proposed Wastewater capital budget. This amount represents the projects anticipated for the coming year that are scheduled on the District's five-year Capital Improvement Plan (CIP). A detailed list of planned CIP projects is included in the Capital section of this document.



Metropolitan Water District's Robert A. Skinner Treatment Plant

## Five-Year Financial Projections and Target Reserve Levels

The below chart summarized the District's five year financial projection showing cash reserve levels meeting Target levels by FY28-29. Included in the projection are the following major assumptions for FY25-26 through FY28-29, projecting forward from the detailed FY24-25 budget:

1. Water sales of 10,000 AF per year.
2. No capacity fees from development.
3. Inflationary Adjustments.
  - a. Payroll and Benefits –6%
  - b. Electric Utility – 6%
  - c. Oceanside Wastewater Treatment Contract expenses – 3.5%
  - d. Supplies and Services – 2% to 4% depending on category
4. Water Rate Increase of 4% on January 1, 2026, 2027, 2028, and 2029.
5. A 13% rate increase for Wastewater annually on July 1st for FY25, FY26, FY27, and FY28, and FY29.
6. Fully funding \$124M 5 Year CIP.
7. Issuing debt to fund 5 Year CIP consisting of \$12.8M (20 year at 4%) for water CIP and \$11.8M in wastewater debt (20 year at 4.5%) in FY27-28.





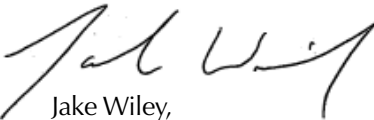
## Future Outlook & Conclusion

As a ratepayer-centered agency, the District focuses on continuously providing reliable, high-quality water while maintaining the organizational capacity needed to service all ratepayers within the District's service area. Another fundamental focal point of interest to the District is supplying the needs of these customers at the lowest cost. Part of this effort is finding different avenues of diversifying our water source, now that detachment is on the near horizon to be completed. Presently, the District is 100% reliant on one single source of imported water. The staff has been actively exploring other options of obtaining a second source of water supply as well as an alternate less expensive supply. One of the first key focus areas of our Strategic Plan calls for the diversification of water supply sources.

The staff at the District pride themselves on a high level of service and transparency. The budget and rate setting process is an iterative process over multiple months. This is done through our customer led committee meetings that meet monthly. The public is encouraged to attend and be part of the process.

In closing, these key initiatives, in addition to District daily operations, will enable continued high-quality and reliable water and wastewater service to our customers. In the coming year, the District will carefully manage appropriate infrastructure expenditures while remaining committed to the strategic management of water resources and finances to meet customer needs. We look forward to another year of meeting the Strategic Plan goals and objectives outlined in detail later in this document.

Respectfully submitted,



Jake Wiley,  
General Manager



Richard R. Aragon,  
Chief Financial Officer

# District Officials





## Rainbow Water Board of Directors



## Rainbow Water Management







# Mission Statement

*To provide our customers reliable, high quality water and water reclamation service in a fiscally sustainable manner.*

## Core Values

### Background

Rainbow Municipal Water District's adopted Strategic Plan's strategic focus area of Workforce Development calls for the implementation of cost-effective employee recognition programs to acknowledge performance, encourage development and improve morale.

The Operations Manager, Administrative Services Manager, and Administrative Analyst partnered to design a program that would not only increase pride in serving the District, but also use the design of the coins to reinforce the District's newly articulated values and strategic focus areas. The program will give employees the ability to recognize one another for performance and behaviors in alignment with these goals.

### Overview of the Excellence Coin Program

The program includes a series of six Excellence Coins, each designed to symbolize a particular District focus area. The first coin in the series "Commitment to Excellence" will be issued to all new employees, Board Members, and Citizen Committee members upon joining the District as a tangible welcome gift and reminder of our purpose. Each of the remaining coins will only be issued after nomination and selection by management or peer employee groups.



#### Innovation

We realize that good ideas can come from many sources, and we continually encourage new and better ways of doing our work. Our goal is not innovation for innovation's sake, but for finding ways to improve service and lower costs.



#### Integrity

We believe in openness, trust, ethics and transparency. We practice direct and honest communication in all of our day-to-day interactions.



#### Professionalism

We have open and respectful communication and interactions, both internally and with our customers. Our employees will always exhibit professionalism in all of their day-to-day interactions.



#### Responsibility

Individual and organizational responsibility and accountability for accomplishing the District's mission is a core value. We focus on doing our work in an efficient, reliable, and cost-effective manner.



#### Teamwork

Our focus is on supporting one another to collectively be our best. We encourage communication and collaboration. We focus on quality and have pride in the work we do in service to our customers.



# Certificate of Award



## Distinguished Budget Presentation Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented the award of Distinguished Budget Presentation Award to Rainbow Municipal Water District for the annual budget for the fiscal year beginning July 1, 2023. To receive this award a governmental unit must publish a budget document of the very highest quality that adheres to the program standards set by the GFOA. The award is valid for a period of one year only. We believe the FY 2025 budget continues to meet the program requirements and will be submitted to the GFOA to determine its eligibility for another award.





# Profile of The District



## Rainbow Municipal Water District

The District was organized on December 20, 1953, under the Municipal Water District Act of 1911 (commencing with section 71000 of the California Water Code). The Board of Directors is composed of five members who are elected by divisions of the District for four-year alternating terms, with the president being elected by the Board from among its members. Advisory Committees composed of residents from all divisions of the District assist the Board in water issues and financial planning. Operation, maintenance, and administration of the system is carried out by a staff of 57 full-time equivalent employees under the direction of the General Manager, Jake Wiley.

The District, comprising a total area of 82 square miles, is in northwestern San Diego County, approximately two hours driving time from Los Angeles and one hour from San Diego. It is approximately 40 miles northeast of downtown San Diego, California and 90 miles southeast of the City of Los Angeles. The District shares common boundaries with Riverside County, Camp Pendleton Marine Corps Base, the unincorporated community of Fallbrook, and the City of Oceanside. The District boundaries encompass the unincorporated communities of Rainbow and Bonsall, as well as portions of Pala, Fallbrook, and Vista, and has a population of an estimated 24,000 people with a average household income of about 78,000 annually (Fallbrook 2022).

The principal activity of the District is the development and operation of a water transmission and distribution system capable of delivering potable water throughout the District. The District's area of service is predominantly agricultural and includes approximately 6,500 homes and a total metered service of 8,905. In addition to water service, the District provides sewage collection and disposal service to approximately 3,500 accounts. On February 13, 2002, the District entered into a contract with the City of Oceanside, California, to provide for the construction, operation, maintenance, and replacement of a wastewater system to service the needs of both the City and the District. The City owns the wastewater conveyance, treatment, and disposal facilities and the District has the contractual right to discharge wastewater into the City's system.

### District Powers

The District has broad general powers to perform all necessary or proper acts, including but limited to the authority to acquire, plan, construct, maintain, improve, operate and repair necessary works for the transmission and distribution of water for irrigation and other purposes and for reclamation of such water; the right of eminent domain; authority to levy taxes or, in lieu thereof, to fix and collect charges for water, including standby charges made to holders of title to land to which water may be made available, whether or not the water is actually used; authority to establish rules and regulations for the sale and distribution of water including rules for providing that water shall not be furnished to persons against whom there are delinquent water charges; authority to contract with the United States, the State and the agencies of either; and the power to join with one or more public agencies, private corporations or other persons for the purpose of carrying out any of the powers of the District.

### Water Supply Operations

Since the District began water service in 1954, the District's source of supply has been water purchased from the San Diego County Water Authority (SDCWA). About 60% of the water is used for agricultural purposes; all water is of domestic quality.

SDCWA is a County Authority organized on June 9, 1944, under the County Authority Act, California Statutes 1943, Chapter 545, as amended. SDCWA's primary purpose is to supply water to areas in the County for distribution to the SDCWA's member agencies to meet their respective needs. SDCWA's service area encompasses 1,418.2 square miles, which represents about one-half of the land acreage of the County. There are currently 23-member agencies served by the SDCWA consisting of 6 cities, 16 special districts and the US Marine Corps base at Camp Pendleton. The SDCWA receives its water from the Metropolitan Water District of Southern California, of which the Authority is a member agency. Delivery of this water is made by San Diego County Water Authority through aqueducts, all of which traverse the District.





Metropolitan Water District's Robert A. Skinner Treatment Plant overlooking Lake Skinner in Riverside County.

Historically, SDCWA depended almost exclusively on water supplies imported from the Colorado River and Northern California by the Metropolitan Water District of Southern California. That changed in 2003 with the start of the largest farm-to-urban water conservation and transfer agreement in the nation with the Imperial Irrigation District, which now accounts for about one-third of San Diego County's water supply. In late 2015, the Water Authority added a new water source to its portfolio with the completion of the nation's largest seawater desalination plant in Carlsbad. Today, the Water Authority and its member agencies have identified potable reuse of recycled water as the next major source of local water supply, while continuing to aggressively promote water conservation as a civic responsibility.

The Water Authority is governed by a 35-member Board of Directors representing the 23-member agencies. A member of the San Diego County Board of Supervisors also serves as a non-voting member to the Water Authority Board.

The Metropolitan Water District is a regional wholesaler that delivers water to 26-member public agencies 14 cities, 11 municipal water districts, one county water authority which in turn provides water to more than 19 million people in Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Ventura counties. The Metropolitan Water District, to supplement its water supply from the Colorado River, has entered into a contract with the State of California for the delivery of water via the State Water Project. Metropolitan is governed by a 38-member board of directors who represent their respective member agencies ensuring each member agency is part of the governance of Metropolitan. Metropolitan currently delivers water to a 5,200-square-mile service area.

To supply the more than 300 cities and unincorporated areas in Southern California with reliable and safe water, Metropolitan owns and operates an extensive water system including: the Colorado River Aqueduct, 16 hydroelectric facilities, nine reservoirs, 819 miles of large-scale pipes and five water treatment plants. Four of these treatment plants are among the 10 largest plants in the world. In fact, Metropolitan is the largest distributor of treated drinking water in the United States. The District imports water from the Feather River in Northern California and the Colorado River to supplement local supplies. It also helps its member agencies develop water recycling, storage, and other local resource programs to provide additional supplies and conservation programs to reduce regional demands.

## System Pressures

The range of water pressures experienced at any location is a function of the hydraulic grade and the service elevation. Within a specific pressure zone, the hydraulic grade is affected by the reservoir or tank water level and pressure reducing valve settings, friction losses in the distribution system, and the flow delivered through aqueduct connections, if applicable. The maximum static pressure within a pressure zone is based on the high-water level of the reservoir or highest-pressure reducing valve setting and the elevation at any specific point in the zone. The system pressure ranges within the District between 20 to 475 pounds per square inch (psi). It is much more challenging to control the pressure in transmission pipelines as they must maintain the grade line of the zone and are typically less flexible in terms of installation locations. Despite the District's terrain, the vast majority of the District transmission system is within the desired maximum pressure range.

## System Description

The District's existing water distribution system is comprised of twelve major pressure zones with storage facilities. Four of the significant zones are supplied directly from SDCWA aqueduct connections, and the remaining zones are supplied through pressure-reducing stations or booster pump stations. In addition to the multiple zones, 45 reduced pressure areas are supplied from the major zones through pressure-reducing stations. The District's hydraulic profile schematic shows the aqueduct connections, pressure zones, storage facilities, booster pump stations, pressure reducing stations, and emergency supply interconnects.

The twelve major pressure zones within the District's system are identified by a name and number corresponding to the hydraulic grade elevation set by the high-water level of the tank or reservoir. The District is characterized by steep and varying terrain, and the pressure zone grades range from 825 feet to 2,160 feet above mean sea level. The hydraulic grade line and water supply sources for each major pressure zone are summarized in the table below. The District had formed from the merging of several water purveyors decades ago, and as a result, the gradient spacing between zones is irregular. Zone boundaries have been modified over time to increase pressures in some local critical areas or reduce pressures in older pipelines. Field operators adjust some of the pressure boundaries seasonally to improve water circulation. The Morro, South, Pala Mesa, and Canonita zones each include multiple smaller reduced pressure areas supplied from pressure reducing stations.

Zone	HGL <sup>▲</sup> (feet)	Main	Secondary
Magee	2,160	Rainbow Heights via Booster Pump Station 7	None
Rainbow Heights	1,967	North Zone via Booster Pump Station 1	Magee
Gomez	1,710	North Zone via Booster Pump Station 6	Rainbow Heights
U-1	1,579	North Zone via Booster Pump Station 2	None
Vallecitos	1,338	North Zone via Booster Pump Station 3	Rainbow Heights
Northside	1,282	North Zone via Booster Pump Station 4	None
North	1,212	Connections 1, 9, and 10	Northside and Rainbow Heights
Canonita	1,019	Connections 7 and 8	Northside and North
South	1,011	Connections 3, 6, and 11	Morro via Emergency Pumps
Pala Mesa	897	Connection 7	Canonita
Morro Tank	865	Morro Zone thru Booster Pump Station 5	Pala Mesa via Morro Zone
Morro	825	South	Pala Mesa

▲ Hydraulic Grade Line







The existing distribution system has over 320 miles of pipelines ranging from 4-inches to 42-inches in diameter. Most of the pipe material in the system is CMLC. However, there are areas in the distribution system that have ductile iron and Transite pipes. In areas fed by pressure regulating station C-9000 is most prevalent.

PIPELINE SUMMARY	
Pipeline Diameter (inches)	Total Pipeline Length (miles)
4	4.5
6	65.1
8	114.7
10	17.7
12	42.2
14	20.3
16	27.0
18	11.7
20	10.9
22	1.0
24	5.8
27	0.3
30	0.6
36	0.4
42	0.6
<b>TOTAL LENGTH OF PIPE</b>	<b>322.8</b>

## System Operations

The operation of the District’s water distribution system is very complex due to the large number of pressure zones, supply locations, and large capacity storage facilities, which require frequent cycling or turnover to maintain water quality. Reservoir water levels are connected to the District’s Supervisory Control and Data Acquisition (SCADA) system, such that the water operators can monitor the system 24 hours a day, 7 days a week, and 365 days a year. However, system operation relies upon several manual changes made from operator judgment rather than automation, such as adjusting the flow orders from the FCF connections based on tank levels.

The large storage capacity of Morro reservoir requires special operation of the distribution system to maintain water quality. The distribution system is operated in either a Morro fill or Morro drain mode, with the duration of each method varying seasonally but typically lasting two weeks or more. Changing between modes requires the manual closing and opening of several pressure stations, in addition to several operational changes. Tank water levels in several pumped zones are also operated in a fill/drain mode with water levels set low to improve the turnover rate. In addition to normal supply operations, system operators have several documented procedures for alternative supplies to zones. If pump stations fail or when aqueducts are shut down for service, tanks need to be removed from service. During planned shutdowns of the SDCWA Second Aqueduct (Connections 3, 6, 7, 8, 9, and 11), water from the North and Northside Reservoirs is supplied down to the Canonita Zone through bypass valves and pressure reducing stations. The remaining zones generally supplied from the Second Aqueduct are provided from excess storage capacity in the Morro Reservoir via temporary diesel-powered pumps. Four portable pumps are utilized to pump water from the Morro Zone to the South Zone. Supply to the South Zone can also be supplemented from Oceanside’s Weese Water Filtration Plant from a portable pump. The Rainbow Hills Zone, North Zone, and all zones pumped from the North Zone are generally supplied from Connections 1 and 10 on the First Aqueduct and Connection 9 on the Second Aqueduct. During a simultaneous shutdown of both aqueducts, these zones rely on water from in-zone tank storage, the North and Rainbow Hills Reservoirs, and additional supply from FPU’s Red Mountain Reservoir pumped into the North Reservoir.

## Wastewater Facilities

The collection and disposal of wastewater was first undertaken by the District on March 3, 1963, in conjunction with two subdivisions and the Fallbrook Country Club. In 1964, the second system was constructed to accommodate Pala Mesa Village and the Pala Mesa Country Club facilities and Motel. Later a 200-space mobile home park was connected to the system. Both systems were financed through the sale of improvement district bonds.

The third wastewater collection and disposal system were constructed by the developer of San Luis Rey Country Club and dedicated. In 1969, the subject improvement district was formed to expand wastewater collection facilities to accommodate the San Luis Rey Downs development and the community of Bonsall commercial businesses.

Seven wastewater lift stations are operated within the District’s service area. The lift station type and location are described for each station below:

**Golf Club:** This station is located just south of Golf Club Drive and Old River Road on the south side of the San Luis Rey River. It consists of a Smith and Loveless packaged lift station with three 5-hp wet well/dry well pumps and a 3,000-gallon working volume wet well. The existing pumps were rated at 625 GPM each, and there is a backup generator in case of a power failure. The District replaced the pumps at this station in kind in 1994. Lift Station 1 is currently under design for replacement, which will expand the station’s capacity to serve peak wet weather and future projected sewer flow. The replacement design has considered relocating the station to the north side of the San Luis Rey River to abandon the siphon crossing beneath the river and replacing it with a force main. In addition, the new design will move the station further away from nearby residences.

**Old River Lift Station:** This station is located at the intersection of Little Gopher Canyon Road and Old River Road, in the District’s southwest corner. The station is a Flygt/Xylem packaged lift station consisting of three 70-hp wet well/dry well pumps and a 14,000-gallon working volume wet well. The existing pumps are rated at 1,500 GPM each. There is also a backup generator in case of a power outage. This station was replaced in 2010 due to a history of problems with overflows. Capacity was increased from 1,000 GPM per pump to the current 1,500 GPM per pump to allow significant ability to serve the ultimate projected sewer flow.





Horse Creek Lift Station

## Historical Water Demand and Recent Trends

For 25 years following its founding in 1954, total SDCWA water deliveries to the District service area steadily increased, as agricultural acreage and population increased. By 1984, demands had climbed to almost 34,000-acre feet per year (AFY). Demands then dropped sharply during the drought restrictions of 1991-93, as mandatory cutbacks led to the stumping of avocado groves and other water use reductions. Since the height of water use in 1984, water sales have decline approximately 71% to about 10,000 AF for FY2023-24 due mostly to relatively high cost of water from high imported water prices and the international competition from Mexico on producing Avocados. The District has chose 10,000 AF as the new conservative baseline for water sales unless agricultural production continues to decline.

WATER DELIVERIES TO THE DISTRICT	
Calendar Year	Deliveries (Acre Feet Per Year)
1986	29,298
1987	27,382
1988	32,028
1989	34,828
1990	34,920
1991	24,567
1992	26,460
1993	24,567
1994	22,832
1995	20,872
1996	23,223
1997	24,906
1998	19,924
1999	28,721
2000	29,203
2001	26,803
2002	32,125
2003	30,472
2004	30,336
2005	28,911
2006	29,929
2007	31,865
2008	24,128
2009	26,894
2010	18,322
2011	19,276
2012	24,918
2013	21,526
2014	22,625
2015	17,868
2016	18,151
2017	18,123
2018	17,910
2019	13,720
2020	15,373
2021	15,838
2022	17,910
2023	10,799
2024*	10,000

\* Estimated

**Plant B Lift Station:** This station is located south of the District offices on Old Highway 395. This station is a Smith & Loveless prefabricated station consisting of two 5-hp wet well/dry well pumps and an 800-gallon working volume wet well. The pumps are each rated at 320 GPM. The station has a standby generator to run the lift station in case of a power failure. This is the District’s oldest lift station and is located in a sub-basin subject to high infiltration. The abandonment of this station is planned to coincide with the construction of the Pankey Sewer Lift Station.

**Rancho Monserate Lift Station:** Wastewater generated at the Rancho Monserate Mobile Home Park is tributary to this station, located north of the park off Dulin Road. Collected wastewater is conveyed north via force main for approximately 1,740 feet, where it intercepts the Rancho Viejo Force main. The Rancho Viejo Forcemain transports the wastewater an additional 2,350 feet before it discharges into Manhole No. 20L-M020 at Old Highway 395 and Pala Road. The Rancho Monserate lift station is a Flygt/Xylem lift station consisting of two 5-hp, wet well/dry well pumps with a 300-gallon working volume wet well. The pumps are each rated at 320 GPM. The station also has a backup power generator in case of a power failure.

**Rancho Viejo Lift Station:** This station is located on Dulin Road east of I-15. This station was built in 1990 to transport wastewater generated in the Lake Rancho Viejo subdivision. The lift station is a Gorman-Rupp prefabricated station consisting of two 40-hp wet well/dry well pumps and a 600-gallon working volume wet well. The pumps are each rated at 805 GPM. This station also has a backup power generator.

**Fallbrook Oaks Lift Station:** This station is located south of Sarah Ann Drive and Kate Lendre Drive in the Fallbrook Oaks subdivision off Gird Road. This is the only station that contains two submersible Meyer’s pumps inside of a 500-gallon working volume wet well. It consists of two 250 GPM, 5-hp, submersible Meyer’s pumps. The station has a standby generator to provide power to the lift station in case of a power failure.

**Horse Creek Lift Station:** This lift station (pictured above) is located on Pankey Road and Hwy 76. This station handles flows from Horse Creek Ranch and will take flows from Citro once construction is complete. There are three submersible pumps that are manufactured by Xylem Flygt. Each pump is rated at 1200 GPM at 58 HP each. This station has a standby generator and video surveillance. There are two wet wells with a capacity of 8,400 gallons and an overflow capacity of 28,000 gallons.

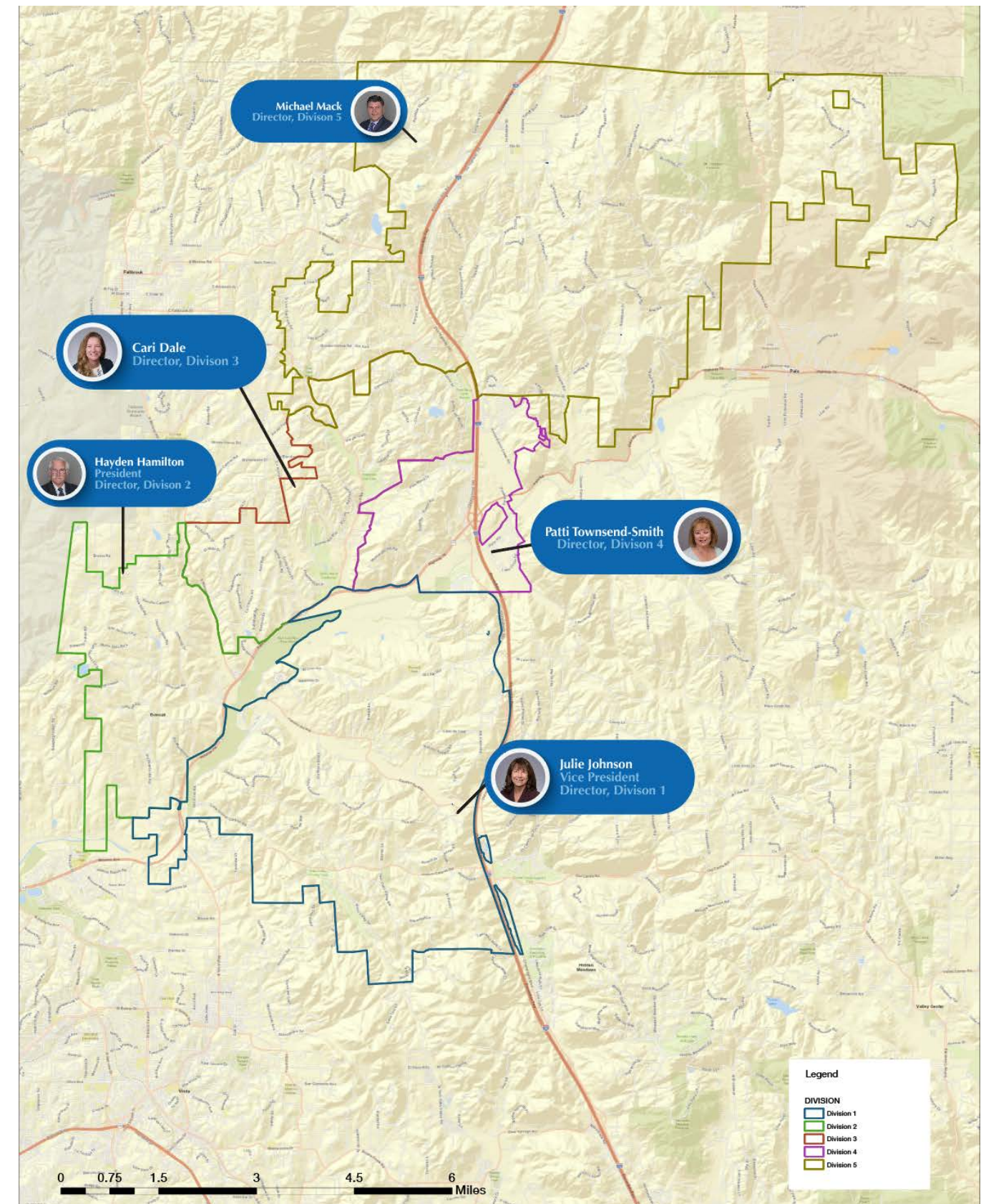


# District Service Area Map

Rainbow Water's service area is 82 square miles, or over 52,000 acres, and comprises the communities of Rainbow, Bonsall and portions of Fallbrook, Vista, Pala, and Oceanside.



## District Service Area Map





# Employee Benefits

The District's benefits package includes insurance coverage, health savings options, comprehensive retirement plans, paid time off, holiday pay, and education assistance, all designed to support employees' well-being and professional growth. Full benefits and compensation policies can be viewed in the Memorandum of Understanding with the three bargaining units at: [rainbowmwd.ca.gov/careers](http://rainbowmwd.ca.gov/careers)



## Insurance Benefits

### Health Insurance

Rainbow Water provides five health insurance options with varying employee cost-sharing formulas based on the selected plan and coverage tier. The District covers 100% of the premium for employee-only coverage up to the cost of the middle plan, with employees paying the difference for more expensive plans. For dependent care coverage, the District contributes 100% for the least expensive plan, 85% for the second and middle plans, and 80% for the two highest-cost plans.

### Health Savings Account

Employees enrolled in Anthem or Kaiser high-deductible Consumer Driven Health Plans are eligible for Health Savings Accounts (HSAs). The district contributes to employee HSA accounts annually to offset higher deductibles and encourage enrollment in these lower-cost plans.

### Other Insurance

The District pays 100% of the premium costs for vision care, dental insurance, life insurance, and short-term and long-term disability insurance.

### Paid Time Off (PTO)

PTO is granted to employees to use for vacation, personal illness, family leave, bereavement, and other types of protected time off. PTO is accrued based on length of service, ranging from 7.69 hours to 10.77 hours per pay period. Accruals are capped at twice the annual entitlement. Employees can cash out up to 280 hours of accrued PTO, provided they submit an irrevocable request by December, have taken at least 80 hours of PTO in the previous year, and leave a balance of at least 80 hours.

## Retirement Benefits

### CalPERS Pension Tiers

Rainbow Water contracts with CalPERS, with different plans for employees hired before and after January 1, 2013. Pre-2013 hires are Classic members under the 2.5% @ 55 formula, employees contributing 8% of their annual salary, and the District contributes approximately 14%. Post-2013 hires, considered New Members under PEPRAs, are under the 2% @ 62 formula, contributing 50% of the normal cost as determined by CalPERS. The District contributes approximately 8% for PEPRAs members.

### Social Security

The District participates in social security, with employees and the District each contributing 6.2% of eligible wages. Other Post Employment Benefits (OPEB) Retirees hired on or before June 30, 2012, are eligible for a retirement medical monthly reimbursement of either \$363 or \$726 for up to 10 years if they retire from the District with a minimum of 10 years of service and have elected not to participate in the District's 401a plan. Currently, 14 active employees and 8 retirees qualify for this retirement medical benefit, and the maximum OPEB liability for this program is \$1.034 million for active employees and \$184,000 for current retirees.

### Deferred Compensation Programs

Rainbow Water provides a 457(b) plan to assist employees with saving for retirement expenses. The plan offers a dollar-for-dollar match up to \$100 per pay period, which is immediately vested, and employees are allowed to contribute additional unmatched funds. Additionally, the District offers a 401(a)-retirement savings account with District matching of employee contributions ranging from \$35 per pay period to \$175 based on the bargaining unit and length of service, vesting over five years.



# Strategic Plan

The District conducted a comprehensive process in 2016 where staff worked with the Board, Committees with public members, and invited the public, to receive input to develop the overall Strategic Plan with the six main focus area and related strategic goals noted below. This process involved multiple meetings consisting of recognizing the need for the plan, reviewing the existing situation and mission, determine the strategic direction going forward, and then setting a process to monitor progress.

## Major Strategic Goals

### 1. Water Resources

Imported water supplies are becoming increasingly unreliable and more expensive. Increasing costs from drought, government, regulations, and additional forces outside of the District's control require that Rainbow Water diversify its water resources in the region to ensure a safe, sustainable, and reliable source for its customers.

**Goal:** Develop a diversified water portfolio including conservation and alternative sources, to provide a reliable, resilient supply.

### 2. Asset Management

Aging infrastructure, rising costs, increasing regulations, and security concerns require that key assets are maintained properly. Careful planning for anticipated future demands and pipeline rehabilitation is essential for efficient operation of the system. Effective asset management is an important tool to ensure we get the best value from the investments made by our customers in our assets.

**Goal:** Continue to refine the asset management process to plan for, prioritize and fund maintenance, replacement, expansion and rehabilitation of District infrastructure, facilities and equipment.

### 3. Workforce Development

Employees are the most valuable asset in any organization. Increasing demands, rapidly increasing regulations, and an aging workforce, require water districts to have highly motivated employees that are committed to continuous learning and improvement.

**Goal:** Recruit, develop, and retain a highly skilled and knowledgeable workforce that is experience, up-to-date, innovative and loyal to the District and its customers.

### 4. Fiscal Responsibility

Increasing costs of water, labor, supplies, and energy, along with public scrutiny requires that all public agencies be especially conscious of planning and managing their fiscal resources. It is critical that agencies have sound financial plans and make the best possible decisions for the sustainability of the District in service to its customers.

**Goal:** Fiscally responsible, transparent, and sustainable approaches to managing and forecasting the District's finances.

### 5. Customer Service

The primary purpose of the District is to provide reliable, quality water, and water reclamation to our customers. Water customers expect and deserve the best service at the best value.

**Goal:** Provide top quality customer service by meeting customer needs, being responsive, and providing timely communication.

### 6. Communication

Effective communication is the cornerstone of an organizations ability to collaborate and operate efficiently. As communication channels evolve and technology improves, it is essential to ensure clear, concise, and accurate communication, both within the organization and to the public. Effective communication ensures better understanding, improved teamwork, and increased customer satisfaction.

**Goal:** Ensure effective communication and good working relationships within the region, our customers, and staff.





# FINANCIAL POLICIES

---

## Cash Reserves

The purpose of the Reserve Policy is to ensure that the District will at all times have sufficient funding available to meet the operating, capital, and debt service cost obligations, as well as to enable stable water and wastewater rates and smooth rate transitions to minimize rate shock on customers. Adequate reserves and sound financial policies promote the District's bond ratings in the capital markets and lowers the cost of capital, provide financing flexibility, avoid potentially restrictive debt covenants. This Reserve Policy shall cover all reserve funds of the District.

## Working Capital (Operating) Reserves

This reserve target is intended to provide funding for short-term cash flow needs from timing variances between revenues and expenses and provides liquidity to fund its operating and capital obligations. The target is set at 3 months of budgeted operating expenses, not including depreciation, for the current fiscal year. It is funded through net operating revenues sourced primarily from monthly rates and charges.

## Debt Service Reserve

This reserve target is intended to ensure there is sufficient funding for the District to be able to fully pay its debt service obligations in any given year. The target is set at one year of debt service (principal and interest) for all external loans and outstanding bonds, less any restricted funds held in trust as a debt reserve according to debt agreements that may be used for the payment of debt service. The reserve target calculation for variable interest debt may use the rate used in the development of the budget or the most current projected probable rate. It is funded through net operating revenues sourced primarily from monthly rates and charges.

## Rate Stabilization Reserve

This reserve target is intended to provide funding for unbudgeted higher expenses (operating and capital) or lower than anticipated revenues to enable stable rates and smoother year-to-year rate transitions. The target is set at 10% of current budgeted revenues, excluding grants and capacity fees, or other non-reoccurring type revenues. It is funded through net operating revenues sourced primarily from monthly rates and charges.

## Capital Replacement Reserves

This reserve target is intended to fund unanticipated capital asset replacements, capital project cost increases, and advancing the implementation timing of planned capital projects, if prudent. The target is set at 1 year of depreciation on best available estimate of the current capital asset replacement value assuming an average useful life of assets of 75 years. Capital replacement reserves are primarily funded by capacity fees, and if insufficient, then net operating revenues.

## Special Project Reserve

This reserve target is intended as a mechanism to set aside funding for future major capital improvement projects or initiatives that would require significant rate increases or undesired debt burden. The target is based on the cumulative total funding targets for any applicable specific projects or initiatives as included in the adopted budget or approved by separate Board action. It is funded through net operating revenues sourced primarily from monthly rates and charges.

## Emergency (Disaster) Reserve

This reserve target is intended to provide initial liquidity to respond to major emergencies, such as earthquakes or wildfires, until other funding can be secured (i.e. FEMA, debt financing, insurance proceeds, etc.), or cover the costs of these disaster responses, in whole or part. The target is set at 1 year of depreciation on best available estimate of the current capital asset replacement value assuming an average useful life of assets of 75 years. It is funded through net operating revenues sourced primarily from monthly rates and charges.

## Facility Expansion Reserve

Facility Expansion Reserves are funded by the cash collected for water or wastewater capacity fees assessed for the purpose of future expansion or improvement of the water system benefiting new customers. It does not have a specific target and is funded purely by the portion of collected capacity fees for this purpose and applicable interest revenues.



# Basis of Budget & Accounting

## Basis of Budgeting

A major element of financial data activity rests in the act of budgeting. Budgeting is the process of allocating finite resources to the prioritized needs of the District. As such, a balanced budget is one where all identified budgeted expenses have an equal number of budgeted financial resources to pay for them including revenues and any use of cash reserves (fund balance). The budget represents the legal authority to spend money. Adoption of the District's budget implies that a set of decisions has been made by the Board of Directors and administrators that culminates in matching District's resources with the needs. As such, the budget is a management tool intended to aid in the planning efforts of the District to serve as a control in expenditures and ensure the fiscal health and financial future of the District.

The budget also provides an important tool for the control and evaluation of the sources and the uses of resources. Using the accounting system to track funds of the will of the board, administrators can execute and control activities that have been authorized by the budget and to evaluate financial performance based on comparisons between budgeted and actual operations. Financial statements are issued to report the results of operations, which include the budget amounts to measure the performance, efficiency, and planning. This report is provided to the Budget and Finance Committee and Board of Directors monthly and provides a check and balance of the expenditure of public funds. Thus, the budget is implicitly linked to financial accountability and relates directly to the financial reporting objectives established by the Governmental Accounting Standards Board (GASB). The budget is prepared using a budgetary basis of accounting in accordance with GAAP. Specifically, the budget is accounted for on a full accrual basis for Operating Revenues and Expenses and Modified Accrual for CIP expenditures and debt-service. The financial statements are presented in full accrual for all activity.

The planning and control functions inherent to any organization, underscore the importance of sound budgeting practices for the following reasons:

- The services provided by the District are not always subject to competitive market forces. Thus, enacting and adhering to the budget establishes restrictions in the absence of a competitive market.
- These services provided by District are considered critical to public health and welfare.
- The scope and diversity of operations for water and wastewater make comprehensive financial planning essential for good decision making.

The financial planning process is critical to the expression of resident preferences and is the avenue for reaching consensus among stakeholders, directors of the board, and staff on the future direction of the District's operations.

The link between financial planning and budget preparation gives the budget document a unique role in the organization. Budgets in the public arena are often considered the definitive policy document because an adopted budget represents the financial plan used by the District to achieve its goals and objectives. The budget reflects:

- The prioritization of activities in which the District will be involved,
- The relative influence of various participants and advisory committees in the budget development process, and
- The District's plan for acquiring and using its resources.

Budgeting is an invaluable tool for both planning and evaluation. Budgeting provides a vehicle for translating goals and projects into financial resource plans-that is, developing a plan to meet performance goals should be directly linked to determining budgetary allocations. The link between goals and financial planning is critical to effective budgeting and enhances the evaluation of budgetary and accountability.

Performance evaluation allows stakeholders to hold directors and administrators in the District's organization accountable for their actions. Because accountability to residents often is stated explicitly in state laws and state constitutions, it is a cornerstone of budgeting and financial reporting.

- Financial reporting should provide information to determine whether current-year revenues were sufficient to pay for current-year services.
- Financial reporting should demonstrate whether resources were obtained and used in accordance with the District's legally adopted budget. It should also demonstrate compliance with other finance-related legal or contractual requirements.



## Accounting Policies

The District accounts for its financial transaction in accordance with the policies and procedures of the Irrigation District Law, now Division 11 of the California State Water Code. The accounting policies of the District conform to accounting principles generally accepted in the United State of America (GAAP) as prescribed by the GASB and the American Institute of Certified Public Accountants (AICPA).

The District reports its activities as an enterprise fund, which is used to account for operations that financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs of providing water and wastewater to its customers on a continuing basis be financed or recovered primarily through user charges (water and wastewater sales and services) or similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred, regardless of when the related cash flow took place.

Operating revenues and expenses are generated and incurred through the water and wastewater sales activities to the District’s customers. Administration and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

## Deposits and Investments

For purposes of the statement of cash flows, cash and cash equivalents consist of short-term highly liquid investments with maturities of ninety days or less from the date of purchase. These include cash on hand, cash held in the restricted assets accounts, Local Government Investment Pools, and the Local Agency Investment Fund.

The District’s investment policy and state statutes authorize the District to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, certificates of deposit with national and state-licensed or chartered banks or federal or state savings and loan associations, money market and mutual funds whose portfolios consist of one or more of the foregoing investments, Local Government Investment Pools, and the Local Agency Investment Fund.

State statutes require all deposits to be insured or collateralized. Depositories holding public funds on deposit are required to maintain appropriate collateral with the agent of depository, as defined by State statutes.

## Inventory And Capital Assets

Inventories are recorded using the purchase method in that the cost is recorded as an expenditure at the time individual inventory items are purchased. Inventories are valued at average cost and consist of expendable supplies held for consumption. Reported inventories are equally offset by a fund balance reserve, which indicates that these amounts are “available for appropriation and expenditure” even though they are a component of net current assets.

The District has the option of reporting an expense for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditure during the benefiting period.

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets’ lives are not capitalized. A capitalization threshold of \$10,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives as shown in the chart at right.

CAPITAL ASSETS DEPRECIATION	
Asset Class	Estimated Useful Lives
Buildings	10-50
Water Systems	10-50
Improvement of Sites	7-25
Equipment	5-10

## Budget Calendar FY 2024-2025

DATE	TASK
February 13 - March 14, 2024	Engineering drafted 5-year CIP and meet with Eng/Finance/ Operations/IT to review, refine, and prioritize project list.
March 11, 2024	Budget input worksheets sent out to all Department to input materials, supplies, and services anticipated needs for FY25.
March 19, 2024	Joint Budget Workshop (Board/E&O/Budget & Finance) to review draft 5-year CIP and FY25 proposed CIP budget.
March 29, 2024	Department budget input worksheets due to Finance
April 1 - April 9, 2024	Department budget review meetings with CFO
April 2024	HR drafted Salaries and Labor budget and reviewed with Finance and GM. GM reviewed and worked with Departments to revise proposed budgets as necessary.
April 9, 2024	Joint Budget Workshop (Board/Budget & Finance) to review 5-year financial projections, proposed rate increases, debt plan, reserve policy proposal, and overview financial condition.
May 14, 2024	Joint Budget Workshop (Board/Budget & Finance) to review proposed FY25 operating and non-operating budget and amended 5-year CIP.
May 28, 2024	Regular Board Meeting – Staff presented proposed budget cuts and lowered rate increases per Board direction at 5/14 workshop.
June 10, 2024	Budget and Finance Committee – Review revised Cash Reserves policy per 5-year financial plan presented at 4/9 workshop.
June 25, 2024	Regular Board Meeting – Review and Adopt final FY25 Operating and Non-Operating Budget including CIP, Water and Wastewater Rates, Capacity Fees, and Cash Reserves Policy.



# Description of Major Funds

For financial presentation purposes, the District is only one major enterprise fund consisting of water and wastewater activities. However, for practical internal tracking purposes, the District utilizes sub-fund tracking for major activities as described on the next page.



## Fund Name and Description

### Water Operating Fund - 01

The purpose of this fund is to track receipt of water revenues and expenditures for day-to-day water-related operations, including customer billing, water purchases and to provide funding in case of water-related operating emergencies and unforeseen circumstances. The fund includes cost centers: Pumping, Water Operations, Valve Maintenance, Water Distribution, and Meters.

### Sewer Operating Fund - 02

The purpose of this fund is to track receipt of wastewater revenues and expenditures for day-to-day wastewater related operations, including customer billing, contractual payments to the City of Oceanside for treatment of sewage and to provide funding in case of wastewater related operating emergencies and unforeseen circumstances. This fund only includes the Wastewater cost center.

### General Operating Fund - 03

The purpose of this fund is to account for general operations and activities not requiring the use of other funds. This includes the cost centers that provide day to day administrative duties for the District which are: Executive Administration, Human Resources, Safety, Finance, Customer Service, and Engineering.

### Rate Stabilization Fund - 05

The purpose of this fund is to mitigate rate impacts from changes in water demand. The reserve should equal to 10% of annual water revenues. The fund was established on January 1, 2016. Funds for this reserve will come from water rates and charges.

### Wastewater Replacement Capital Fund - 52

The purpose of this fund is used to provide funding for the District's long-term wastewater related capital replacement projects. It is funded by the cash collected for sewer capacity charges and surpluses generated by sewer operations (excess of revenue over expense before depreciation). The Sewer Allocation Plan determines the portion of the capacity fee that will be used for infrastructure repair, rehabilitations, and replacement projects.

### Wastewater Expansion Capital Fund - 53

The purpose of this fund is used to provide funding for the District's long-term wastewater related capital expansion projects. It is funded by the cash collected for sewer capacity charges and surpluses generated by sewer operations (excess of revenue over expense before depreciation). The Sewer Allocation Plan determines the portion of the capacity fee that will be used for infrastructure repair, rehabilitations, and replacement projects.

### Water Capital Fund - 60

The purpose of this fund is to provide funding for the District's long-term water related capital improvement projects. It is funded by the cash collected for water capacity charges and by surpluses generated by water operations (excess of revenue over expenses before depreciation). Reserves will be used to fund infrastructure expansion, repairs, rehabilitations, and replacement projects.

### Debt Fund - 61

The purpose of this fund is to record the debt, repayment, proceeds, and uses of the District's FY24 \$10 million loan with US Bank to fund a variety of capital projects in the CIP Budget for years FY 24, 25, and 26.

### Wholesale Water Efficiency Capital Fund - 62

The purpose of this fund is to provide funding for the District's wholesale water efficiency related capital projects. It is funded by debt issued by Western Alliance Bank at 4.02% interest. These projects will eliminate the transportation cost of \$175 per acre foot of water, increase redundancy during shutdowns, eliminate rental costs, and eliminate the need for temporary pump rentals in the event of a SDCWA shutdown.



# Revenue and Expense Assumptions

## Water Revenue Assumptions

Water Operating Fund sales are the largest source of District revenues, with most sales, approximately 60%, for agricultural use, 34% for residential customers, and 6% for commercial and construction customer classes.

The current water rate structure of the District consists of two main components: a monthly meter charge and variable water charges. The rates for the monthly meter charge vary by meter size, whereas the variable charges vary by customer class and water usage. The following tables summarize the current rate structure and identifies the current monthly meter fixed charges, by meter size and identifies the current variable charges by customer class.

Each year, the Board of Directors approves the Budget as the District's foundational financial plan. It is a cash-based projection of revenues and expenditures needed for operations, maintenance, administration, debt service and capital improvements associated with delivering high-quality service to customers throughout the year. Specifically, the Budget incorporates conservative revenue estimates, prudent spending plans, and a thorough review of necessary capital improvements to ensure the long-term sustainability of the District. In developing the budget, staff considered both internal and external factors including the economy, weather, regulatory requirements, and the condition and age of the District's infrastructure.

This year water sales have continued to decrease from prior years due to a particularly wet winter and spring. FY2024-25 water sales are budgeted at 10,000 AF, similar to the projected result for FY2023-24 to remain conservative. Water sales have continued the years-long pattern of decline. The loss of agricultural production due to high water costs and increased irrigation efficiency has continued to impact sales. For FY24, sales are predicted to be just under 10,000 acre-feet. Increased revenues from new service connections because of development can help soften the reduction in water sales. New service connections were 112 in FY24, compared to 413 new water meters in FY23, along with 487 new wastewater EDUs in FY23, compared to 213 in FY23.

An approach the District took with the new cost of service study is to be less susceptible to volatile revenues by increasing the distribution of fixed revenues. The last few years were the lowest water sales since the inception of the District, barely recovering costs. If variable sales persist at this reduced level, the District would not be able to sustain repeated years of cost recovery that fails to appropriately contribute to capital reserve levels for much-needed capital projects. As such, the direction the Board took was to reduce the reliance on variable revenue steadily over the next few years.

Fixed revenue estimated for FY 2024-25 includes the includes a projected rate increase of 4.5% on all water rates as of July 1, 2024, which is less than the 9% increase included in the rate study approved in June of 2023, due to anticipated detachment savings. The SDCWA pass-through increases scheduled for January 2025 will be added at midyear as an increase in revenue and an increase in the cost of water with a net zero impact on the budget. The prior three years' sales ranged between approximately 10,500 and 14,500-acre feet, and as a conservative approach, 10,000-acre feet has been projected for the upcoming budget year.

Other Water Services Revenues; including backflow fees, turn-on and reconnection fees, hydrant fees, plan check fees, NSF charges, and penalty fees, are projected based upon current fiscal year activity.

Rental and Lease Revenues are projected based upon contract agreements with various entities for use of the District's vacant land, as well as a lease agreement with Sprint Communication for use of space on facility grounds for their communication equipment.

Interest Income for the water and wastewater operating funds is projected based on an average yield for LAIF investments for the balance of our investment portfolio.



# Monthly Water and Wastewater Service Rates

Rates effective July 1, 2024

## Monthly Fixed Charges

SINGLE FAMILY, MULTI-FAMILY, COMMERCIAL, & INSTITUTIONAL			AGRICULTURAL AGRICULTURAL WITH RESIDENCE			PERMANENT SPECIAL AGRICULTURAL WATER RATE (PSAWR)		
Capacity Class	Meter Size	Monthly Fixed Charges	Capacity Class	Meter Size	Monthly Fixed Charges	Capacity Class	Meter Size	Monthly Fixed Charges
A	5/8"	\$96.76	A	5/8"	\$151.70	A	5/8"	\$134.38
B	3/4"	\$96.76	B	3/4"	\$151.70	B	3/4"	\$134.38
C	1"	\$157.20	C	1"	\$248.77	C	1"	\$219.90
D	1.5"	\$308.26	D	1.5"	\$491.42	D	1.5"	\$433.69
E	2"	\$489.56	E	2"	\$782.61	E	2"	\$690.23
F	3"	\$1,063.64	F	3"	\$1,704.68	F	3"	\$1,502.61
G	4"	\$1,909.66	G	4"	\$3,063.53	G	4"	\$2,699.81
H	6"	\$3,934.07	H	6"	\$6,315.07	H	6"	\$5,564.54

FIXED PUMPING CHARGES		BACKFLOW TESTING		WASTEWATER FIXED CHARGES	
Fixed Pumping Charges	Total Rate per Month+	Meter Size	Monthly Charge*	Monthly Sewer Service Charges per EDU <sup>▲</sup>	
All Pumping Zones	\$8.77	5/8" - 2"	\$4.81	All Customer Classes \$75.23	
		3" - 6"	\$8.14		

## Monthly Variable Charges

WATER VARIABLE CHARGES		VARIABLE PUMPING CHARGES+		
Customer Class	Total Rate per Unit*	Zone #	Pumping Zone	Rate per Unit*
Single Family Residence	\$6.23	1	Rainbow Heights	\$2.72
Multi-Family	\$6.23	2	ID U-1	\$1.45
Commercial	\$6.23	3	Vallecitos	\$0.27
Institutional	\$6.23	4	Northside	\$0.14
Construction	\$6.23	5	Morro Tank	\$0.37
Agriculture w/ Residence	\$5.18	6	Huntley	\$1.46
Agriculture	\$5.18	7	Magee Tank	\$0.74
PSAWR Domestic Tier 1 (1-22 Units)	\$5.18			
PSAWR Domestic Tier 2 (22+ Units)	\$4.46			
PSAWR Commercial	\$4.46			

<sup>+</sup> Pumping charges apply to ratepayers who reside at higher elevations that require water to be pumped in order to provide service.  
<sup>\*</sup> 1 unit of water = 748 gallons  
<sup>\*</sup> Charges apply to ratepayers with a backflow devices  
<sup>▲</sup> Charge per equivalent dwelling unit for customers connected to the District's sewer system

# Water Expense Assumptions

The largest expense of the District is purchased water from San Diego County Water Authority (SDCWA) at 55% of the total Water Operating budget. Water cost is dependent on volumetric sales. In this forecast the cost of water, we will be using the 10,000 acre-feet of sales plus an estimated 8% of water loss to arrive at an estimated cost of \$19.7M of purchased water.

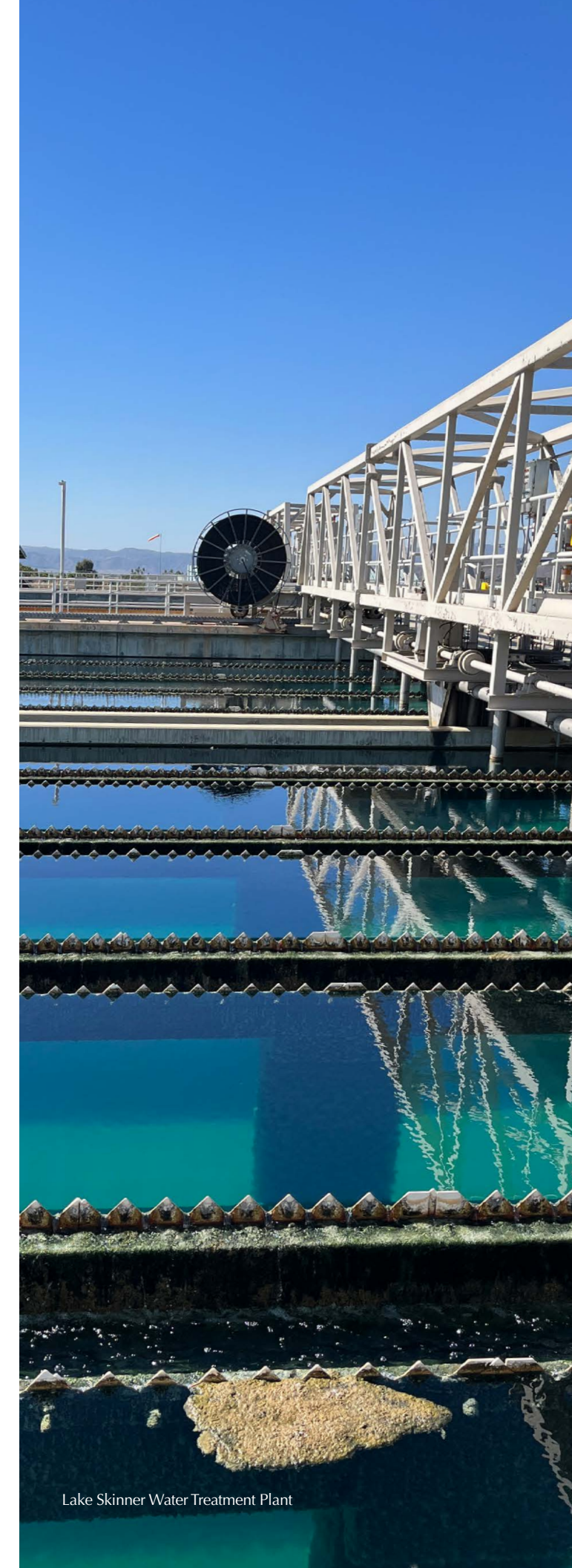
Operating expenses have remained consistent as a percentage of total costs compared to previous years, with the cost of water being by far the largest component, followed by the cost of our dedicated team members who deliver services to our community 24/7/365. Under the current organizational structure, the span of control of the leadership team ranges from one direct report to fifteen direct reports. However, all costs have increased due to hyperinflation, supply chain issues, and increased energy costs.

Capital equipment purchases of \$150,000 for FY 24/25 are planned for the replacement of aging vehicles required to provide service in our rural service area, with \$500,000 for future fiscal years planned.

Additionally, approximately \$6.7M of capital improvement projects are included in the FY 24/25 proposed water capital budget and \$525,000 in the proposed wastewater capital budget. This amount represents the projects anticipated for the coming year that are scheduled on the District's five-year Capital Improvement Plan (CIP). A detailed list of planned CIP projects is included in the Capital section of this report.

Purchased Water includes the cost at the point of delivery of water purchased for resale. SDCWA fixed charges are the following categories:

- Readiness-to-Serve charge,
- Infrastructure Access Charge,
- Customer Service Charge,
- Capacity Reservation Charge,
- Emergency Storage, and
- Supply Reliability Charge.



Lake Skinner Water Treatment Plant





The total amount of SDCWA assessed fixed charges for the Fiscal Year 2024-25 is estimated to be at \$4.7M. In addition to the fixed charges there is the commodity rate for the water purchase and transportation cost. SDCWA is planning a 14% rate increase effective January 1, 2025, however the District is anticipating being detached as of that date and will not incur those charges. However, the District will then pay imported water costs to EMWD for water it purchases from Metropolitan and sells to the District at Metropolitan rates. Metropolitan approved rate increases averaging 8.5% for January 1, 2025 that would require the District to pass-through these costs in the form of a 3.6% water rate increase on January 1, 2025.

The District Board of Directors receive compensation for attendance at regular and board approved special meetings. The budget estimates that each director will be compensated for the eleven regular meetings and two special meetings. It is also budgeted for training and travel for educational purposes.

The Pumping costs are maintained in a separate cost center to identify the specific costs of operating and maintaining the pumping equipment that pushes water to higher elevations within the district. The district identifies seven pumping zones to account for the cost and developed a discrete charge for customers in each zone. Labor expenses are charged to this cost center by various staff members when they are assigned to perform work in maintaining the pumping equipment. For budget purposes a 0.5 FTE staffing equivalent is calculated into the labor cost. The single largest expense item is the cost of the electricity and gas used by the pumps.

Water Operations is responsible for the maintenance and testing of water quality with the six reservoirs and twelve water tanks. The water tanks are maintained by a long-term contract with Utility Service Group Water Solutions (USG). The tank maintenance program ensures the tanks will remain in good operating condition for decades to come. Annually, Metropolitan and SDCWA schedule shutdowns for the major repair or upgrade of their pipelines. Shutdowns are scheduled but will not require the District to shut down any of our systems due to the use of temporary pumps that are rented by the district. The Wholesale water efficiency projects budgeted over the next two years will eliminate the need for temporary pumps. This avoids significant costs and inconvenience for the district.

**Valve Maintenance** fulfills the maintenance, repair, and replacement of nearly 5,000 valves within the district.

**Water Distribution** is responsible for the administration, construction, and maintenance of 350 miles of water mainlines.

**Meter Services** facilitates all monthly meter reads as well as customer onsite response, backflow services and the Itron radio read meter installation program.

**Garage Services** conducts the maintenance and repair of all district fleet vehicles. The district vehicles are typically kept in service based on age, mileage and or condition of the vehicle.

**General Administration** is comprised of the General Manager, administrative support to the General Manager, insurance, legal, and miscellaneous supplies as needed.

**Information Technology** includes computer and software support, GIS maintenance, fraud prevention, SCADA monitoring and electrical maintenance.

**Human Resources** handles recruiting, workforce development, and employee benefits management.

**Safety** coordinates the design, deployment and administration of programs that promote employee safety. In addition, the role manages property & liability insurance as well as district paid claims.

**Finance** is responsible for the monitoring of overall financial stability of the District, audits, financial reporting, accounts payable, payroll, budgeting, billing, new meter connections, and inventory.

**Customer Service** executes all billing services and responds to customers' questions and concerns.

**Engineering** performs capital project management, engineering, and inspection services for the district.



## Wastewater Revenue Assumptions

Wastewater revenues are based on wastewater collection and treatment services provided to our customers. Wastewater Service Revenues are projected based upon a total of 6,150 Equivalent Dwelling Units (EDUs), a total of 3,471 wastewater accounts compared to approximately 8,905 water accounts. For wastewater rates, we changed the way the rates are calculated. In the past, we used the lowest winter water consumption to set wastewater rates. When we reviewed this data, we found that there was not a strong correlation between our costs to provide service and the lowest winter water consumption. It turns out that low winter consumption is based more on weather than the cost to provide wastewater service. In the revised structure, for residential use there is a flat fee per home, or equivalent dwelling unit (EDU). A cost-of-service study was completed in FY 23 to assess the wastewater rates as the fund was operating at a loss. Rates had not been increased in over 5 years. The FY24-25 budget includes the assumption the District will increase wastewater rates by the full 13% included in the June 2023 rate study, and also assumes the \$525,000 in one time grant revenue (non-operating) to cover the sewer generator project from a grant already awarded through the EPA.

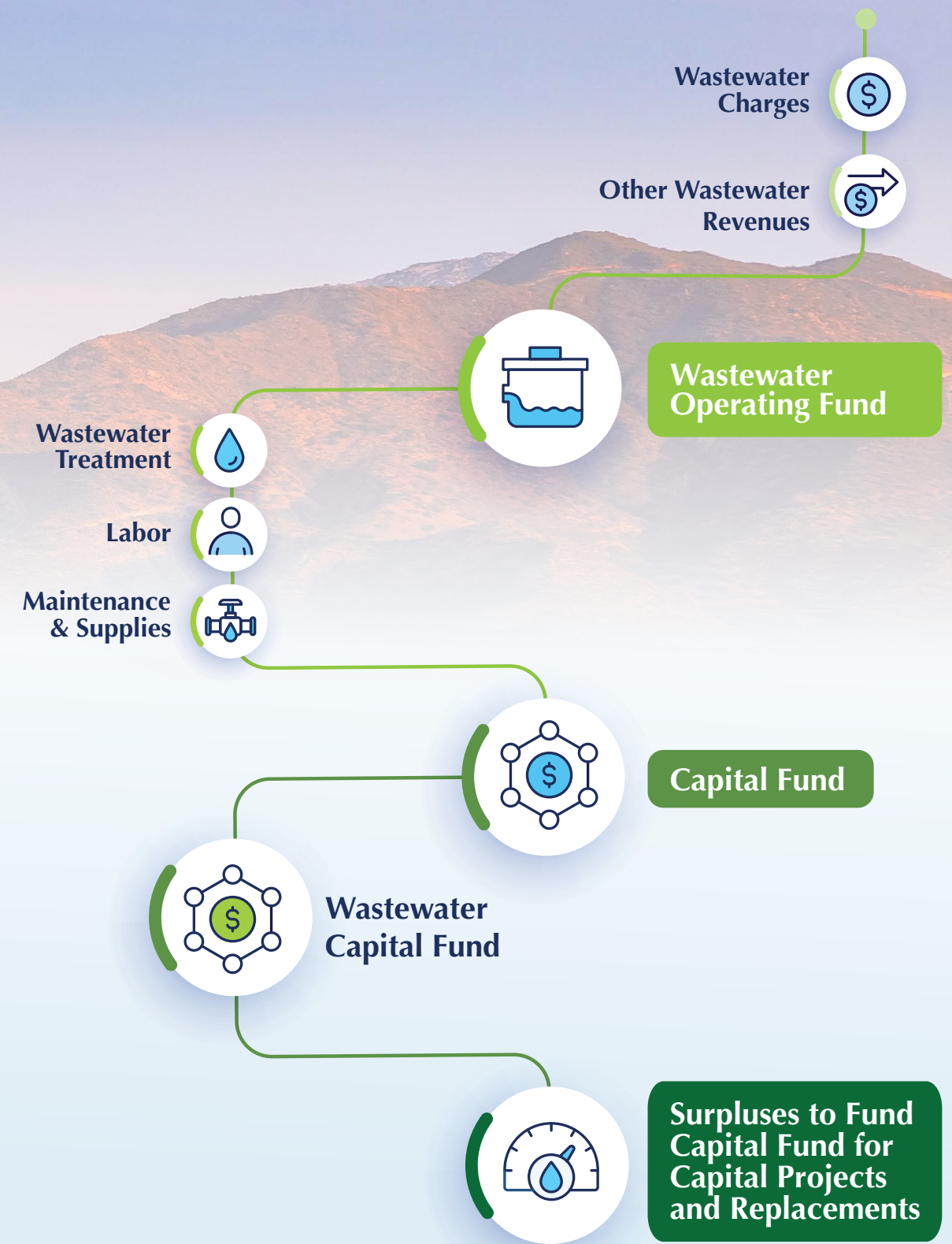
Wastewater is responsible for maintenance and repair of all 60 miles of wastewater lines and pumping systems. The contract with the City of Oceanside for the treatment and discharge of the wastewater is the primary cost factor for this department.



## Water Operating Fund



## Wastewater Operating Fund





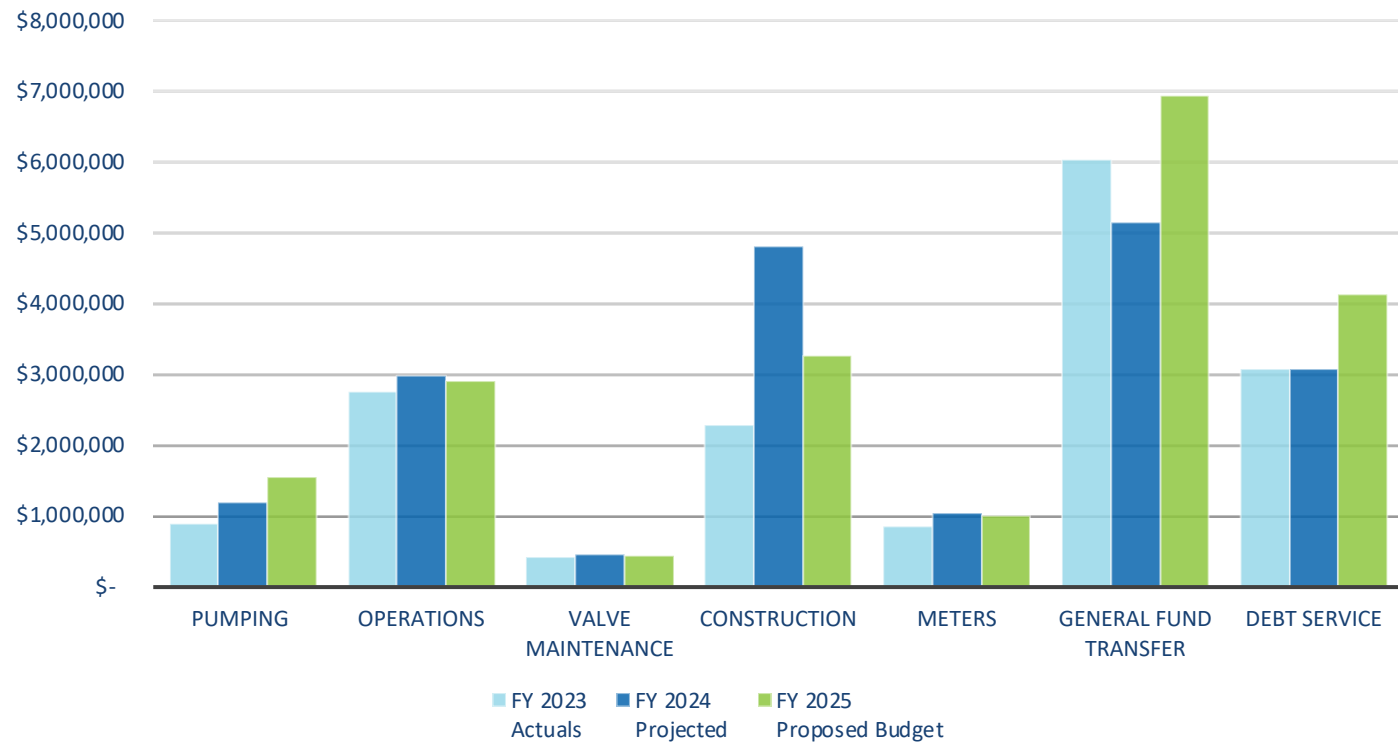
# OPERATING AND NON-OPERATING BUDGET

## Water Fund Budget Summary

WATER NET					
Description	FY22/23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
<b>OPERATING REVENUES</b>					
Water Sales	\$40,221,710	\$42,172,414	\$41,361,301	\$46,849,876	13%
Other Water Services	\$361,495	\$324,664	\$304,842	\$319,166	5%
<b>TOTAL OPERATING REVENUES</b>	<b>\$40,583,205</b>	<b>\$42,497,078</b>	<b>\$41,666,143</b>	<b>\$47,169,042</b>	<b>13%</b>
<b>OPERATING EXPENSES</b>					
Purchased Water	\$22,273,944	\$21,997,021	\$22,325,449	\$19,737,602	- 12%
Pumping	\$895,779	\$903,529	\$1,186,007	\$1,540,170	30%
Operations	\$2,757,129	\$2,723,168	\$2,991,910	\$2,911,913	-3%
Valve Maintenance	\$414,667	\$407,508	\$454,865	\$437,545	-4%
Construction	\$ 2,288,866	\$2,424,696	\$3,069,483	\$3,274,064	7%
Meters	\$843,155	\$1,071,718	\$1,044,414	\$1,011,298	-3%
General Fund Transfer	\$6,046,142	\$6,873,750	\$5,152,171	\$6,941,175	35%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$35,519,682</b>	<b>\$35,906,390</b>	<b>\$36,224,299</b>	<b>\$35,853,767</b>	<b>-1%</b>
<b>NON-OPERATING REVENUES</b>					
Capacity Fees	\$2,909,690		\$822,930		100%
Debt Proceeds			\$10,000,000		100%
Investment Income	\$312,198	\$162,000	\$424,575	\$460,734	9%
Property Tax Revenue	\$777,390	\$650,000	\$566,273	\$588,924	4%
Other Non-Operating Revenues	\$(33,126)	\$106,000	\$18,101	\$17,184	5%
<b>TOTAL NON-OPERATING REVENUES</b>	<b>\$3,966,152</b>	<b>\$918,000</b>	<b>\$11,831,879</b>	<b>\$1,066,842</b>	<b>-91%</b>
<b>NON-OPERATING EXPENSES</b>					
Capital Improvement Projects	\$7,174,806	\$16,784,311	\$13,341,382	\$5,363,993	- 60%
Debt Service	\$3,077,414	\$3,077,165	\$3,076,907	\$4,140,069	35%
Detachment Payment				\$3,409,789	N/A
<b>TOTAL NON-OPERATING EXPENSES</b>	<b>\$10,252,220</b>	<b>\$19,861,476</b>	<b>\$16,418,289</b>	<b>\$12,913,851</b>	<b>-21%</b>
<b>CHANGE IN NET POSITION</b>	<b>\$(1,222,545)</b>	<b>\$(12,352,788)</b>	<b>\$855,434</b>	<b>\$(531,734)</b>	<b>-162%</b>
<b>Description</b>					<b>Water Fund (FY25)</b>
<b>PROJECTED BEGINNING UNRESTRICTED FUND BALANCE</b>					<b>\$10,850,844</b>
<b>NET GAIN OR (REDUCTION) TO UNRESTRICTED FUND BALANCE</b>					<b>\$(531,734)</b>
<b>PROJECTED ENDING UNRESTRICTED FUND BALANCE</b>					<b>\$10,319,110</b>



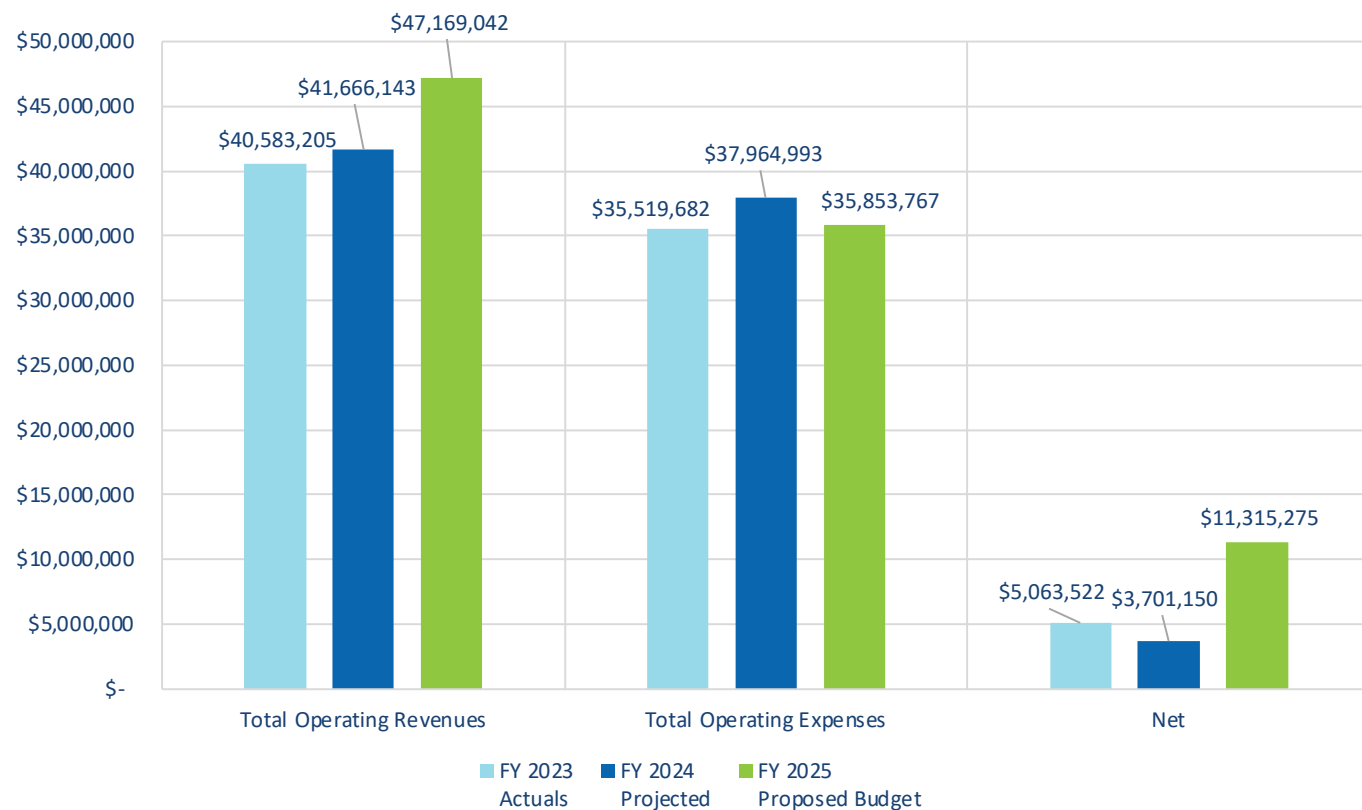
## Water Operating Expenses



## Water Fund Budgeted Revenues

WATER REVENUE						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
01-99-41110	Water Sales-SF, MF, CM, IS	\$9,634,436	\$9,338,822	\$9,526,573	\$10,131,930	6%
01-99-41120	Water Sales-Ag. Domestic	\$3,510,345	\$3,359,291	\$3,362,932	\$3,794,845	13%
01-99-41160	Water Sales- Agriculture	\$5,029,120	\$4,616,339	\$4,359,935	\$5,135,888	18%
01-99-41170	Water Sales-Construction	\$322,939	\$131,045	\$131,265	\$126,806	-3%
01-99-41180	Water Sales - TSAWR Com	\$2,038,793	\$1,878,972	\$1,921,816	\$2,150,860	12%
01-99-41190	Water Sales- TSAWR Dom	\$2,511,232	\$2,523,916	\$2,290,856	\$2,565,559	39%
01-99-42120	O&M Charges-RMWD	\$11,039,426	\$14,341,581	\$13,445,387	\$18,680,192	-43%
01-99-42121	O&M Charges-CWA	\$5,365,506	\$5,081,206	\$5,168,239	\$2,943,036	0%
01-99-42130	Readiness-To-Serve Rev	\$298,823	\$295,130	\$482,751	\$482,751	25%
01-99-42140	Pumping Charges	\$471,090	\$606,112	\$671,547	\$838,009	2%
01-99-43101	Operating Inc Unlock Fees	\$3,800	\$5,000	\$3,800	\$3,863	0%
01-99-43104	Operating Inc. RP Charges	\$277,604	\$245,665	\$277,323	\$277,385	N/A
01-99-43110	Operating Inc Inspections	\$62,657	\$20,000		\$20,000	-5%
01-99-43111	Operating Inc Install-Hyd.	\$4,025	\$2,000	\$2,913	\$2,760	-26%
01-99-43114	Operating Inc-Misc.	\$7,399	\$7,000	\$10,453	\$7,770	-29%
01-99-43116	New Meter/Install Parts	\$6,010	\$40,000	\$10,353	\$7,388	
01-99-43117	Notice Delivery Revenue		\$5,000			N/A
	<b>TOTAL NON-OPERATING REVENUES</b>	<b>\$42,497,079</b>	<b>\$42,497,079</b>	<b>\$41,666,143</b>	<b>\$47,169,042</b>	<b>13%</b>
01-99-4910	Non-Operating Inc-NSF		\$3,000	\$500	\$3,000	500%
01-99-49107	Recycling Revenue	\$18,635	\$8,000	\$3,267	\$3,675	13%
01-99-49109	Miscellaneous Revenue	(\$51,758)	\$95,000	\$9,335	\$10,509	13%
01-99-49200	Interest Revenues	\$312,198	\$162,000	\$424,575	\$460,734	9%
01-99-49201	Grant Revenue	(\$30,804)		\$5,000		-100%
01-99-49301	Property Tax Revenue	\$777,390	\$650,000	\$566,273	\$588,924	4%
	<b>TOTAL NON-OPERATING REVENUES</b>	<b>\$1,025,658</b>	<b>\$918,000</b>	<b>\$1,008,950</b>	<b>\$1,066,842</b>	<b>6%</b>
	<b>TOTAL WATER REVENUES</b>	<b>\$41,608,863</b>	<b>\$43,415,079</b>	<b>\$42,675,093</b>	<b>\$48,235,884</b>	<b>13%</b>

## Water Fund Revenues vs Expenses



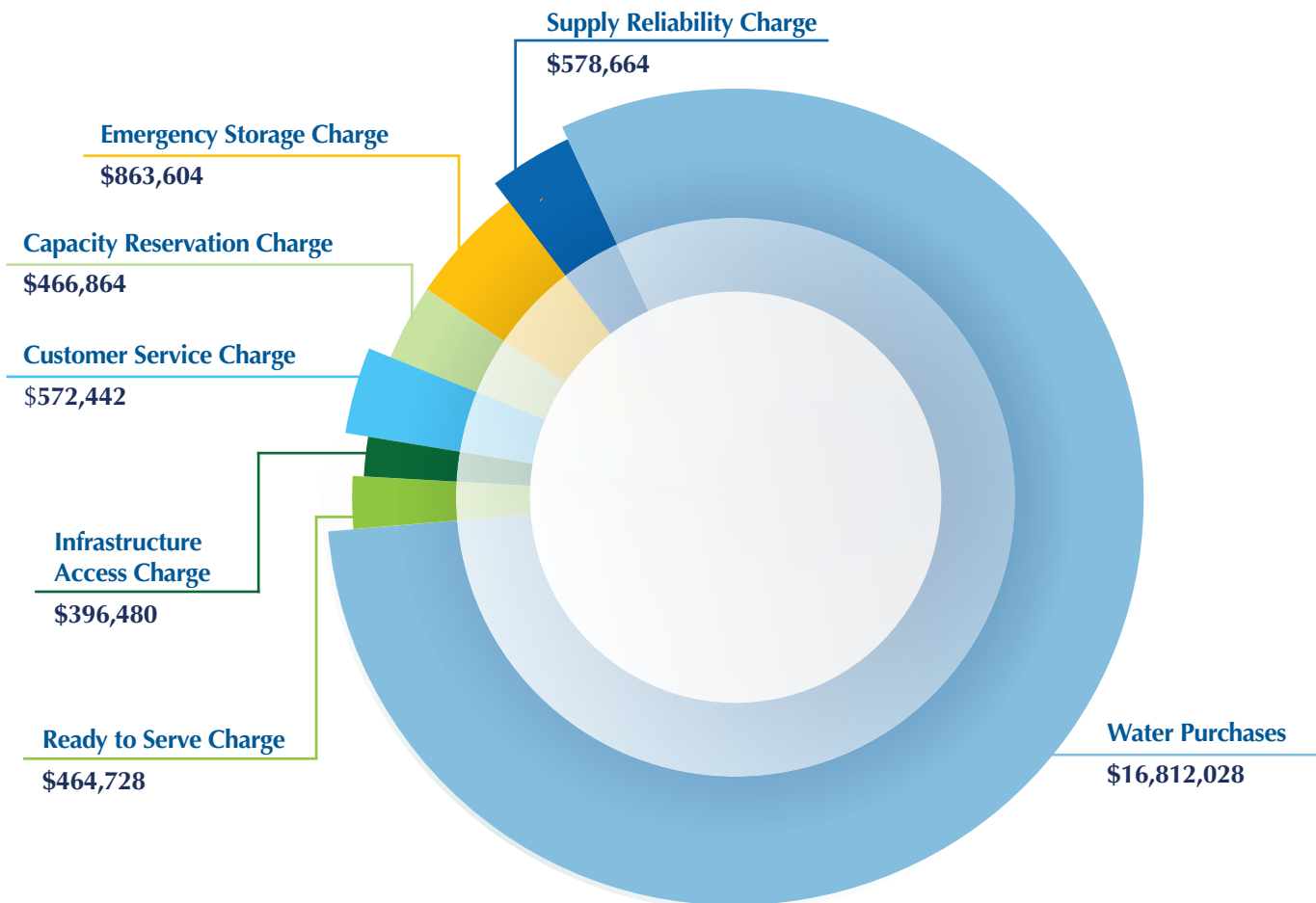


## Water Fund Budgeted Expenses

PURCHASED WATER						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
01-99-50001	Water Purchases	\$17,654,975	\$17,240,184	\$17,411,099	\$16,812,028	-3%
01-99-50003	Water in Storage	(\$106,708)				N/A
01-99-50005	Ready to Serve	\$456,792	\$457,020	\$447,672	\$464,728	4%
01-99-50006	Infrastructure Access	\$758,424	\$776,760	\$776,760	\$396,480	-49%
01-99-50008	Agriculture Credit-TSAWR	(\$501,097)	(\$659,969)	(\$493,108)	(\$417,208)	-15%
01-99-50010	Customer Service	\$1,048,646	\$1,092,276	\$1,092,276	\$572,442	-48%
01-99-50011	Capacity Reservation	\$403,182	\$369,390	\$369,390	\$466,864	26%
01-99-50013	Emergency Storage	\$5,365,506	\$1,622,256	\$1,622,256	\$863,604	-47%
01-99-50013	Supply Reliability	\$1,020,693	\$1,099,104	\$1,099,104	\$578,664	-47%
	<b>TOTAL PURCHASED WATER</b>	<b>\$22,273,945</b>	<b>\$21,997,021</b>	<b>\$22,325,449</b>	<b>\$19,737,602</b>	<b>-12%</b>



## FY 25 Adopted Purchased Water Expenses



## Pumping Expenses

PUMPING EXPENSES						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
01-31-56101	Regular Salaries	\$14,396	\$31,529	\$24,873	\$35,306	42%
01-31-56103	Overtime & Comp Time	\$30	\$500			N/A
	<b>TOTAL PAYROLL EXPENSES</b>	<b>\$14,426</b>	<b>\$32,029</b>	<b>\$24,873</b>	<b>\$35,306</b>	<b>42%</b>
01-31-63100	Equipment Maint/Repair	\$33,064	\$37,000	\$4,650	\$37,000	69%
01-31-63401	Building Maintenance	\$7,878	\$7,000	\$14,100	\$12,000	-15%
01-31-72000	Supplies & Services	\$12,362	\$17,000	\$76,098	\$33,000	-57%
01-31-73000	Small Tools & Equipment	\$354	\$500	\$369,390	\$500	0%
01-31-78000	Utilities - Electricity	\$827,696	\$810,000	\$1,622,256	\$1,422,364	33%
	<b>TOTAL NON-OPERATING REVENUES</b>	<b>\$881,354</b>	<b>\$871,500</b>	<b>\$1,161,134</b>	<b>\$1,504,864</b>	<b>30%</b>
	<b>TOTAL PUMPING EXPENSES</b>	<b>\$895,780</b>	<b>\$903,529</b>	<b>\$1,186,007</b>	<b>\$1,504,170</b>	<b>30%</b>



## Operations Expenses

PUMPING EXPENSES						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
01-32-56101	Regular Salaries	\$779,234	\$732,593	\$801,698	\$730,348	-9%
01-31-56103	Overtime & Comp Time	\$123,348	\$120,000	\$121,533	\$129,890	7%
01-32-56501	Employer's Share SSI	\$43,565	\$37,511	\$44,207	\$54,356	23%
01-32-56502	Employer's Share Medicare	\$10,757	\$8,905	\$10,868	\$13,548	25%
01-32-56503	Medical Insurance	\$86,035	\$89,084	\$93,791	\$116,256	24%
01-32-56504	Dental Insurance	\$9,688	\$10,271	\$10,020	\$11,518	15%
01-32-56505	Vision Insurance	\$1,102	\$1,130	\$1,221	\$1,451	19%
01-32-56506	Life, S/T, L/T Disability Insurance	\$6,873	\$7,042	\$6,230	\$8,249	32%
01-32-56507	Retirement-CalPERS	\$61,877	\$80,307	\$76,958	\$91,431	19%
01-32-56512	Tuition Reimbursement	\$505	\$1,000	\$1,965	\$1,000	-49%
01-32-56515	Worker's Compensation Insurance	\$10,919	\$31,873	\$22,799	\$19,953	-12%
01-32-56516	State Unemployment Insurance, E.T.T.	\$943	\$910	\$1,208	\$1,105	-8%
01-32-56518	Duty Pay	\$19,580	\$20,644	\$18,777	\$19,500	4%
01-32-56520	Deferred Compensation	\$18,866	\$20,800	\$20,400	\$22,100	8%
	<b>TOTAL PAYROLL EXPENSES</b>	<b>\$1,173,292</b>	<b>\$1,162,070</b>	<b>\$1,231,675</b>	<b>\$1,220,705</b>	<b>-1%</b>
01-32-60000	Electronics	\$13,286	\$11,000	\$662	\$13,000	1,865%
01-32-63100	Equipment Maintenance & Repairs	\$13,095	\$10,000	\$9,306	\$50,000	437%
01-32-63102	Equipment Maintenance Contract	\$20,323	\$31,500	\$7,070	\$31,000	339%
01-32-63200	Equipment Rental	\$62,916	\$42,000	\$64,761	\$42,000	-35%
01-32-63401	Building Maintenance	\$49,009	\$22,000	\$23,370	\$22,000	-6%
01-32-72000	Supplies & Services	\$367,094	\$198,000	\$531,671	\$891,48	68%
01-32-72010	Tank Maintenance	\$931,185	\$1,110,000	\$964,848	\$501,721	-48%
01-32-72150	Regulatory Permits	\$73,390	\$78,600	\$78,600	\$53,000	-33%
01-32-72700	Printing & Reproductions					N/A
01-32-73000	Small Tools & Equipment	\$6,163	\$7,500	\$6,401	\$7,500	17%
01-32-75300	Travel/Conferences/Training	\$2,095	\$500	\$500	\$2,500	400%
01-32-78000	Utilities	\$45,120	\$50,000	\$70,001	\$77,001	10%
01-32-78700	Propane	\$162				N/A
	<b>TOTAL MAINTENANCE/SUPPLY</b>	<b>\$1,583,838</b>	<b>\$1,561,100</b>	<b>\$1,757,190</b>	<b>\$1,691,208</b>	<b>-4%</b>
	<b>TOTAL OPERATIONS EXPENSES</b>	<b>\$2,757,130</b>	<b>\$2,723,170</b>	<b>\$2,988,865</b>	<b>\$2,911,913</b>	<b>-3%</b>

## Valve Maintenance Expenses

VALVE MAINTENANCE EXPENSES						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
01-33-56101	Regular Salaries	\$224,284	\$213,850	\$259,869	\$235,168	-10%
01-33-56103	Overtime & Comp Time	\$4,061	\$3,000	\$5,168	\$5,024	-3%
01-33-56501	Employer's Share SSI	\$13,049	\$13,259	\$15,509	\$16,732	8%
01-33-56502	Employer's Share Medicare	\$3,052	\$3,101	\$3,627	\$3,913	8%
01-33-56503	Medical Insurance	\$31,778	\$35,263	\$35,370	\$38,117	8%
01-33-56504	Dental Insurance	\$3,610	\$4,108	\$4,008	\$2,790	-30%
01-33-56505	Vision Insurance	\$411	\$452	\$489	\$528	8%
01-33-56506	Life, S/T, L/T Disability Ins.	\$2,253	\$2,445	\$2,205	\$2,645	20%
01-33-56507	Retirement-CalPERS	\$21,549	\$30,067	\$28,425	\$31,284	10%
01-33-56512	Tuition Reimbursement	\$862	\$1,000	\$1,000	\$1,000	0%
01-33-56515	Worker's Comp. Insurance	\$1,004	\$11,099	\$7,671	\$6,276	-18%
01-33-56516	State Unemployment Ins, E.T.T.	\$375	\$364	\$500	\$368	-26%
01-33-56518	Duty Pay	\$1,122		\$561	\$2,250	301%
01-33-56520	Deferred Compensation	\$7,088	\$6,500	\$7,650	\$8,450	10%
	<b>TOTAL PAYROLL EXPENSES</b>	<b>\$314,498</b>	<b>\$324,508</b>	<b>\$372,052</b>	<b>\$354,545</b>	<b>5%</b>
01-33-72000	Supplies & Services	\$94,749	\$80,000	\$82,572	\$80,000	-3%
01-33-73000	Small Tools & Equipment	\$5,421	\$3,000	\$242	\$3,000	-1140%
	<b>TOTAL MAINTENANCE/SUPPLY</b>	<b>\$100,170</b>	<b>\$83,000</b>	<b>\$82,814</b>	<b>\$83,000</b>	<b>0%</b>
	<b>TOTAL VALVE MAINT EXPENSES</b>	<b>\$414,688</b>	<b>\$407,508</b>	<b>\$454,866</b>	<b>\$437,545</b>	<b>-4%</b>





## Construction Expenses

CONSTRUCTION EXPENSES						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
01-34-56101	Regular Salaries	\$795,751	\$1,325,762	\$1,020,329	\$1,514,162	48%
01-34-56103	Overtime & Comp Time	\$149,300	\$160,000	\$129,860	\$144,027	11%
01-34-56501	Employer's Share SSI	\$70,000	\$77,758	\$80,135	\$98,953	23%
01-34-56502	Employer's Share Medicare	\$17,361	\$19,223	\$20,280	\$24,808	22%
01-34-56503	Medical Insurance	\$175,663	\$231,880	\$216,924	\$255,585	18%
01-34-56504	Dental Insurance	\$18,040	\$22,589	\$22,038	23,029	4%
01-34-56505	Vision Insurance	\$2,384	\$2,939	\$3,258	\$3,430	5%
01-34-56506	Life, S/T, L/T Disability Ins.	\$15,666	\$15,142	\$11,808	\$15,668	33%
01-34-56507	Retirement-CalPERS	\$96,949	\$136,855	\$128,754	\$145,749	13%
01-34-56512	Tuition Reimbursement	\$8,869	\$7,000	\$15,108	\$20,000	32%
01-34-56515	Worker's Comp. Insurance	\$15,926	\$68,807	\$41,912	\$39,499	-6%
01-34-56516	State Unemployment Ins, E.T.T.	\$2,874	\$2,366	\$3,233	\$2,393	-26%
01-34-56518	Duty Pay	\$18,282	\$20,644	\$17,523	\$12,375	-29%
01-34-56520	Deferred Compensation	\$25,254	\$26,780	\$29,535	\$43,160	46%
	<b>GROSS PAYROLL EXPENSES</b>	<b>\$1,412,319</b>	<b>\$2,117,745</b>	<b>\$1,740,697</b>	<b>\$2,342,838</b>	<b>N/A</b>
	<b>LESS: CAPITALIZED LABOR</b>		<b>-\$620,050</b>		<b>-\$127,863</b>	<b>N/A</b>
	<b>TOTAL PAYROLL EXPENSES</b>	<b>\$1,412,319</b>	<b>\$1,497,695</b>	<b>\$1,740,697</b>	<b>\$2,214,975</b>	<b>27%</b>
01-34-72000	Supplies & Services	\$705,050	\$754,500	\$1,119,807	\$884,089	-21%
01-34-72001	Easement Maintenance	\$164,638	\$150,000	\$194,860	\$150,000	-23%
01-34-73000	Small Tools & Equipment	\$1,657	\$20,000	\$11,342	\$20,000	76%
01-34-75300	Conferences/Training	\$5,203	\$2,500	\$2,780	\$5,000	80%
	<b>TOTAL MAINTENANCE/SUPPLY</b>	<b>\$876,548</b>	<b>\$927,000</b>	<b>\$1,328,789</b>	<b>\$1,059,089</b>	<b>-20%</b>
	<b>TOTAL CONSTRUCTION EXPENSES</b>	<b>\$2,288,867</b>	<b>\$2,424,695</b>	<b>\$3,069,486</b>	<b>\$3,274,064</b>	<b>7%</b>

## Meters Expenses

METERS EXPENSES						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
01-35-56101	Regular Salaries	\$479,573	\$459,113	\$486,503	\$509,732	5%
01-35-56103	Overtime & Comp Time	\$38,151	\$45,000	\$25,598	\$25,154	-2%
01-35-56501	Employer's Share SSI	\$28,853	\$28,465	\$29,255	\$35,631	22%
01-35-56502	Employer's Share Medicare	\$6,748	\$6,657	\$6,842	\$8,333	22%
01-35-56503	Medical Insurance	\$101,753	\$105,455	\$105,192	\$115,221	10%
01-35-56504	Dental Insurance	\$9,662	\$10,271	\$10,020	\$10,471	5%
01-35-56505	Vision Insurance	\$1,099	\$1,130	\$1,221	\$1,319	8%
01-35-56506	Life, S/T, L/T Disability Ins.	\$5,600	\$5,230	\$4,823	\$5,840	21%
01-35-56507	Retirement-CalPERS	\$41,845	\$53,409	\$49,698	\$57,148	15%
01-35-56512	Tuition Reimbursement	\$1,295	\$1,000	\$1,860	\$1,500	-19%
01-35-56515	Worker's Comp. Insurance	\$2,276	23,828	\$12,099	\$3,153	-74%
01-35-56516	State Unemployment Ins, E.T.T.	\$945	\$910	\$1,227	\$921	-25%
01-35-56518	Duty Pay	\$176		\$627	\$5,625	797%
01-35-56520	Deferred Compensation	\$14,727	\$16,250	\$15,938	\$16,250	2%
	<b>TOTAL PAYROLL EXPENSES</b>	<b>\$732,703</b>	<b>\$756,718</b>	<b>\$750,903</b>	<b>\$796,298</b>	<b>6%</b>
01-35-63404	Backflow Expenses	\$4,851	\$8,500	\$6,719	\$8,500	27%
01-35-72000	Supplies & Services	\$65,973	\$300,000	\$283,220	\$200,000	-29%
01-35-73000	Small Tools & Equipment	\$37,819	\$5,000	\$2,076	\$5,000	141%
01-35-75300	Conferences/Travel	\$1,808	\$1,500	\$1,500	\$1,500	0%
	<b>TOTAL MAINTENANCE/SUPPLY</b>	<b>\$110,451</b>	<b>\$315,000</b>	<b>\$293,515</b>	<b>\$215,000</b>	<b>-27%</b>
	<b>TOTAL METER EXPENSES</b>	<b>\$843,154</b>	<b>\$1,071,718</b>	<b>\$1,044,418</b>	<b>\$1,011,298</b>	<b>-3%</b>





# Debt Service

## Debt Overview

The District issues debt in compliance with its Debt Management Policy (Administrative Code Section 5.10) as a means to fund its capital improvement and replacement program and spread the cost associated with the service benefits of the project out over a representative period matching at a minimum the same period of benefits to equitably align who is paying for the projects and who is receiving the benefits. Generally, the District tries to avoid debt except when unusually large individual projects or capital programs would otherwise cause necessary rate increases at unacceptable levels or reduce cash reserves to unhealthy levels, especially if below minimum target levels. Although the District does not have a legal maximum amount of debt imposed on it if in the form of Revenue Bonds or Loans, as opposed to General Obligation Bonds which require a 2/3 voter approval, it has covenanted with existing lenders to not issue additional debt at the same priority of repayment (parity revenue lien) unless it can meet certain conditions and to maintain certain levels of financial performance. The following represent the most relevant of those conditions:

**Minimum Rates:** That the District will set rates projected to at least produce a net revenue after O&M expenses of 120% of the annual debt service for that year.

**Additional Debt:** Actually achieve 120% of net revenue over the maximum debt service of any existing debt in any future year in addition to the proposed debt

The District does not currently have any bond ratings as all of its debt is either through the State Revolving Loan Fund with the State Water Resources Control Board of California, or through private placement agreements with individual banks.

DEBT ISSUANCES									
Name	Project	Fund	Original Loan Amount	6/30/2024 Balance	Annual Payment	Loan Origination Date	Final Maturity Date	Loan Length (Years)	Interest Rate
SRF - Morro Loan	Morro Reservoir	Water	\$10,246,413	\$6,406,481	\$629,723	10/31/2012	7/1/2033	20	2.1%
SRF - Beck Loan	Beck Reservoir	Water	\$7,731,716	\$4,834,190	\$475,175	10/31/2012	7/1/2033	20	2.1%
Zion Lease	Meter Replacement	Water	\$5,523,284	\$2,955,761	\$647,063	9/21/2018	7/1/2028	10	3.1%
Zion Loan	Meter Replacement	Water	\$5,249,905	2,802,106	\$615,001	10/1/2018	7/1/2028	10	3.2%
Western Alliance	Water Pipeline Upgrade	Water	\$9,750,000	\$9,418,199	\$718,307	3/1/2022	4/1/2042	20	4.0%
US Bank		Water	\$10,000,000	\$10,000,000	\$1,256,399	5/1/2024	10/1/2034	10	4.7%
First American RBC/City National	Lift Station	Sewer	\$5,000,000	\$5,000,000	\$663,021	8/4/2023	8/1/2033	10	5.5%
<b>TOTAL WATER</b>			\$48,501,318	\$36,416,736	\$4,341,668				
<b>TOTAL WASTEWATER</b>			\$5,000,000	\$5,000,000	\$663,021				
<b>TOTAL DISTRICT</b>			\$53,501,318	\$41,416,736	\$5,004,689	<b>WEIGHTED AVG INT RATE</b>			<b>3.7%</b>







Morro Reservoir

## Debt Service

BECK			
Fiscal Year	Interest Due	Principal Due	Total Annual Debt Service
2023-24	\$103,131	\$372,044	\$475,175
2024-25	\$95,302	\$379,873	\$475,175
2025-26	\$87,309	\$387,866	\$475,175
2026-27	\$79,147	\$396,028	\$475,175
2027-28	\$70,814	\$404,361	\$475,175
2028-29	\$62,305	\$412,870	\$475,175
2029-30	\$53,617	\$421,558	\$475,175
2030-31	\$44,746	\$430,429	\$475,175
2031-32	\$35,689	\$439,486	\$475,175
2032-33	\$26,441	\$448,734	\$475,175
2033-36	\$24,356	\$925,994	\$950,350
<b>TOTAL</b>	<b>\$682,857</b>	<b>\$5,019,243</b>	<b>\$5,702,100</b>

MORRO			
Fiscal Year	Interest Due	Principal Due	Total Annual Debt Service
2023-24	\$136,674	\$493,049	\$629,723
2024-25	\$126,299	\$503,424	\$629,723
2025-26	\$115,705	\$514,018	\$629,723
2026-27	\$104,889	\$524,834	\$629,723
2027-28	\$93,845	\$535,878	\$629,723
2028-29	\$82,569	\$547,154	\$629,723
2029-30	\$71,056	\$558,667	\$629,723
2030-31	\$59,300	\$570,423	\$629,723
2031-32	\$47,297	\$582,426	\$629,723
2032-33	\$35,041	\$594,682	\$629,723
2033-35	\$32,277	\$1,227,168	\$1,259,446
<b>TOTAL</b>	<b>\$904,952</b>	<b>\$6,651,723</b>	<b>\$7,556,675</b>

WHOLESALE WATER EFFICIENCY			
Fiscal Year	Interest Due	Principal Due	Total Annual Debt Service
2023-24	\$378,612	\$339,696	\$718,307
2024-25	\$364,956	\$353,352	\$718,307
2025-26	\$350,751	\$367,556	\$718,307
2026-27	\$335,975	\$382,332	\$718,307
2027-28	\$320,606	\$397,702	\$718,307
2028-29	\$304,618	\$413,689	\$718,307
2029-30	\$287,988	\$430,320	\$718,307
2030-31	\$270,689	\$447,619	\$718,307
2031-32	\$252,695	\$465,613	\$718,307
2032-33	\$233,977	\$484,331	\$718,307
2033-42	\$1,128,775	\$5,335,989	\$6,464,764
<b>TOTAL</b>	<b>\$682,857</b>	<b>\$9,418,199</b>	<b>\$13,647,841</b>

WASTEWATER LOAN			
Fiscal Year	Interest Due	Principal Due	Total Annual Debt Service
2024-25	\$274,500	\$388,521	\$663,021
2025-26	\$253,170	\$409,850	\$663,021
2026-27	\$230,670	\$432,351	\$663,021
2027-28	\$206,933	\$456,087	\$663,021
2028-29	\$181,894	\$481,127	\$663,021
2029-30	\$155,480	\$507,540	\$663,021
2030-31	\$127,616	\$535,404	\$663,021
2031-32	\$98,223	\$564,798	\$663,021
2032-33	\$67,215	\$595,806	\$663,021
2033-34	\$34,507	\$628,516	\$663,021
<b>TOTAL</b>	<b>\$1,630,208</b>	<b>\$5,000,000</b>	<b>\$6,630,208</b>

METER REPLACEMENT PROJECT			
Fiscal Year	Interest Due	Principal Due	Total Annual Debt Service
2023-24	\$91,333	\$555,730	\$647,063
2024-25	\$74,161	\$572,902	\$647,063
2025-26	\$56,458	\$590,605	\$647,063
2026-27	\$38,209	\$608,854	\$647,063
2027-28	\$19,395	\$627,668	\$647,063
<b>TOTAL</b>	<b>\$279,556</b>	<b>\$2,955,759</b>	<b>\$3,235,315</b>

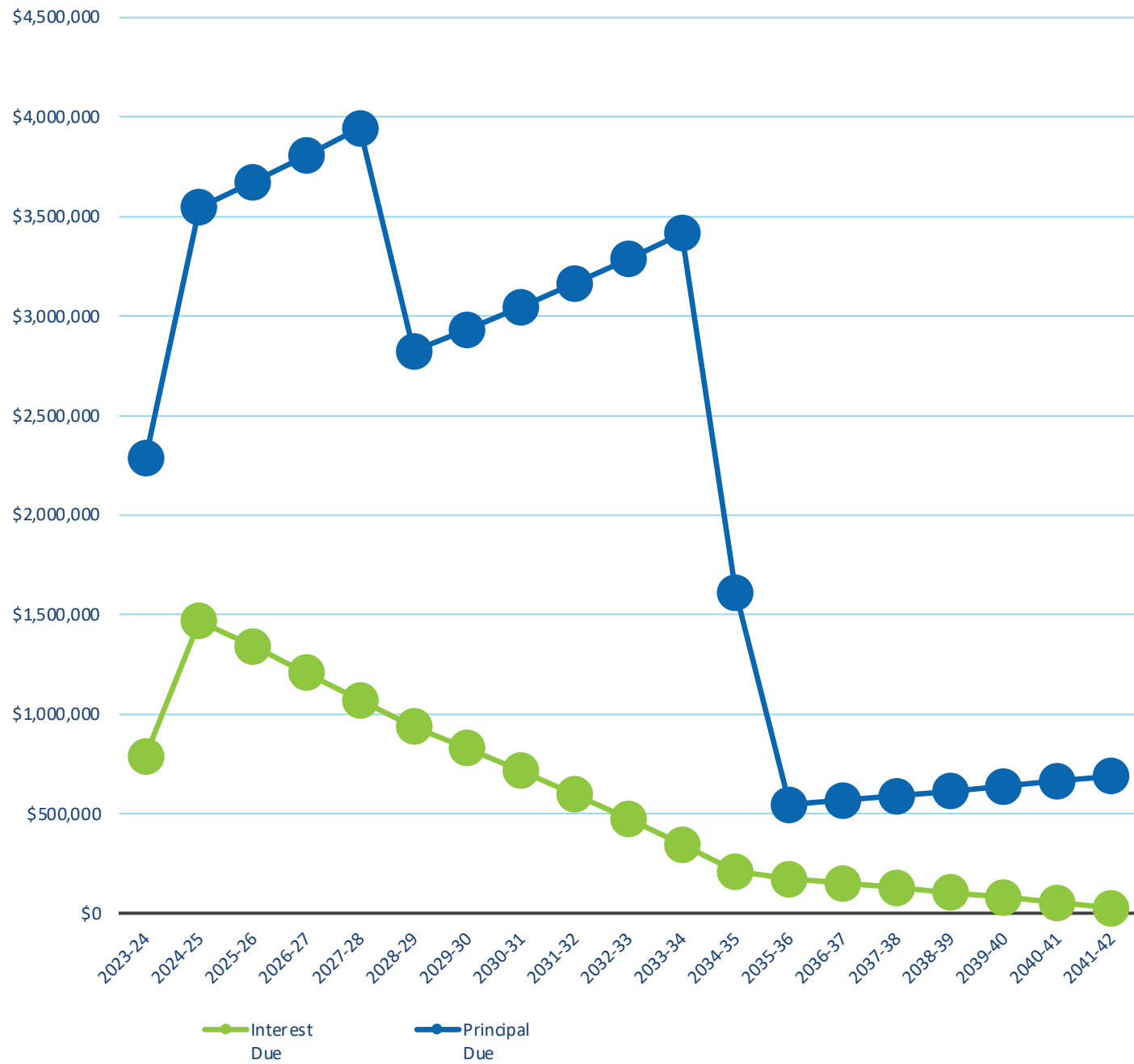
WATER SERVICE UPGRADE PROJECT			
Fiscal Year	Interest Due	Principal Due	Total Annual Debt Service
2023-24	\$80,745	\$525,894	\$606,639
2024-25	\$63,756	\$542,617	\$606,373
2025-26	\$46,226	\$559,873	\$606,099
2026-27	\$28,139	\$577,676	\$605,815
2027-28	\$9,478	\$596,047	\$605,525
<b>TOTAL</b>	<b>\$228,344</b>	<b>\$2,802,107</b>	<b>\$3,030,451</b>

US BANK 2024 LOAN			
Fiscal Year	Interest Due	Principal Due	Total Annual Debt Service
2024-25	\$470,000	\$806,246	\$1,276,246
2025-26	\$432,106	\$844,140	\$1,276,246
2026-27	\$392,432	\$883,814	\$1,276,246
2027-28	\$350,893	\$925,353	\$1,276,246
2028-29	\$307,401	\$968,845	\$1,276,246
2029-30	\$261,865	\$1,014,381	\$1,276,246
2030-31	\$214,189	\$1,062,057	\$1,276,246
2031-32	\$164,273	\$1,111,973	\$1,276,246
2032-33	\$112,010	\$1,164,236	\$1,276,246
2033-34	\$57,291	\$1,218,955	\$1,276,246
<b>TOTAL</b>	<b>\$2,762,460</b>	<b>\$10,000,000</b>	<b>\$12,762,460</b>

TOTAL DEBT SERVICE			
Fiscal Year	Interest Due	Principal Due	Total Annual Debt Service
2023-24	\$790,494	\$2,286,413	\$3,076,907
2024-25	\$1,468,974	\$3,546,934	\$5,015,908
2025-26	\$1,341,726	\$3,673,908	\$5,015,634
2026-27	\$1,209,461	\$3,805,890	\$5,015,351
2027-28	\$1,071,963	\$3,943,096	\$5,015,059
2028-29	\$938,787	\$2,823,685	\$3,762,472
2029-30	\$830,006	\$2,932,466	\$3,762,472
2030-31	\$716,541	\$3,045,931	\$3,762,472
2031-32	\$598,175	\$3,164,297	\$3,762,472
2032-33	\$474,684	\$3,287,297	\$3,762,472
2033-42	\$1,277,207	\$9,336,623	\$10,613,830
<b>TOTAL</b>	<b>\$10,718,018</b>	<b>\$41,847,031</b>	<b>\$52,565,049</b>

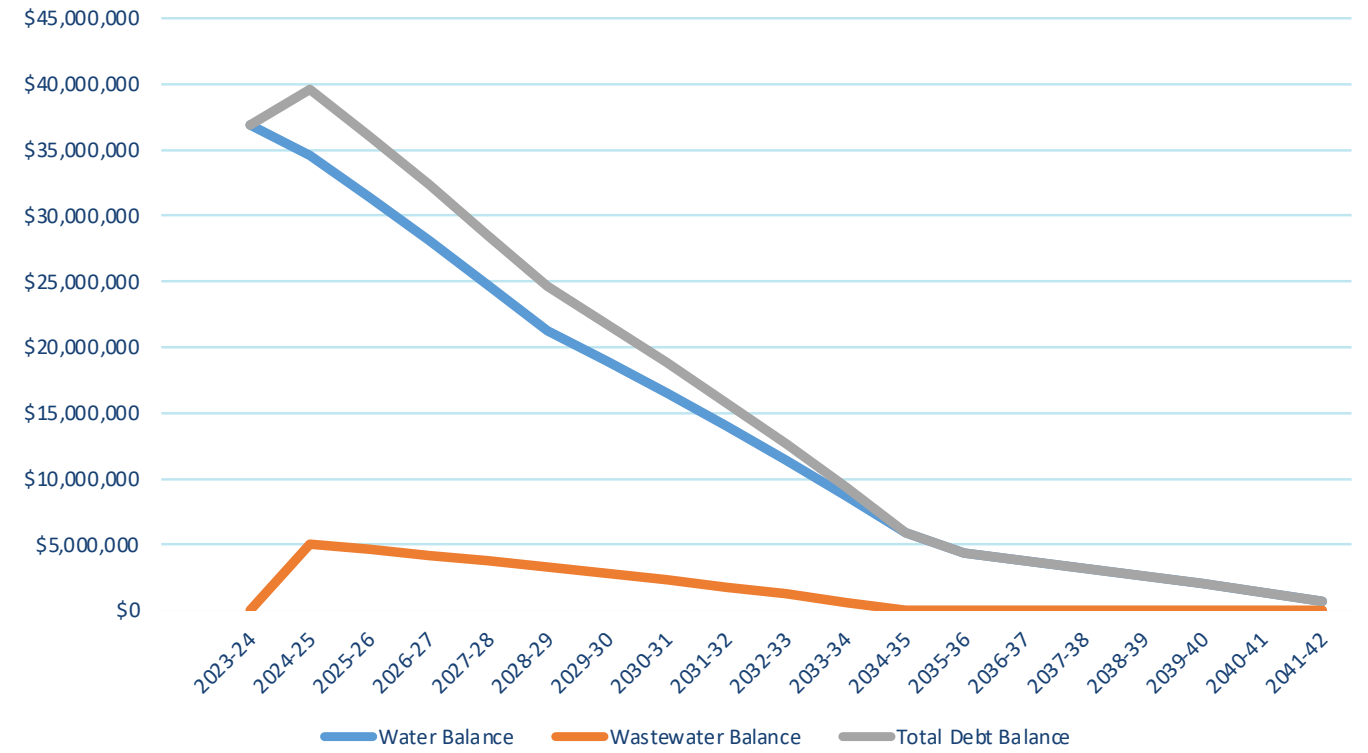


## Debt Service Principal and Interest Due



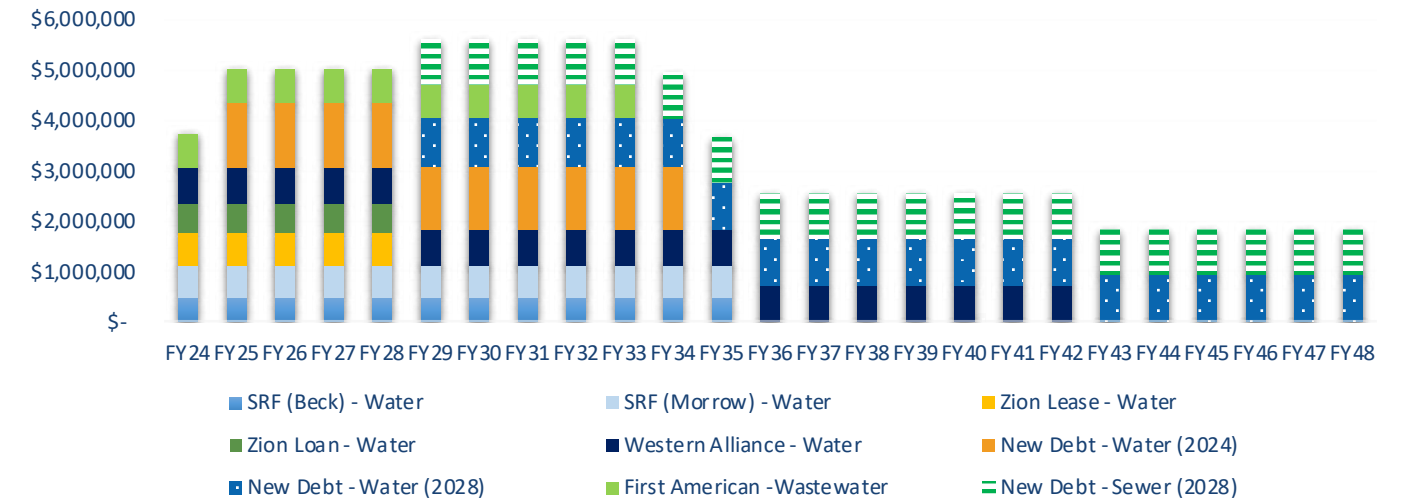
## Current Outstanding Debt Balances

The District issued new proceeds of \$10M in May 2024. 5-month variable (80% SOFR +0.2%) and converts to a 10-year fixed term at 4.7%.



## Projected Outstanding Debt Balances

The District is projecting a new debt issuance in FY 2028 of \$12.8M in water debt (20-year at 4.0%) and \$11.8M in wastewater debt (20-year at 4.5%).

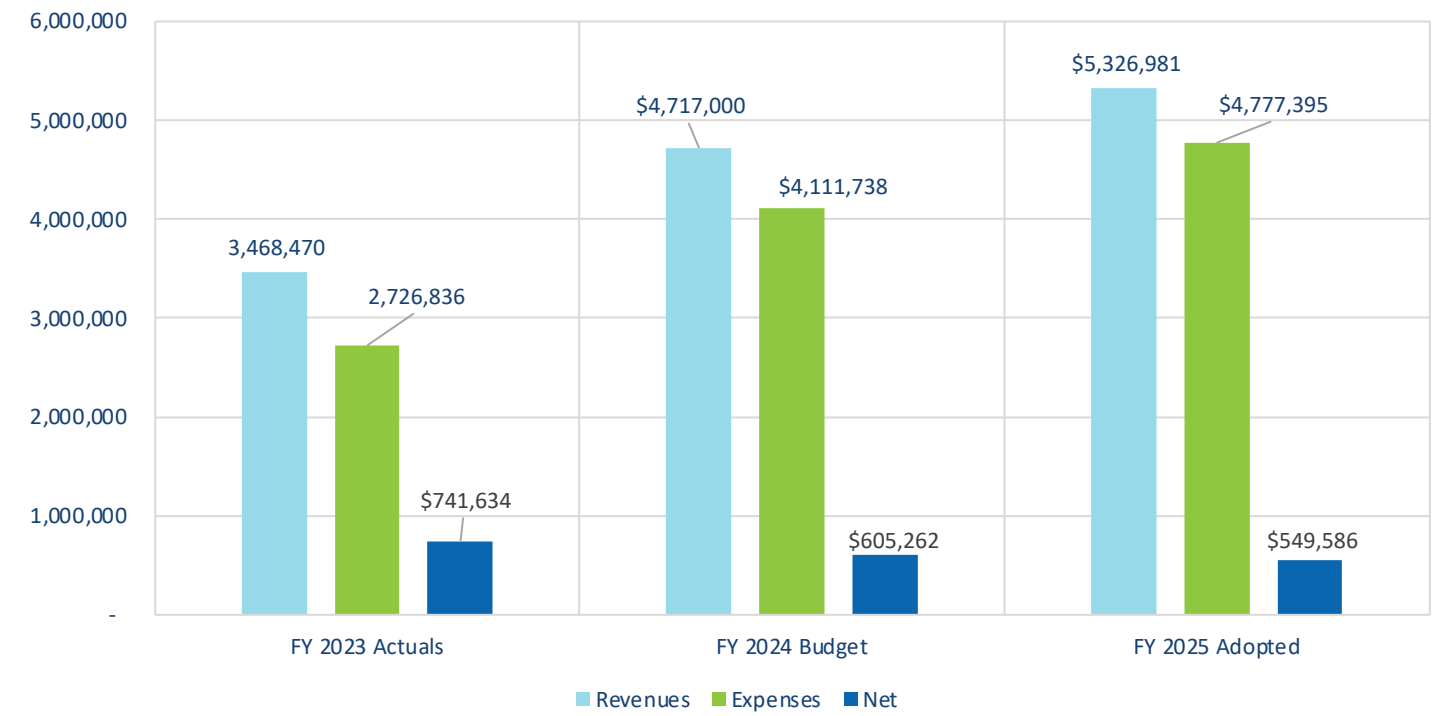




## Wastewater Fund Budget Summary

WASTEWATER OPERATING & NON OPERATING					
Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
<b>OPERATING REVENUES</b>					
Wastewater Revenues	\$3,467,420	\$4,711,000	\$4,708,545	\$5,325,381	13%
Other Revenues	\$1,050	\$6,000	\$1,600	\$1,600	0%
<b>TOTAL OPERATING REVENUES</b>	<b>\$3,468,470</b>	<b>\$4,717,000</b>	<b>\$4,710,145</b>	<b>\$5,326,981</b>	<b>13%</b>
<b>OPERATING EXPENSES</b>					
Total Payroll Expenses	\$771,934	\$734,888	\$827,673	\$868,679	5%
Total Maintenance & Supply	\$536,735	\$1,918,600	\$1,946,796	\$2,280,540	17%
General Fund Transfer	\$1,418,167	\$1,458,250	\$1,644,106	\$1,628,177	-1%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$2,726,836</b>	<b>\$4,111,738</b>	<b>\$4,418,576</b>	<b>\$4,777,396</b>	<b>8%</b>
<b>NET OPERATING REVENUE</b>	<b>\$741,634</b>	<b>\$605,262</b>	<b>\$291,570</b>	<b>\$549,585</b>	<b>88%</b>
<b>NON-OPERATING REVENUES</b>					
Capacity Fees	\$5,795,929	\$0	\$529,717	\$0	-100%
Investment Income	\$73,232	\$38,000	\$99,592	\$104,885	5%
Property Tax Revenue	\$77,139	\$70,000	\$82,740	\$86,050	4%
Grants Revenue	\$0	\$0	\$0	\$525,000	N/A
Other Non-Operating Revenue	\$10	\$1,000	\$0	\$0	N/A
<b>TOTAL NON-OPERATING REVENUES</b>	<b>\$5,946,309</b>	<b>\$109,000</b>	<b>\$712,049</b>	<b>\$715,935</b>	<b>1%</b>
<b>NON-OPERATING EXPENSES</b>					
Oceanside- Prior Period Liability	\$0	\$0	\$802,836	\$1,926,806	140%
Oceanside - Contribution to Repl. Reserve	\$0	\$0	\$440,553	\$440,553	0%
Capital Improvement Projects	\$7,110,665	\$8,680,787	\$5,635,233	\$588,376	-90%
Debt Service	\$0	\$663,021	\$663,021	\$663,021	0%
<b>TOTAL NON-OPERATING EXPENSES</b>	<b>\$7,110,665</b>	<b>\$9,343,808</b>	<b>\$7,541,642</b>	<b>\$3,618,756</b>	<b>-52%</b>
<b>NET NON-OPERATING REVENUE</b>	<b>-\$1,164,356</b>	<b>-\$9,234,808</b>	<b>-\$6,829,594</b>	<b>-\$2,902,822</b>	<b>-57%</b>
<b>NET REVENUE</b>	<b>\$(422,721)</b>	<b>\$(8,629,546)</b>	<b>\$(6,538,024)</b>	<b>\$(2,353,236)</b>	<b>-64%</b>
<b>PROJECTED BEGINNING UNRESTRICTED RESERVE BALANCE</b>				<b>\$3,149,017</b>	
<b>NET GAIN OR (REDUCTION) TO UNRESTRICTED RESERVES</b>				<b>\$(2,353,236)</b>	
<b>PROJECTED ENDING UNRESTRICTED FUND BALANCE</b>				<b>\$795,781</b>	

## Wastewater Revenues vs. Expenses



## Wastewater Fund Budgeted Revenues

WASTEWATER REVENUES						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
02-99-41112	Sewer Charges-Established Acct	\$3,467,420	\$4,711,000	\$4,708,545	\$5,325,381	13%
02-99-43106	Operating Inc-Sewer Letter	\$1,050	\$1,000	\$1,600	\$1,600	N/A
02-99-43108	Op. Inc - Plan Check/Inspection	-	\$5,000			N/A
02-99-49109	Miscellaneous Revenue	\$10	\$1,000			N/A
02-99-49200	Interest Revenue	\$73,232	\$38,000	\$99,592	\$104,885	5%
02-99-49201	Grants Revenue				\$525,000	N/A
02-99-49301	Property Tax Revenue	\$77,139	\$70,000	\$82,740	\$86,050	4%
<b>TOTAL WASTEWATER REVENUES</b>		<b>\$3,618,851</b>	<b>\$4,826,000</b>	<b>\$4,892,477</b>	<b>\$6,042,916</b>	<b>24%</b>

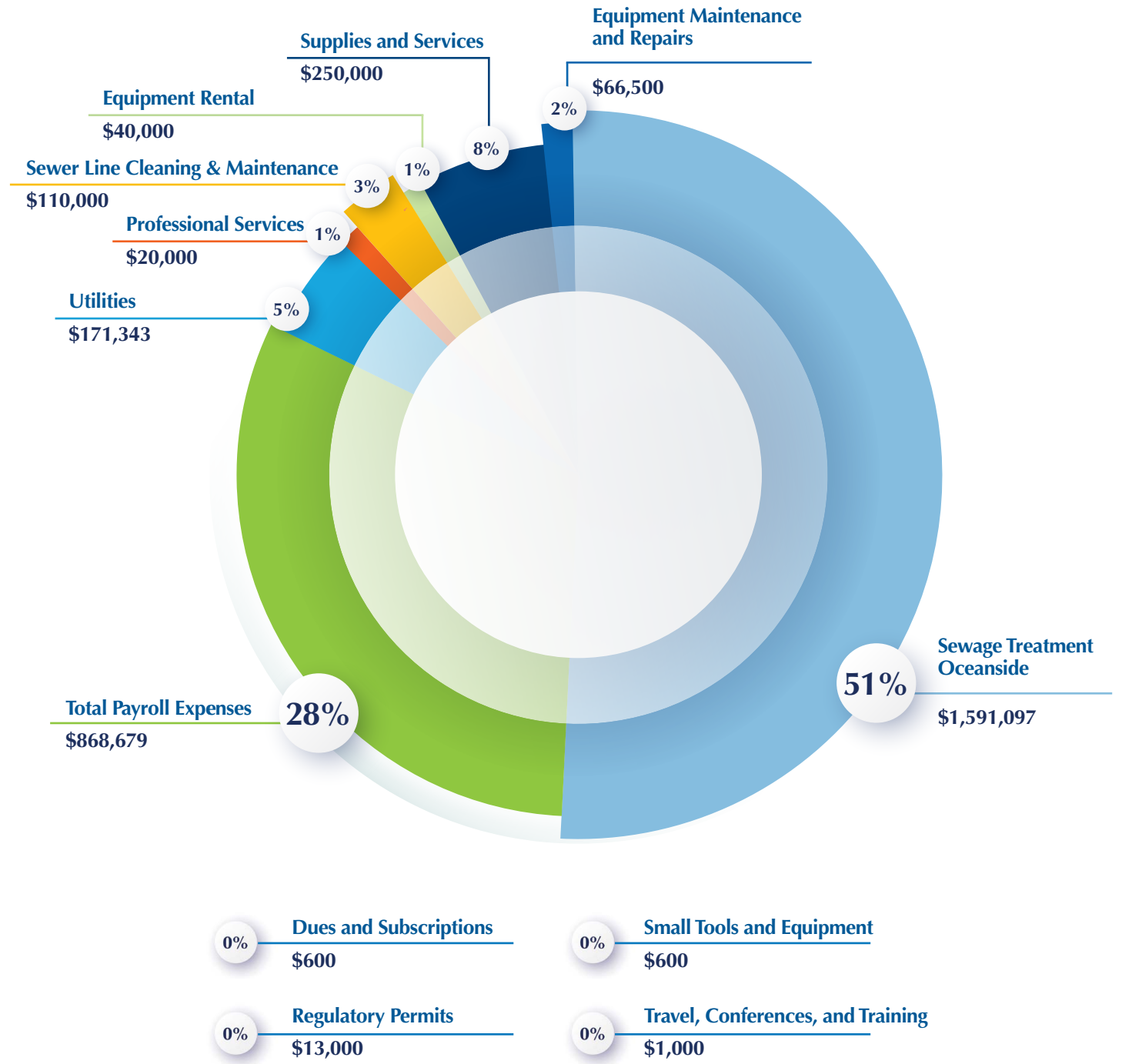




# Wastewater Fund Budgeted Expenses

WASTEWATER EXPENSES						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
02-61-56101	Regular Salaries	\$442,895	\$457,784	\$489,788	\$500,833	2%
02-61-56103	Overtime & Comp Time	\$101,381	\$90,000	\$90,210	\$98,268	9%
02-61-56501	Employer's Share SSI	\$32,662	\$28,383	\$34,415	\$37,249	8%
02-61-56502	Employer's Share Medicare	\$7,639	\$6,638	\$8,049	\$8,887	10%
02-61-56503	Medical Insurance	\$92,376	\$91,726	\$91,704	\$99,623	9%
02-61-56504	Dental Insurance	\$7,809	\$8,216	\$8,010	\$8,377	5%
02-61-56505	Vision Insurance	\$888	\$905	\$977	\$1,055	8%
02-61-56506	Life, S/T, L/T Disability Ins.	\$5,164	\$5,242	\$4,497	\$5,482	22%
02-61-56507	Retirement-CalPERS	\$49,363	\$64,364	\$60,068	\$66,975	11%
02-61-56512	Tuition Reimbursement	\$896	\$1,000	\$1,908	\$1,991	4%
02-61-56515	Worker's Comp. Insurance	\$549	\$21,300	\$11,163	\$9,303	-17%
02-61-56516	State Unemployment Ins, E.T.T.	\$798	\$728	\$966	\$736	-24%
02-61-56518	Duty Pay	\$19,206	\$20,644	\$16,995	\$19,500	15%
02-61-56520	Deferred Compensation	\$10,308	\$10,400	\$8,925	\$10,400	17%
<b>GROSS PAYROLL EXPENSES</b>		<b>\$771,934</b>	<b>\$807,330</b>	<b>\$827,673</b>	<b>\$868,679</b>	<b>N/A</b>
LESS: CAPITALIZED LABOR			-\$72,442			N/A
<b>TOTAL PAYROLL EXPENSES</b>		<b>\$771,934</b>	<b>\$734,888</b>	<b>\$827,675</b>	<b>\$868,679</b>	<b>5%</b>
02-61-60000	Electronics	-	\$1,000	-	\$1,000	N/A
02-61-63100	Equipment Maint. & Repairs	\$55,878	\$48,000	\$79,331	\$66,500	-16%
02-61-63200	Equipment Rental	\$38,827	\$40,000	\$63,927	\$40,000	-37%
02-61-70000	Professional Services	\$39,340	\$40,000	\$40,000	\$20,000	-50%
02-61-72000	Supplies & Services	\$94,756	\$70,000	\$171,003	\$250,000	46%
02-61-72150	Regulatory Permits	\$11,257	\$13,000	\$13,000	\$13,000	0%
02-61-72200	Books & Resources	-	-	-	-	N/A
02-61-72400	Dues & Subscriptions	\$202	\$600	\$600	\$600	0%
02-61-72600	Sewer Line Cleaning/Maint.	\$129,321	\$110,000	\$31,400	\$110,000	250%
02-61-73000	Small Tools & Equipment	\$6,669	\$5,000	\$5,000	\$5,000	0%
02-61-75300	Travel/Conferences/Training	-	-	\$220	\$1,000	355%
02-61-77000	Sewage Treatment Oceanside	-	\$1,500,000	\$1,418,090	\$1,591,097	12%
02-61-78000	Utilities	\$88,221	\$80,000	\$119,403	\$171,343	43%
02-61-78300	Hazardous Waste Disposal	\$72,161	\$10,000	\$2,205	\$10,000	354%
02-61-78700	Utilities-Propane	\$104	\$1,000	\$2,618	\$1,000	-62%
<b>TOTAL MAINTENANCE &amp; SUPPLY</b>		<b>\$536,736</b>	<b>\$1,918,600</b>	<b>\$1,946,797</b>	<b>\$2,280,540</b>	<b>17%</b>
02-99-52176	Overhead Transfer To Gen Fund	\$1,418,167	\$1,496,250	\$1,644,106	\$1,628,177	-1%
<b>TOTAL TRANSFERS</b>		<b>\$1,418,167</b>	<b>\$1,496,250</b>	<b>\$1,644,106</b>	<b>\$1,628,177</b>	<b>-1%</b>
<b>TOTAL WASTEWATER EXPENSES</b>		<b>\$2,726,837</b>	<b>\$4,149,738</b>	<b>\$4,418,578</b>	<b>\$4,777,396</b>	<b>8%</b>

# FY Adopted Wastewater Expenses



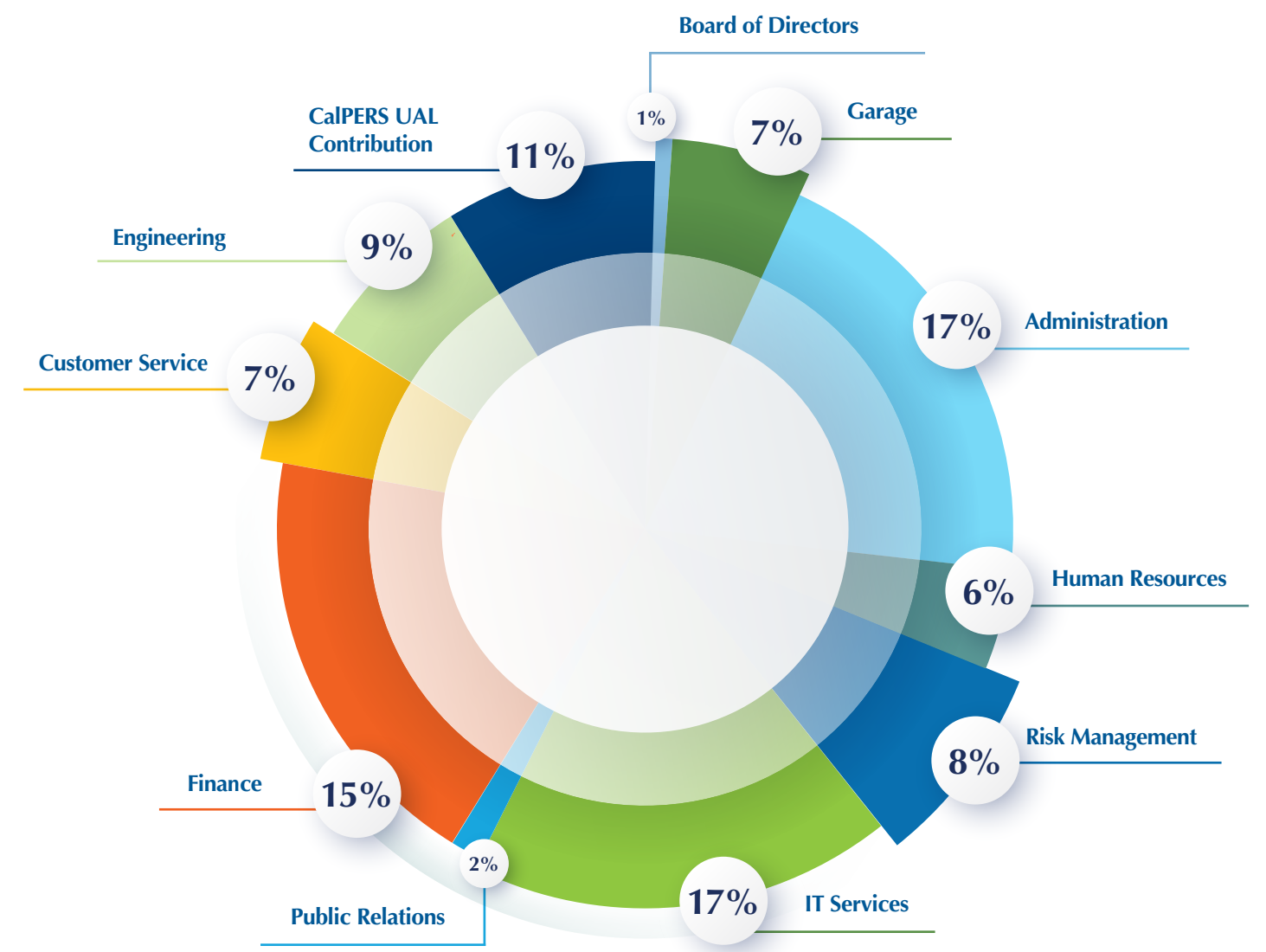




## General Fund Budget Summary

GENERAL FUND OPERATING SUMMARY					
Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
<b>OPERATING REVENUES</b>					
Water Overhead Transfer	\$6,046,142	\$6,378,750	\$7,009,084	\$6,941,175	-1%
Wastewater Overhead Transfer	\$1,418,231	\$109,000	\$1,644,106	\$1,628,177	-1%
Other General Fund Revenue	\$1,014,435	\$150,380	\$766,057	\$901,360	18%
<b>TOTAL OPERATING REVENUES</b>	<b>\$8,487,808</b>	<b>\$8,735,000</b>	<b>\$9,419,247</b>	<b>\$9,470,712</b>	<b>1%</b>
<b>OPERATING EXPENSES</b>					
Board of Directors	\$38,550	\$35,105	\$41,533	\$63,843	54%
Garage	\$659,230	\$63,335	\$645,666	\$637,432	-1%
Administration	\$1,740,106	\$1,496,250	\$1,644,106	\$1,628,177	-138%
Human Resources	\$402,081	\$457,924	\$436,214	\$569,692	31%
Risk Management	\$753,305	\$825,989	\$708,303	\$780,380	10%
IT Services	\$1,328,485	\$1,476,617	\$1,305,923	\$1,656,902	27%
Public Relations		\$69,022	\$67,943	\$186,865	175%
Finance	\$1,097,433	\$1,210,691	\$1,128,375	\$1,442,874	28%
Customer Service	\$592,942	\$585,384	\$505,069	\$628,732	24%
Engineering	\$1,224,262	\$981,906	\$1,372,781	\$896,730	-35%
CalPERS UAL Contribution	\$642,413	\$650,000	\$625,535	\$1,025,000	57%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$8,478,808</b>	<b>\$8,735,000</b>	<b>\$9,419,247</b>	<b>\$9,470,712</b>	<b>1%</b>
<b>CHANGE IN NET POSITION</b>					<b>N/A</b>

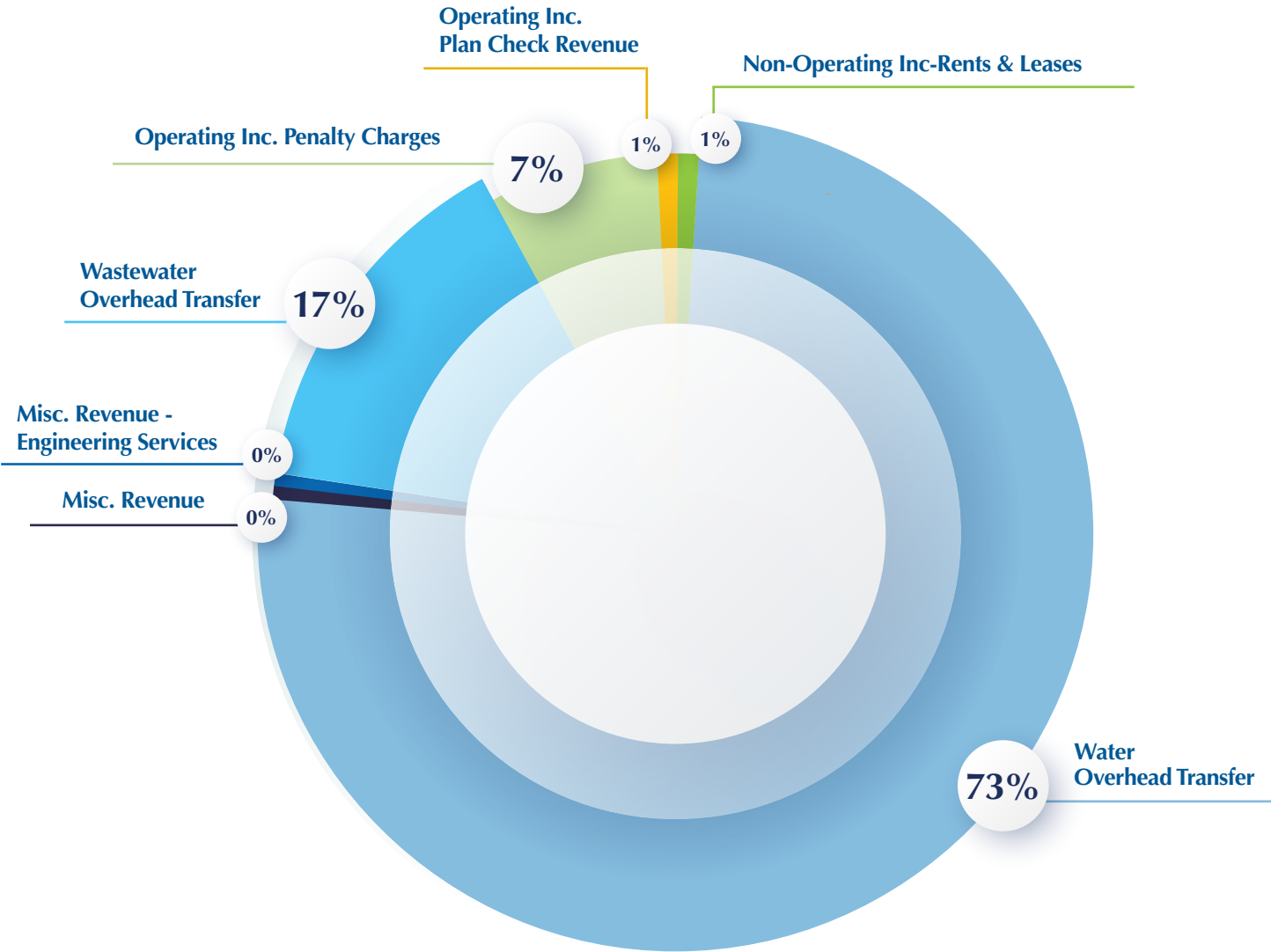
## FY Adopted General Fund Expenses





# General Fund Budgeted Revenues

GENERAL FUND REVENUES						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
03-99-42200	Water Transfer	\$6,046,142	\$6,378,750	\$7,009,084	\$6,941,175	-1%
03-99-42200	Wastewater Transfer	\$1,418,231	\$1,496,250	\$1,644,106	\$1,628,177	-1%
03-99-43102	Operating Inc Penalty Charges	\$556,247	\$550,000	\$616,312	\$657,000	7%
03-99-43108	Operating Inc Plan Check Revenue	\$106,661	\$150,000	\$107,000	\$107,000	0%
03-99-43108	Non-Operating Inc-Rents & Leases	\$75,622	\$80,000	\$114,395	\$83,160	-27%
03-99-49109	Miscellaneous Revenue	\$270,655	\$75,000	\$45,971	\$47,000	2%
03-99-49110	Gain (Loss) Sale of Assets			-\$124,354		-100%
03-99-49114	Misc. Revenue - Engineering Services	\$5,250	\$5,000	\$6,733	\$7,200	7%
<b>TOTAL GENERAL FUND REVENUES</b>		<b>\$8,864,237</b>	<b>\$8,935,000</b>	<b>\$9,419,247</b>	<b>\$9,470,712</b>	<b>1%</b>



# Board of Director's Expenses

BOARD OF DIRECTORS EXPENSES						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
03-20-56202	Board Member Expenses	\$16,500	\$16,000	\$16,200	\$16,500	2%
03-20-56501	Employer's Share SSI	\$1,023	\$1,000	\$1,005	\$1,023	2%
03-20-56502	Employer's Share Medicare	\$239	\$250	\$236	\$239	1%
03-20-56515	Worker's Comp Insurance	\$59	\$100	\$89	\$81	-9%
<b>TOTAL PAYROLL EXPENSES</b>		<b>\$17,821</b>	<b>\$17,350</b>	<b>\$17,530</b>	<b>\$17,843</b>	<b>2%</b>
03-20-72000	Supplies & Services	\$209	\$300		\$21,000	N/A
03-20-75300	Travel/Conferences/Training	\$20,520	\$17,455	\$24,003	\$25,000	4%
<b>TOTAL SUPPLIES EXPENSES</b>		<b>\$20,729</b>	<b>\$17,755</b>	<b>\$24,003</b>	<b>\$46,000</b>	<b>4%</b>
<b>TOTAL BOARD EXPENSES</b>		<b>\$38,550</b>	<b>\$35,105</b>	<b>\$41,533</b>	<b>\$63,843</b>	<b>54%</b>





## Garage Expenses

GARAGE EXPENSES						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
03-36-56101	Regular Salaries	\$120,098	\$111,542	\$122,130	\$117,921	-3%
03-36-56103	Overtime & Comp Time	\$23,362	\$27,000	\$25,242	\$24,771	-2%
03-36-56501	Employer's Share SSI	\$8,101	\$6,916	\$8,268	\$8,812	7%
03-36-56502	Employer's Share Medicare	\$1,895	\$1,617	\$1,934	\$2,061	7%
03-36-56503	Medical Insurance	\$19,639	\$20,363	\$20,286	\$22,447	11%
03-36-56504	Dental Insurance	\$1,957	\$2,054	\$2,004	\$2,094	4%
03-36-56505	Vision Insurance	\$223	\$226	\$245	\$264	8%
03-36-56506	Life, S/T, L/T Disability Ins.	\$1,289	\$1,276	\$1,107	\$1,358	23%
03-36-56507	Retirement-CalPERS	\$12,210	\$15,683	\$14,465	\$16,067	11%
03-36-56512	Tuition Reimbursement					N/A
03-36-56515	Worker's Comp. Insurance	\$1,541	\$6,626	\$3,936	\$3,353	-15%
03-36-56516	State Unemployment Ins, E.T.T.	\$189	\$182	\$242	\$184	-24%
03-36-56520	Deferred Compensation	\$2,600	\$2,600	\$2,550	\$2,600	2%
<b>TOTAL PAYROLL EXPENSES</b>		<b>\$193,104</b>	<b>\$196,085</b>	<b>\$202,409</b>	<b>\$201,932</b>	<b>0%</b>
03-36-60000	Equipment	\$2,857	\$5,000	\$6,137	\$5,000	-19%
03-36-63100	Equipment Maintenance	\$45,864	\$40,000	\$95,051	\$40,000	-58%
03-36-63421	Fuel & Oil	\$168,847	\$180,000	\$163,398	\$180,000	10%
03-36-63422	Repair, Supplies, Auto	\$108,745	\$90,000	\$54,500	\$82,000	50%
03-36-72000	Supplies & Services	\$126,984	\$120,000	\$120,080	\$120,000	0%
03-36-72150	Regulatory Permits	\$1,476			\$1,500	N/A
03-36-73000	Small Tools & Equipment	\$7,388	\$7,000	\$3,845	\$7,000	82%
03-36-75300	Travel/Conferences/Training	\$3,964	\$250	\$250		-100%
<b>TOTAL MAINT/SUPPLY</b>		<b>\$466,126</b>	<b>\$442,250</b>	<b>\$443,261</b>	<b>\$435,500</b>	<b>-2%</b>
<b>TOTAL GARAGE EXPENSES</b>		<b>\$659,230</b>	<b>\$638,335</b>	<b>\$645,666</b>	<b>\$638,685</b>	<b>-1%</b>

## Administration Expenses

ADMINISTRATION EXPENSES						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
03-41-56101	Regular Salaries	\$462,489	\$537,563	\$555,784	\$461,007	-17%
03-41-56103	Overtime & Comp Time	\$4,591	\$6,500	\$3,524	\$4,084	16%
03-41-56501	Employer's Share SSI	\$18,040	\$19,081	\$27,587	\$19,588	-29%
03-41-56502	Employer's Share Medicare	\$5,896	\$6,490	\$7,829	\$6,726	-14%
03-41-56503	Medical Insurance	\$25,326	\$28,002	\$42,281	\$44,191	5%
03-41-56504	Dental Insurance	\$2,206	\$2,737	\$3,561	\$4,188	18%
03-41-56505	Vision Insurance	\$396	\$452	\$611	\$528	-14%
03-41-56506	Life, S/T, L/T Disability Ins.	\$3,293	\$5,176	\$3,364	\$3,408	1%
03-41-56507	Retirement-CalPERS	\$47,506	\$62,927	\$60,661	\$59,222	-2%
03-41-56511	Employee Uniform Allowance	\$24,946	\$28,000	\$38,070	\$28,000	-26%
03-41-56512	Tuition Reimbursement	-	\$500			N/A
03-41-56515	Worker's Comp. Insurance	\$13,901	\$16,426	\$2,890	\$2,368	-18%
03-41-56516	State Unemployment Ins, E.T.T.	\$333	\$364	\$764	\$368	-52%
03-41-56520	Deferred Compensation	\$2,601	\$2,600	\$10,649	\$15,120	42%
<b>TOTAL PAYROLL EXPENSES</b>		<b>\$611,524</b>	<b>\$716,818</b>	<b>\$757,575</b>	<b>\$648,798</b>	<b>-14%</b>
03-41-63200	Equipment Rental	\$50,867	\$49,000	\$43,119	\$50,000	16%
03-41-63400	Kitchen Supplies	\$15,623	\$15,000	\$14,123	\$16,500	17%
03-41-63401	Building Maintenance	\$110,513	\$100,100	\$271,191	\$85,000	-69%
03-41-70000	Professional Services	\$405,109	\$390,000	\$428,397	\$200,000	-53%
03-41-70300	Legal Services	\$223,895	\$200,000	\$683,591	\$200,000	-71%
03-41-72000	Supplies & Services	\$30,930	\$23,800	\$41,786	\$40,000	-4%
03-41-72400	Dues & Subscriptions	\$69,906	\$72,785	\$72,785	\$75,000	3%
03-41-72702	Public Notices/Advertising	\$800	\$750	\$4,000	\$1,000	-75%
03-41-72900	Stationary & Office Supplies	\$4,330	\$4,500	\$5,913	\$4,500	-24%
03-41-74000	Communications	\$13,057	\$14,000	\$14,702	\$14,000	-5%
03-41-74100	Phone Bill	\$104,586	\$112,000	\$105,330	\$110,000	4%
03-41-75300	Travel/Conferences/Training	\$9,599	\$8,275	\$8,275	\$18,500	124%
03-41-78000	Utilities-Electricity	\$73,457	\$75,000	\$87,242	\$95,966	10%
03-41-78700	Utilities -Propane	\$5,394	\$8,000	\$3,963	\$6,000	51%
03-41-78900	Trash Pick-Up	\$10,517	\$14,000	\$12,918	\$17,000	32%
<b>TOTAL MAINT/SUPPLY</b>		<b>\$1,128,583</b>	<b>\$1,087,210</b>	<b>\$1,797,335</b>	<b>\$933,466</b>	<b>48%</b>
<b>TOTAL ADMIN EXPENSES</b>		<b>\$1,740,107</b>	<b>\$1,804,028</b>	<b>\$2,554,910</b>	<b>\$1,582,264</b>	<b>-38%</b>





## Human Resources Expenses

HUMAN RESOURCES EXPENSES						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
03-42-56101	Regular Salaries	\$236,316	\$262,962	\$268,290	\$299,855	12%
03-42-56103	Overtime & Comp Time	\$949	\$1,000	\$1,739	\$2,642	52%
03-42-56501	Employer's Share SSI	\$12,409	\$14,166	\$12,899	\$15,334	19%
03-42-56502	Employer's Share Medicare	\$3,530	\$3,813	\$3,731	\$4,365	17%
03-42-56503	Medical Insurance	\$31,424	\$39,599	\$40,109	\$44,336	11%
03-42-56504	Dental Insurance	\$3,110	\$4,108	\$4,008	\$4,188	4%
03-42-56505	Vision Insurance	\$425	\$452	\$489	\$528	8%
03-42-56506	Life, S/T, L/T Disability Ins.	\$5,555	\$2,248	\$2,159	\$2,674	24%
03-42-56507	Retirement-CalPERS	\$14,008	\$16,461	\$14,516	\$17,594	21%
03-42-56512	Tuition Reimbursement		\$2,500			N/A
03-42-56515	Worker's Comp. Insurance	\$1,034	\$1,525	\$1,599	\$1,360	-15%
03-42-56516	State Unemployment Ins, E.T.T.	\$397	\$364	\$440	\$368	-16%
03-42-56520	Deferred Compensation	\$4,537	\$4,550	\$4,613	\$7,150	55%
<b>TOTAL PAYROLL EXPENSES</b>		<b>\$313,694</b>	<b>\$353,748</b>	<b>\$354,592</b>	<b>\$400,394</b>	<b>13%</b>
03-42-56513	Employee Relations	\$24,232	\$21,150	\$21,150	\$27,625	31%
03-42-70000	Professional Services	\$5,802	\$6,000	\$5,889	\$51,580	776%
03-42-70300	Legal Services	\$3,089	\$10,000	\$9,974	\$15,000	50%
03-42-72000	Supplies & Services	\$1,270	\$2,000	\$2,075	\$3,350	61%
03-42-72200	Books & Resources	-	-	-	-	N/A%
03-42-72400	Dues & Subscriptions	\$5,797	\$1,925	\$1,925	\$1,610	-16%
03-42-75300	Travel/Conferences/Training	\$3,393	\$2,250	\$6,652	\$10,773	62%
03-42-75400	Workforce Development	\$10,828	\$24,000	\$3,308	\$38,175	1054%
03-42-75500	Recruitment	\$33,978	\$36,850	\$30,654	\$21,185	-31%
<b>TOTAL MAINT/SUPPLY</b>		<b>\$88,389</b>	<b>\$104,175</b>	<b>\$81,627</b>	<b>\$169,298</b>	<b>107%</b>
<b>TOTAL HR EXPENSES</b>		<b>\$402,083</b>	<b>\$457,923</b>	<b>\$436,219</b>	<b>\$569,692</b>	<b>31%</b>

## Risk Management Expenses

RISK MANAGEMENT EXPENSES						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
03-43-56101	Regular Salaries	\$163,093	\$132,393	\$121,799	\$155,545	28%
03-43-56103	Overtime & Comp Time	\$1,664	\$2,000			N/A
03-43-56501	Employer's Share SSI	\$9,576	\$8,208	\$6,422	\$9,644	50%
03-43-56502	Employer's Share Medicare	\$2,242	\$1,920	\$1,502	\$2,255	50%
03-43-56503	Medical Insurance	\$13,360	\$14,677	\$17,487	\$21,889	25%
03-43-56504	Dental Insurance	\$1,804	\$2,054	\$1,503	\$2,094	39%
03-43-56505	Vision Insurance	\$208	\$226	\$189	\$264	40%
03-43-56506	Life, S/T, L/T Disability Ins.	\$1,360	\$1,520	\$1,073	\$1,710	59%
03-43-56507	Retirement-CalPERS	\$7,818	\$10,168	\$8,237	\$11,712	42%
03-43-56512	Tuition Reimbursement	\$1,398	\$2,000	\$2,000		100%
03-43-56515	Worker's Comp. Insurance	\$1,177	\$6,871	\$611	\$3,831	528%
03-43-56516	State Unemployment Ins, E.T.T.	\$189	\$182	\$525	\$184	-65%
03-43-56520	Deferred Compensation	\$3,254	\$3,510	\$203	\$3,510	1633%
<b>TOTAL PAYROLL EXPENSES</b>		<b>\$207,143</b>	<b>\$185,729</b>	<b>\$161,551</b>	<b>\$212,638</b>	<b>32%</b>
03-43-63100	Equipment Maintenance	\$1,896	\$3,500		\$3,050	N/A
03-43-63102	Equipment Maint. Contract	\$4,105	\$3,675	\$3,762	\$2,125	-44%
03-43-65000	Property Liability Insurance	\$387,155	\$450,000	\$402,266	\$450,000	12%
03-43-65100	District-Paid Claims	\$70,666	\$80,000	\$80,000		-100%
03-43-70000	Professional Services	\$1,731	\$25,000			N/A
03-43-70300	Legal Services			\$6,819	\$6,300	-8%
03-43-72000	Supplies & Services	\$32,260	\$25,000	\$5,951	\$27,040	354%
03-43-72200	Books & Resources	\$525	\$750	\$750	\$1,000	33%
03-43-72400	Dues & Subscriptions	\$2,858	\$35	\$35	\$4,520	12814%
03-43-72500	Safety Supplies	\$44,916	\$51,300	\$46,173	\$58,300	-26%
03-43-75300	Travel/Conferences/Training	\$50	\$1,000	\$1,000	\$5,012	401%
03-43-75400	Workforce Development				\$10,395	N/A
<b>TOTAL MAINT/SUPPLY</b>		<b>\$546,162</b>	<b>\$640,260</b>	<b>\$546,756</b>	<b>\$567,741</b>	<b>4%</b>
<b>TOTAL RISK MGMT. EXPENSES</b>		<b>\$753,305</b>	<b>\$825,989</b>	<b>\$708,307</b>	<b>\$780,380</b>	<b>10%</b>





## IT Expenses

INFORMATION TECHNOLOGY EXPENSES						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
03-44-56101	Regular Salaries	\$462,886	\$553,939	\$493,712	\$696,258	41%
03-44-56103	Overtime & Comp Time	\$4,959	\$7,000	\$3,543	\$3,386	-4%
03-44-56501	Employer's Share SSI	\$29,970	\$32,302	\$30,089	\$40,440	34%
03-44-56502	Employer's Share Medicare	\$7,622	\$8,032	\$7,920	\$10,320	30%
03-44-56503	Medical Insurance	\$53,767	\$56,957	\$53,729	\$71,575	33%
03-44-56504	Dental Insurance	\$4,965	\$5,473	\$5,340	\$6,415	20%
03-44-56505	Vision Insurance	\$845	\$904	\$977	\$1,161	19%
03-44-56506	Life, S/T, L/T Disability Ins.	\$6,390	\$6,365	\$5,454	\$7,065	30%
03-44-56507	Retirement-CalPERS	\$41,674	\$54,597	\$50,942	\$55,845	10%
03-44-56512	Tuition Reimbursement	\$13,392	\$5,250	\$10,932	\$14,576	33%
03-44-56515	Worker's Comp. Insurance	-\$1,147	\$31,298	\$9,735	\$9,910	2%
03-44-56516	State Unemployment Ins, E.T.T.	\$697	\$728	\$966	\$1,105	14%
03-44-56518	Duty Pay	\$374		\$627		-100%
03-44-56520	Deferred Compensation	\$7,150	\$7,150	\$7,013	\$13,220	89%
	LESS: CAPITALIZED LABOR				-\$16,675	N/A
	<b>TOTAL PAYROLL EXPENSES</b>	<b>\$633,544</b>	<b>\$769,995</b>	<b>\$680,979</b>	<b>\$914,601</b>	<b>34%</b>
03-44-60000	Electronics	\$16,304	\$25,000	\$22,617	\$25,000	11%
03-44-60100	Computers	\$42,719	\$50,500	\$65,947	\$60,000	-9%
03-44-70000	Professional Services	\$38,774	\$65,000	\$2,280	\$30,000	1216%
03-44-72000	Supplies & Services	\$67,525	\$66,500	\$35,025	\$88,500	153%
03-44-72400	Dues & Subscriptions	\$315,865	\$486,621	\$495,078	\$521,301	5%
03-44-57105	Subscription Amortization	\$159,948				N/A
03-44-57215	Subscription Interest	\$43,949				N/A
03-44-73000	Small Tools & Equipment	\$8,560	\$10,000	\$1,000	\$11,500	1050%
03-44-75300	Travel/Conferences/Training	\$1,298	\$3,000	\$3,000	\$6,000	100%
	<b>TOTAL MAINTENANCE/SUPPLY</b>	<b>\$694,942</b>	<b>\$706,621</b>	<b>\$624,947</b>	<b>\$742,301</b>	<b>19%</b>
	<b>TOTAL IT EXPENSES</b>	<b>\$1,328,486</b>	<b>\$1,476,616</b>	<b>\$1,305,926</b>	<b>\$1,656,902</b>	<b>27%</b>

## Public Relations Expenses

PUBLIC RELATIONS EXPENSES						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
03-45-56101	Regular Salaries	\$968	\$34,370	\$53,483	\$92,167	72%
03-45-56103	Overtime & Comp Time		\$2,000		\$1,000	N/A
03-45-56501	Employer's Share SSI	\$290	\$2,131	\$2,463	\$5,816	136%
03-45-56502	Employer's Share Medicare	\$68	\$498	\$576	\$1,360	136%
03-45-56503	Medical Insurance					N/A
03-45-56504	Dental Insurance		\$2,054			N/A
03-45-56505	Vision Insurance		\$226			N/A
03-45-56506	Life, S/T, L/T Disability Ins.		\$375		\$1,099	N/A
03-45-56507	Retirement-CalPERS		\$2,640		\$5,460	N/A
03-45-56512	Tuition Reimbursement					N/A
03-45-56515	Worker's Comp. Insurance	\$20	\$546	\$227	\$445	96%
03-45-56516	State Unemployment Ins, E.T.T.	\$105	\$182	\$357	\$368	3%
03-45-56520	Deferred Compensation				\$2,210	N/A
	<b>TOTAL PAYROLL EXPENSES</b>	<b>\$1,451</b>	<b>\$45,022</b>	<b>\$57,106</b>	<b>\$109,925</b>	<b>0%</b>
03-45-70000	Professional Services		\$5,000	\$5,000	\$14,000	180%
03-45-72000	Supplies & Services	\$3,932	\$17,500	\$4,338	\$51,885	1096%
03-45-72200	Small Tools & Equipment		\$500	\$500		-100%
03-45-72400	Dues & Subscriptions		\$500	\$500	\$2,350	370%
03-45-72702	Advertising				\$3,300	N/A
03-45-72500	Safety Supplies	\$20				N/A
03-45-75300	Travel/Conferences/Training	\$21	\$500	\$500	\$5,405	981%
	<b>TOTAL MAINTENANCE &amp; SUPPLY</b>	<b>\$3,973</b>	<b>\$24,000</b>	<b>\$10,838</b>	<b>\$76,940</b>	<b>610%</b>
	<b>TOTAL PR EXPENSES</b>	<b>\$5,424</b>	<b>\$69,022</b>	<b>\$67,944</b>	<b>\$186,865</b>	<b>175%</b>





## Finance Expenses

FINANCE EXPENSES						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
03-51-56101	Regular Salaries	\$698,075	\$793,693	\$759,792	\$862,637	14%
03-51-56103	Overtime & Comp Time	\$7,494	\$7,500	\$7,235	\$7,270	0%
03-51-56501	Employer's Share SSI	\$42,226	\$45,631	\$40,050	\$48,756	22%
03-51-56502	Employer's Share Medicare	\$10,725	\$11,509	\$11,186	\$12,754	14%
03-51-56503	Medical Insurance	\$105,325	\$106,210	\$100,611	\$137,522	37%
03-51-56504	Dental Insurance	\$10,735	\$10,953	\$10,937	\$13,261	21%
03-51-56505	Vision Insurance	\$1,557	\$1,582	\$1,671	\$1,847	11%
03-51-56506	Life, S/T, L/T Disability Ins.	\$7,876	\$9,086	\$6,849	\$8,609	26%
03-51-56507	Retirement-CalPERS	\$46,923	\$55,437	\$50,094	\$57,094	14%
03-51-56512	Tuition Reimbursement	\$5,335	\$5,250	\$5,250	\$1,172	-78%
03-51-56515	Worker's Comp. Insurance	\$3,830	\$9,471	\$6,261	\$5,999	-4%
03-51-56516	State Unemployment Ins, E.T.T.	\$1,288	\$1,274	\$1,719	\$1,289	-25%
03-51-56520	Deferred Compensation	\$22,357	\$23,660	\$19,298	\$24,960	29%
<b>TOTAL PAYROLL EXPENSES</b>		<b>\$963,746</b>	<b>\$1,081,256</b>	<b>\$1,020,953</b>	<b>\$1,183,170</b>	<b>27%</b>
03-51-69000	Postage	\$38,319	\$41,500	\$34,350	\$6,000	-83%
03-51-70000	Professional Services	\$30,428	\$500	\$15,000	\$35,000	133%
03-51-70100	Annual Audit Services	\$8,025	\$35,000	\$35,000	\$45,000	29%
03-51-70400	Bank Service Charges	\$41,314	\$40,000	\$10,000	\$42,000	320%
03-51-72000	Supplies & Services	\$823	\$750	\$1,389	\$1,000	-28%
03-51-72400	Dues & Subscriptions	\$535	\$685	\$685	\$9,500	1287%
03-51-72700	Printing & Reproductions	\$2,302	\$3,500	\$3,500	\$3,500	0%
03-51-75300	Travel/Conferences/Training	\$11,942	\$7,500	\$7,500	\$7,500	0%
<b>TOTAL MAINTENANCE &amp; SUPPLY</b>		<b>\$133,688</b>	<b>\$129,435</b>	<b>\$107,424</b>	<b>\$149,500</b>	<b>39%</b>
<b>TOTAL FINANCE EXPENSES</b>		<b>\$1,097,434</b>	<b>\$1,210,691</b>	<b>\$1,128,377</b>	<b>\$1,332,670</b>	<b>18%</b>

## Customer Service Expenses

CUSTOMER SERVICE EXPENSES						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
03-52-56101	Regular Salaries	\$315,877	\$275,693	\$260,553	\$377,484	45%
03-52-56103	Overtime & Comp Time	\$12,235	\$18,000	\$999	\$955	-4%
03-52-56501	Employer's Share SSI	\$19,360	\$17,093	\$15,744	\$23,676	50%
03-52-56502	Employer's Share Medicare	\$4,528	\$3,998	\$3,683	\$5,537	50%
03-52-56503	Medical Insurance	\$56,928	\$81,086	\$53,591	\$85,561	60%
03-52-56504	Dental Insurance	\$5,581	\$6,845	\$4,698	\$7,674	63%
03-52-56505	Vision Insurance	\$835	\$904	\$980	\$1,319	35%
03-52-56506	Life, S/T, L/T Disability Ins.	\$2,719	\$1,534	\$4,677	\$4,289	-8%
03-52-56507	Retirement-CalPERS	\$21,428	\$21,173	\$19,461	\$28,166	45%
03-52-56512	Tuition Reimbursement	\$875	\$1,000	\$1,000	\$1,000	0%
03-52-56515	Worker's Comp. Insurance	\$1,126	\$1,531	\$1,496	\$1,755	17%
03-52-56516	State Unemployment Ins, E.T.T.	\$1,586	\$728	\$1,292	\$921	29%
03-52-56520	Deferred Compensation	\$3,700	\$7,800	\$2,550	\$13,000	410%
<b>TOTAL PAYROLL EXPENSES</b>		<b>\$446,778</b>	<b>\$437,385</b>	<b>\$370,724</b>	<b>\$441,132</b>	<b>19%</b>
03-52-69000	Postage	\$1,100			\$30,000	N/A
03-52-70000	Professional Services	\$240			\$9,600	N/A
03-52-72000	Supplies & Services	\$144,337	\$147,000	\$133,847	\$147,000	10%
03-52-72700	Printing & Reproductions	\$51	\$500	\$500	\$500	0%
03-52-75300	Travel/Conferences/Training	\$435	\$500		\$500	N/A
<b>TOTAL MAINTENANCE &amp; SUPPLY</b>		<b>\$146,163</b>	<b>\$148,000</b>	<b>\$134,347</b>	<b>\$187,600</b>	<b>40%</b>
<b>TOTAL CS EXPENSES</b>		<b>\$592,941</b>	<b>\$585,385</b>	<b>\$505,071</b>	<b>\$738,937</b>	<b>46%</b>





## Engineering Expenses

ENGINEERING EXPENSES						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
03-91-56101	Regular Salaries	\$558,487	\$825,062	\$790,793	\$706,754	-11%
03-91-56103	Overtime & Comp Time	\$8,760	\$6,000	\$6,909	\$8,379	21%
03-91-56501	Employer's Share SSI	\$34,373	\$54,593	\$47,429	\$41,993	-11%
03-91-56502	Employer's Share Medicare	\$8,228	\$13,329	\$11,756	\$10,543	-10%
03-91-56503	Medical Insurance	\$63,846	\$107,457	\$103,361	\$97,752	-5%
03-91-56504	Dental Insurance	\$5,806	\$10,264	\$8,817	\$9,073	3%
03-91-56505	Vision Insurance	\$938	\$1,582	\$1,517	\$1,319	-13%
03-91-56506	Life, S/T, L/T Disability Ins.	\$7,015	\$10,554	\$8,612	\$7,200	-16%
03-91-56507	Retirement-CalPERS	\$55,682	\$108,231	\$91,799	\$75,295	-18%
03-91-56512	Tuition Reimbursement	\$120	\$1,000	\$1,421	\$1,895	33%
03-91-56515	Worker's Comp. Insurance	-\$184	\$18,294	\$7,952	\$6,392	-20%
03-91-56516	State Unemployment Ins, E.T.T.	\$1,010	\$1,274	\$1,460	\$921	-37%
03-91-56520	Deferred Compensation	\$13,051	\$12,610	\$11,820	\$16,120	36%
	<b>GROSS PAYROLL EXPENSES</b>	<b>\$757,132</b>	<b>\$1,170,250</b>	<b>\$1,093,642</b>	<b>\$983,636</b>	<b>N/A</b>
	<b>LESS: CAPITALIZED LABOR</b>		<b>-\$438,994</b>		<b>-\$246,406</b>	<b>N/A</b>
	<b>TOTAL PAYROLL EXPENSES</b>	<b>\$757,132</b>	<b>\$731,256</b>	<b>\$1,093,642</b>	<b>\$737,230</b>	<b>-33%</b>
03-91-60000	Equipment		\$1,500	\$33	\$1,000	2930%
03-91-70000	Professional Services	\$322,362	\$125,000	\$162,065	\$100,000	-38%
03-91-70300	Legal Expenses	\$112,794	\$75,000	\$65,586	\$25,000	-62%
03-91-72000	Supplies & Services	\$23,218	\$38,000	\$41,306	\$25,000	-39%
03-91-72200	Books & Resources		\$500	\$500	\$500	0%
03-91-72400	Dues & Subscriptions	\$5,324	\$6,650	\$6,650	\$5,000	-25%
03-91-72700	Printing & Reproductions		\$500	\$500	\$500	0%
03-91-72702	Public Notices & Advertising	\$893	\$1,000		\$500	N/A
03-91-75300	Travel/Conferences/Training	\$2,539	\$2,500	\$2,500	\$2,000	-20%
	<b>TOTAL MAINTENANCE &amp; SUPPLY</b>	<b>\$467,130</b>	<b>\$250,650</b>	<b>\$279,140</b>	<b>\$159,500</b>	<b>-43%</b>
	<b>TOTAL ENGINEERING EXPENSES</b>	<b>\$1,224,262</b>	<b>\$981,906</b>	<b>\$1,372,781</b>	<b>\$896,730</b>	<b>-35%</b>

## Operating Funds Summary

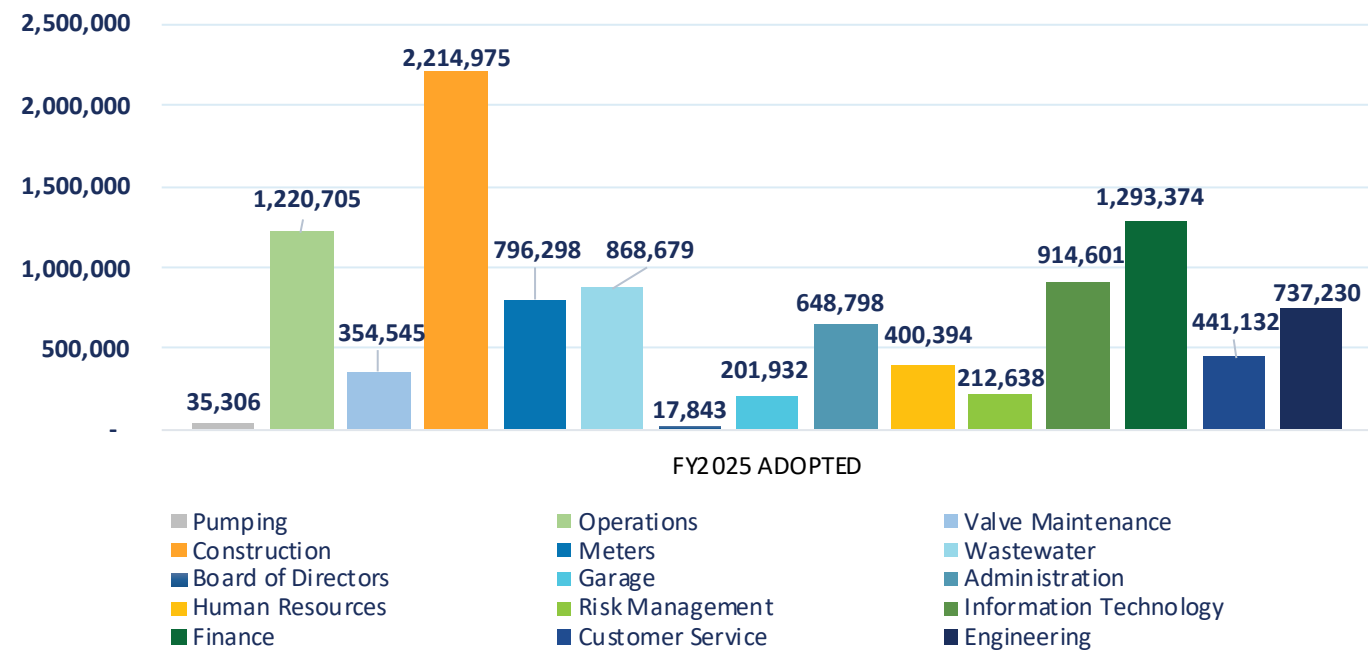
NET OPERATING INCOME					
Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
<b>WATER OPERATING FUND</b>					
Water Revenues	\$40,583,205	\$42,497,078	\$41,666,143	\$47,169,042	13%
Water Expenses	\$35,519,682	\$35,906,391	\$36,224,298	\$35,853,767	-1%
<b>WATER FUND NET INCOME</b>	<b>\$5,063,523</b>	<b>\$6,590,687</b>	<b>\$3,701,150</b>	<b>\$11,315,275</b>	
<b>WASTEWATER OPERATING FUND</b>					
Wastewater Revenues	\$3,468,470	\$4,717,000	\$4,710,145	\$5,326,981	13%
Wastewater Expenses	\$2,726,836	\$4,111,738	\$4,418,576	\$4,777,395	8%
<b>WASTEWATER FUND NET INCOME</b>	<b>\$741,634</b>	<b>\$605,262</b>	<b>\$83,778</b>	<b>\$549,586</b>	
<b>GENERAL OPERATING FUND</b>					
General Revenues	\$8,478,808	\$8,735,000	\$9,419,247	\$9,470,712	1%
General Expenses	\$8,478,808	\$8,735,000	\$9,419,247	\$9,470,712	1%
<b>GENERAL FUND NET INCOME</b>					





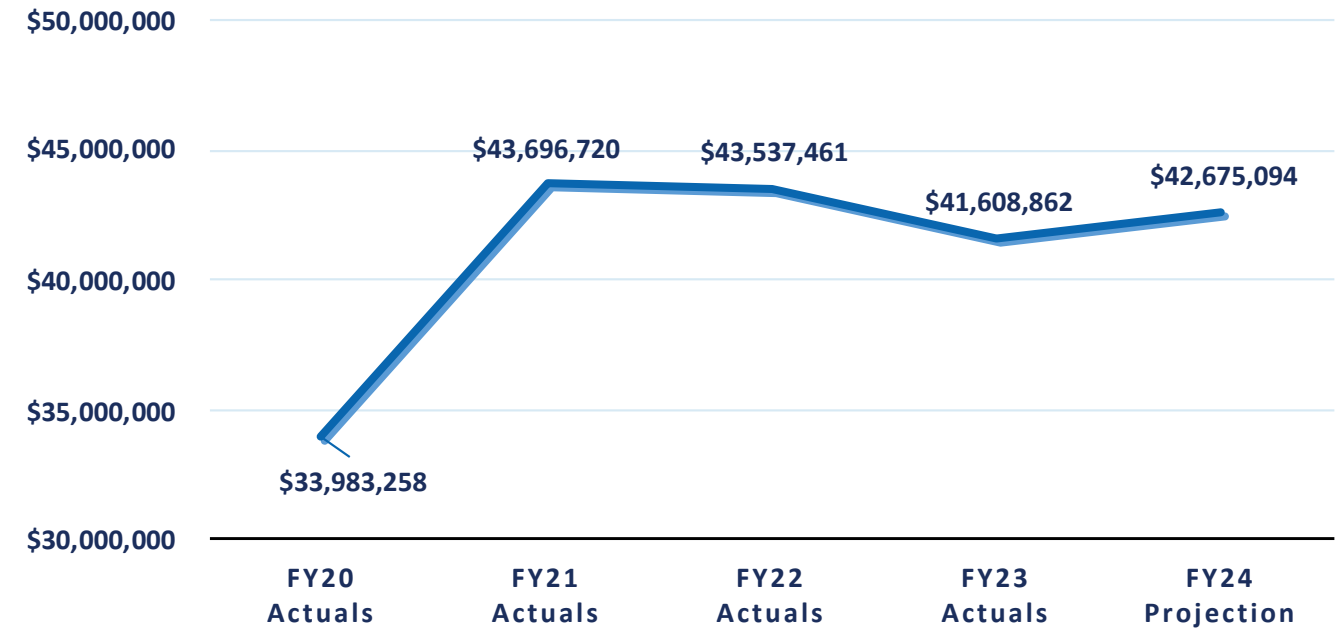
## Labor Trend

### Labor Cost by Cost Center

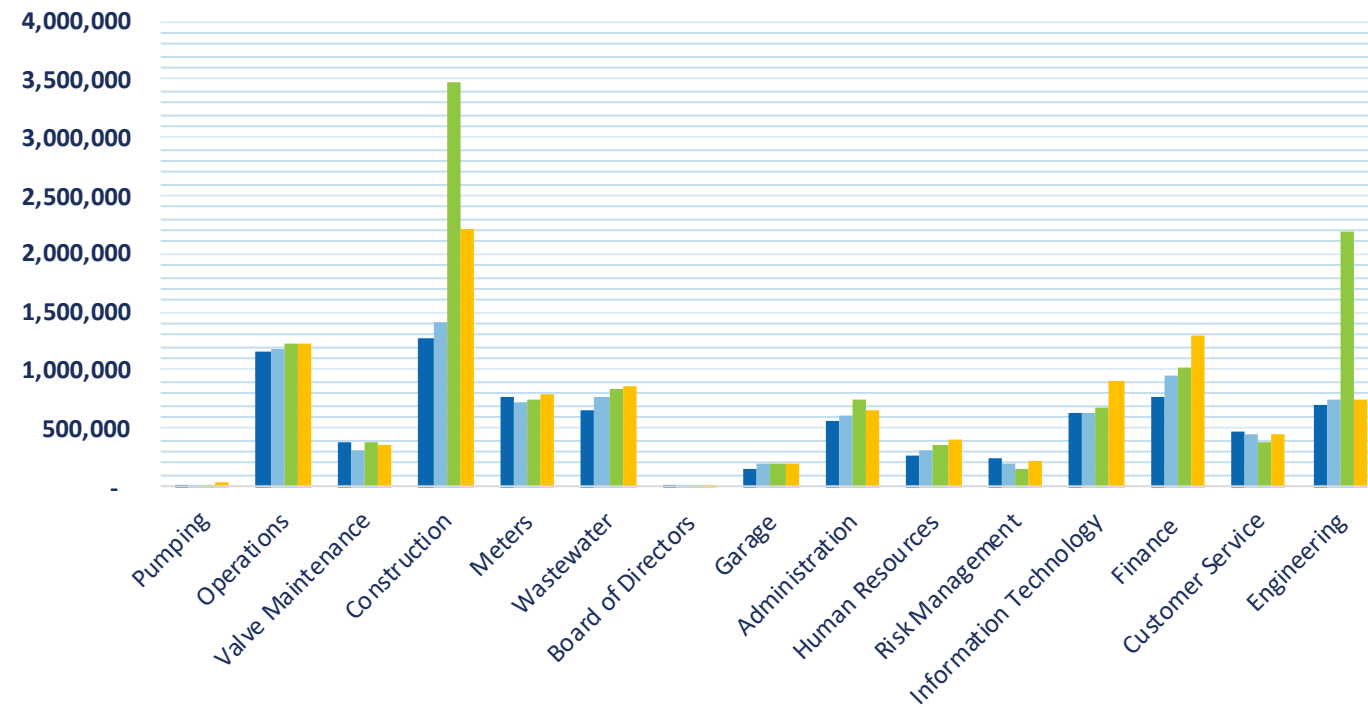


## Revenue Trend

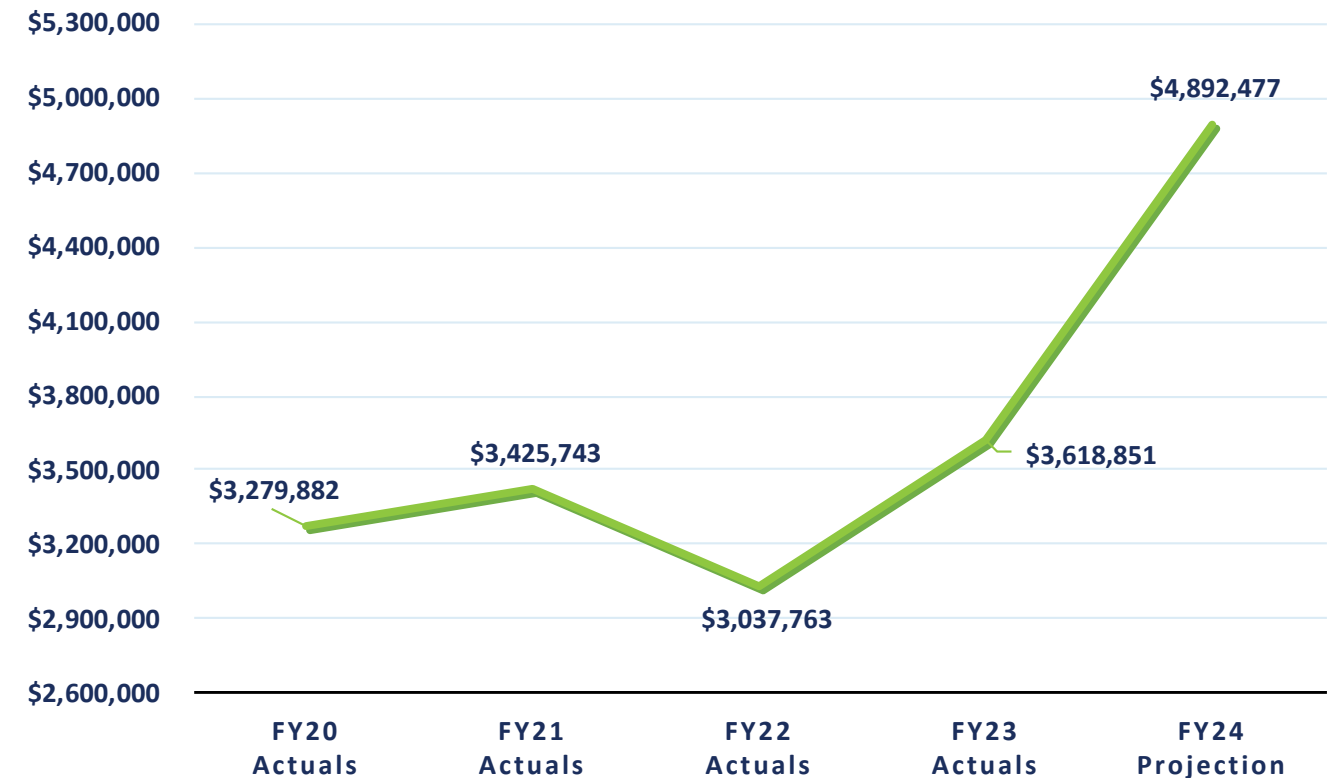
### Five-Year Water Fund Revenue Trend



### Labor Cost Four Years



### Five-Year Wastewater Fund Revenue Trend





# CAPITAL BUDGET

## Capital Projects Overview

The recommended CIP identifies facilities or programs, which are recommended for a variety of reasons, primarily to provide the District's customers with a system that meets the District's capacity criteria, is in good condition and can be operated efficiently and reliably. Should demands and flows forecasted to develop during the planning horizon not materialize, there may be opportunities to defer or eliminate some projects. Contrarily, some projects are needed immediately. Each CIP undergoes an in-depth analysis and Staff ranks the projects to determine which projects are the highest priority and thus are placed earlier in the 5-year CIP Plan. Projects receiving a lower ranking are typically placed further out into the 5-year plan. However, the proposed cost of a project can also cause it to be pushed back or advanced forward regardless of its ranking among the other projects. In these instances, Staff may determine that multiple smaller projects would be of more benefit than constructing one large project of the same value as the smaller ones combined. All projects shown in the 5-year CIP Plan are reviewed during the Mid-year budget adjustment as well as prior to the beginning of each Fiscal Year. Due to ongoing development throughout the District an update to the District's Water and Wastewater Master Plan should be conducted in the next one to three years, at which point demands and flows can be revisited.

The recommended projects are largely the result of the hydraulic analysis completed. Projects identified fell into various improvement categories including hydraulic capacity, pressure regulation, operations, redundancy and reliability, and fire flow capacity. The water system CIP consists of 35 water and wastewater projects that are listed in the tables below. Additional detail regarding the nature of the various recommendation categories follows below:

**Hydraulic Capacity:** Consists primarily of pipeline upsizing to correct deficiencies in capacity caused by excessive velocity and head loss under peak demand conditions. Pump stations and storage reservoirs were also reviewed for appropriate capacity.

**Pressure Regulation:** Recommend potential reduced pressure service zones by constructing pressure reducing stations to protect pipelines, laterals, and appurtenances.

**Operations, Redundancy and Reliability:** Includes a diverse set of construction, implementation, maintenance, and assessment projects to add and improve emergency supplies, increase the system, and supply reliability for vulnerable or future service areas, improve operating efficiencies, upgrade and/or replace facilities that don't meet current standards and assist with strategic planning and replacement of critical facilities.

**Fire Flows:** Upsizing of small diameter pipelines to increase fire flows at critically deficient areas.

**Water Supply:** Consists of projects for construction of facilities to deliver new water supplies under normal or emergency conditions.

The total estimated cost of the water CIP based on planning level costs estimates is \$43.5M over the next 5 years.

Project cost estimates shall be retained, updated by observed inflation on an annual basis and replaced with more detailed and accurate cost estimates as they become available.

In Fiscal Year 2018 the District completed an update of the District-wide water and wastewater capacity fees to help fund expansion projects. The District's water and wastewater rates paid by existing customers will be used to fund replacement, rehabilitation and betterment projects.





## Five-Year Water CIP Plan

WATER CAPITAL PROJECT BUDGETS		YEAR 1 Planned Budget	YEAR 2 Planned Budget	YEAR 3 Planned Budget	YEAR 4 Planned Budget	YEAR 5 Planned Budget
Project #	Project Name	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 29/30
300008	New District Headquarters	\$500,000	\$500,000	\$1,000,000	\$400,000	
600007	Pressure Reducing Stations	\$150,000	\$150,000	\$150,000		
600009	Isolation Valve Installation Program	\$100,000	\$500,000	\$180,000	\$500,000	\$180,000
600026	Camino Del Rey Waterline Relocation	\$100,000	\$25,000			
600043	Eagles Perch Water Pipeline Improvements				\$96,000	\$1,920,000
600045	Gopher Canyon Water Pipeline Improvements			\$138,000	\$2,760,000	
600008	Weese WTP Perm. Emergency Inter. Pump Station					\$1,725,000
600013	Hutton/Rancho Amigos (Turner)/Dentro Pump Stations (CIP Fund 62)	\$3,400,000				
TBD	Morro Chem Tanks (2 Tanks in New Structure)			\$150,000	\$1,500,000	
TBD	Gomez PS Electrical Upgrades			\$100,000	\$1,000,000	
600050	Lookout Mountain PS w/ Enclosure & New Emergency Generator		\$500,000	\$3,000,000		
600058	Man. Trans. Switches-Rainbow Hills, Morro Hills, Vallecitos	\$200,000				
600061	Rice Canyon Road Water Main Replacement				\$1,500,000	
600067	Pala Mesa Fairways 383 A and C				\$71,250	\$2,500,000
600068	Sarah Ann Entire Community in Phases (Partners with WW PN: 530018)					\$200,000
600075	Roy Line Extension (Merge w/ #600063 and North River Road Sewer Capacity Expansion)			\$150,000	\$2,000,000	
600085	Gird to West Lilac Pipeline Rehabilitation (Possible CIPP)		\$125,000	\$1,235,000		
600088	SDCWA Connections 1, 8, 9, & 10 Acquisition	\$500,000				
600089	SDCWA Connections 3, 6, 7, 11, & 12 Interim Decommissioning	\$200,000				
TBD	SDCWA Connections 3, 6, 7, 11, & 12 Permanent Decommissioning				\$1,650,000	
600090	Master Plans - Water & Wastewater	\$100,000	\$750,000			
TBD	Rainbow Heights Tank Interior/Exterior Coating			\$1,000,000		
TBD	Turner Tank Interior/Exterior Coating					\$1,102,500
TBD	Gopher Canyon Tank Interior/Exterior Coating				\$1,050,000	

⊙ Prior Rights Determination    
 ◆ 100% Design    
 ✓ Entire Community in Phases    
 ★ 4 Million Gallons

## Five-Year Water CIP Plan Continued

WATER CAPITAL PROJECT BUDGETS		YEAR 1 Planned Budget	YEAR 2 Planned Budget	YEAR 3 Planned Budget	YEAR 4 Planned Budget	YEAR 5 Planned Budget
Project #	Project Name	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 29/30
600091	FPUD Maravilla-RMWD Maravilla (Morro Tank) (750 LF)	\$210,000				
600092	FPUD Olive Hill-RMWD Olive Hill (Morro Reservoir) (840 LF)	\$235,000				
TBD	FPUD Bonita Valle-RMWD Del Valle (Morro Tank) (600 LF)			\$170,000		
TBD	FPUD Olive Hill-RMWD Span Spur (Morro Reservoir) (550 LF)			\$155,000		
TBD	FPUD Burma Rd-RMWD Sleeping Indian (Morro Tank) (1,217 LF)			\$345,000		
TBD	FPUD Sachse Zone-RMWD Northside Zone (Rainbow Hills Reservoirs) (180 LF)			\$60,000		
600093	La Canada Pipe Replace/Pressure Reduction Hillrise Rd-Via Monserate (4,000 LF)	\$100,000	\$700,000			
600094	Gopher Skid Pump Station	\$710,000				
N/A	Vehicle / Equipment Acquisition	\$150,000	\$500,000	\$500,000	\$500,000	\$500,000
<b>TOTAL</b>		<b>\$6,655,000</b>	<b>\$3,750,000</b>	<b>\$8,333,000</b>	<b>\$16,627,250</b>	<b>\$8,127,500</b>

◆ In-House Construction

## Five-Year Wastewater CIP Plan

WASTEWATER CAPITAL FUND PROJECT BUDGETS						
Project #	Project Name	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 29/30
530019	CIPP 2,000 LF of line 8" VCP line near Pala Mesa Raise or Relocate MH's				\$100,000	\$1,000,000
TBD	Lake Garden CIPP and Line Manholes				\$100,000	\$1,000,000
530023	Rancho Monserate, Rancho Viejo LS& HQ B-Plant Emergency Generators	\$525,000				
TBD	School House LS (Developer Driven)				\$500,000	\$10,000,000
TBD	North River Road Sewer Capacity Expansion		\$50,000	\$500,000	\$9,000,000	
<b>TOTAL</b>		<b>\$525,000</b>	<b>\$50,000</b>	<b>\$500,000</b>	<b>\$9,700,000</b>	<b>\$12,000,000</b>





# Capital Improvement Projects: Water



**CAPITAL IMPROVEMENT PROGRAM**  
 New District Headquarters, Division 1  
 Project Number: 300008  
 Key Focus Area: District Headquarters Facility

**Description:** This project proposes to repair and replace necessary facilities for on-going operations and explore options for long-term District facilities plan with the recently re-established Ad-Hoc committee.

**Rationale:** The project will fund roof and HVAC upgrades in the Admin Building in FY24/25 to maintain adequate facilities in the near-term and explore feasibility of the long-term facilities solutions of either re-development of the existing site and relocation of District facilities or extending the useful life of existing facilities through significant upgrades. Facilities support day-to-day administration and operation of the District.

**Status/Schedule:** The project is partially funded and is in the planning phase. The project's anticipated completion is to be determined.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	\$500,000	\$500,000	\$1,000,000	\$4,000,000	-	\$6,000,000



**Description:** This project proposes to install 2,000 to 4,000 linear feet cure-in-place (CIPP) lining on an existing 10-inch vitrified clay pipe (VCP) and to raise or relocate manholes throughout the golf course.

**Rationale:** The project will extend the useful life of the facility and reduce ongoing maintenance costs. Inflow and infiltrations (I&I) will be reduced.

**Status/Schedule:** The project is unfunded and is in the planning phase. The project's anticipated completion is in FY 28-29.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	-	-	\$100,000	\$1,000,000	\$1,100,000

**Description:** This project proposes to in-kind replacements of the obsolete emergency generators at Rancho Monserate, Rancho Viejo and HQ B-Plant lift stations with a generator of the same size.

**Rationale:** The project will provide a backup power source for critical sewer infrastructure. Existing equipment has exceeded its useful life.

**Status/Schedule:** The project is unfunded and is in the planning phase. The project's anticipated completion is in FY 25-26.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	\$525,000	-	-	-	-	\$525,000



**Description:** Install previously purchased pressure reducing stations District-wide in areas of high pressure.

**Rationale:** The project will reduce high pressure zones to extend the useful life of water infrastructure and reduce damage associated with main line breaks.

**Status/Schedule:** The project is partially funded and is in the planning and construction phases. This is an ongoing program with completion expected in FY 26-27.

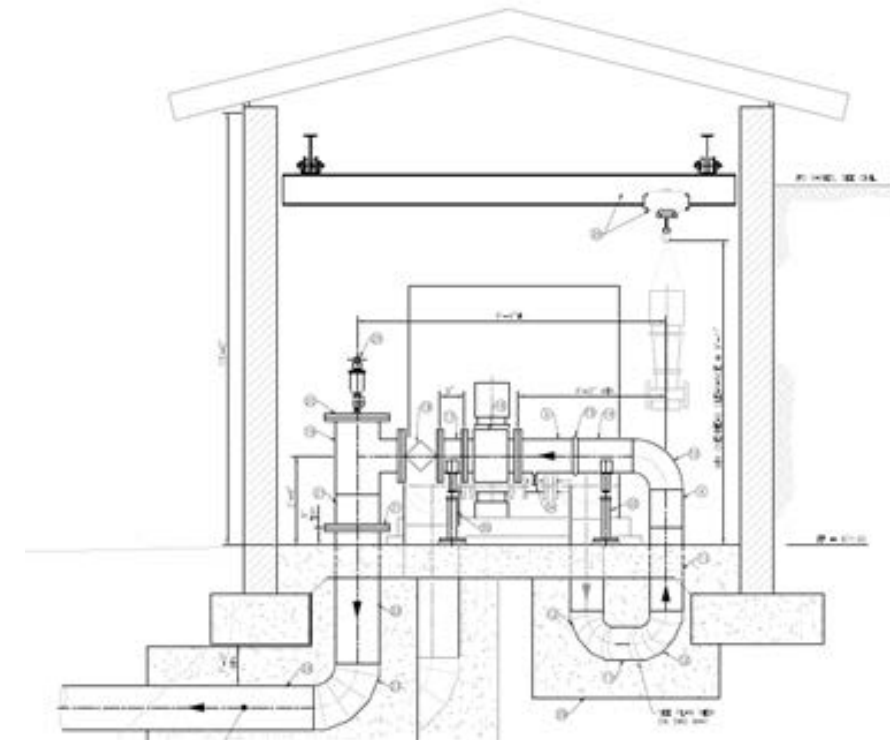


PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	\$150,000	\$150,000	\$150,000	-	-	\$450,000

**Description:** This project proposes to install a pump station to pull water from Oceanside's Weese WTP into the District's southern zone, which is critical infrastructure for the Wholesale Water Efficiency effort.

**Rationale:** The project will transport critical water supply to the southern zone of the District without SDCWA connections.

**Status/Schedule:** The project is unfunded and is in the design phase. The project's anticipated completion is FY 28-29.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	-	-	-	\$1,725,000	\$1,725,000



**Description:** This project proposes to replace isolation valves District-wide that have exceeded their useful life.

**Rationale:** The project will reduce the number of customers impacted by service interruptions due to leaks and main breaks and reduce repair time due to valves that don't fully seal. The project will also replace valves in the broken or open positions.

**Status/Schedule:** The project is partially funded and is in the planning and construction phases. This is an ongoing program with no end date.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	\$100,000	\$500,000	\$180,000	\$500,000	\$180,000	\$1,460,000

**Description:** This project proposes to install three pump stations to provide water to the Hutton-Turner-Gopher Tank zones, which is critical infrastructure for the Wholesale Water Efficiency (WWE) effort.

**Rationale:** The project will deliver water to the District's southern pressure zones absent SDCWA supply.

**Status/Schedule:** The project is funded and is in construction. The project's anticipated completion is Q2 FY 24-25.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	\$3,400,000	-	-	-	-	\$3,400,000



**Description:** This project proposes to relocate existing water and sewer infrastructure due to the County of San Diego's Road Improvement Project.

**Rationale:** The project will ensure continuity of service during the County-initiated construction project and upgrade water facilities.

**Status/Schedule:** The project is partially funded and is in the planning phase. The project's anticipated completion is determined by the County's construction schedule.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	\$100,000	\$25,000	-	-	-	\$125,000

**Description:** This project proposes to replace and relocate water pipelines in difficult-to-reach easements to a new alignment within a roadway and private driveway.

**Rationale:** The pipeline has exceeded its useful life. Within this alignment there are several dead ends as well as sections of pipeline crossing private property. The proposed project would also remove a District asset from private property.

**Status/Schedule:** The project is unfunded and is in the design phase. The project's anticipated completion is FY 28-29.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	-	-	\$96,000	\$1,920,000	\$2,016,000



**Description:** This project proposes to install multiple pipe segments within Gopher Canyon Road, Margale Lane, and Integrity Court.

**Rationale:** The pipeline is past its useful life. Within this alignment there are several dead ends as well as sections of pipeline crossing private property. The proposed project would create a looped system.

**Status/Schedule:** The project is unfunded and is in the design phase. The project's anticipated completion is FY 27-28.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	-	\$138,000	\$2,760,000	-	\$2,898,000

**Description:** This project proposes to install an enclosed facility with upgraded pumps, motor-controls, electrical components, transfer switch and a new emergency generator

**Rationale:** The project will ensure the reliability of critical water infrastructure. Existing equipment is obsolete.

**Status/Schedule:** The project is unfunded and is in the planning phase. The project's anticipated completion is FY 26-27.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	\$500,000	\$3,000,000	-	-	\$3,500,000



**Description:** This project proposes to install manual transfer switches at Morro Hills Pump Station, Rainbow Hills Pump Station, and Vallecitos Pump Station.

**Rationale:** The project will ensure the safety of District staff when switching to backup power during emergencies.

**Status/Schedule:** The project is funded and is in the design phase. The project's anticipated completion is FY 24-25.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	\$200,000	-	-	-	-	\$200,000

**Description:** This project proposes to replace 2,149 feet of 8-inch pipe on Rice Canyon Road north of Rice Canyon tank.

**Rationale:** This pipeline has exceeded its useful life and has had seven main breaks. Any main break in this area causes catastrophic damage to the road resulting in full lane closures for repairs.

**Status/Schedule:** The project is unfunded and is in the design phase. The project's anticipated completion is FY 27-28.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	-	-	\$1,500,000	-	\$1,500,000



**Description:** This project proposes to replace 1,500 feet of 8-inch pipe identified by the Condition Assessment as High Risk.

**Rationale:** This pipeline has exceeded its useful life and has experienced 14 mainline breaks.

**Status/Schedule:** The project is unfunded and is in the design phase. The project's anticipated completion is FY 28-29.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	-	-	\$71,250	\$2,500,000	\$2,571,250

**Description:** This project proposes to replace pumps, suction piping, manholes, electrical, motor controls, and 800 feet of 6-inch force main at Fallbrook Oaks Lift Station. Additionally, the 8-inch water line will be replaced within Sarah Ann Community.

**Rationale:** The existing lift station is obsolete. The existing force main alignment runs adjacent to channel. The existing pipeline for the entire community has experienced 26 mainline breaks.

**Status/Schedule:** The project is unfunded and is in the planning phase commencing in FY28/29.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
Sarah Ann	-	-	-	-	\$200,000	\$200,000
Fallbrook Oaks FM	-	-	-	-	-	-



**Description:** This project proposes to replace 1,056 feet of 6-inch pipe on Emerald Hills Road near North River Road, identified by the Condition Assessment as High Risk.

**Rationale:** The project will prevent future costs associated with leaks and main breaks and reduce service interruptions.

**Status/Schedule:** The project is unfunded and is in the planning phase. The project's anticipated completion is FY 27-28.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	-	\$150,000	\$2,000,00	-	\$2,150,000

**Description:** Pipeline is currently abandoned in place with end caps at the North and South. To avoid environmental impacts and permitting issues, cure-in-place (CIPP) technologies will be utilized.

**Rationale:** With this waterline out of service more customers are affected by shutdowns as well as it limits operational flexibility to move water throughout the system.

**Status/Schedule:** The project is unfunded and is in the design phase. The project's anticipated completion is FY 26-27.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
		\$125,000	\$1,235,000			\$1,360,000



**Description:** This project proposes to acquire SDCWA connections 1, 8, 9, and 10 as part of the District’s detachment process.

**Rationale:** The project will assist in transporting critical water supply to various parts of the District. This is a condition of detachment.

**Status/Schedule:** The project is unfunded and is in the planning phase. The project’s anticipated completion is FY 24/25.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	\$500,000	-	-	-	-	\$500,000

**Description:** Interim decommissioning SDCWA connections 3, 6, 7, 11, and 12.

**Rationale:** Requirement of detachment from SDCWA.

**Status/Schedule:** The project is unfunded and is in the planning phase. The project’s anticipated completion is FY 25/26.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	\$200,000	-	-	-	-	\$200,000



**Description:** This project proposes to develop long-range Water and Sewer System Master Plan. Includes constructing system hydraulic model utilizing latest software technology to evaluate and identify system deficiencies and solutions based on updated demand projections and system operations.

**Rationale:** The project will provide the District with a master plan of project improvements for long-term planning, prioritization, and funding for water and wastewater infrastructure needs.

**Status/Schedule:** The project is unfunded and is in the planning phase. The project's anticipated completion is FY 25/26.



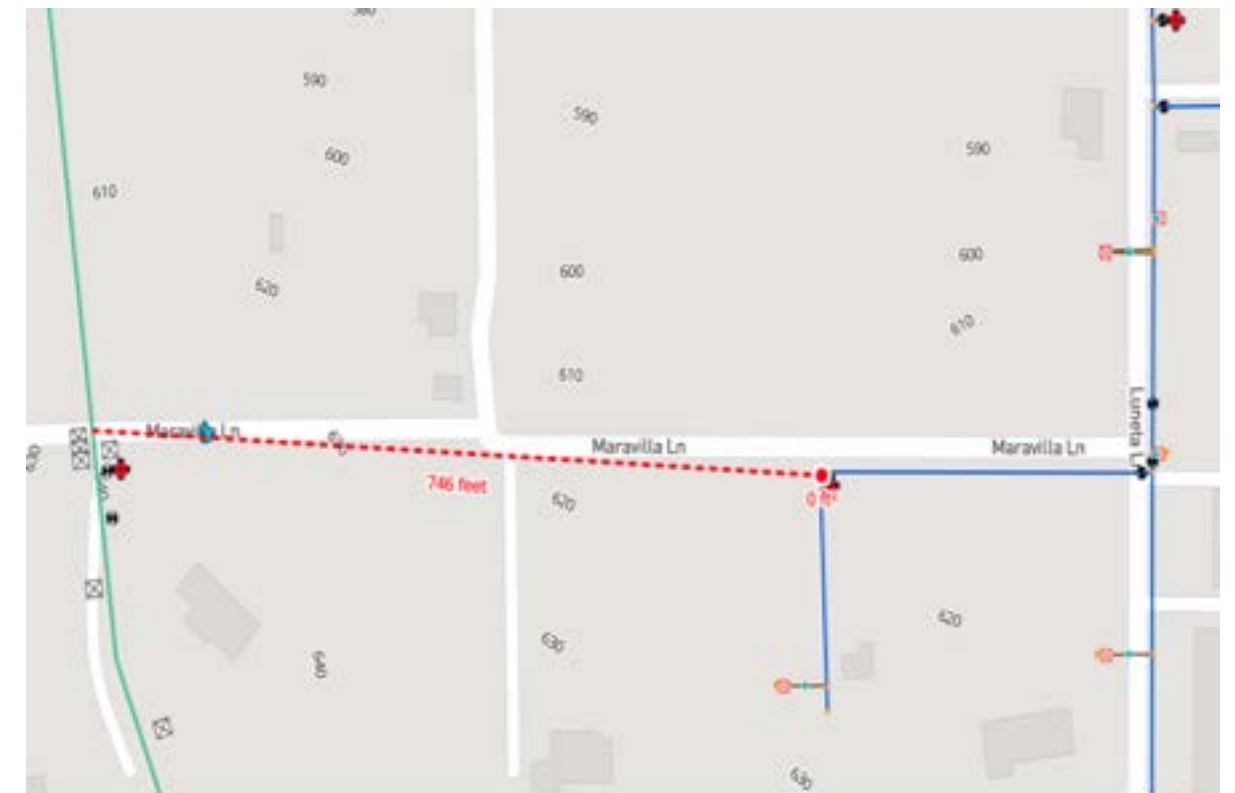
Rainbow Municipal Water District  
**Water and Wastewater  
Master Plan Update**

PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	\$100,000	\$750,000	-	-	-	\$850,000

**Description:** This project proposes to install 750 feet of C900 PVC pipeline to connect FPUD and District potable water systems.

**Rationale:** Operational flexibility to source water into the Morro Tank zone providing additional capacity from Morro Reservoir to the District's southern pressure zones.

**Status/Schedule:** The project is unfunded and is in the planning phase. The project's anticipated completion is FY 24/25.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	\$210,000	-	-	-	-	\$210,000



**Description:** This project proposes to install 840 feet of C900 PVC pipeline to connect FPUD and District potable water systems.

**Rationale:** Operational flexibility to source water into the Morro Reservoir providing additional capacity to the District's southern pressure zones.

**Status/Schedule:** The project is unfunded and is in the planning phase. The project's anticipated completion is FY 24/25.

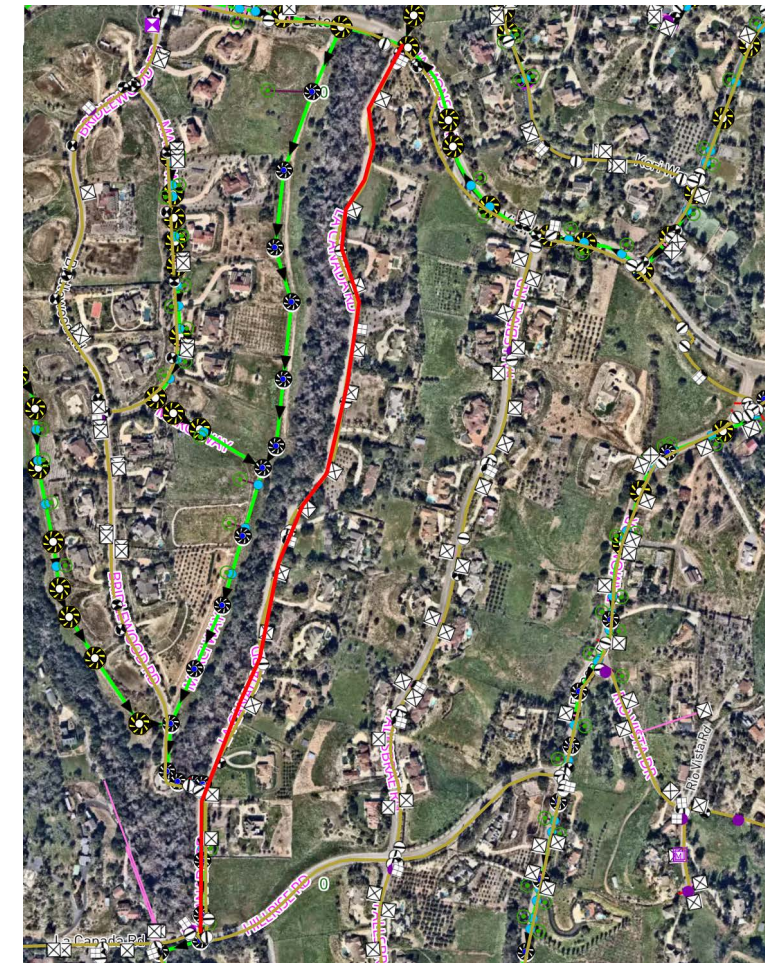


PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	\$235,000	-	-	-	-	\$235,000

**Description:** This project proposes to replace 4,000 feet of pipeline along La Canada from Hillrise Rd. to Via Monserate and install two new pressure reducing stations.

**Rationale:** The project will prevent future costs associated with leaks and main breaks and reduce service interruptions. This alignment of pipeline has experienced eight main breaks within the last five years.

**Status/Schedule:** The project is unfunded and is in the planning phase. The project's anticipated completion is FY 25/26.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	\$100,000	\$700,000	-	-	-	\$800,000



**Description:** This project proposes to replace the temporary pump skid with a permanent solution.

**Rationale:** The project will transport critical water supply within the southern zone absent SDCWA connections.

**Status/Schedule:** The project is unfunded and is in the planning phase. The project's anticipated completion is FY 24-25.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	\$710,000	-	-	-	-	\$710,000

**Description:** This project proposes to install 600 feet of C900 PVC pipeline to connect FPUD and District potable water systems.

**Rationale:** The project will assist in transporting critical water supply to Morro Tank. Once fully disconnected from SDCWA this project will be reassessed.

**Status/Schedule:** The project is unfunded and is in the planning phase. The project's anticipated completion is FY 26/27.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	-	\$170,000	-	-	\$170,000



**Description:** This project proposes to install 1,217 feet of C900 PVC pipeline to connect FPUD and District potable water systems.

**Rationale:** The project will assist in transporting critical water supply to Morro Tank. Once fully disconnected from the SDCWA this project will be reassessed.

**Status/Schedule:** The project is unfunded and is in the planning phase. The project's anticipated completion is FY 26/27.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	-	\$345,000	-	-	\$345,000

**Description:** This project proposes to install 550 feet of C900 PVC pipeline to connect FPUD and District potable water systems.

**Rationale:** The project will assist in transporting critical water supply to Morro Reservoir. Once fully disconnected from the SDCWA this project will be reassessed.

**Status/Schedule:** The project is unfunded and is in the planning phase. The project's anticipated completion is FY 26/27.



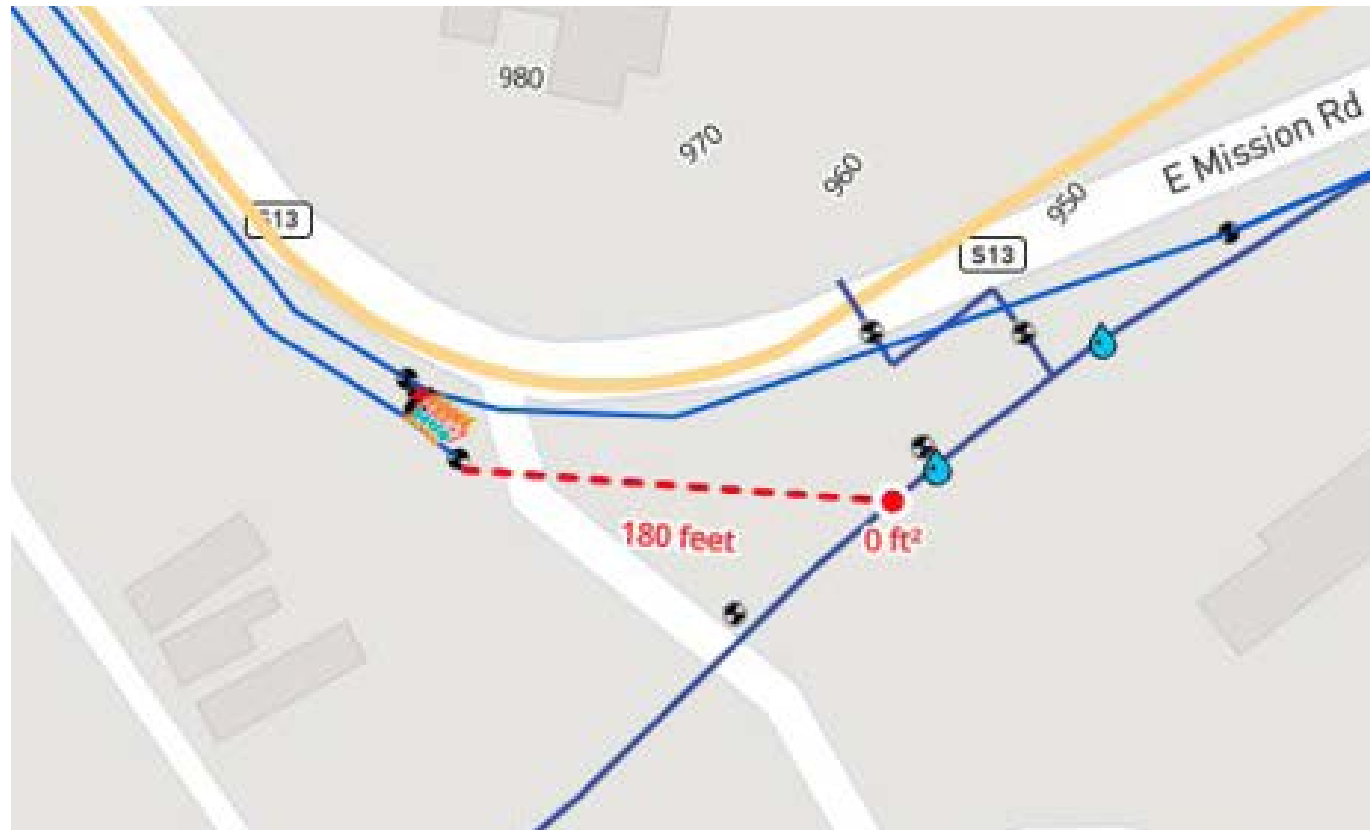
PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	-	\$155,000	-	-	\$155,000



**Description:** This project proposes to install 180 feet of C900 PVC pipeline to connect FPUD and District potable water systems.

**Rationale:** The project will assist in transporting critical water supply to Rainbow Hills Reservoir. Once fully disconnected from the SDCWA this project will be reassessed.

**Status/Schedule:** The project is unfunded and is in the planning phase. The project's anticipated completion is FY 26/27.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	-	\$60,000	-	-	\$60,000

**Description:** This project proposes to upgrade motor controls, breakers, relays, and wiring to replace obsolete system.

**Rationale:** Existing equipment is obsolete.

**Status/Schedule:** The project is unfunded and is in the planning phase. The project's anticipated completion is FY 27-28.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	-	\$100,000	\$1,000,000	-	\$1,100,000



**Description:** This project proposes to restore the interior and exterior coating in Gopher Canyon Tank.

**Rationale:** This project will extend the useful life of the tank.

**Status/Schedule:** The project is unfunded and is in the planning phase. The project's anticipated completion is FY 27-28.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	-	-	\$1,050,000	-	\$1,050,000

**Description:** This project proposes to install two new ammonia and chlorine storage chemical tanks at the Morro Reservoir.

**Rationale:** The project will establish an adequate supply of chemical storage to treat varying water chemistry as needed.

**Status/Schedule:** The project is unfunded and is in planning phase. The project's anticipated completion is FY 27-28.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	-	\$150,000	\$1,500,000	-	\$1,650,000



**Description:** This project proposes to restore the interior and exterior coating in Rainbow Heights Tank.

**Rationale:** The project will extend the useful life of the tank.

**Status/Schedule:** The project is unfunded and is in the planning phase. The project's anticipated completion is FY 26-27.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	-	\$1,000,000	-	-	\$1,000,000

**Description:** This project proposes the permanent decommissioning of SDCWA connections 3, 6, 7, 11, and 12.

**Rationale:** Requirement of detachment from SDCWA.

**Status/Schedule:** The project is unfunded and is in the planning phase. The project's anticipated completion is FY 27/28.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	-	-	\$1,650,000	-	\$1,650,000



**Description:** This project proposes to restore the interior and exterior coating in Turner Tank.

**Rationale:** The project will extend the useful life of the tank.

**Status/Schedule:** The project is unfunded and is in the planning phase. The project's anticipated completion is FY 28-

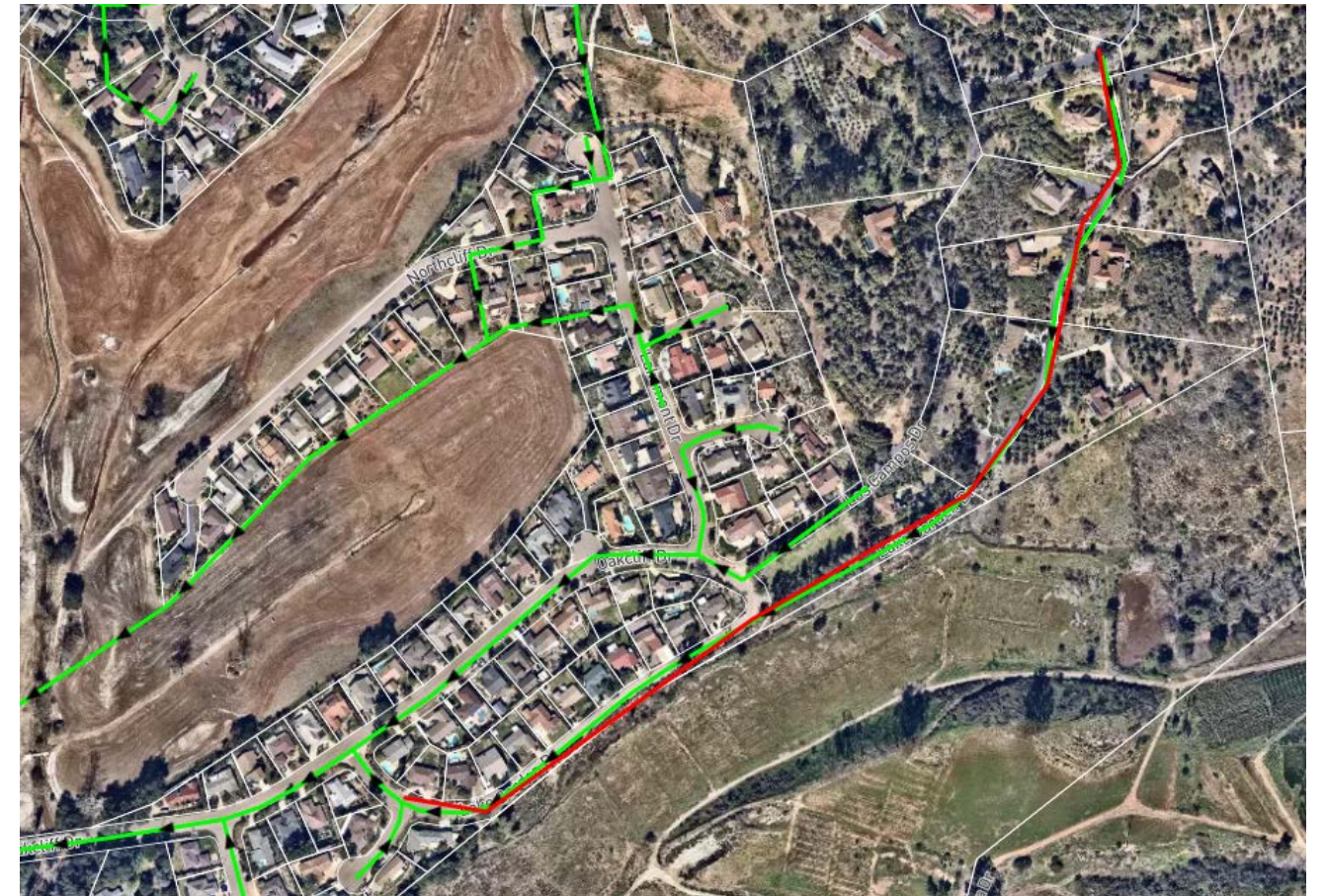


PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	-	-	-	\$1,102,500	\$1,102,500

**Description:** This project proposes to install about ~2,800 linear feet of cure-in-place (CIPP) lining and to line manholes.

**Rationale:** The project will extend the useful life of the facility and reduce ongoing maintenance costs. I & I will be reduced.

**Status/Schedule:** The project is unfunded and is in the planning phase. The project's anticipated completion is at the end of FY 28/29.



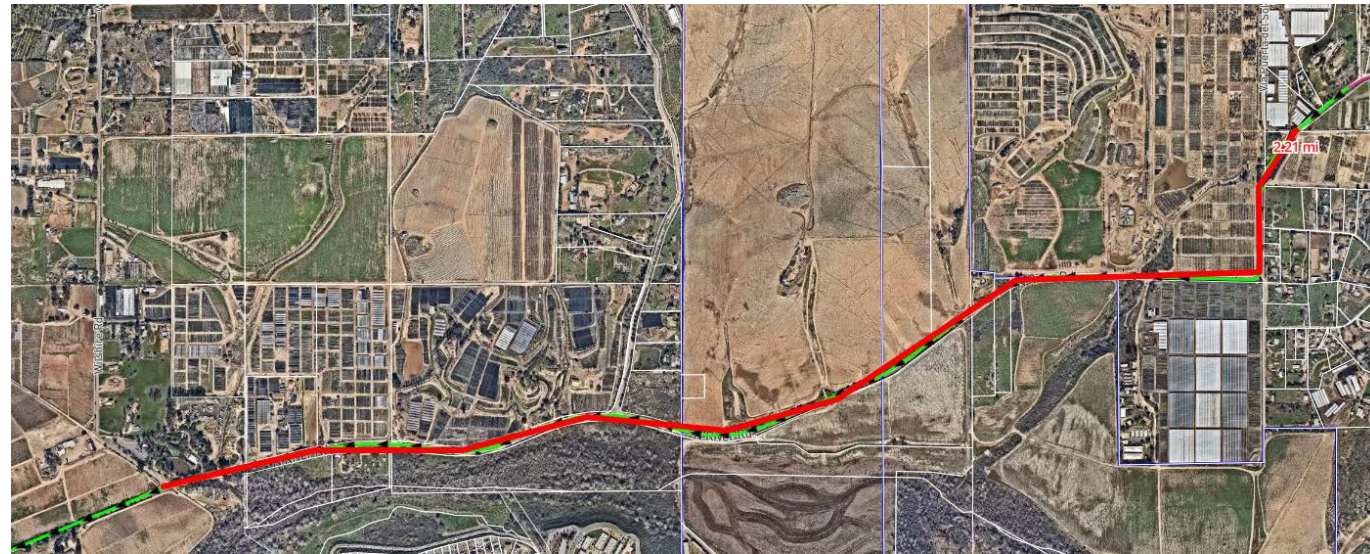
PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	-	-	\$100,000	\$1,000,000	\$1,100,000



**Description:** This project proposes to upsize a 15-inch sewer pipeline to 21-inch sewer pipeline along North River Road from Via Puerta del Sol to Wilshire Road.

**Rationale:** The project is intended to address capacity of an undersized system.

**Status/Schedule:** The project is unfunded and is in the planning phase. The project's anticipated completion is at the end of FY 27/28.

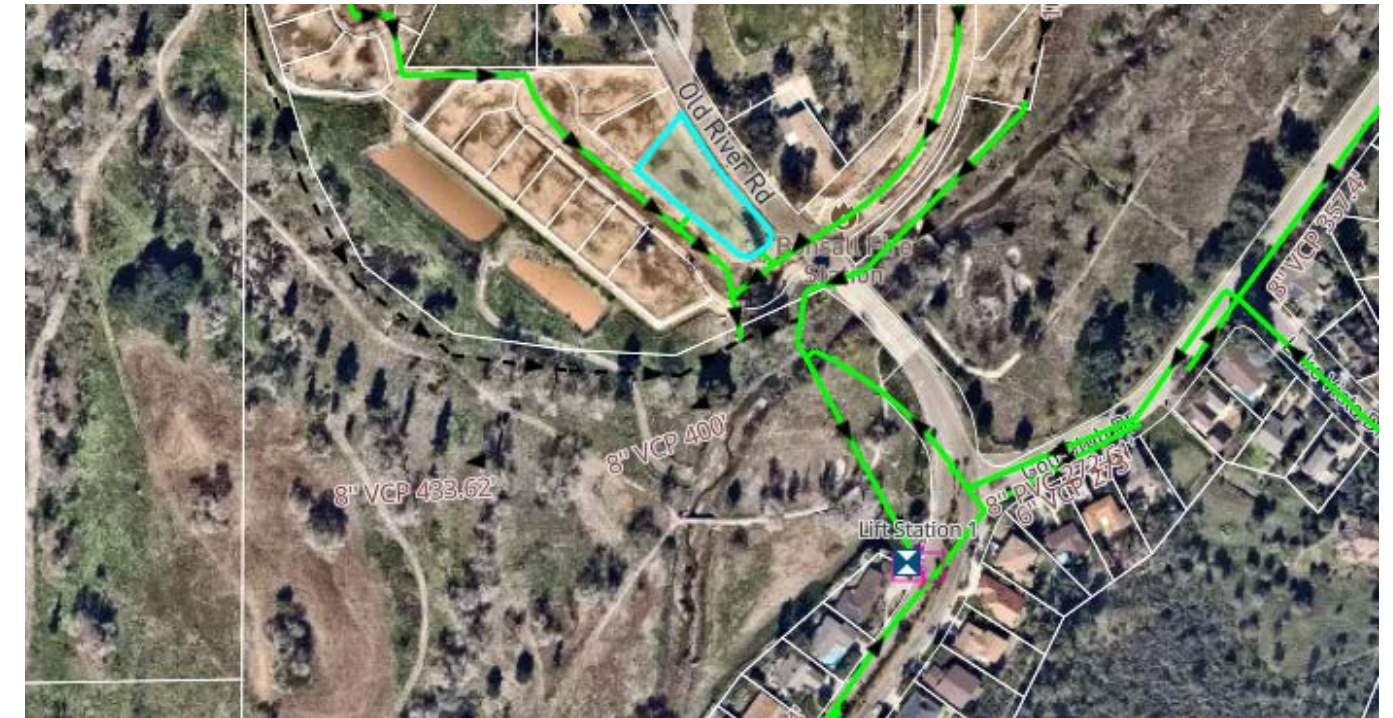


PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	\$50,000	\$500,000	\$9,000,000	-	\$9,550,000

**Description:** This project proposes to construct a new lift station to help address current and projected build-out flows.

**Rationale:** The project is intended to offset higher demand at Lift Station-1 which has limited capacity. The proposed Lift Station would be needed for additional development. If needed, the project would be funded with future capacity fees.

**Status/Schedule:** The project is unfunded and is in the planning phase. The project's anticipated completion is at the end of FY 28/29.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	-	-	\$500,000	-	\$10,500,000





# PERSONNEL SUMMARIES



## Staffing Analysis

### Executive Summary

The Rainbow Municipal Water District (the District) conducted a comprehensive staffing analysis to address current and future workforce needs. This report provides an overview of the current staffing landscape, reviews trends and projections for the next five years, and proposes a staffing plan to meet new workload demands, improve oversight and internal controls, and develop a robust future talent pipeline.

Key findings from the analysis include:

- **Recent Shifts:** The District has experienced notable changes in staffing, with shifts in generational demographics and a significant retirement outlook.
- **Staffing Trends and Projections:** Historical and projected turnover rates, continuity planning, and labor utilization patterns have been analyzed to forecast staffing needs.
- **Proposed Staffing Plan:** Recommendations include adding key full-time positions, increasing hours for certain roles, and implementing an internship program to support succession planning.





## Executive Summary

The proposed staffing plan results in a net increase of two Full-Time Equivalents (FTEs) and achieves a net budgetary savings of \$8,584 for fiscal year 2025. To mitigate budget impacts for fiscal year 2025, two intern positions in Operations recommended in the Proposed Staffing Plan will be deferred until 2026, and one Project Manager position in Engineering will be frozen until 2026 or until additional funding for capital projects is secured.

This strategic approach ensures the District is well-prepared to meet future demands, maintain operational efficiency, and continue delivering high-quality service to the community while remaining fiscally responsible.

## Introduction

### Purpose and Objectives

This staffing analysis and plan aims to ensure the Rainbow Municipal Water District is strategically positioned to meet its operational and service delivery goals. This report will:

- Provide a detailed overview of current staffing conditions.
- Review staffing trends and develop five-year projections.
- Propose a staffing plan that addresses new workload demands, enhances oversight and internal controls, and supports future talent development.

### Scope and Methodology

This analysis reviews recent staffing shifts, generational demographics, and the district's retirement outlook. It also examines historical and projected turnover rates, staffing continuity planning, and overtime and labor utilization.

The methodology involved collecting and analyzing data from various sources to understand the District's staffing needs comprehensively. Key data sources included:

- **Internal Work Order Records:** Used for labor utilization and overtime analysis.
- **ADP Analytics:** Employed for assessing retention and attrition risks.
- **California EDD:** Provided unemployment rate data.
- **Janitorial Contract:** Offered insights for cost offset estimates.

By leveraging these data sources, the District aims to create a staffing plan that meets immediate operational needs and strategically positions the organization for future success.

## Current Staffing Overview

### Organizational Structure

The District's organizational structure is designed to efficiently meet operational and capital improvement requirements to deliver safe, high-quality water distribution and wastewater collection services to the community. It encompasses several key departments, each with specific roles and responsibilities essential for the District's operations, as depicted in the organizational chart below:





## Current Staffing Levels

The District's staff is distributed across various departments, ensuring comprehensive operational and administrative functions coverage. The breakdown of full-time equivalent (FTE) employees and headcount by the department is as follows:

STAFFING TOTALS		
Department/Division	Full Time Employees (FTE)	Headcount
General Manager's Office	2	2
Administrative Services	3.3	4
Human Resources	1.9	2
Public Information	1	1
Risk Management/Safety	0.4	1
Information Technology	4	3
Operations Total	30	30
Management	2	2
Water System Operations	7	7
Construction	11	11
Meters	5	2
Wastewater	4	4
Fleet	1	1
Engineering/CIP	6	6
Finance Total	30	30
Finance	1	1
Grants	1	1
Accounting	4	4
Customer Service	4	4
Purchasing/Warehouse	1	1
<b>TOTAL ORGANIZATION</b>	<b>56.3</b>	<b>57</b>

## Staffing Changes Over Past Year

Over the past year, the District has seen several key position changes, reflecting both planned retirements and turnover. These changes have significant implications for the District's operations and strategic planning:

**Retirements:** General Manager, District Secretary, Administrative Analyst – Engineering

**Other Turnover:** Finance Manager, Risk Management Officer, Grant Specialist, Project Manager

Each staffing change prompts an analysis of current staffing needs to address gaps and ensure operations continuity. The proposed staffing plan considers these changes, aiming to fill critical roles and strengthen the District's workforce.

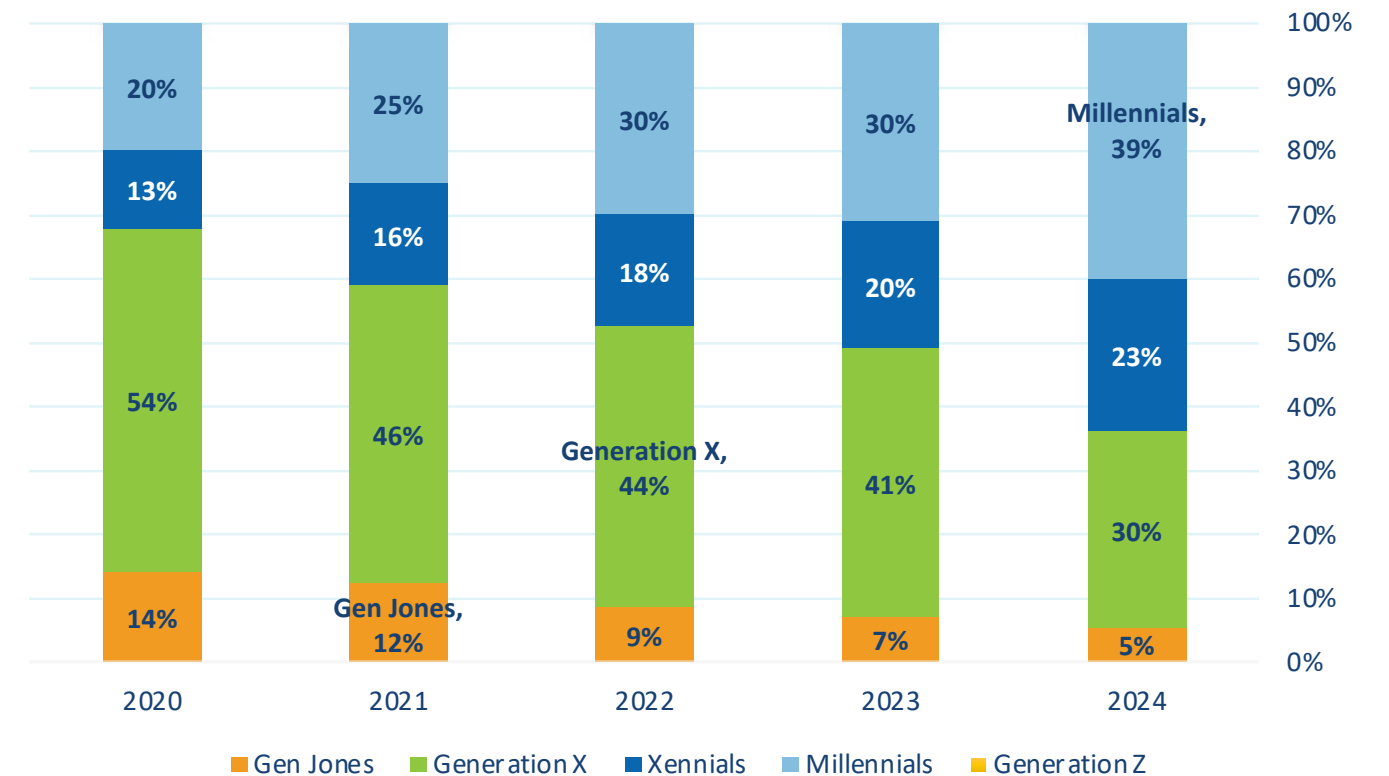
## Employee Demographics

The District's diverse workforce has various ages, and backgrounds. This diversity supports a robust exchange of ideas and a broad spectrum of experience within the team. Key demographic details include:

**Generations:** The workforce includes employees of different ages and generations, contributing to a blend of experience and fresh perspectives.

- **Generation Jones, 5%:** A micro-generation of the youngest Baby Boomers born between 1955-1965, Generation Jones are shrinking in the workforce due to retirements.
- **Gen X, 30%:** Five years ago, Gen X was the largest group but was surpassed by Millennials in 2022. Employees born between 1966-1976 are reported as Gen X.
- **Xennials, 23%:** A microgeneration born between the mid-late 1970s and early-mid 1980s, bridging millennials and Gen X and often reported as Millennials. For reporting purposes, employees born between 1977-1982 are included in this group.
- **Millennials, 39%:** Now the largest generation in the national workforce, these employees born between 1983 and 1996 are the fastest-growing age demographic at the District.

## Generational Demographics

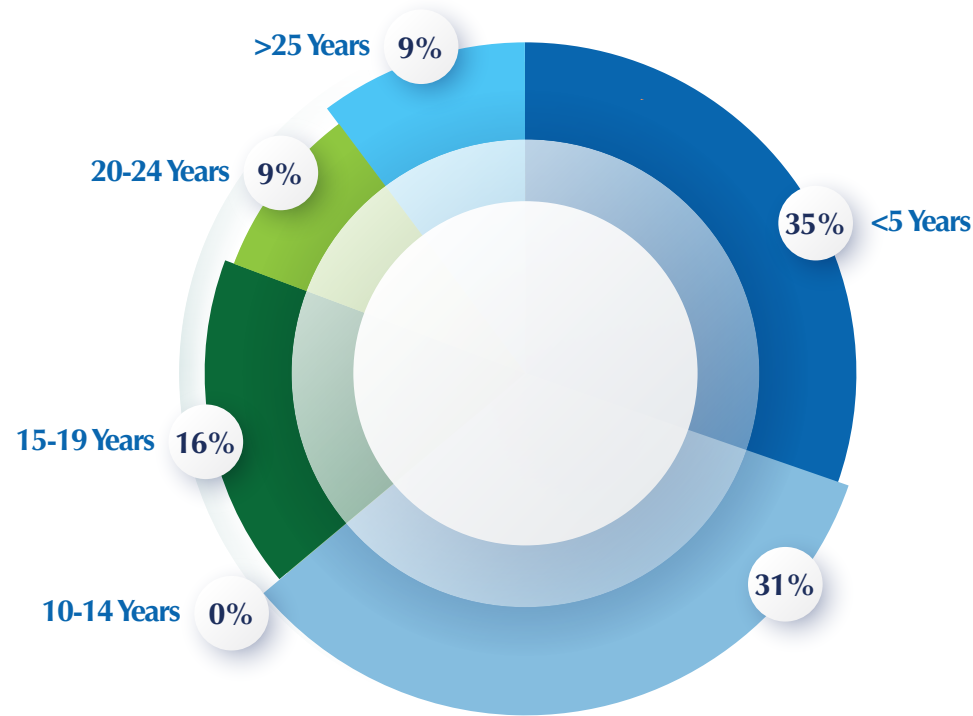




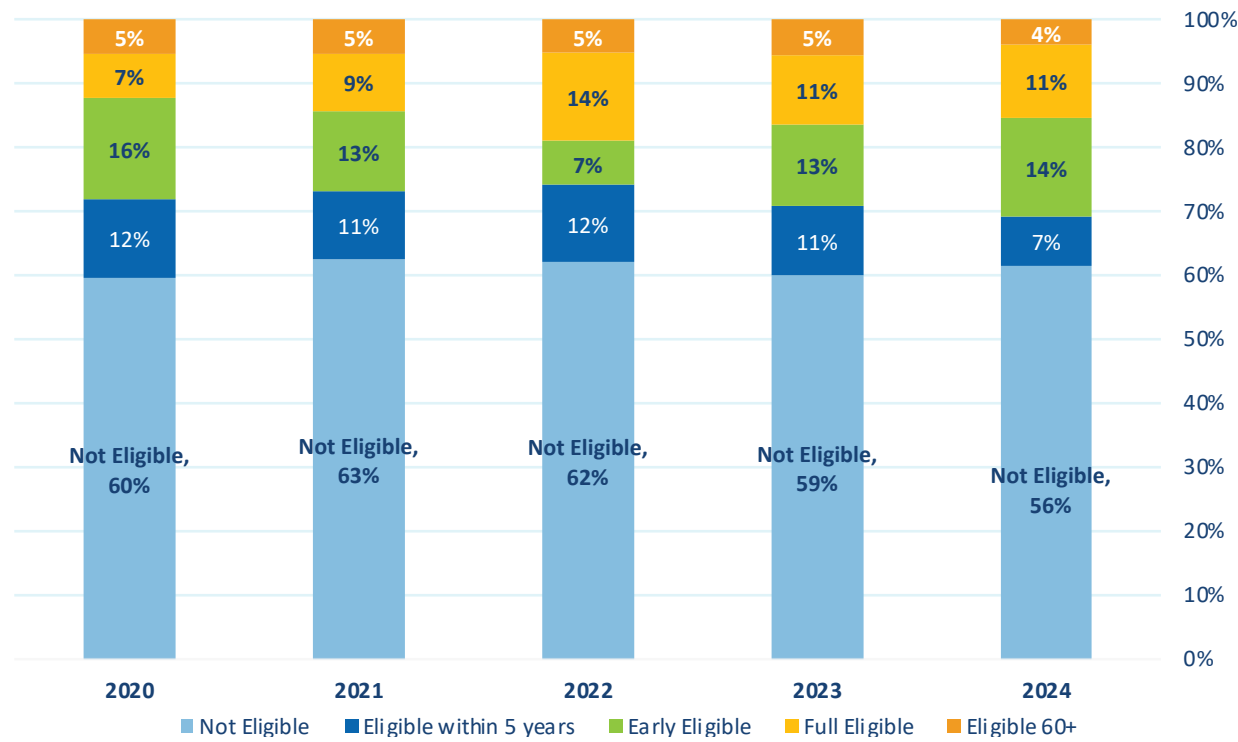
### Tenure of Workforce in Years

**Tenure:** Staff tenure varies from 0-35 years, with the average length of service is 10.11 years. Close to two thirds of the workforce (66%) have been with the District for less than ten years. Nearly one-fifth has more than 20 years of service.

**Retirement Eligibility:** Due to several recent retirements, the number of retirement-eligible employees has dropped from 37% five years ago to 28%. The projection of all employees who are either already eligible or will be eligible for retirement in the next five years, is down from 44% to 40%.



### Retirement Eligibility 2024



### Turnover Trends

#### Labor Market Trends

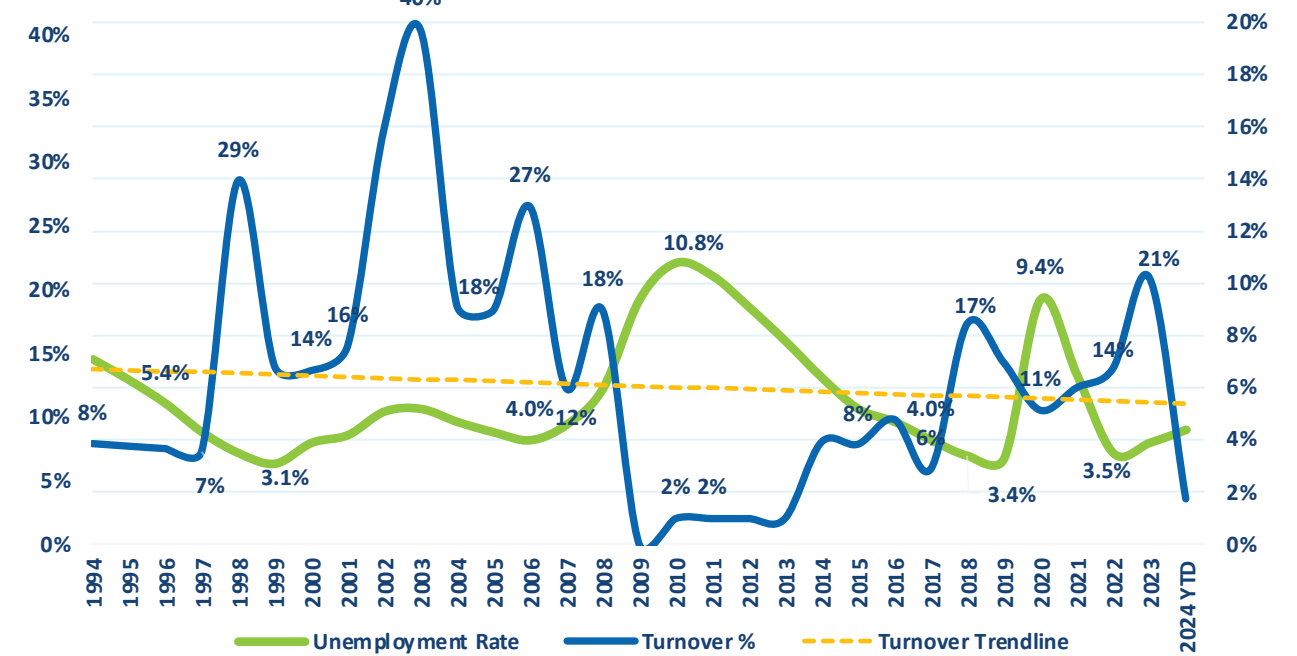
According to the Bureau of Labor Statistics, the unemployment rate in San Diego County averaged 3.9% in 2023. In recent years, many employers experienced unprecedented turnover rates that some experts called “the Great Resignation.” The low unemployment rate created a more competitive hiring and retention talent market. The District strategically implemented creative benefits programs and a remote work policy as a recruitment and retention tool.

#### Historical Turnover

In addition to retirement eligibility, the District expects some non-retirement employment separations each year. Historical turnover analysis shows several high turnover points that resulted from the organizational conditions at the time and labor market factors like the unemployment rate, with a historical average of 13% per year. The following charts display historical turnover in conjunction with the unemployment rate. It is easy to see the inverse relationship between unemployment rates and total turnover.

#### Historical Turnover with Unemployment Rate

(includes all the reasons)



Source: [https://www.labormarketinfo.edd.ca.gov/file/1fmonth/sand\\$pd.pdf](https://www.labormarketinfo.edd.ca.gov/file/1fmonth/sand$pd.pdf)



# Turnover Trends

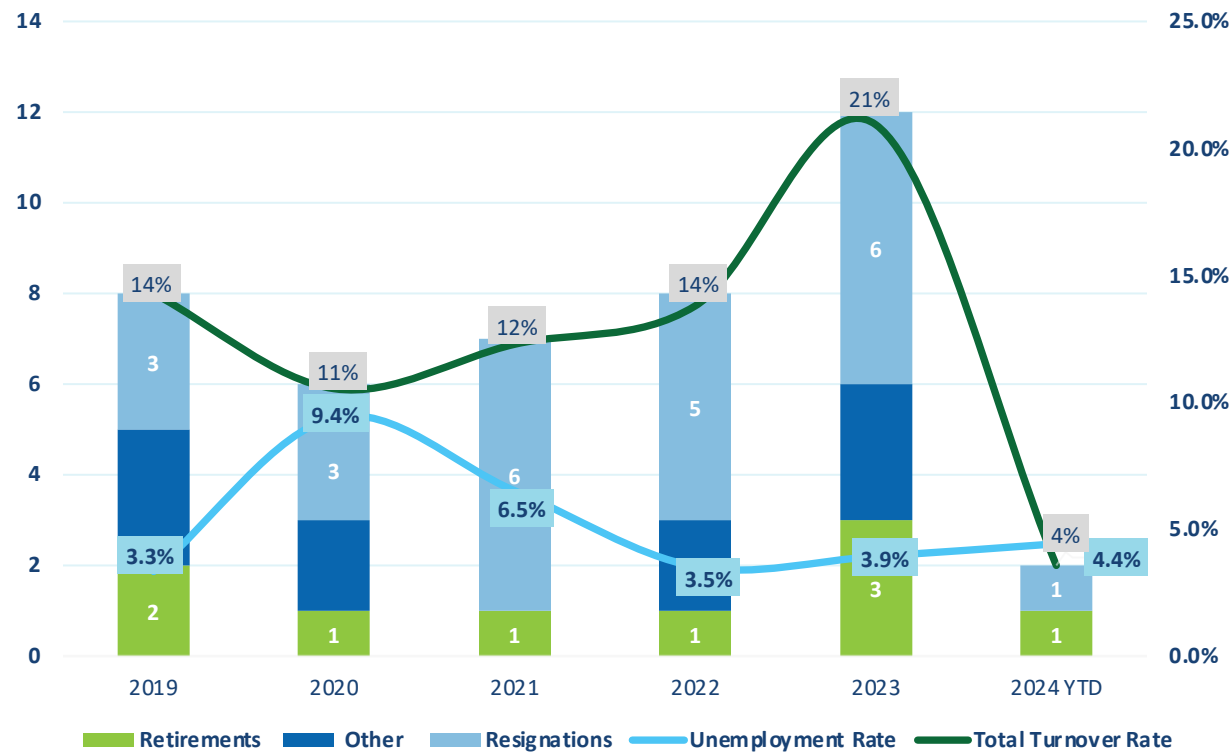
## Recent Turnover

The District's approach to employee retention has focused on developing a culture of excellence, ensuring that the District's compensation and benefits are competitive, and implementing flexible work arrangements like 9/80 schedules. In 2021, the District added a remote work option to remain attractive to applicants considering or coming from other employers who offer this option. So far, this strategy has been mostly successful: the District was named a Top Workplace by the San Diego Union-Tribune for the past three years (2021-2023). However, while the 30-year average turnover is holding steady at 13%, turnover for 2023 spiked to 21%, which hasn't been seen in nearly two decades.

## Quit Rates

When looking at turnover, it can be useful to look at voluntary quit rates and total turnover. The voluntary quit rate in calendar year 2023 was 10.5%, more than double the five-year average of 4.6%. Retirements were also higher than in other years. The Construction Department was hit particularly hard, with a 35% quit rate in the 2023 fiscal year. Key factors for that department were long commutes, burnout from overtime, and rising pay scales at other water agencies. Despite the spike in fiscal 2023, the Construction Department seems to have recovered with 0% turnover in the first 11 months of fiscal 2024. Key factors for that department were long commutes, burnout from overtime, and rising pay scales at other water agencies. Despite the spike in fiscal 2023, the Construction Department seems to have recovered with 0% turnover in the first 11 months of fiscal 2024.

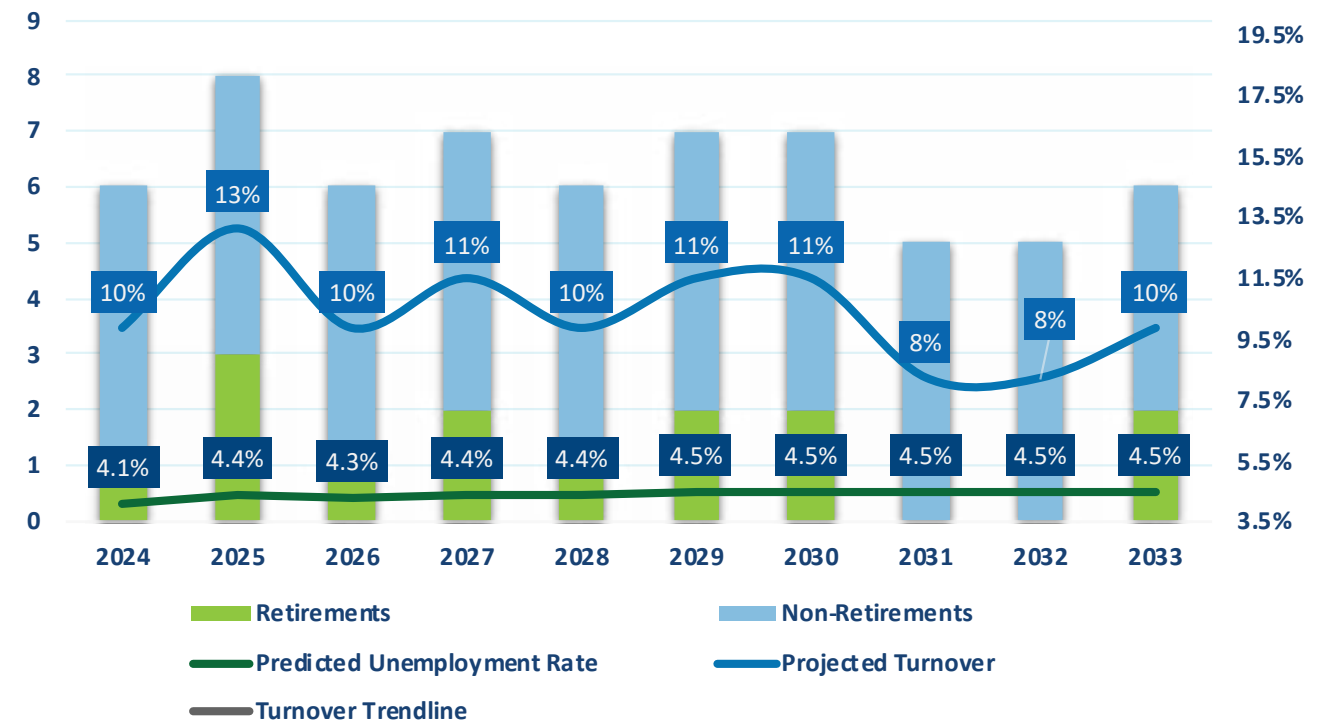
## Five-Year Turnover with Unemployment Rate



## Projected Turnover and Retirement Projections

Low unemployment typically drives voluntary turnover and competition for talent. The unemployment rate has recovered from the pandemic and the District's quit rates are typically responsive to the unemployment rate. Future retirement projections are based on average retirement ages, retirement eligibility formulas, employees' current ages and their years of service credit with CalPERS. The average retirement age of District retirees who are Classic CalPERS members is 59 years old, despite the eligibility for the full 2.5% retirement formula at 55 and early retirement at age 50. PEPRAs members are not eligible until age 60 for early retirement, 62 for full retirement, at the 2% formula, and 67 to achieve a 2.5% retirement rate. The chart below illustrates the anticipated turnover based on unemployment projections from the Congressional Budget Office and anticipated retirements in the District.

## Five-Year Turnover with Unemployment Rate



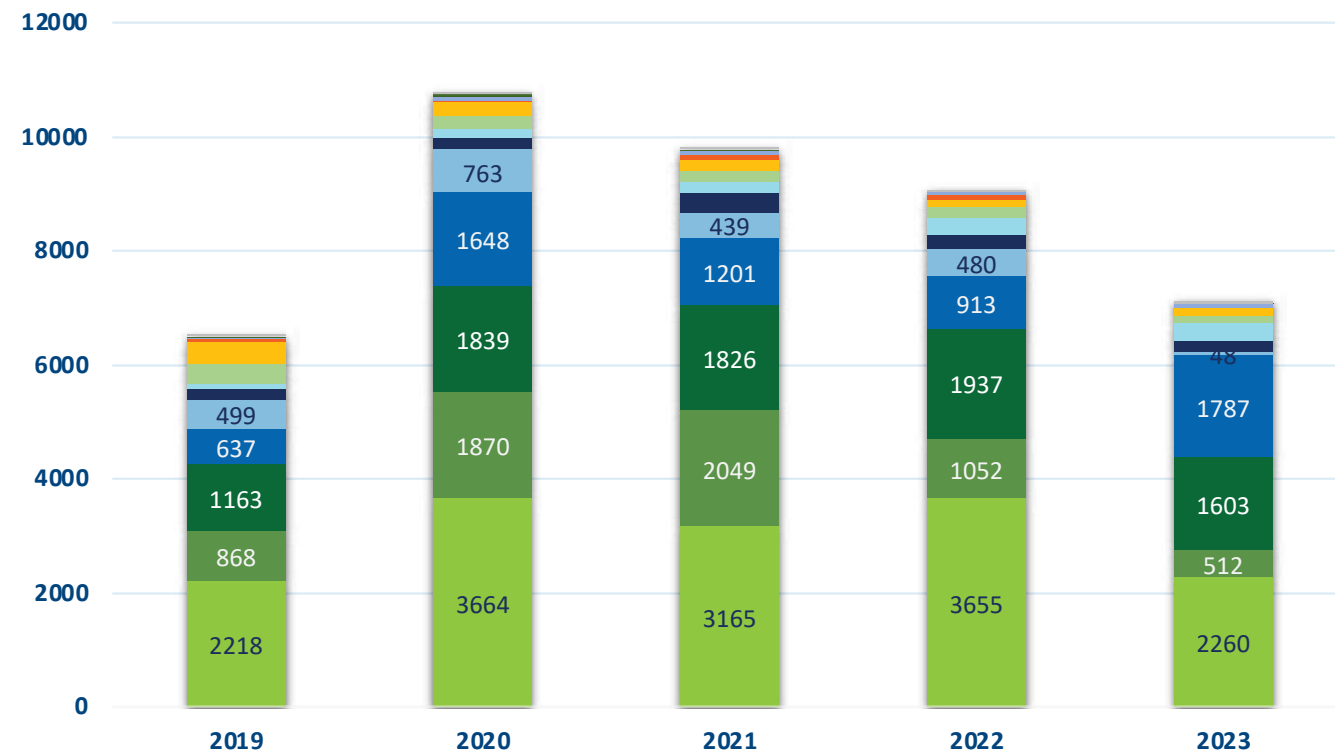


# Overtime and Workload Analysis

Overall, overtime is slowly returning to pre-2020 levels. It has decreased down to 7,114 hours vs 2020 peak of 10,766. Department-level highlights include:

- **Meters:** Overtime in Meters is at its lowest since before the meter service replacement project and is actually below 2019 levels due to fewer service calls.
- **Wastewater:** Overtime in wastewater doubled in 2023 due to proactive response to extreme weather events to prevent Sanitary Sewer Overflows (SSOs), which required extensive overnight and weekend work. The need for this type of response will be mitigated or eliminated when the Thoroughbred Lift Station comes online.
- **System Operations:** Overtime is trending down, but still high due to new ways of operating the distribution system and ensuring water quality at Morro Reservoir.

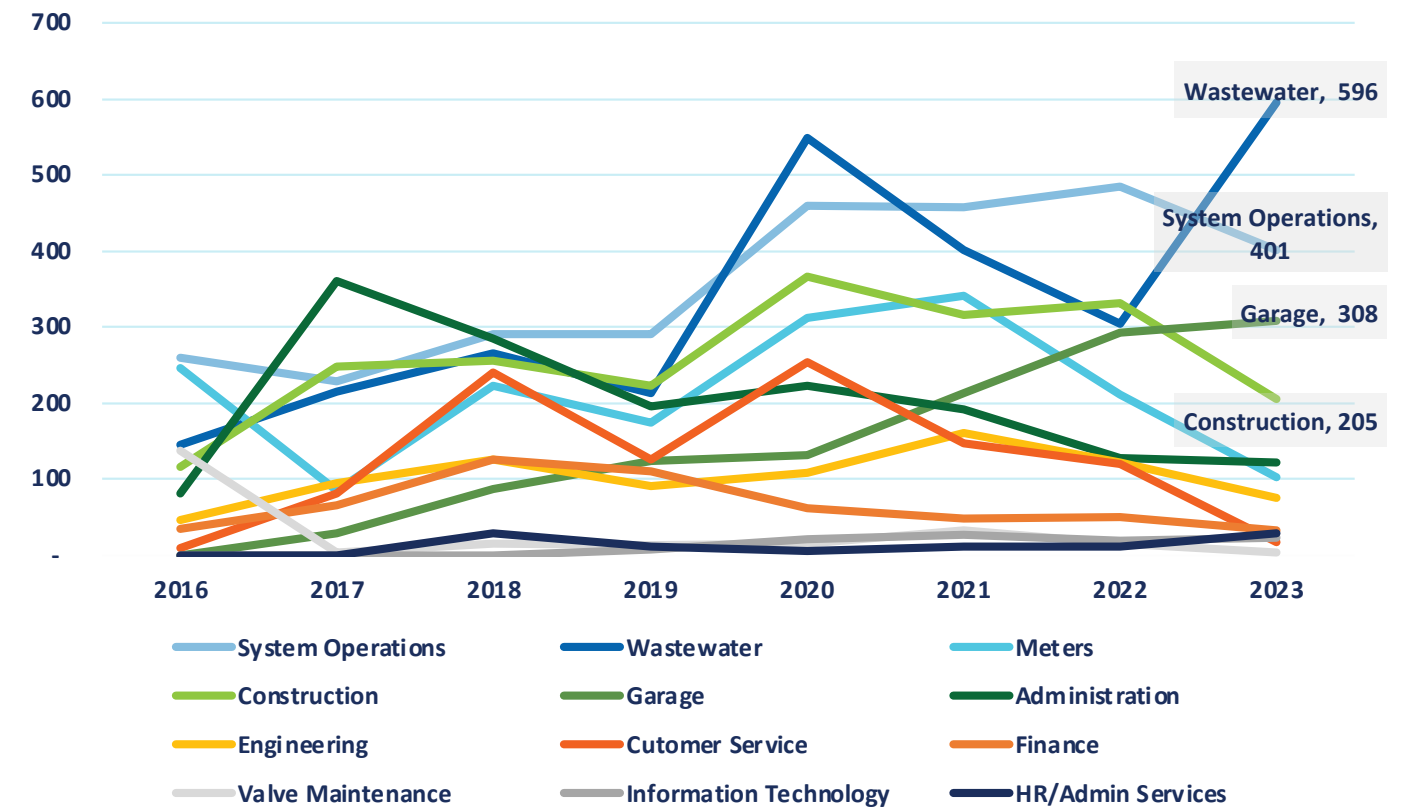
## Total Overtime by Department



- Construction
- Meters
- System Ops
- Wastewater
- Customer Service
- Engineering
- Garage
- Finance
- Administration
- Valve Maintenance
- Information Technology
- Safety
- HR/Admin Services

The impact of overtime on staff differs for each department, and some departments have more staff to share in the overtime workload. The average overtime hours worked in 2023 per full-time hourly employee in each department is shown in the chart below. The District average overtime per hourly employee was 159 hours, down from 215 hours, with Wastewater working the most overtime with 596 hours each, on average, due to evening and weekend work to avoid SSOs during extreme rain events. The Construction crew's average went down from 332 overtime hours per person in 2022 to 205 in 2023 due to fewer after-hours responses to leaks and other emergencies. The Garage is still trending up, as maintenance on vehicles is often scheduled when other employees are not working to minimize vehicle downtime during regular working hours.

## Average per Full Time Employee



- System Operations
- Wastewater
- Meters
- Construction
- Garage
- Administration
- Engineering
- Customer Service
- Finance
- Valve Maintenance
- Information Technology
- HR/Admin Services



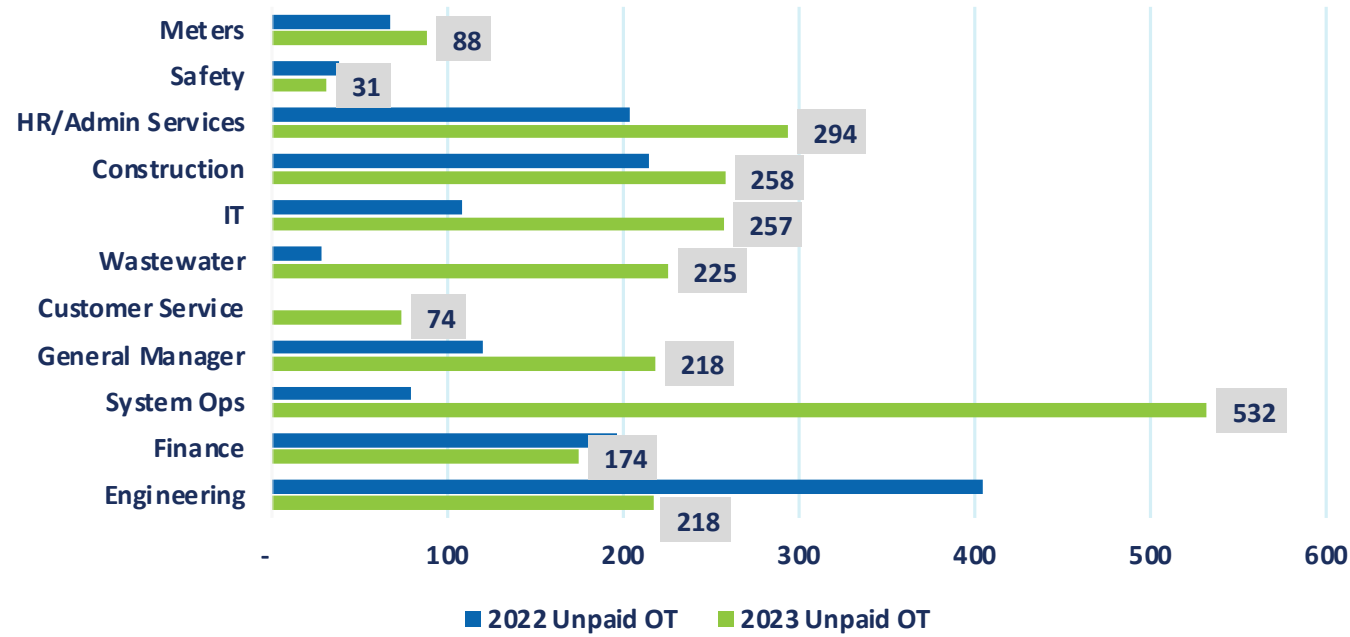


## Exempt Overtime

Exempt employees are employees who meet the Fair Labor Standards Act requirements to be “exempt” from the overtime pay provisions of the law. Although overtime is not paid to these employees, the number of hours worked beyond 80 in a pay period is still an indicator of the workload for a particular department. It could indicate where employees may be at risk of burnout or whether additional resources are needed. Average overtime per exempt employee ranged from 15 hours to 353 hours, with an average of 130 hours, up from the 97-hour average in 2022.

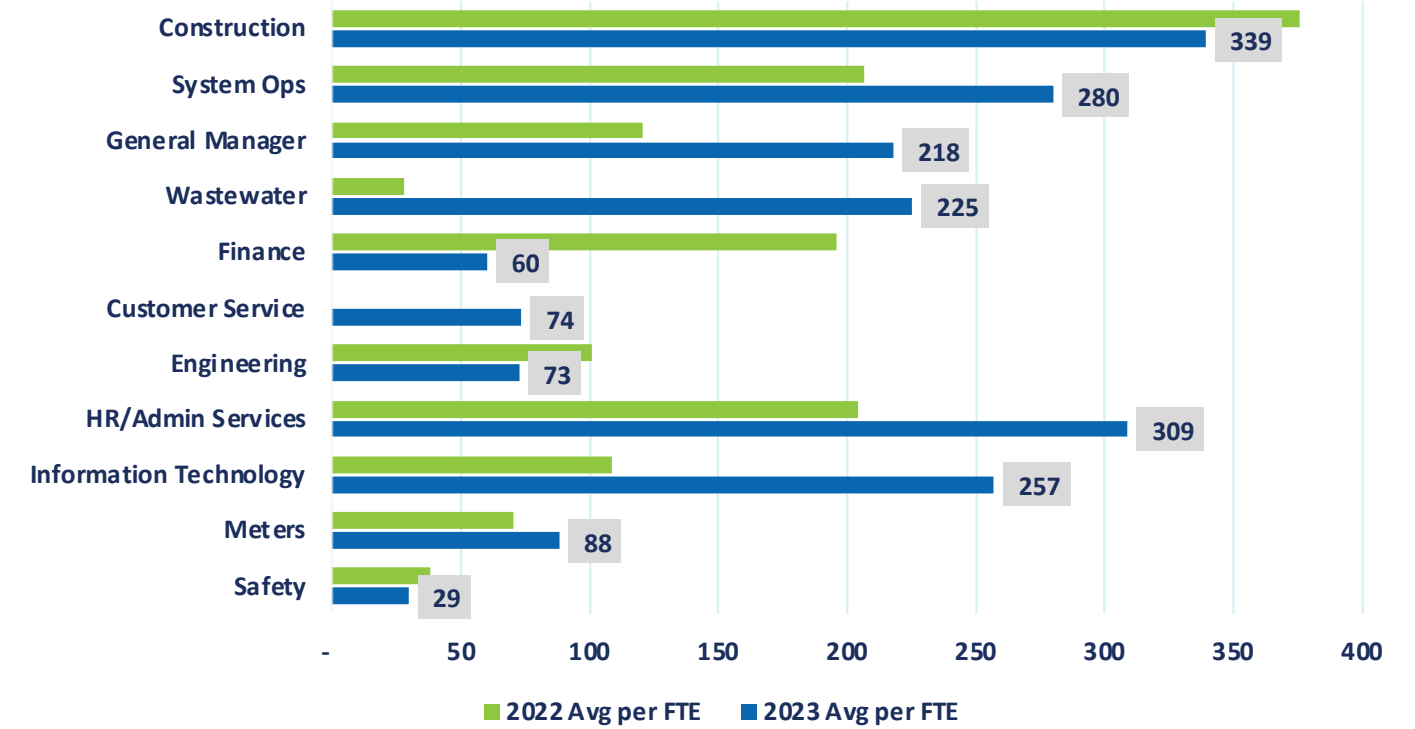
The following chart shows the total exempt overtime for each department and a comparison of 2023 and 2022 Exempt overtime. System Operations has the most total overtime because it includes two key leadership positions with heavy workloads as they prepare for detachment.

### Exempt Total Unpaid Overtime per Department



When evaluated per employee, the Construction and Human Resources exempt staff work the most overtime per person. The Construction and Meters Supervisor routinely responds to leaks and after-hours emergencies to supervise and support the Construction crew in safely performing repairs, so logically, this position works a high level of overtime. The Administrative Services Manager oversees three distinct departments with high-priority and deadline-sensitive deliverables.

### Exempt Overtime per Exempt Employee by Department





## Staffing Continuity Planning and Knowledge Transfer

The District has created a Staffing Continuity Plan to plan for future staffing turnover and address knowledge transfer priorities. Each position in the District has been evaluated based on the following criteria:

- Retirement Vulnerable: The incumbent is anticipated to retire within five years.
- Single Incumbent: Positions with only one person in the role.
- Specialized Knowledge: Incumbent holds specialized, or highly technical knowledge not shared elsewhere in the District.
- Challenging to Replace: Positions for which there would be a limited number of qualified people in the labor market, making recruiting a replacement especially difficult.
- Difficult to Retain: Positions historically have higher turnover than the District average.
- Risk of Attrition: Positions may become vacant, either due to an internal promotion, transfer, or outside factors like a long commute, family priorities, or the incumbent's career goals.
- Leadership or Executive Support: Positions that are part of the leadership team or provide support to the senior leadership team, General Manager, or the Board.

Each position was assigned a priority level for knowledge transfer based on the seven factors above. The positions with priority levels 1 and 2 are considered Critical Positions for knowledge transfer planning. Knowledge transfer planning could be to aid an aspiring successor to be ready for promotion or to transfer knowledge to someone who could act as an interim successor while open recruitment is conducted, and then aid in the transition if an external successor is selected. In addition to knowledge transfer to a person, each department has been working on documenting procedures to facilitate future transitions.

CRITICAL POSITIONS	
Priority One	Knowledge Transfer Plan
Chief Operating Officer	The incumbent has been actively developing department staff to expand knowledge and ensure continuity of leadership during a transition.
Chief Financial Officer	The incumbent is actively developing department staff to expand knowledge and ensure continuity of leadership during a transition. However, current lean staffing levels prevent full cross-training and development due to a high volume of transactional workload.
Technical Services Lead (electrician)	The successor is being hired with enough time to overlap with the incumbent and become familiar with the District and our electrical infrastructure. Approximately four months of overlap between the outgoing retiree and the new hire successor will occur.
Priority Two	Knowledge Transfer Plan
Administrative Services Manager	The HR Specialist position is being actively mentored and trained to act as an interim Human Resources Manager and aid in a smooth transition to a qualified external successor should this position become vacant.
Information Technology Manager	Extensive cross-training has occurred with the Information Technology Specialist to prepare for extended time out of the office or act interim during an unplanned transition.
Construction and Meters Supervisor	The incumbent is actively developing team members who aspire to be in leadership roles within the Construction and Meters Departments to prepare aspiring leaders for promotion.
Construction Lead	The incumbent has been working on developing several Utility Workers and transferring knowledge over the past few years. There are likely multiple qualified internal successors.
Electrical/Electronics (SCADA) Technician	Other members of the Information Technology Department can temporarily cover this role, with assistance
District Secretary	There are cross-trained staff members who can help ensure staffing coverage during vacations, leaves, or retirement.
Engineering Inspector	Knowledge transfer plan in development. This is a single incumbent position and there are no known aspiring successors.



## Challenges and Risks with Current Staffing Levels

The Rainbow Municipal Water District faces staffing challenges and risks across its various departments that impact operational efficiency, employee well-being, and meeting the District's strategic objectives. High overtime, impending retirements, increased operational demands, and turnover in key positions exacerbate these issues. Addressing these challenges will help to ensure continued effective service delivery and to maintain a resilient and knowledgeable workforce. The following sections provide a detailed overview of each department's specific challenges and risks.

### Administrative Services Department Challenges

The Administrative Services Department has experienced several changes and faces ongoing challenges that impact its bandwidth to deliver projects:

#### 1. Recent Staffing Changes:

- Safety/Risk Management Officer experienced turnover.
- A part-time Communications Analyst was added, scheduled 18 hours per week.

#### 2. Resource Constraints:

- Two employees are budgeted for less than 40 hours, leading to resource constraints.
- When the Communications position was designed as a part time role, it was with an additional \$20,000 budget for outsourced services to supplement staff resources. However, that budget was cut shortly after hiring the part-time employee, but communications deliverables have not decreased.
- The Communications Analyst is scheduled for 936 hours annually, and meeting deadlines or accommodating last-minute requests is often challenging.
- An additional 406 hours were booked to Public Relations this year, taking time away from other staff members who fill in.

#### Ambitious Goals:

- A Strategic Communications Plan is in development, with many opportunities for enhancements to the Communications program identified at a workshop in February 2024. Additional labor resources will be required to execute some of the objectives identified in the workshop, particularly developing multimedia content such as how-to videos and other helpful social media content.



## Information Technology Department Challenges

The Information Technology Department faces significant challenges due to upcoming retirements and ongoing operational demands:

### 1. Upcoming Retirements:

- The Technical Services Lead is retiring after 35 years, and a new hire replacement is planned for summer 2024.
- The Electrical/Instrumentation Technician is also eligible for retirement.

### 2. Operational Demands:

- The department manages approximately 450 devices, including phones, tablets, switches, firewalls, radios, servers, laptops, and desktops.
- There are ongoing escalated risks of cybersecurity attacks against utilities.
- The department has a backlog of software and report development requests.
- There is an opportunity to better analyze District data for improved decision-making.

## Operations Department Challenges

The Operations Department faces several critical challenges that must be addressed to maintain efficient operations and prevent burnout among staff. These challenges include:

### 1. Consistently High Overtime:

The Operations Department is experiencing consistently high levels of overtime, leading to a significant risk of employee burnout. This situation is unsustainable and could affect employee morale and productivity.

### 2. Retirement Eligibility:

Many employees in the Operations Department are approaching retirement age. This presents an urgent need for knowledge transfer to ensure continuity and minimize the loss of institutional knowledge.

### 3. Current Maintenance Practices:

System Operators and Wastewater personnel currently handle all pump and motor maintenance. However, this takes time away from their primary job functions and contributes to overtime. Because they are not specialists in motor maintenance, repairs are outsourced, leading to delays and increased costs.

### 4. New Water System Operational Demands Post-Detachment:

- The distribution system will become more complex to operate.
- Three new pump stations must be maintained, which are critical to operations.

### 5. Wastewater System Expansion:

- The new wastewater lift station will require maintenance.
- An additional lift station is planned for the Bonsall Oaks development.

## Engineering Department Challenges

The Engineering Department is also grappling with the following challenges:

### 1. Upcoming Retirements:

- The Technical Services Lead is retiring after 35 years, and a new hire replacement is planned for summer 2024.
- The Electrical/Instrumentation Technician is also eligible for retirement.

### 1. Staffing Shortages:

- The Associate Engineer position was frozen after attrition in late 2022 and subsequently removed from the budget. Plan checks are completely outsourced since developers cover the cost of outsourcing and it does not impact customer rates. However, this leaves the department without an in-house licensed Professional Engineer (PE) and institutional knowledge is not being developed in-house.
- One of the two Project Managers left in early 2024, leaving just one Project Manager to oversee the construction of three pump stations, the Thoroughbred lift station, and manage facilities tickets, which are often urgent due to the age of the headquarters facility.
- After the Project Manager's departure, the District attempted to replace that headcount with another Engineer who could also manage capital projects. However, the recruitment did not result in sufficient qualified applicants with the PE and was closed without a field of candidates to interview.

### 2. Deferred Capital Projects:

To mitigate the impact on rates over the next 18 months, all capital projects not essential for detachment or safety have been deferred to future fiscal years.

### 3. Bandwidth Constraints:

After the departure of one of the Project Managers in early 2024, the remaining Project Manager does not have the bandwidth to handle all facilities tickets and the critical capital projects already in progress.

### 4. Poor service quality for outside janitorial services.

Janitorial services are currently overseen by the Project Managers as part of the facilities function. However, there have been ongoing challenges with service quality. The current outside service has been in place for about two years, and the change was made due to problems with the previous service as well. The outside services have high turnover, don't always complete all tasks assigned until staff complains and they are reminded, and although the contract is for 32 hours per week, an analysis of their time onsite shows some weeks they are only delivering 10-14 hours of service. There have also been problematic incidents, such as bringing dogs into the office, vaping indoors causing the fire alarm to go off, and repeatedly pushing the panic button while cleaning. There is also a security risk to having outside employees have access to the facilities without staff supervision, as they do not complete the same screening and background checks as District staff does.



## Finance Department Challenges

The Finance Department has experienced several changes and faces ongoing challenges that impact its efficiency and effectiveness:

### 1. Recent Turnover:

- The Finance Manager/CFO position experienced turnover.
- The Grant Specialist position is currently vacant and has not yet been replaced.

### 2. Insufficient grant availability to support full-time position.

The Grant Specialist position was added three years ago with the intent of standing up a grants program that would bring a return on investment for the position. However, the position has proven difficult to retain. In addition, the District has discovered that much of the grant funding available does not match the projects and needs of the District, or requires a significant investment on the District's part, which would only be partially offset by the grant funding.

### 3. High Volume of Manual Work:

The department is burdened with a high volume of manual work, leading to excessive time on low-level transactional tasks rather than value-added professional work for the supervisor. This situation is unsustainable and could lead to burnout.

### 4. Unbalanced Workloads:

The Accounting Supervisor's duties were expanded over several promotions, but the Accounting Specialist position that the incumbent used to hold was never backfilled. This has led to challenges in having enough bandwidth to complete all the transactional tasks of the Accounting Specialist, as well as the higher-level duties of the Supervisor position.

### 5. Knowledge Transfer Needs:

Knowledge transfer is necessary to ensure continuity in the case of turnover and potential retirements. There has already been turnover at the executive level and the District should have knowledge transfer plans in place in case of turnover in any key position in the department. Currently, all other positions in the department are at full capacity and can't take on additional tasks for development.

### 6. Internal Controls and Safety:

Best management practices for internal controls and safety measures are impossible with a single incumbent in the purchasing/inventory role. The best practice would be to separate duties between the person placing purchase orders and receiving inventory to, but that isn't possible with only one person in the role.

## Staffing Forecast And Proposed Staffing Plan

The management team recommends several changes to the current staffing organization to address the specific challenges identified in this staffing analysis.

### Administrative Services Department Proposed Changes

The Administrative Services Department has experienced several changes and faces ongoing challenges that impact its bandwidth to deliver projects:

#### 1. Increase hours of Communications Analyst.

Increasing the schedule from 18 hours per week to 28 would address the following challenge:

- **Resource Constraints:** Increasing hours will increase the capacity by 50% to create more informational content and meet tight deadlines for newsletters and other items.
- **Ambitious Goals:** More hours would allow more time for more frequent community outreach activities, such as classroom visits.
- **Cost-Effective:** The cost and turnaround time of producing items in-house is much more efficient than outsourcing in terms of project cost and delivery time. Increasing the hours of this position but keeping it part-time will make the position eligible for CalPERS, but not health insurance benefits. This will keep the fully burdened hourly cost under \$60 per hour, which is still significantly more cost-effective than outsourcing additional projects.

#### 2. Add a part-time Intern to assist with creating communications video and social media content.

This will help address the following challenges:

- **Resource Constraints:** A part-time Intern would add a very low-cost labor resource to augment the work of the Communications Analyst. The Intern would be a student working 10-16 hours per week for up to two years.
- **Content Development:** The Intern would enable the Public Information Department to execute more ideas identified in the strategic communication workshop, particularly developing multimedia content such as how-to videos and other helpful social media content. This content would be very useful to customers and can be embedded into the website, linked to the newsletter with QR codes, and posted on social media. However, producing video content is very labor-intensive, as each video requires planning, scripting, two people to record, and editing before posting.

ADMINISTRATIVE SERVICES DEPARTMENT				
Position	FY24 FTEs	FY 25 Proposed FTEs	FY24 Headcount	FY25 Proposed Headcount
Administrative Services Manager	1	1	1	1
Safety & Risk Management Officer	1	1	1	1
HR Specialist	0.9	0.9	1	1
Communications Analyst	0.4	0.6	1	1
Intern		0.4		1
<b>TOTAL ADMINISTRATIVE SERVICES</b>	<b>3.3</b>	<b>3.9</b>	<b>4</b>	<b>5</b>





## Information Technology Department Proposed Changes

The following change will help the Information Technology Department address some of its challenges:

### 1. Add a part-time intern.

This position would assist with help-desk tickets and would help solve the following challenges:

- **Operational Demands:** An Intern could help set up and maintain the 450 devices they manage.
- **Cybersecurity Risks:** By having the Intern handle some of the help desk tickets, the IT Specialist could assist more with mitigating the risks of cybersecurity attacks.
- **Reducing Backlog:** The other IT staff could reduce the backlog of software and report development requests.
- **Data Analysis:** The intern would free up other staff to analyze district data better for improved decision-making.

INFORMATION TECHNOLOGY DEPARTMENT				
Position	FY24 FTEs	FY 25 Proposed FTEs	FY24 Headcount	FY25 Proposed Headcount
Information Technology Manager	1	1	1	1
Information Technology Specialist	1	1	1	1
Technical Services Lead (retiring)	1		1	
Instrumentation/Controls Technician	1	1	1	2
Intern		0.4		1
<b>TOTAL ADMINISTRATIVE SERVICES</b>	<b>4</b>	<b>4.4</b>	<b>4</b>	<b>5</b>

## Operations Department Proposed Changes

The challenges faced by the Operations Department can be addressed with the following staffing changes:

### 1. Add a Pumps and Motors Technician position.

This position would be added halfway through the fiscal year, only after detachment is complete, and would address the following challenges:

- **Current Maintenance Practices:** A Pumps and Motors Technician will be able to take over the routine maintenance of pumps and motors at pump stations and lift stations, freeing time from the System Operators and Wastewater personnel who currently handle all pump and motor maintenance, including tasks like changing the oil in the backup generators. Hiring someone with a more specialized mechanical skillset will allow us to perform some troubleshooting and repairs in house to minimize downtime for the new critical pump stations.
- **New Water System Operational Demands Post-Detachment:** The addition of a Pumps & Motors Technician position will free up the additional time that the System Operators will need to pay attention to the additional complex factors they will need to evaluate when operating the distribution system post-detachment. It will also ensure that three new pump stations are proactively maintained, as they are critical to operations and downtime will have an adverse impact on the distribution system.
- **Wastewater System Expansion:** The addition of a Pumps and Motors Technician will reduce the number of Wastewater team members who need to be involved with performing maintenance on the pumps and motors at lift stations. It takes two people to remove a pump for maintenance. Currently, that takes two out of the three wastewater team members, but with a technician, it will only require one wastewater team member to assist, allowing the other two to do other work. The Pumps and Motors Technical will also be responsible for tracking the preventive maintenance and will add capacity for the maintenance that will be required for new facilities, such as the Thoroughbred lift station and the additional lift station planned for the Bonsall Oaks development.



Operations Department at the 2024 Employee Health Fair

### 2. Add two intern positions.

The addition of part-time Interns to the operations department will help address the following challenges:

- **Consistently High Overtime:** Part-time Interns can have more flexible schedules, allowing them to assist with after-hours responses and reducing the overtime required of full-time staff.
- **Retirement Eligibility:** The Interns will have the opportunity to receive knowledge transfer of experienced staff approaching retirement. This will give the District already vetted trained candidates for future openings when retirements or turnover happens.

OPERATIONS DEPARTMENT				
Position	FY24 FTEs	FY 25 Proposed FTEs	FY24 Headcount	FY25 Proposed Headcount
Management	2	2	2	2
Water System Operations	7	7	7	7
Construction	11	11	11	11
Meters	5	5	5	5
Wastewater	4	4	4	4
Pumps & Motors		1		1
Fleet	1	1	1	1
Interns*		1*		2*
<b>TOTAL ADMINISTRATIVE SERVICES</b>	<b>30</b>	<b>31*</b>	<b>30</b>	<b>31*</b>

\*Intern deferred. While valuable, when faced with budget constraints, the management team identified the two internship positions for Operations as less urgent than other proposed staffing changes. Therefore, the recommendation was modified to defer the request to add these Interns until 2026 or later to mitigate the budgetary and rate impact on customers.



## Engineering Department Proposed Changes

The Engineering Department's challenges can be addressed with the following changes:

### 1. Freeze the vacant Project Manager/Engineer position.

This will help address the pressing budget constraints, and the workload for a Project Manager or Engineer will not be as high until deferred capital projects are funded in future fiscal years. Once more funding is allocated for capital projects, the District can reevaluate whether the department most needs to replace the Project Manager or the previously frozen Engineer position.

### 2. Move the facilities function from Engineering to Purchasing (under Finance).

This will address the bandwidth constraints if the second Project Manager position is frozen. The District would have just one Project Manager to oversee the construction of three pump stations and the Thoroughbred lift station and manage all facilities tickets, which are often urgent due to the age of the headquarters facility and were previously shared between the two Project Managers.

ENGINEERING DEPARTMENT				
Position	FY24 FTEs	FY 25 Proposed FTEs	FY24 Headcount	FY25 Proposed Headcount
Engineering/CIP Manager	1	1	1	1
Associate Engineer (frozen)				1
Project Manager	2	1	2	
Senior Inspector	1	1	1	1
Administrative Analyst	1	1	1	1
Administrative Assistant	1	1	1	1
<b>TOTAL ADMINISTRATIVE SERVICES</b>	<b>6</b>	<b>5</b>	<b>6</b>	<b>5</b>

## Finance Department Proposed Changes

The challenges faced by the Finance Department can be addressed with the following staffing changes:

### 1. Replace the Grant Specialist position with a combination of an Accounting Specialist and partially outsourced grant searching and applications.

This will address the following challenges:

- **Operational Demands:** An Intern could help set up and maintain the 450 devices they manage.
- **Better Use of Staffing Budget:** The Accounting Specialist will be able to take over the grant tracking and reporting that the Grant Specialist did, but also much of the transactional tasks for the accounting department. The District can outsource the grant searching and application process, paying only as needed rather than for a full-time employee. Staff estimates that the combined cost of the outsourced grants applications and the Accounting Specialist position will be either budget neutral or a slight savings compared to the Grant Specialist position because the Accounting Specialist is at a lower pay grade.
- **High Volume of Manual Work:** An Accounting Specialist can take over much of the manual work that the Accounting Supervisor currently handles, as well as the tracking and reporting of already awarded grants that the Grant Specialist was responsible for.
- **Knowledge Transfer Needs:** Knowledge transfer is necessary to ensure continuity in the case of department turnover. Adding an Accounting Specialist will give the Accounting Supervisor more time to take on more advanced accounting and finance functions for knowledge transfer and professional growth. Additionally, one more team member would be available to cross-train as a backup within the department to fill in during vacations or short-term leaves.

### 2. Move the District Services Representative position from Accounting to Customer Service.

This position's primary duties are supporting customers with new water or wastewater services and meter upsizing and downsizing. Because it is a customer-supporting role, management believes having it be part of the Customer Service department is more logical. Once the accounting specialist position is added, the number of direct reports for the Accounting Supervisor will remain the same. This is a budget-neutral change.

### 3. Create a new Custodian/Warehouse Assistant position to report to a Purchasing Lead.

This will address the following challenges:

- **Enable purchasing to take on facilities issues:** If the Project Manager position is frozen in Engineering, the purchasing position could take over Facilities duties from Engineering if they had additional bandwidth. This is a logical shift because facilities issues involve purchasing and procurement of outside services and often happen at unpredictable times when the Project Managers are not onsite. The purchasing position is onsite daily and is better positioned to handle issues as they arise. Historically, facilities tickets have taken up about 300 hours per year, so they would need additional resources to handle this on top of other duties. This position would become a Lead position and oversee the Custodian/Warehouse Assistant.
- **Allow insourcing of janitorial services:** Part of this position would be to act as an in-house custodian, giving the District greater oversight and supervision of the janitorial function and improving security by ensuring the employee has been screened and background checked. The current janitorial contract bills the District for 32 hours per week but does not always work the full hours. Reducing the contract to weekend and as-needed services for vacation fill-ins and quarterly carpet cleaning only, would help offset the cost of the Custodian/Warehouse Assistant.
- **Improve Internal Controls and Safety:** The Custodian/Warehouse Assistant would be a backup to the inventory control function, receiving shipments and stocking inventory for part of the day. This will allow separation of duties and improved safety in the warehouse because a second person would be available to assist with lifting and other higher-risk tasks.

FINANCE DEPARTMENT				
Position	FY24 FTEs	FY 25 Proposed FTEs	FY24 Headcount	FY25 Proposed Headcount
Finance Manager/CFO	1	1	1	1
Grant Specialist	1		1	
Customer Service Dept	4	5	4	5
Accounting Dept	4	4	4	4
Purchasing/Inventory Control	1		1	
Purchasing/Facilities Lead		1		1
Custodian/Warehouse		1		1
<b>TOTAL ADMINISTRATIVE SERVICES</b>	<b>11</b>	<b>12</b>	<b>11</b>	<b>12</b>





## Budget Implications

This section examines the fiscal impact of the proposed staffing changes, focusing on the projected additions and offsets. By analyzing these elements, we aim to provide a clear picture of the net change in budget requirements for the upcoming fiscal period.

The chart below summarizes the fiscal impact of the proposed changes, including all wages, benefits, taxes, insurance costs, and cost reduction offsets. The costs listed are intended to represent “not to exceed” amounts and actual costs may be lower, especially for part-time positions and Interns with flexible schedules.

PROPOSED CHANGES			
Position	Change to FTEs	Change to Headcount	Impact to Budget
Admin Analyst – Communications	0.2		\$35,957
Intern – Communications	0.4	1	\$23,620
Intern – Information Technology	0.4	1	\$23,643
Accounting Specialist	1	1	\$136,375
Outsourced Grant Consultant			\$35,000
Pumps & Motors Technician (6 months of FY25)	1	1	\$93,090
Purchasing/Facilities Lead (promotion)			\$9,276
Custodian/Warehouse Assistant	1	1	\$92,403
Project Manager/Engineer (frozen)	-1	-1	(\$237,997)
Grant Specialist	-1	-1	(\$173,951)
Reduction in Outside Janitorial Services		1	\$46,000
<b>NET CHANGE</b>	<b>2</b>	<b>3</b>	<b>(\$8,584)</b>

## Changes to Organizational Structure FTEs and Headcount

The charts below summarize the proposed changes and their impact on the organizational structure, full-time equivalents (FTEs) and headcount.

STAFFING TOTALS				
Department/Division	FY 24 FTEs	FY 25 FTEs	FY 24 Headcount	FY 25 Headcount
General Manager's Office	2	2	2	2
<b>Administrative Services Total</b>	<b>3.3</b>	<b>3.9</b>	<b>4</b>	<b>4</b>
Human Resources	1.9	1.9	2	2
Public Information	0.4	0.8	1	2
Risk Management/Safety	1	1	1	1
<b>Information Technology</b>	<b>4</b>	<b>4.4</b>	<b>4</b>	<b>5</b>
<b>Operations Total</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>31</b>
Management	2	2	2	2
Water System Operations	7	7	7	7
Construction	11	11	11	11
Meters	5	5	5	5
Wastewater	4	4	4	4
Fleet	1	1		
<b>Engineering/CIP</b>	<b>6</b>	<b>5<sup>▲</sup></b>	<b>6</b>	<b>5<sup>▲</sup></b>
<b>Finance Total</b>	<b>11</b>	<b>12</b>	<b>11</b>	<b>12</b>
Finance	1	1	1	1
Grants	1		1	
Accounting	4	4	4	4
Customer Service	4	5	4	5
Purchasing/Warehouse	1		1	
Purchasing/Facilities		1		1
Custodian/Warehouse		1		1
<b>TOTAL ORGANIZATION</b>	<b>56.3</b>	<b>58.3</b>	<b>57</b>	<b>60</b>





## Summary and Conclusion

In summary, the staffing analysis and plan for the fiscal year 2025 highlight several critical aspects of the current and future workforce needs. Over the past year, the District has experienced significant changes in key positions, including the retirement of the General Manager and other vital roles and turnover in several strategic areas. These changes, combined with analyzing historical turnover trends and workload imbalances, underscore the necessity for a comprehensive staffing strategy.

The proposed staffing plan addresses these needs by adding essential full-time positions, increasing hours for certain roles, and implementing an internship program to augment full-time staff, support succession planning, and future talent development. Key recommendations include:

- Eliminating the Grant Specialist position and freezing the vacant Project Manager/Engineer position.
- Adding full-time positions for Pumps & Motors Technician, Accounting Specialist, and Custodian/Warehouse Assistant.
- Converting the Purchasing position to a Lead position to oversee custodial operations.
- Increasing the hours of the Communications Analyst.
- Implementing an internship program to augment staff capacity and plan for succession in Communications, Information Technology, and Operations.
- Defer adding the Operations Interns until 2026.

The budget implications of these changes are favorable. The net change in staffing is an addition of 2 FTEs, with a budgetary impact resulting in a savings of \$8,584.

Overall, this staffing plan ensures the District is well-prepared to meet future demands, maintain operational efficiency, and continue delivering high-quality service to the community.



# Administration

## Responsibilities

The Administration Department consists of the General Manager and District Secretary and is responsible for the day-to-day administrative tasks associated with managing the District. This involves serving the needs of the Board of Directors, connecting with the public by continually providing updates on District matters, building, and preserving relationships between staff, Board of Directors, public members, and outside agencies for accountability and transparency, as well as elevating the District's reputation in local and statewide political circles as an employer of choice.





## Administration

The General Manager (GM), Jake Wiley oversees the responsibility for District policy development and activities, including water resources planning, water distribution, wastewater collection, finance, administration, engineering, human resources, and total operation of District functions and programs. The GM ensures District goals and objectives are accomplished, advises and provides recommendations to the Board, as well as implements the policies of the Board on an ongoing basis. The GM also develops and implements long and short-range plans to achieve District strategic plan objectives.

Additionally, the GM interprets District regulations and ordinances, internal and regulatory codes, and applicable laws with direction from Legal Counsel; reviews and approves District contracts including negotiating contract terms and conditions; safeguards the District by assuring compliance with all contractual and legal requirements regarding the operations of the District.

The District Secretary supports the Board of Directors and General Manager with a wide variety of advanced administrative duties. This position prepares agendas, materials, and minutes for all Board and Standing Committee meetings; maintains the District's Administrative Code, resolutions, and ordinances, and provides public access to these records and public records in general; manages calendars; coordinates and schedules meetings; oversees workshops, conference, training, and seminar accommodations including travel arrangements; maintains District official records; updates the District website per legal and accreditation requirements; provides orientation guidance for incoming Directors; and protects the confidentiality of information privy to executive management.

### Administration Major Accomplishments for FY 23-24

- Continued providing support through technical documentation and community outreach related to the application to the San Diego Local Agency Formation Commission (SD LAFCO) for the detachment of the District from the San Diego County Water Authority (SDCWA) and concurrent annexation to the Eastern Municipal Water District. This resulted in the long-awaited approval of our efforts to detach from the San Diego County Water Authority including LAFCO application approval, overwhelming local voter support on Measure B (95% voter approval of detachment approval), and successful negotiations leading to a comprehensive settlement agreement with the SDCWA.
- Successful collaboration with six local Water Districts to implement the Regional CropSWAP program, which utilizes grant funding to assist our local agricultural communities with implementation of water efficiency upgrades for a sustained agricultural presence in the region.
- Elected Board Members continued to participate in numerous conferences, training, and workshop as a means of keeping themselves apprised of current and relative matters related to or impacting both the water and wastewater industries.
- Continued with coordination and ongoing modifications to a successful work from home program with adaptation to a hybrid work and public meeting process. This allows for increased public participation, employee productivity, and enhances employee recruitment and retention.
- Assisted with the reformatting and modernization of Board and Committee Meeting agendas and public comment protocols for public meetings.
- Enhanced the New Board Member orientation handbook, working hand in hand with Administrative Services to provide thorough and relevant information for new Directors.

## Administrative Objectives for FY 24-25

- Successfully detach from the SDCWA through oversight of the completion of:

1. Construction of three new District pump stations.
2. Operations plan w/SDCWA defining ongoing protocols/communications, transfer of facilities, etc.
3. Water supply agreements between MWD/EMWD/RMWD.
4. Payment of necessary exit fees.
5. Filing of the Certificate of Completion finalizing the annexation of Rainbow Water into EMWD.

- Coordinate a General District Election with the County of San Diego for four divisions of the RMWD.
- Implement results of the election through onboarding, election of Board officers, and committee assignments as needed.
- Continue recruitment for ratepayer participation on District committees to ensure broad input from the District's varying customer classes.
- Initiate and facilitate an update of the District's Strategic Plan, last updated in 2020.
- Attain all requirements and submit an application for CSDA's District of Distinction accreditation.





# Administrative Services

## Responsibilities

The Administrative Services Department plays a crucial role in ensuring the smooth and efficient functioning of the organization by providing essential strategic and tactical support services. Comprised of three specialized divisions - Human Resources, Risk Management, and Public Information – the Administrative Services team directly supports the District’s strategic focus areas of workforce development, fiscal responsibility, and communication. The department emphasizes our core values—teamwork, responsibility, innovation, integrity, and professionalism—by ensuring the right people are in the right roles, protecting our assets and reputation, and fostering transparent and positive relationships with the public.

## Human Resources

The Human Resources (HR) Division ensures the district has qualified, motivated team members to fulfill its mission. HR handles employer branding, recruitment, onboarding, culture, performance management, workforce development, compensation, labor relations, and compliance. By fostering a supportive and inclusive work environment, HR helps employees thrive and drive the district’s success.

### Human Resources Major Accomplishments for FY 23-24

**Top Workplace Selection:** The District was named a Top Workplace for the third consecutive year in 2023 by the San Diego Union-Tribune, based on anonymous employee responses to a survey conducted by Energage. Survey highlights were that 90% of the workforce reported being motivated to do their best, and the District’s net promoter score is 82%.

**Recruiting and Selection:** Continued networking and marketing the district’s open positions at industry events, social media, and through direct outreach, tripling the number of views per job posting; reduced time to fill open positions from 51 to 43 days.

**Employee Recognition:** The Excellence Coin Recognition Program was continued, resulting in 25 coin nominations and four more employees reaching the milestone of receiving all five excellence coins, for a total of 17.

**Employee Appreciation:** Delivered a Languages of Appreciation in the Workplace Workshop with the Customer Service, Meters, and Engineering teams; hosted a “Time Traveler’s Ball” in honor of the District’s 70th anniversary.

**Rainbow Ambassadors:** Reconvened Ambassador Committee, whose mission is to help connect employees to each other and the community. The ambassadors will plan employee engagement activities and events and participate in community outreach.

**Onboarding:** Enhanced onboarding program to include water industry education, more detailed information about each department, video benefits explanations, field tours, and connecting with team members across the District.

### Human Resources Objectives for FY 24-25

**Recruiting:** Maintain average time to fill less than 50 days and high quality of hire, measured by first-year performance ratings and turnover rates.

**Workforce Development:** Resume deferred training programs focused on giving and receiving direct feedback, psychological safety for staff and management, and developing a cross-training program for Operations.

**Wellness Grant:** Apply for the ACWA-JPIA Wellness grant to offset the cost of employee wellness programs.

**Team Building:** Host events to help build bridges between team members in different departments, including Brainsy Breakfast and after-hours social events.

**Compensation Study:** Complete a compensation study to assess the District’s market position for pay ranges and total compensation compared to similar positions at other local agencies, compare total wage progression from 2021 through the end of current labor agreements; and make recommendations in alignment with Board direction.

**Labor Negotiations:** Negotiate a new labor agreement with Exempt Employee Group, whose memorandum of understanding expires June 30, 2025; and negotiate cost-of-living adjustments and medical cost-sharing terms with all three bargaining units covered by me-too clauses.



## Risk Management

The Risk Management Division protects the District by identifying and managing safety, environmental, and liability risks. It develops strategies and procedures for safety, compliance, and emergency preparedness. This division conducts safety assessments, develops and implements hazard mitigation plans, and manages insurance and claims, ensuring secure and resilient operations.

### Risk Management Major Accomplishments for FY 23-24

**Safety Training:** Delivered 20 Toolbox Talks to Office and Field Staff, totaling approximately 10 hours of in-person training and a 3M and White Cap Fall Protection Demonstration in the District Yard. A total of 23 Staff Members completed at least one online class in Vector Solutions totaling 135 hours combined.

**Ergonomics:** The District's Safety & Risk Management Officer attended "The Back School" Certified Ergonomics Assessment Specialist (CEAS) course and received Certification to provide thorough ergonomic assessments. They will also advise on office setup, and furniture needs, to reduce sprains and strains and increase employee longevity.

**Safety Advisory Group:** The Safety Advisory Group has been reestablished, allowing employees to voice any safety concerns that may arise and discuss and investigate any mishaps or near misses that are reported.

**Emergency Preparation:** The District's Chief Operations Officer, Safety & Risk Management Officer, and Wastewater Supervisor conducted a Confined Space Rescue Exercise at the Thoroughbred Lift Station currently under construction. This training evolution provided valuable insight into Personal Protective Equipment (PPE) requirements, the need for specific Confined Space Rescue Plans for each site, and a good practice opportunity for the Confined Space Rescue Team.

#### PPE Improvements:

- **Hard Hats:** The District has begun utilizing KASK Helmet style Hardhats for employees. The KASK Helmet has an integrated chin strap, providing valuable safety during secondary impacts. It is highly customizable for many jobs, including adding visors, face shields, ear protection, brims for protection from the sun, wire mesh guards for weed whacking, and neck gators to protect the neck from sun exposure.
- **Gloves:** The District has also begun using A3 Cut Resistant Gloves providing superior cut resistance than traditional work gloves.
- **Eyewear:** The District is purchasing 3M Maxim Elite 1000 Safety Glasses, which are Z87+ rated and have a larger coverage area protecting the eyes. Prescription safety eyewear was added to employees' vision care insurance plans, making it more convenient for staff to get new prescription safety glasses annually.

### Risk Management Objectives for FY 24-25

**Emergency Planning:** Conduct training and evaluation of the District's Emergency Plan, including conducting fire drills and setting up an Emergency Operations Center (EOC) in the Operations Bullpen.

#### Safety:

- Measure Safety Awareness and Attitudes by allowing anonymous reporting of hazards and near misses.
- Create a Safety Incentive Program to encourage employees to challenge work "norms" and look for safer operating methods. Encourage Nominations for "Integrity Coins".
- Implement a Safety Management System (SMS) Software to have a single point of record for all safety-related data and documents. All inspections, certifications, and hazard reporting can be saved and analyzed to provide valuable insight into areas for improvement.
- Utilize Azuga Fleet to Incentive Safe Driving Practices. Safety proposes awarding the Top 3 Drivers each Quarter with a small incentive award.
- Apply for JPIA Grant Funding between October 1 and December 1..



### Risk Management Objectives for FY 24-25

**Emergency Planning:** Conduct training and evaluation of the District's Emergency Plan, including conducting fire drills and setting up an Emergency Operations Center (EOC) in the Operations Bullpen.

#### Safety:

- Measure Safety Awareness and Attitudes by allowing anonymous reporting of hazards and near misses.
- Create a Safety Incentive Program to encourage employees to challenge work "norms" and look for safer operating methods. Encourage Nominations for "Integrity Coins".
- Implement a Safety Management System (SMS) Software to have a single point of record for all safety-related data and documents. All inspections, certifications, and hazard reporting can be saved and analyzed to provide valuable insight into areas for improvement.
- Utilize Azuga Fleet to Incentive Safe Driving Practices. Safety proposes awarding the Top Three Drivers each Quarter with a small incentive award.
- Apply for JPIA Grant Funding between October 1 and December 1.





## Public Information

The Public Information Division connects the District with its stakeholders, managing communications, public relations, and media outreach. It develops communication strategies, oversees social media, and produces informational materials. This division builds public trust and enhances customer engagement by providing accurate and timely information.

### Public Information Accomplishments for FY 23-24

**Newsletter:** Redesigned the monthly community newsletter to include the latest news, in-depth articles, rebates, and programs available for customers; introduced the quarterly newsletter to all submetered addresses in the District to inform them of the latest news, rebates, and programs.

**Rebrand:** Developed a complete logo rebrand and brand development, including apparel and collateral materials for digital and print.

**Information Collateral:** Created 16 new information pieces for customer service, operations, and engineering with links to the most recent information on the website.

**Strategic Communications Workshop:** Held a workshop with staff, Board, and Communications & Customer Service Committee members to target audiences, key messages, and communication channels. Information from this workshop will inform a strategic communications plan.

**Outreach:** Participated in the Avocado Festival with a double-sized booth and engaged over 1,800 members of the public and customers with a survey and promotional items; handed out 300 informational pieces of literature

**CropSWAP Program:** Partnered with Rancho Water to introduce the Regional CropSWAP (Sustainable Water for Agriculture Production) program, which promotes sustainable agricultural best practices by offering grant funding for agricultural customers to shift to more water-efficient crops. Developed a campaign to inform all agricultural customers of the program through a direct mail postcard, letters, email, and a series of newsletter articles.

**Community Engagement:** Hosted two field trips for Bonsall High School students; partnered with Palomar College to highlight college programs for careers in the water industry; provided students with STEM kits, PPE, and promotional items from a grant received from Metropolitan's Community Partnership Program sponsorship.

**Direct Mailers:** Designed and sent direct mailers to ensure District residents were informed of important events and programs, including a Board vacancy in Division Three and the Regional CropSWAP Program.

**Website:** Refreshed content on the website to include new photography, detachment news, rebate programs, CIP Projects, forms for committees and programs, and frequently asked questions.



Bonsall High School STEM field trip to the District Headquarters.

### Public Information Objectives for FY 24-25

**Planning:** Develop a Strategic Communications Plan that defines target audiences, key messages, communication channels, and overall goals and objectives for the program.

**Social Media:** Develop a social media policy to present to the Board for approval to ensure compliance with applicable laws and regulations and clearly define which positions can post and respond to posts on the District's behalf.

**Content Catalogue:** Create a photo bank of images that staff has taken, to use in communication materials; train staff in basic field photography and have photos reviewed by risk management before use in public-facing communications.

**Website:** Enhance the user experience by redesigning top-visited pages, adding a news section, unifying copy, and updating photography. Regularly review the site to keep information current, archive outdated content, and ensure ADA compliance and royalty-free images.

**School Outreach:** Increase outreach to local schools, especially at the elementary level, leveraging programs, training resources, and communication toolkits that are already in place with regional partners, as well as partnering with staff subject matter experts who are willing to be guest speakers in schools.







# Finance

## Responsibilities

The Finance Department encompasses the responsibility for the day-to-day operations and oversight of Finance, Treasury/Investment Management, Debt Issuance and Management, Budgeting, Financial Projections, Rate Setting, Accounting, Payroll, Accounts Payable, Customer Service, Customer Billing, Grant Management, Warehouse, and the District's purchasing functions.

## Finance

The Finance Division of the department is responsible for developing and administering the District's fiscal policies, budget, accounting, financing and debt management, financial data, purchasing functions, internal and external customer service, and long-term financial strategy and planning. A vital responsibility Finance provides within the agency is financial accounting and district-wide procedures to ensure adequate internal controls are in place for the safeguarding of district assets and efficient utilization, in the best long-term interest of the ratepayers. Finance provides the General Manager and Board of Directors with periodic reports on the District's financial condition, maintains financial data in accordance with generally accepted accounting principles and reporting standards, and coordinates the annual audit of the financial records by an external independent accounting firm. The Finance department manages a centralized function for the purchasing, warehousing, and inventory control of material and supplies, prepares invoices for accounts payable payments, prepares correspondence regarding various accounts, and verifies accounts payable invoice and payroll charges to proper general ledger and budget accounts. Finance calculates and reviews historical cash flows and current cash flow projections, forecasts District revenues, expenses, and fund balances, makes recommendations on related Board Policies (Debt, Investments, Reserves, etc), and actively manages the District's investments. Finance also provides technical assistance and guidance for the management related to financial matters; articulates financial concepts to various stakeholders, including the Board of Directors, staff, and resident rate payers, submits accounting reports required by the State Controller's Office and to other agencies, and prepares analyses of revenues, expenditures, water usage, Capital Improvement Project costs, and other special projects as required. Finance is also responsible for grant management, customer billing, new customer meter services, meter relocation, and downsize agreements.

## Finance Major Accomplishments for FY 2023-2024

- Developed, presented, and received Board approval for amending the District's investment policy, aligning to current law and best practices, and allowing for investment in the Local Government Investment Pool – CAMP, which yielded significantly higher in interest than LAIF during the fiscal year due to its short-term investment strategy during a market environment with higher short-term federal treasury interest rates.
- Developed, presented, and received Board approval to comprehensively update the District's reserves policy establishing a range (minimum, target, and maximum) of targets compared to a singular target by fund, establishing priority level of reserve target categories (liquidity, stabilization, and contingency), establish reserve target funding timeline goals based on category priority, and establishing new target calculations based on industry best practices and debt management/issuance goals. The new Minimum reserve balance target for FY25 is \$13.2M, Target level is \$31.4M, and Maximum target is \$44.2M.
- Completed a five-year comprehensive financial projection and plan, including updated rate and debt actions necessary in light of the anticipated detachment from the SDCWA in mid-2024-25. These actions included the ability to only implement half or 4.5% of the 9% water rate increase included in the previous rate study adopted in June of 2023 for FY23-24 through FY27-28 for FY23-24 and hold that rate for 18 months through January 1, 2026 where the study had projected the District would require another 9% rate increase on July 1, 2025.
- Secured financing of \$10M with US Bank at 4.7% interest to fund the majority of water CIP projects for FY24-25 and 25-26, preserving the cash position and allow the District to be at or above the minimum target reserve level by the end of Fiscal Year 24-25.
- Secured financing of \$5M at 5.49% with City National/First American Bank for the \$16.2M Thoroughbred Lift Station to preserve low cash wastewater reserve cash balances.
- The District prepared an Annual Comprehensive Financial Report (ACFR) for FY 2022-23. The report was compiled in compliance with the Governmental Accounting Standards. The FY 2022-23 ACFR received the Government Finance Officers Association (GFOA) for the ACFR Certificate of Achievement for Excellence award.
- Received a clean audit opinion for FY 22-23.
- Compiled Annual Budget and was awarded by the by GFOA (8th consecutive year) – the Recognition of Distinguished Budget Presentation Award for the Fiscal Year 2023-24 budget.



## Financial Objective for FY 2024-2025

- Secure Financing for the \$15.8M exit fee to detach from the SDCWA.
- Continue to create a budget in compliance with GFOA recommendations, for the 9th consecutive year.
- Continue to prepare the ACFR in compliance with Governmental Accounting Standards and GFOA criteria requirements for the 5th consecutive year.

## Customer Service

The Customer Service Division serves as the front-line customer support working with ratepayers in person and in a call center setting. The Customer Service section of the department is primarily responsible for performing a variety of direct customer contact and office support activities supporting the servicing of customer accounts for water/wastewater service. Customer Service is responsible for processing requests for service, handling customer complaints, providing information, and educating the residents about rates and the District overall. The department provides information regarding beginning or ending service, billings for cash receipts, reimbursement payments, and related matters; takes required information from the customer to open, close, or modify service accounts, verifies information, and updates the customer profile as necessary. Within the administrative code, Customer Service may make recommendations for payment schedule adjustments and/or authorize standard refunds or adjustments, which are ultimately approved by an accounting supervisor. Customer Service prepares appropriate forms and notifies District field staff of the need for field activities such as turning the water service on and off, checking meter readings, and/or the need for meter service.

## Customer Service Major Accomplishments for FY 2023-2024

- Implemented new payment plans that do not require customers to pay penalties while on a payment plan.
- Implemented remote deposit for customer checks allowing instant receipt of funds and reducing probably of insufficient funds from delayed deposit.
- Updated pressure reducing valve acknowledgment forms to better inform customers of responsibilities and potential risks of leaks due to high system pressures.
- Achieved average call hold times of under 60 seconds
- Filed claim and received funds from State Water Arrearages Program totaling over \$116 thousand to directly pay down customers accounts that built past due balances during COVID-19.
- Implement IT enhancement allowing customer service department access to see in real time where operations staff are in the field and dispatch efficiently to address customer issues.
- Started implementing text message, rather than phone call only, notifications for water shutoff's due to mainline leak repairs.

## Customer Service Objectives for FY 2023-2024

- Maintain average call hold times to under 60 seconds
- Enhance collections process by assigning all customer service staff certain past due accounts to follow-up on.
- Reinstate collection enhancement effort of placing property liens on accounts with significantly delinquent past due balances.
- Simplify language and billing description for rates on water bills to enhance customer understanding



# Engineering

---

## Responsibilities

The Engineering Department encompasses the responsibility for the day-to-day operations and oversight of Engineering, and Engineering Customer Service for the District. The Engineering Department also provides technical support to Operations with record inquiries, GIS maps, water shutdown processing, construction coordination and project execution and inspection.





## Engineering Major Accomplishments for FY 23-24

- Projects in construction, Lift Station No. 1 Replacement Project.
- Completed the Live Oak Park Bridge water main relocation project.
- Process and shuttle several developer projects through design and or construction phases including the following:
  - ✓ Bonsall Oaks
  - ✓ Campus Park West
  - ✓ Ocean Breeze Ranch
  - ✓ San Luis Rey Training Center
  - ✓ Vista Valley Country Club
  - ✓ Pool Center
- Processed San Diego County availability letters and new water meter installs.
- Cleared heavy brush, tress and other vegetation on District properties and easements.
- Completed Annual Water Loss Audit.
- Finalized the report for the San Luis Rey Return Flow Recovery Project.
- Issued encroachment permits and acquired easements (ongoing).
- Resolved over 50+ facilities maintenance tickets.
- Commenced construction on the Wholesale Water Efficiency Projects.

## Engineering

The Engineering Department's specific responsibilities include: the management and execution of the Capital Improvement Program for water and wastewater, ensuring the timely completion and sound financial management of such projects, and inspection of construction of District facilities. Oversight and administration of District and developer projects through design and construction, to confirm that water and wastewater facilities conform to District standards and requirements. In addition, the Department inspects the construction of District facilities, and is responsible for the procurement and maintenance of easements throughout the District. Engineering develops and prepares complete procurement solicitation and schedules for Notice of Inviting Bids, Request for Proposals, and other projects. The Department processes and reviews improvement plans, grading plans, subdivision maps and engineer's cost estimates, prepares quantity and cost estimates for varied projects, prepares construction agreements, fee letters, contract documents, and other related legal documents relating to District improvements and developer projects, and acquires and reviews documents for conformance to District requirements. The Department maintains the District planning documents as well as develops and updates policies, procedures and guidelines for the current and future development of District water and wastewater systems.

Engineering Customer Service provides a wide variety of services to the public, which includes San Diego County Form processing, public inquires on facilities and projects, Geographical Information Systems (GIS), maps and record drawings. The Department is responsible for performing a variety of direct customer contact and office support activities supporting the payment of appropriate capacity fees for water and wastewater and inspection of the installation of new water and sewer infrastructure, and serves as a front-line customer support working with the public in person, over the phone, via email and in response to website inquiries. In addition, the team processes applications, fees, and deposits in coordination with the Customer Service Department, reads and interprets improvement plans and facility maps for a variety of information for the public, engineers, consultants, and other departments. Engineering also processes County documents related to water and sewer availability, agency clearance forms and other documents related to developments and explain regulations and policies and procedures to interested parties.

## Engineering Objectives for FY 24-25

- Complete construction for the Wholesale Water Efficiency Project.
- Complete construction for the Lift Station No. 1 Replacement Project.
- Update the District's water and wastewater master plans.
- Update the District's water and wastewater hydraulic models.
- Install manual transfer switches at Morro Hills, Rainbow Hills and Vallecitos Pump Stations.
- Relocate utility conflicts and obtain easements for existing District facilities on County-initiated projects, Bonsall Regional Park Project.
- Procure emergency generators for sewer lift stations.





# Information Technology

## Responsibilities

The Information Technology (IT) Department encompasses the Information Technology Manager, Information Systems Specialist, and two Electrical Technicians.

The IT Department oversees the implementation of district-wide software, assists other departments with finding technological solutions, and manages and maintains the District's cloud and local infrastructure. The Department also oversees the development of Information Technology policies for the District, provides guidance for the department on resolving issues with SCADA, users' computer issues, and deployment plans assists the with daily operations, and manages the department's budget to find more technically feasible and fiscally responsible solutions.

## Information Technology

The Information Systems Division performs information systems support related to end-users, desktop and network computer systems, hardware and software installation, and troubleshoots and maintains the District computer systems, and is responsible for the developing and maintaining of interfaces among District systems such as GIS, online and mobile GIS, Asset Management software, SCADA, finance software, and Automated Metering Infrastructure.

### Information Technology Major Accomplishments for FY 23-24

- Completed the implementation of Infor Mingle.
- Enhanced the District's cybersecurity and worked on implementing the District's Cyber Security Initiative.
- Completed the implementation of CSF and EAM integrations with IDM.
- Assisted the SCADA vendor with the installation of radios and switches.
- Worked on enhancing the Cybersecurity of the SCADA network.
- Installed a new security badge system for the District that is more cost-effective and easily maintainable.
- Completed the upgrade of our District's camera system.
- Upgraded our password management software.
- Replaced our internet service with a more cost-effective service, while maintaining existing bandwidth.
- Developed an emergency notification system to be used with staff when there is an emergency.
- Developed an in-house reverse-911 tool to allow us to notify our customers of Water shutdowns.
- Implemented Single Sign-On for multiple software.
- Developed FOG inspections for Wastewater crew.
- Developed a New Meter Install Application Tool to reduce the reliance on paper applications which results in a more efficient workflow.

### Information Technology Objectives for FY 24-25

- Continue enhancing the District's cybersecurity and implement the District's Cyber Security Initiative.
- Continue assisting the SCADA vendor with the installation of radios and switches.
- Enhance Cybersecurity on the SCADA network.
- Develop a solution for Employee Performance Evaluation workflow.
- Deploy and maintain patch management and inventory software.



## Technical Services

The Technical Services Division includes Electrical and SCADA Services, which is responsible for maintaining all electrical, electronic, instrumentation, associated control data networks, and SCADA systems and the networks that are used to supply water to District customers and systems that treat water. Additionally, the Electrical Services group continues to revise operating systems for efficiency and ease of operation and monitor District facilities for electrical violations and safety hazards to maintain an electrically safe environment.

### Technical Services Major Accomplishments for FY 23-24

- Added additional cameras at these remote sites Canonita Tank, Morro Reservoir, Rainbow Heights Pump Station, Hutton Tank and Rice Canyon Tank.
- Added Additional cameras at HQ to cover blind spots at Building 2 and Finance Building.
- Relocated SCADA equipment for protection from the environment at Canonita Tank.
- Installed and Calibrated new Flow Meters at Canonita Tank, Rice Tank, Gomez Tank.
- Added Battery backup panels to ensure power resiliency at Hutton Tank, Canonita Tank, Connection 8 and Connection 9.
- Added three additional radios at Rice Canyon Tank for Redundancy.
- Assisted Operations department in the installation and connecting Chlorine Analyzers at Canonita Tank and Rice Canyon Tank.
- Assisted in the setup of Thoroughbred Lift Station
- Assisted in the startup of new Generators at Gomez and Magee Pump Stations.
- Assisted in the replacement of the Main Circuit Breaker for Gomez Pump Station.
- Replaced Pump 1 & 3 Control Valve Wiring at Gomez Pump Station.
- Upgraded electrical feeds to mixer panels to accommodate the higher load.
- Powered up Pump Skid at the temporary Turner Pump site.
- Diagnosed and repaired issues with pump motors and electronics.
- Replaced Motor Starters at Rancho Viejo Lift Station
- Wired the Odor Control system at Horse Creek Ranch and Rancho Monserate Lift Stations.
- Installed Lights behind Building 2 to prevent break-ins.
- Replaced Starters at Morro Chlorine Station.
- Rainbow Hills Pump Station Motor Controls Replacement.
- Lift Station Motor Meg Testing.



### Technical Services Objectives for FY 24-25

- Added additional cameras at these remote sites Canonita Tank, Morro Reservoir, Rainbow Heights Pump Station,
- Add additional cameras at Sites.
- Upgrade Load Center at Sites.
- Add Battery backup panels for sites to ensure power resiliency.
- Assist in implementing a new Rapid Aerial Water Supply (RAWS) at Gomez Tank.
- Install and connect additional Chlorine Analyzers at Tanks.
- Install and Calibrate new Flow Meters at Tanks.
- Assist in the startup of the new Pump Stations.
- Assist in the startup of the Thoroughbred lift station.





# Construction

## Responsibilities

The Construction Department is dedicated to conducting its mission cooperatively and collaboratively. It is the District's largest department and often supports other departments, such as Meters, Valve Maintenance, and Wastewater. Construction emphasizes quality and safety and provides high-quality customer service. The most critical function of the construction crew is to maintain and repair the District's infrastructure. The Department tackles leaks and water main breaks to restore the water service promptly. A rapid response and execution are critical to reducing service interruption time. The Construction team responds to water emergencies 24 hours per day, year-round. Construction is vital to the District's ability to deliver safe and reliable water to ratepayers.

## Construction

In addition to the reactive responses to leaks, the Construction team also takes proactive measures by performing Capital Improvement Projects (CIP). The team consistently achieves CIP valve replacements to minimize the number of customers affected in future water shutdowns. The team installs new water lines to improve and expand the District's pipeline infrastructure. Construction also installs and upgrades Pressure Reducing Stations (PRS) to maintain lower pressures where possible.

Lastly, the Construction crew is responsible for locating water and wastewater pipes and marking them for contractors, residents, and other utilities. Successfully locating and marking out pipelines is essential to protecting RMWD's infrastructure. Locates are accomplished in collaboration with the 811 Dig Alert service and are regularly completed within two days of being called in.

### Construction Major Accomplishments for FY 23-24

- Projects in construction, Lift Station No. 1 Replacement Project.
- Installed two new pressure-reducing stations at Via Mariposa and Fire Rd.
- Upgraded the Atkins pressure station from 8-inch to 12-inch.
- Installed 80 feet of 12-inch pipe at Turner Tank to test a pump skid that moves water from Hutton to Gopher tank.
- Repaired 41 main breaks throughout the year.
- Removed a 30-inch butterfly valve and disabled a 30-inch plug valve at Beck Reservoir.
- Rehabilitated an RMWD and FPUD Interconnection at Mission Rd.
- Studied the viability of five new interconnects between FPUD and RMWD.
- Contributed to the Bonsall High School STEM program field trip to RMWD.
- Assisted the Wastewater department during atmospheric river events and supported the operation at the Lift Station and North River Road.
- Contributed to the Meters department by replacing and downsizing meters.

### Construction Objectives For FY 24-25

- Continue with District-Wide Pressure Management by installing pressure-reducing stations in suitable locations.
- Extend the lifespan of RMWD pipelines by installing sacrificial anodes whenever there are opportunities, such as during excavations.
- Install or replace 20 valves to minimize the number of customers affected by future water shutdowns.
- Clean and maintain the lower yard to promote professionalism and a safe workspace.
- Train all Construction Department staff to be proficient with pipe welding.
- Train all Department staff to operate heavy equipment safely and effectively.





# Meters

## Responsibilities

The Meters Department's primary function is to ensure timely and accurate meter readings and maintain the District's 8,901 water meters. Reading meters occur monthly, starting on the first working day of the month. The district's meters are primarily Automatic Meter Reading (AMR) meters. Reads are collected via a truck-mounted antenna and driving through routes to capture the data. The AMR meters allow for efficient radio reads, eliminating the need for manual reading and physical logging of each meter.

## Meters

The Meters team also serves as a field service representative. They are responsible for responding to service orders issued by the RMWD Customer Service department. Meters staff frequently responds to service requests, inquiries, and billing or read discrepancies. While carrying out these responsibilities, the team engages with the customer to address their requests or inquiries. When billing discrepancies occur, Meter staff can data-log the meter to illustrate water usage to the customer. If a meter is broken or under-registering, the team will repair or replace it to ensure accuracy.

The Meters team also safeguards the district's potable water system through an effective Cross-Connection Control (CCC) program. The team is responsible for annually testing all 4,933 backflows in the District to ensure State and Federal compliance. Backflow testing is performed by the CCC & Backflow Technician, as well as the Meter department staff. If a backflow fails its annual test, a repair notice is sent to the owner. Additional notifications are mailed to unresponsive customers. If the customer does not cooperate, the lock-off procedure is initiated. The Meters department is responsible for the entire CCC Program and its processes.

## Meters Major Accomplishments for FY 23-24

- Consolidated the reading schedule to read the entire district in two working days. A process that used to take weeks is now completed in two days.
- Meters worked with Information Technology to pinpoint and prioritize the meters that were under-registering. Using a systematic approach, the team replaced meters or registers to guarantee reading accuracy.
- Maintained a successful Cross Connection Control Program by testing all 4,933 backflows in the District and sending out failure notices, thus ensuring ratepayer compliance and a safe water supply.
- Enhanced the Department's capabilities in backflow testing, eliminating the need for contracted backflow testing services.
- Conducted a study to determine the feasibility of insourcing backflow repairs as a service to the ratepayers and presented the findings to the April E&O Committee meeting.
- Contributed to the Bonsall High School STEM program field trip to RMWD.
- Assisted the Wastewater department during atmospheric river events and the operation on North River and Old River roads.

## Meters Objectives For FY 24-25

- Continue with a successful Cross Connection Control Program by testing all backflow devices in the District, sending failure notifications, and stopping service to non-compliant customers.
- Continue research to identify broken or under-registering meters and replace them as needed.
- Consistently complete all meter readings within the first two working days of the month.
- Work with the Billing Specialist to consolidate and complete check bills within two weeks.
- Study and test Advanced Metering Infrastructure (AMI) to determine its feasibility at RMWD.





# Technical Services

## Responsibilities

The Senior Fleet Mechanic/Maintenance (Garage) provides maintenance and record keeping of all District Fleet, including all vehicles and heavy construction equipment. The district mechanic maintains the fleet daily, ensuring the fleet and equipment is operational 24 hours per day, seven days per week for customer service calls and emergency response. Additionally, this area maintains and repairs all other miscellaneous small equipment and field equipment. The district mechanic is responsible for researching specifications for new vehicles & equipment. This involves meeting with fabricators and ensuring vehicles and equipment are built to the district's requested specifications throughout upfitting.

## Technical Services Major Accomplishments for FY 23-24

- Arranged and monitored the surplus auction of vehicles and equipment to be replaced using GOVDEALS and recovered \$2,006.
- Involved in drafting specifications to equip and upgrade many vehicles with improved tool and equipment storage systems, safety lighting, and safety improvements.
- Met all requirements for the Bureau of Automotive Repair, California Air Resources Board (CARB), and Cal Recycle on Site Inspection.
- Met all California Periodic Smoke Inspection requirements for Diesel Powered ON ROAD Vehicles.
- Acquired California Council on Diesel Education and Technology (CDET) Certification to perform Diesel engine emissions testing in-house and purchased test equipment.
- Involved in defining the specifications, purchasing, and fitting a new work truck for the electrician, and working with the electrician to configure the vehicle to maximize efficiency.

## Technical Services Objectives For FY 24-25

- Add shelf storage, wiper blade, and wiring arrangements to parts rooms and keep them stocked and orderly.
- Arrange and monitor Diesel Particulate Filter cleanings. Perform capacity and smoke testing per the California Air Resources Board in-house.
- Purchase and install improved storage for waste oil and antifreeze cage spill kits and major clean-up equipment.
- Continue to maintain all on-road and off-road Fleet vehicles and small equipment in good working order and ensure they are safe and efficient.
- Work with the District Electrician on installing Electric Vehicle Charging systems for future vehicles that will be required by CARB. Also work on a pilot test of vehicles within the district. Ensure that the District Infrastructure and the Emergency backup generators will operate and sustain a major power outage without failure during the outage.
- Work with the District Electrician on the potential placement of EV charging stations at some of our work sites. The stations would be in strategic areas for future use as we implement electric vehicles.
- Gather all data on the mileage range needed by vehicles selected per department.
- Vehicle inspection and grading for vehicles that require replacement.
- Work on the best vehicles to start the transition into Electrification.
- Seek Manufacturer's Training on the Safety and Troubleshooting of Electric Vehicles and Charging Stations.





# Water System Operations and Valve Maintenance

## Responsibilities

System Operations is responsible for operating the potable water system to ensure reliable and sustainable deliveries to District ratepayers. To accomplish this, Water Operations utilizes a Supervisor Control and Data Acquisition (SCADA) system that controls water flow and storage through the District's distribution system. Additionally, this department performs various maintenance, monitoring and evaluations of the District's storage reservoirs, tanks, pump stations and chlorine/chloramine injection facilities. System Operators perform routine maintenance and repairs for all pumps in the distribution system.

## Water System Operations and Valve Maintenance

Water Quality is also a part of System Operations. The system operators are responsible for collecting routine samples used to monitor water quality in the distribution system. This includes specific sampling for California State Water Resources Control Board requirements, contractors and construction crews working on the District's pipelines. Other components of Water Quality include responding to customer water quality calls, pipeline flushing as well as the preparation of monthly, quarterly, and annual reports for the State Water Resources Control Board.

Valve Maintenance is responsible for the District's valve exercise program while maintaining all appurtenances such as fire hydrants, wharf heads, blow-offs and air release valves. Additionally, Valve Maintenance handles the upkeep of easements. Valve Maintenance ensures that distribution valves are operational and ready to isolate the water mains in emergencies, routine maintenance work and new construction projects. Valve Maintenance also assists with shutdowns for the construction/maintenance department and contractors by operating the valves that isolate the main lines.

## Water System Operations and Valve Maintenance Major Accomplishments for FY 23-24

- Industrial painted one (1) sites/pump stations.
- Industrial painted three (3) pressure stations.
- System Ops successfully installed four (4) 900ft injections lines at Morro reservoir for the chloramination process. This updated process separately injects chlorine and LAS directly into the body of the reservoir. District system operators have been able to achieve chloramine residual levels of up to 3.0ppm at 50ft in the body of the reservoir, these residual numbers were the ultimate goal of the district.
- Successfully operated as a proof of concept a temporary pump station at Turner tank property. This test was to prove the viability of pumping Hutton/Turner water directly into the Gopher tank. This test is a concept in lieu of the Oceanside Weese treatment plant pump station. System operators have been able to achieve an inflow into Gopher of up to 2,000 GPM on top of system demands.
- Five (5) distribution storage tanks were cleaned/washed out and disinfected.
- Replaced twenty-four (24) EFI pressure station isolation valves with new EFI warranty replacement valves.
- System Operators removed a 12" CLA-VAL from a non-operational site and repurposed it at Atkins to up-size it from an 8" straight pipe setup. The Construction crew installed the new larger CLA-VAL and System Ops installed the pilotry and successfully configured the valve to allow 24 CFS from Metropolitan versus the old max of 20 CFS on connection #8.
- Installed new Hach CL-10 analyzer at Canonita tank.
- System Ops procured a underwater (ROV) to capture video and pictures. The Water Resource Control Board mandated that we perform underwater dive inspections of the three (3) covered reservoirs. Using the new ROV, System Ops performed all of the dive inspections in-house, saving the District money.
- Valve maintenance turned/exercised over 1,400 valves.
- Valve maintenance staff input over 170 geo-viewer mapping corrections in our distribution mapping software.
- Beck Reservoir was successfully placed in official inoperable status by the Division of Safety of Dams. This was achieved by completing all the physical alterations required by the Division and then passing an inspection.
- Completed a Tri-annual Sanitary Survey with the Division of Drinking Water and completed/corrected all the action items set by the Division.



## Meters Objectives For FY 24-25

- Continue with a successful Cross Connection Control Program by testing all backflow devices in the District, sending failure notifications, and stopping service to non-compliant customers.
- Continue research to identify broken or under-registering meters and replace them as needed.
- Consistently complete all meter readings within the first two working days of the month.
- Work with the Billing Specialist to consolidate and complete check bills within two weeks.
- Study and test Advanced Metering Infrastructure (AMI) to determine its feasibility at RMWD.

## Water System Operations and Valve Maintenance Objectives FY 24-25

- Successfully test in a methodical fashion and operate all three of the new EFI pump stations after they're installed.
- Continue working with Engineering and construction to develop system pressure controls with the installation of above ground pressure stations.
- Construction and System ops work together to install new Heli-Hydrant in the Gomez area.
- Continue testing on the chloramination injection process for the Morro injection system. This is to include testing more efficient ways to inject to reduce chemical burn off which induces residual loss. Ideas can include injecting from the bottom of Res directly into mixer stream, adding another injection point in middle of Res, upgrading all our injection lines to UV rated Herco-Chems.
- System operations to continue to brainstorm and manipulate the distribution system in search of additional ways to get extra Metropolitan water to the southern region of the District to reduce and or eliminate our reliance on SDCWA connection water.
- Install new flow meter at Upper Lookout tank.
- Install an additional three (3) new Hach CL-10's chlorine analyzers at three distribution system storage tanks.



# Wastewater

## Responsibilities

The Wastewater Division protects public health and the environment by providing customers with reliable and sustainable wastewater collection and pumping services. This area is responsible for prudently accomplishing its duties by completing its tasks using effective management practices and ensuring an environmentally responsible operation.



Gomez Tank



## Wastewater Major Accomplishments for FY 23-24

- Consolidated the reading schedule to read the entire district in two working days. A process that used to take weeks is
- Process and shuttle several developer projects through design and or construction phases including the following:
  - ✓ Bonsall Oaks
  - ✓ Campus Park West
- Assist the Engineering Department with the completion of upcoming Capital Improvement Projects:
  - ✓ Thoroughbred Lift station review final plans 2023.
  - ✓ Wastewater department will receive training on VFDs and automation controls in 2023.
  - ✓ Campus Park Development review plans and provide feedback.
  - ✓ Operate Thoroughbred lift station & emergency storage to its fullest potential 2023-2024.
- New Statewide waste/discharge requirements general order WQ 2022-0103-DWQ for sanitary sewer systems. Effective June 05, 2023, into new implementation.
  - ✓ Regulatory Coverage transfer - 4-11-2023 certified District continuing coverage.
  - ✓ Six-year sewer system management plan update
  - ✓ System resilience
  - ✓ System performance analysis
  - ✓ Electronic Sanitary Sewer System service area boundary Map
  - ✓ Unintended failure to report
  - ✓ Duty to report to Waterboards
  - ✓ Enforcement provisions
  - ✓ Entry & Inspections
- Air Pollution Control District (APCD) - Data for EIS.
- USP Technologies treating Rainbow collection system with SulFeLox per odor control.
- Continue Odalog sewer odor reading assessments on the collection system. Control H2S buildup and minimize odor complaints.
- Provide and maintain preventative maintenance to seven sewage lift stations and one flow meter station (1- A new additional lift station will come online in January 2024, Thoroughbred).
- Fats, oils, and grease (FOG) inspections. Provide outreach practices to 43 Food Service establishments (FSE) and residents.
- Manhole interior rehabilitation repairs. Budgeted (10) manholes for rehab. repairs.
- Manage and maintain collection sewer easements.
- Rancho Viejo generator rebuilt cylinder heads, and new engine bolts.
- Mutual Services Agreement between Fallbrook Public Utility District and Rainbow Municipal Water District. (FPUD Sewer combination truck vector usage).
- 15" VCP warranty inspection North River Road - Sewer line cleaning and CCTV inspections 3 miles.
- The contractor provides 25% CCTV Inspections of the collection system, minimizing exfiltration and infiltrating sewer manholes and lines.
- Maximize sewer trailer jetter cleaner under 12" sewer pipes along residential areas.
- Continue with confined space rescue training in-house and outside agencies for emergency preparations.

## Wastewater Objectives for FY 23-24

- Consolidated the reading schedule to read the entire district in two working days. A process that used to take weeks is
- Assist the Engineering Department with completing upcoming Capital Improvement Projects 2024-2025.
- CIP for a new replacement generator at Rancho Viejo. Per the APCD field inspection, the current portable unit expires in January 2025.
- The wastewater department will receive training on VFDs, Cat generators, MCC electrical building, Lift station operational equipment, and automation controls in 2024.
- A 2-year internal Sewer System Management Plan audit will be completed in March 2025
- Sanitary Sewer System - Annual Report Data completed/certified April 2024.
- Monthly Certifications of "No Spills" Categories 1- 4.
- Maintain and continue quarterly sampling & flows per the City Of Oceanside & Rainbow mwd maintenance and operations of wastewater, transmission, and treatment agreement.
- Sanitary Sewer System General order Sewer System Management Plan Audit due date: August 02, 2025, Draft LRO needs to be uploaded to the CIWQS database. Rainbow Municipal Water District WDID # 9SSO10687.
- Statewide waste/discharge requirements for general order WQ2022-0103-DWQ for sanitary sewer systems. Effective June 5, 2023, into new implementation.
  - ✓ District staff and LRO will build and update the required implementation draft by August 2025. Section numbers 3, 4, 5 & 6 specifications.
  - ✓ Update the following sections: (3.1, 3.2, 3.3, 3.4, 3.5, 3.6-4.1, 4.2, 4.35.1, 5.2, 5.3, 5.4, 5.5, 5.6, 5.7, 5.8, 5.9, 5.10, 5.11, 5.12, 5.13, 5.14, 5.15, 5.16, 5.17, 5.18, 5.19-6.1, 6.2, 6.3, and 6.4).
- Air Pollution Control District (APCD) - Maintain accurate documentation per Rule 11 permit requirements, including annual oil and air filter changes.
- USP Technologies will treat the Rainbow collection system with SulFeLox odor control. A 15-day odor trial from Horsecreek to Old River Road lift station will be treated and completed before July 01, 2024 with a full implementation of an odor control program.
- Continue Odalog sewer odor reading assessments on the collection system. Control H2S buildup and minimize odor complaints, concentrating in older neighborhoods with older collection systems.
- Provide preventative maintenance to eight sewage lift stations and one flow meter station (Thoroughbred L/S and emergency storage basin will come online in late June 2024). After acceptance by the district wastewater division to operate the Thoroughbred lift station and emergency storage to their fullest potential in 2024.
- Fats, oils, and grease (FOG) inspections. Provide outreach practices to 43 current and two new Food Service Establishments (FSE).
- Manhole interior rehabilitation repairs. Budgeted (10) manholes for rehabilitation repairs 2024-2025.
- Manage and maintain collection sewer easements.
- Increase contractor CCTV inspections from 25% to 30%. Inspections of the collection system, minimizing exfiltration and infiltrating sewer manholes and sewer lines.
- Maximize sewer trailer jetter cleaner under 12" sewer pipes along residential areas, including continual water truck rental.







# Glossary

**Accrual Basis of Accounting:** The basis of accounting under which transactions are recognized when they occur, regardless of timing of cash receipts and disbursements.

**Adopted Budget:** The official budget as approved by the Board of Directors at the start of each fiscal year.

**Amended Budget:** The adopted budget as amended by the Board of Directors through the course of the fiscal year.

**Balanced Budget:** A budget in which planned expenditures do not exceed planned funds available.

**Bond:** A security whereby an issuer borrows money from an investor and agrees and promises, by written contract, to pay a fixed principal sum on a specified date (maturity date) and at a specified rate of interest.

**Budget:** A plan of financial operation comprised of estimated expenditures for a given period (usually a single fiscal year) and the proposed means of financing the expenditures (through revenues).

**Capital Budget:** A budget which focuses on capital projects to implement the Capital Improvement Program.

**Capital Expense/Expenditure:** An acquisition or an improvement (as distinguished from a repair) that will have a life of more than one year and costs more than \$10,000.

**Capital Improvement Program:** A plan for the capital improvements to be implemented each year over a number of years to meet capital needs arising from the assessment of long-term needs. It sets forth the estimated cost for each project and specifies the resources required to finance the projected expenditures.

**Capital Improvement Project:** The budget unit to group activities and costs necessary to implement a specific capital improvement and/or acquisition. A project can include the construction, acquisition, expansion, replacement, or rehabilitation of a physical facility or improvement. Projects often include planning and design, land acquisition, and project management costs related to such facilities and improvements.

**Department:** A major organization group of the District with overall management responsibility for an operation or a group of related operations within a functional area.

**Expenses:** Decreases in net total assets. Expenses represent the total cost of operations during a period regardless of the timing of regardless of the timing of related expenditures.

**Fiscal Year:** A 12-month period to which the annual operating budget applies and at the end of which an entity determines its financial position, the results of its operations, and adopts a budget for the coming year. The District's fiscal year is from July 1 to June 30.

**Fixed Assets:** Equipment costing \$10,000 or more, including tax, with a useful life longer than one year, and not qualifying as a capital improvement project. Includes automotive equipment, office equipment, office furniture, acquisitions, landscaping improvements, etc.

**Fund:** An independent fiscal and accounting entity with a self-balancing set of accounts, recording resources, related liabilities, obligations, reserves and equities segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

**Fund Balance:** The equity (assets minus liabilities) of governmental fund and fiduciary fund types.

**Generally Accepted Accounting Principles (GAAP):** Uniform minimum standards of and guidelines for financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP encompasses the conventions, rules, and procedures necessary to define accepted accounting practices at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures.

**Government Finance Officers Association (GFOA):** Founded in 1906, it is the premier association for public-sector finance professionals in the United States and Canada.

**Governmental Accounting Standards Board (GASB):** The independent organization that establishes and improves standards of accounting and financial reporting for U.S. state and local governments.

**Payroll Expenses:** Compensation paid to or on behalf of District employees for salaries and wages, overtime and benefits.

**Revenue:** Moneys that the District receives as income such as payments for water consumption, shared revenues and interest income.





## About Rainbow Water

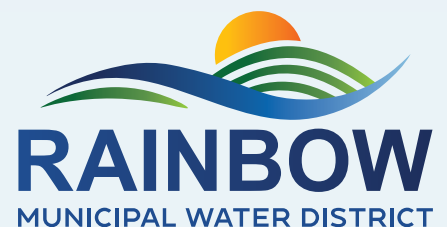
Founded in 1953, Rainbow Water treats and delivers water to over 8,800 water customers and 3,260 sewer customers within an 82-square mile service area. As a small government agency, Rainbow Water works tirelessly to maintain service 24 hours a day and 365 days per year.

### Mission

To provide our customers reliable, high quality water and water reclamation service in a fiscally sustainable manner.

### Core Values

Integrity, Professionalism, Responsibility, Teamwork, and Innovation.



3707 OLD HIGHWAY 395, FALLBROOK, CA 92028  
760.728.1178 | [RAINBOWMWD.CA.GOV](http://RAINBOWMWD.CA.GOV)