



FALLBROOK PUBLIC UTILITY DISTRICT
MEETING OF THE FISCAL POLICY AND INSURANCE COMMITTEE

AGENDA

PURSUANT TO WAIVERS TO CERTAIN BROWN ACT PROVISIONS UNDER EXECUTIVE ORDERS ISSUED BY GOVERNOR NEWSOM RELATED TO THE COVID-19 STATE OF EMERGENCY, THIS MEETING WILL BE CONDUCTED VIA TELECONFERENCE USING THE BELOW INFORMATION, AND THERE WILL BE NO PHYSICAL LOCATION FROM WHICH MEMBERS OF THE PUBLIC MAY PARTICIPATE.

INSTEAD MEMBERS OF THE PUBLIC ARE ENCOURAGED TO PARTICIPATE IN THE COMMITTEE MEETING VIA TELECONFERENCE USING THE BELOW CALL-IN AND WEBLINK INFORMATION

MEMBERS OF THE PUBLIC MAY ALSO SUBMIT PUBLIC COMMENTS AND COMMENTS ON AGENDA ITEMS IN ADVANCE IN ONE OF THE FOLLOWING WAYS:

- BY EMAILING TO OUR BOARD SECRETARY AT LECKERT@FPUD.COM
- BY MAILING TO THE DISTRICT OFFICES AT 990 E. MISSION RD., FALLBROOK, CA 92028
- BY DEPOSITING THEM IN THE DISTRICT’S PAYMENT DROP BOX LOCATED AT 990 E. MISSION RD., FALLBROOK, CA 92028

ALL COMMENTS SUBMITTED BY WHAT EVER MEANS MUST BE RECEIVED AT LEAST ONE HOUR IN ADVANCE OF THE MEETING. ALL COMMENTS WILL BE READ TO THE BOARD DURING THE APPROPRIATE PORTION OF THE MEETING. PLEASE KEEP ANY WRITTEN COMMENTS TO 3 MINUTES. THESE PUBLIC COMMENT PROCEDURES SUPERSEDE THE DISTRICT’S STANDARD PUBLIC COMMENT POLICIES AND PROCEDURES TO THE CONTRARY.

AUDIO CALL-IN +1 (408) 418-9388
ACCESS CODE 622 895 948
AUDIO PASSWORD 66586734

<https://fallbrookpublicutilitydistrict.my.webex.com/fallbrookpublicutilitydistrict.my/j.php?MTID=mbcfb076b62b86268abc032dc15a7dc85>

WEDNESDAY, APRIL 22, 2020
1:00 P.M.

FALLBROOK PUBLIC UTILITY DISTRICT
990 E. MISSION RD., FALLBROOK, CA 92028
PHONE: (760) 728-1125

If you have a disability and need an accommodation to participate in the meeting, please call the Secretary at (760) 999-2704 for assistance.

I. PRELIMINARY FUNCTIONS

CALL TO ORDER / ROLL CALL

PUBLIC COMMENT

II. ACTION / DISCUSSION ----- (ITEMS A – D)

- A. CONTINUED NEED FOR UTILIZATION OF LONG-TERM RESERVES CURRENTLY HELD IN LAIF TO BRIDGE FUND THE SANTA MARGARITA CONJUNCTIVE USE PROJECT
- B. ANALYSIS OF RESIDENTIAL AND MULTI-FAMILY SEWER BILL CALCULATION METHODOLOGY
- C. REVIEW OF PRELIMINARY DRAFT FISCAL YEAR 2020-2021 OPERATING AND CAPITAL BUDGET EXPENDITURES
- D. FOLLOW UP DISCUSSION FROM BOARD MEETING ON REGIONAL CONVEYANCE SYSTEM STUDY

III. ADJOURNMENT OF MEETING

* * * * *

DECLARATION OF POSTING

I, Lauren Eckert, Executive Assistant/Board Secretary of the Fallbrook Public Utility District, do hereby declare that I posted a copy of the foregoing agenda in the glass case at the entrance of the District Office located at 990 East Mission Road, Fallbrook, California, at least 72 hours prior to the meeting in accordance with Government Code § 54954.2.

I, Lauren Eckert, further declare under penalty of perjury and under the laws of the State of California that the foregoing is true and correct.

April 17, 2020
Dated / Fallbrook, CA

/s/ Lauren Eckert
Executive Assistant/Board Secretary

M E M O

TO: Fiscal Policy & Insurance Committee
FROM: David Shank, Assistant General Manager/CFO
DATE: April 22, 2020
SUBJECT: Continued need for Utilization of Long-Term Reserves Currently Held in LAIF to Bridge Fund the Santa Margarita Conjunctive Use Project (SMCUP)

Purpose

Provide temporary funding for SMCUP during the lag time between paying project invoices to contractors and the receipt of State loan funds. This has been a challenge and initial indications were that the invoice processing by the State would be faster than they are turning out to be.

Summary

After repeated update requests, staff have determined that the State's invoice processing timeframe is not going to align reimbursement with the timing of the payment to the contractors. This means that the District is going to have to pay invoices prior to receipt of the loan funds. The State funds could lag 1 or more months behind the District payment of an invoice. This creates a significant operating cash flow shortfall for a project of this magnitude.

To manage this, Staff are requesting that the Long-term Reserves kept in LAIF to fund the SMCUP expenditures. A breakdown of the SMCUP expenditures and reimbursements is provided below:

- Total SMCUP Invoices (as of 4/16/2020) – \$11.9 million
- Reimbursements from the State - \$5.1 million
 - Long-Term Reserves - \$4.2 million
 - Operating Cash - \$0.9 million
- Pending Reimbursement from the State (Funded from Operating) - \$2.9 million
- Invoices received but not yet paid - \$4 million

The use of LAIF funds will be tracked and reimbursement of those funds tracked and returned to the LAIF account.

Recommended Action

Approve the use of the Long-term Reserves (LAIF) to fund the SMCUP expenditures.

M E M O

TO: Fiscal Policy & Insurance Committee
FROM: David Shank, Assistant General Manager/CFO
DATE: April 22, 2020
SUBJECT: Analysis of Residential and Multi-Family Sewer Bill Colocation Methodology

Purpose

Review the current methodology used to calculate the billable sewer flow for residential and Multi-family accounts. The methodology was developed as part of the 2017 Rate and Charge Study and used an average to dry year to calibrate the Residential and Multi-Family Return to Sewer (RTS) Factor. The RTS adjusts total water use for outdoor water use to estimate indoor water use. The only indoor water use is returned to the sewer system and billed. Initially the methodology used a single winter to calculate the average monthly water use. However, the new methodology was implemented following a wet year so water use was down and the RTS calculated billable sewer flows that significantly reduced. To adjust for this the following year the methodology was modified to use a two-year average. The longer average reduced the impact a single year had on the billable sewer flows.

Summary

While the two-year average helped better match the actual flows to billable flows, the two-year average continues to decline and is down 10.5% for calendar year 2021. While sewer flows at the plant have remained static, the billable flow amount continues to decrease driven by changes in water use and a static RTS factor. This means we continue to not bill for all the flows treated at the Water Reclamation Plant and under-collect revenues.

Even though it appears there may need to be an adjustment to the methodology to match billable flows to actual flows, which would require a Proposition 218 process, given the current state of affairs both regionally and nationally, staff is recommending that the Committee consider extending the two-year average to a 3-year average. This will maintain billable flows near the current level and provide some additional time to determine a methodology that better ties billable flows to actual flows and evaluate alternative methodologies for sewer customers.

The table below summarizes the billable flows using the 2-year Average for CY 2020 and 2021 to show the change in billable flows with the current mythology. The table also shows the billable flow using a 3-year average. All of these can be compared to the estimated flows calculated for the 2017 Rate and Charge Study, which is still consistent with current actual plant flows.

Billable Sewer Flows				
User Class	Rate Study	2-Year Average		3-Year Average
		CY 2020	CY 2021	CY 2021
D	279,638	260,359	223,904	256,838
LD	11,376	9,675	8,397	10,236
M	143,703	131,553	127,017	131,040
Total	434,717	401,587	359,318	398,113

As shown in the Table we anticipated that Domestic (D), Large Lot Domestic (LD) and Multifamily (M) accounts would contribute and be billed for a total of 434,717 gallons and although they are contributing this amount we are currently only billing for 92% of the flow. If we continued with a 2-year average we would only bill for 82% of actual flows. If we go with a three year average we will continue to bill for about 92% of actual flows.

Recommended Action

That the Committee support using a three-year average for determining billable flows for Domestic, Large Lot Domestic and Multifamily accounts.

M E M O

TO: Fiscal Policy & Insurance Committee
FROM: Jack Bebee, General Manager
 David Shank, Assistant General Manager/CFO
DATE: April 22, 2020
SUBJECT: Review Preliminary Draft Fiscal Year 2020-21 Operating and Capital Budget Expenditures

Purpose

As laid out in the District's budget development process, the initial steps in developing an annual budget include staff and management developing and reviewing the preliminary operating and capital budgets. This is followed by the Committee's review and consideration. The review is intended to provide detailed cost data and solicit the Committee's feedback and comments. Staff has taken some initial steps to reduce planned expenditures due to the current financial situation relative to the covid-19 pandemic, but no major changes have been made until there is additional discussion with the Committee.

Summary

Staff have developed the preliminary Fiscal Year 2020-21 annual budgets for the following:

Operating Budget

1. **Labor** – The labor budget includes staff non-capital salary expenditures for the fiscal year
2. **Non-labor** – This includes any expenditures for the year that are not labor related and includes services, equipment, materials and training.
3. **Benefits** – The District's expected expenditures for health care, pension and other District provided benefits
4. **Debt Service** – The Districts debt payment schedule

Capital Budget

5. **Capital Improvement Program Budget** – This is the updated capital expenditure projection for the next 10-years.

OPERATING BUDGET:

Attachment A provides the Preliminary Draft Fiscal Year 2020-21 Operating Budget's labor and non-labor expenses and benefit allocations for the District's Services. The attachment includes the District's Services which include Administrative (two pages), Water, Recycled Water and Wastewater Services. The tables show the actual expenditures for Fiscal Year 2018-19, the budgeted and projected Fiscal Year 2019-20 expenditures and the Fiscal Year 2020-21 preliminary draft budget.

The District's labor expense includes a full labor year or 2080 hours plus any overtime assigned to that Division. The Fiscal Year 2019-20 projected salary expense takes into account current salary levels and vacant positions. It is important to note that the Fiscal Year 2019-20 labor budget was developed prior to the Memorandum of Understanding (MOU) between the Board and staff. The MOU included a Cost of Living Adjustment (COLA) for staff. Based upon the year end projection,

staff expect salary costs to be approximately \$96,000 over the budgeted level. The impact of the COLA was offset by vacancies and the elimination of a FTE position.

There are no additional positions included in the Fiscal Year 2020-21 preliminary salary budget. The Budget also assumes current unfilled positions will remain unfilled the first half of Fiscal Year 2020-21 as part of an effort to reduce our labor costs. It is also important to note that the new account structure provides more budget related data and is enabling managers/supervisors to better see and budget their expenditures. Some changes to labor allocations have been made to better align expenditures with cost of service principles this is noted. Overall operating labor costs are unchanged from the prior budget, which includes projected salary expenses.

The District's non-labor expenditures are were held flat. The non-labor expenses are broken into seven main categories to make the budget more reader friendly. The expense categories include Director Expenses, Contractor Services, Materials/Services/Supplies, Professional Services, Membership/Training/Permit, Santa Margarita Watermaster and Utilities. The new accounting structure has really improved the ability to see the District's expenditures. Staff have comminuted to refine budgets and tracking expenditures. Attachment E is a summary of significant (greater than 5%) change budget to budget in any line item. It should be noted that Wastewater saw an increase due to additional Lab Supplies & Services costs to maintain ELAP certification (New State program for lab certifications), increased QA/QC/ supplies and increased outside laboratory monitoring costs from new NPDES permit. Other increases in Wastewater were due to costs associated with new NPDES permit (plume tracking plan and study, HF-183 monitoring, etc.). District has appealed the permit but the Budget assumes appeal is not upheld.

The District's total benefit budget, which includes both operating (89%) and capital (11%) portions and is shown in Attachment B, is increasing 5.8%. Approximately 79% or \$178,157 of the \$225,356 increase is due to increased budgeted health insurance costs and pension related costs. The increase in health insurance costs is driven by the insurance options elected by staff as opposed to increases in provider premiums. The increase in pension related costs are driven by CalPERS policies. The Board could elect to offset the Pension and or medical insurance related increases by decreasing its voluntary contribution to the District's Pension/OPEB Liability Trust.

The total District operating labor, non-labor and benefit expenditures are shown in the table below. Overall the increase in these expenditures budget to budget is relatively flat with an increase of 1.5%. Looking at Fiscal Year 2019-20 Projected expenditures, staff are currently projecting a \$323,646 surplus in the budget appropriations. At this point, staff is not asking for any changes to the budget appropriations.

	FY 2018-19	FY 2019-20		FY 2020-21	Bgt to Bgt
	Actuals	Budget	Projected	Recommended	% Change
Salaries	5,111,090	5,324,861	5,420,878	5,316,951	-0.1%
Non-Labor Expense	4,565,405	4,509,670	4,088,997	4,515,332	0.1%
Operating Expense Total	9,676,495	9,834,531	9,509,875	9,832,283	0.0%
Benefits Expenditures (Ops)	2,899,667	3,425,369	3,425,369	3,625,253	5.8%
Total	\$12,576,162	\$13,259,901	\$12,935,244	\$ 13,457,536	1.5%

The District's debt service schedule and payments for Fiscal Year 2020-21 are provided in Attachment C. The debt service payment for Fiscal Year 2020-21 is shown below the debt service schedules and is increased by the expected debt service related to the Santa Margarita Conjunctive Use Project related debt.

CAPITAL BUDGET:

Utility districts require long-term investments in extensive capital facilities. The District maintains over 370 miles of buried water and sewer pipe that must be maintained and replaced. The District also has pump stations, lift stations and treatment facilities that require significant expenses to replace and maintain. It is critical to develop plans to reduce the overall cost of operating these facilities by completing pro-active capital projects to replace and rehabilitate these assets versus waiting for system failures. A well-planned Capital Program is critical to the long-term stability of the District.

The annual Capital Improvement Budget is used to implement the District's long-range capital goals. These goals are developed using the District's Strategic Plan, Urban Water Management Plan, Asset Management Plan and Master Plans. These plans are utilized to develop the lowest lifecycle cost to meet water and wastewater needs and maintain system reliability for the District's customers. Projects are selected based on prioritized needs versus available capital funds. Individual project costs are estimated based on current construction cost information. While some projects are well into the design phase and costs can be fairly accurately estimated, others are based on early stage planning estimates. Additionally, unforeseen changes to priorities can result from changing materials and construction costs, pipeline failures, extreme weather, etc. Changing conditions resulting from these complexities can alter the individual project priorities. Continuous capital project updates are provided throughout the year to provide key performance metrics and to inform the board and the public of any changes to priorities. The proposed capital budget is shown on the table in Attachment D.

Capital Project Summary for Fiscal Year 2020-21

The most significant on-going component of the capital program is replacement of aging infrastructure. In addition to rehabilitation, the construction of the \$55 million SMRCUP spanning Fiscal years 2019-20, 2020-21, and 2021-22 constitutes a large, one-off project that will provide a long-term cost effective local water supply. Other key capital projects scheduled for Fiscal Year 2020-19 are summarized on the following pages.

Water Capital Projects

District construction staff will continue with valve replacement projects to reduce outage impacts of breaks and failures. Replacement of ageing and failing pipelines will also continue. The major pipeline projects for Fiscal Year 2020-21 include:

- Completion of 2,500 linear feet of 12" piping along Winter Haven Road, a portion of which will be relocated out of an inaccessible right of way into the existing street. The project is currently underway and may be completed before the end of the current fiscal year but will likely extend into early August.

- Replacement of approximately 1,000 linear feet of the Gumtree Pipeline, a 20-inch transmission main that conveys water from Red Mountain to Gheen Reservoir. This line has multiple above grade creek crossings that have deteriorated and required multiple repairs in areas that are challenging to access. Ideally, the pipe can be partially realigned to avoid some of the existing creek crossings depending on ability to acquire right-of-way.
- Initiate replacement of 2,650 linear feet of 12" piping along Winter Haven Road between Havencrest and Sunnycrest Roads. This is the next phase of the current Winter Haven Road Pipeline Replacement project.

Other Significant projects planned for the upcoming fiscal year:

- The existing Toyon Pump Station was built in 1982 and has exceeded its useful life. It serves 63 accounts in the Toyon Service area, above Red Mountain Reservoir. The planned replacement will be constructed near the UV Plant, consolidating district facilities at the Red Mountain Site.
- Planning/Design for De Luz/Sachse Pump Station. Once SMRCUP is online, there will be periods of time when 100% of the District demands can be met by Santa Margarita water. A new pump station is needed to deliver water from Red Mountain Reservoir to the De Luz/Sachse service areas.
- Recoating of the 2.8 MG Tank in the De Luz area. The 2.8 MG Tank is the last of the Districts 8 steel reservoirs to be recoated as part of the reservoir coating program implemented over the last 10 years.
- The SMRCUP was awarded for construction in July of 2019. As of April 1, 2020, construction is approximately 20% complete and is on schedule to start up in the fall of 2021
- In accordance with the Meter Replacement Program Budget, the District will complete the fifth year of a six year program to replace existing Automatic Meter Reading (AMR) meters with Advanced Metering Infrastructure (AMI) meters to provide for real time data collection and alerts
- Ongoing SCADA improvements to improve automation and remote control of the system.

Wastewater/ Recycled Capital Projects

As part of the long-term sewer system replacement plan, the focus will be on relining/replacing deteriorating sewer mains and continuing upgrades to the Overland Trail Lift Station (OTLS). The OTLS Improvements project was awarded in December 2019. The contractor is currently procuring long lead items and will mobilize to the site in early May. Work is scheduled to be completed in December 2020. The project will address needed maintenance while improving operational efficiencies by eliminating the Anthony's Corner Lift Station.

At the Water Reclamation Plant (WRP), the headworks cover replacement scheduled for the current year will not be completed until the coming fiscal year due to procurement delays. With that

in mind, some smaller equipment replacements that were scheduled for next year are being prioritized in the final few months of the current year. Additionally, needed repairs to the secondary and tertiary storage pond liners will be made, as well as significant SCADA control improvements.

For the recycled water system, five aging below grade confined space air release/vacuum valve vaults will be replaced with new above grade air valves. Remote pressure monitoring capabilities will be added in strategic locations. The biggest recycled system project is the continuation of the water supply reliability feasibility effort currently underway.

Project List

Water

- Valve Replacement Program
- Winter Haven 12" Pipeline Replacement (completion of construction started in FY19/20)
- Gum Tree 20" Pipeline Replacement
- Winter Haven Phase 2 12" Pipeline Replacement
- De Luz Pipeline Projects - Ross Lake Pressure Reducing Station
- Toyon Pump Station Replacement
- Meter Replacement Program
- Red Mountain Reservoir Liner Condition Assessment
- De Luz/Sachse Pump Station Design
- 2.8 MG Steel Tank Recoating
- SCADA and Security Upgrades
- Santa Margarita Conjunctive Use Project

Wastewater

- Sewer Main Relining Project
- Overland Trail Lift Station Rehabilitation
- Outfall Rehabilitation

Recycled Water

- Water Reclamation Plant
 - Headworks Cover Replacement
 - Pond Liner Repairs
 - Conveyor SCADA Automation
- Recycled System Air Release/Vacuum Valve Replacement
- Remote Pressure Monitoring SCADA Upgrades
- Groundwater Augmentation Pilot Project

Administration

- Fleet and Heavy Equipment Program
- District Yard and Office Facilities
 - Replace Main Office Security Fencing
 - Yard Office Renovations
 - Office Key Fob System Upgrade
 - Warehouse Roll Up Door Replacement
 - As Needed Spot Roof Repair

- Enterprise Asset Management Implementation
 - CCTV Software Upgrade
 - Remote Field Devices

As part of the discussion with the committee some capital projects could be deferred to help reduce the overall budget expenditures. Given our growing need for pipe and valve replacement, it is recommended to not defer any of those projects as it just shifts costs to emergency repairs.

Next steps:

Any comments or changes requested by the Committee will be incorporated and a more complete draft document provided for an early May Committee meeting. It should be noted that the revenues and financial projections can only be developed once the San Diego County Water Authority's rates and the District's fixed charge allocations are available. Staff anticipate having a Final Draft Fiscal Year 2020-21 Budget for the Committee to review in early June.

The following Attachments have been included to provide time to review in advance of the meeting:

- Attachment A – Draft Fiscal Year 2020-21 Operating Budget labor and non-labor expenses and benefit allocations for the District's Services
- Attachment B – Draft Fiscal Year 2021-21 benefit expenditures.
- Attachment C – Fiscal Year 2021-21 debt service schedule.
- Attachment D – District Capital Improvement Plan and Example Project Summary Sheet
- Attachment E – Summary of Significant Percent Changes by Budget Category

Recommended Action

This item is for discussion only. No action is required.

Attachment A

FPUD Expense Summary
Fiscal Year 2018-19 Operating Budget

Description	Div	FY 2018-19		FY 2019-20		FY 2020-21	% Change
		Actual	Budget	Projected	Budget	Bgt to Bgt	
Administrative Services							
Office of the General Manager	50						
Labor Expenses:							
Salaries		\$ 471,350	\$ 449,438	\$ 492,201	\$ 431,934		-3.9%
Non-Labor Expenses:							
Director Expenses		33,527	40,000	31,522	40,000		0.0%
Contractor Services		14,757	13,320	15,404	12,700		-4.7%
Materials/Services/Supplies		77,654	52,800	100,281	68,300		29.4% 1-1
Equipment (Non Capital)		2,987					0.0%
Professional Services		286,214	240,000	279,408	316,000		31.7% 1-2
Memberships/Training/Permits		85,181	94,400	88,000	96,600		2.3%
Santa Margarita Watermaster		114,059	115,000	120,425	123,429		7.3% 1-3
Total Non-Labor		<u>\$ 614,379</u>	<u>\$ 555,520</u>	<u>\$ 635,040</u>	<u>\$ 657,029</u>		18.3%
				\$ 79,520			
Division Operating Total		<u>\$ 1,085,729</u>	<u>\$ 1,004,958</u>	<u>\$ 1,127,241</u>	<u>\$ 1,088,963</u>		8.4%
Finance & Customer Service							
	53/54						
Labor Expenses:							
Salaries		\$ 652,647	\$ 671,504	\$ 744,674	\$ 757,348		12.8% 1-4
Non-Labor Expenses:							
Contractor Services		25,986	14,000	18,380	19,000		35.7% 1-5
Equipment (Non Capital)		2,686	4,000	5,277	4,000		0.0%
Materials/Services/Supplies		221,960	193,200	194,318	195,700		1.3%
Professional Services		151,333	145,500	124,443	136,000		-6.5% 1-6
Memberships/Training/Permits		3,373	3,000	2,059	2,700		-10.0% 1-7
Utilities		-	-	-	-		NA
Total Non-Labor		<u>\$ 405,338</u>	<u>\$ 359,700</u>	<u>\$ 344,477</u>	<u>\$ 357,400</u>		-0.6%
Division Operating Total		<u>\$ 1,057,985</u>	<u>\$ 1,031,204</u>	<u>\$ 1,089,151</u>	<u>\$ 1,114,748</u>		8.1%
Warehouse & Purchasing							
	60						
Labor Expenses:							
Salaries		\$ 166,186	\$ 162,550	\$ 188,105	\$ 169,919		4.5%
Non-Labor Expenses:							
Contractor Services		102,455	108,000	110,000	115,000		6.5% 1-8
Equipment (Non Capital)		1,910	3,500	4,025	4,000		14.3% 1-9
Materials/Services/Supplies		104,927	80,450	124,640	98,450		22.4% 1-10
Professional Services		-	-	-	-		NA
Memberships/Training/Permits		308	1,000	795	1,000		0.0%
Utilities		45,571	40,000	51,444	45,000		12.5% 1-11
Total Non-Labor		<u>\$ 255,171</u>	<u>\$ 232,950</u>	<u>\$ 290,904</u>	<u>\$ 263,450</u>		13.1%
Division Operating Total		<u>\$ 421,357</u>	<u>\$ 395,500</u>	<u>\$ 479,009</u>	<u>\$ 433,369</u>		9.6%
Human Resources							
	70						
Labor Expenses:							
Salaries		\$ 186,551	\$ 169,083	\$ 217,424	\$ 198,212		17.2% 1-12
Non-Labor Expenses:							
Contractor Services		4,722	43,200	30,649	31,325		-27.5% 1-13
Equipment (Non Capital)		-	-	-	-		NA
Materials/Services/Supplies		19,937	21,300	16,323	17,400		-18.3% 1-14
Professional Services		16,292	10,000	15,000	10,000		0.0%
Memberships/Training/Permits		86,738	91,450	72,191	95,950		4.9%
Education Funding		-	30,000	1,748	30,000		0.0%
Utilities		-	-	-	-		NA
Total Non-Labor		<u>127,689</u>	<u>195,950</u>	<u>135,911</u>	<u>184,675</u>		-5.8%
Division Operating Total		<u>\$ 314,240</u>	<u>\$ 365,033</u>	<u>\$ 353,335</u>	<u>\$ 382,887</u>		4.9%

FPUD Expense Summary
Fiscal Year 2018-19 Operating Budget

Description	Div	FY 2018-19		FY 2019-20		FY 2020-21	% Change
		Actual	Budget	Projected	Budget	Bgt to Bgt	
Administrative Services							
Information Management	51						
Labor Expenses:							
Salaries		\$ 85,608	\$ 87,578	\$ 89,649	\$ 93,937		7.3% 1-15
Non-Labor Expenses:							
Contractor Services		106,459	28,150	28,000	58,150		106.6% 1-16
Equipment (Non Capital)		24,083	25,000	22,500	25,000		0.0%
Materials/Services/Supplies		129,198	149,800	132,500	145,728		-2.7%
Professional Services		-	-	-	-		NA
Memberships/Training/Permits		-	-	-	-		NA
Utilities		-	-	-	-		NA
Total Non-Labor		<u>\$ 259,740</u>	<u>\$ 202,950</u>	<u>\$ 183,000</u>	<u>\$ 228,878</u>		12.8%
Division Operating Total		<u>\$ 345,348</u>	<u>\$ 290,528</u>	<u>\$ 272,649</u>	<u>\$ 322,815</u>		11.1%
Engineering Services	52						
Labor Expenses:							
Salaries		\$ 522,747	\$ 570,334	\$ 575,838	\$ 475,800		-16.6% 1-17
Non-Labor Expenses:							
Contractor Services		193	2,500	345	2,500		0.0%
Equipment (Non Capital)		-	-	-	-		NA
Materials/Services/Supplies		45,393	67,500	69,495	42,000		-37.8% 1-18
Professional Services		-	-	-	-		NA
Memberships/Training/Permits		1,035	1,200	227	500		-58.3% 1-19
Utilities		-	-	-	-		NA
Total Non-Labor		<u>\$ 46,621</u>	<u>\$ 71,200</u>	<u>\$ 70,067</u>	<u>\$ 45,000</u>		-36.8%
Division Operating Total		<u>\$ 569,368</u>	<u>\$ 641,534</u>	<u>\$ 645,905</u>	<u>\$ 520,800</u>		-18.8%
Safety & Risk	57						
Labor Expenses:							
Salaries		\$ 157,353	\$ 205,226	\$ 161,919	\$ 204,842		-0.2%
Non-Labor Expenses:							
Contractor Services		16,973	28,500	14,506	18,500		-35.1% 1-20
Equipment (Non Capital)		81,574	35,000	37,461	35,000		0.0%
Materials/Services/Supplies		3,267	11,500	35,940	27,500		139.1% 1-21
Professional Services		89,904	270,000	177,717	275,000		1.9%
Memberships/Training/Permits		-	500	767	-		-100.0% 1-22
Utilities		-	-	-	-		NA
Total Non-Labor		<u>\$ 191,718</u>	<u>\$ 345,500</u>	<u>\$ 266,391</u>	<u>\$ 356,000</u>		3.0%
Division Operating Total		<u>\$ 349,071</u>	<u>\$ 550,726</u>	<u>\$ 428,310</u>	<u>\$ 560,842</u>		1.8%
Vehicle Services & Shop	65						
Labor Expenses:							
Salaries		110,330	196,485	81,471	89,735		-54.3% 1-23
Non-Labor Expenses:							
Contractor Services		22,676	20,500	24,700	25,000		22.0% 1-24
Equipment (Non Capital)		-	-	-	-		NA
Materials/Services/Supplies		371,803	295,000	235,560	275,000		-6.8% 1-25
Professional Services		-	-	-	-		NA
Memberships/Training/Permits		-	-	-	-		NA
Utilities		-	-	-	-		NA
Total Non-Labor		<u>\$ 394,479</u>	<u>\$ 315,500</u>	<u>\$ 260,260</u>	<u>\$ 300,000</u>		-4.9%
Division Operating Total		<u>\$ 504,809</u>	<u>\$ 511,985</u>	<u>\$ 341,731</u>	<u>\$ 389,735</u>		-23.9%
Total Labor		2,352,772	2,512,198	2,551,281	2,421,728		-3.6%
Total Non-Labor Expenses		2,295,135	2,279,270	2,186,050	2,392,432		5.0%
Operating Total		<u>\$ 4,647,907</u>	<u>\$ 4,791,468</u>	<u>\$ 4,737,331</u>	<u>\$ 4,814,160</u>		0.5%
Allocated Benefits Expenditures*		1,334,795	1,616,043	1,616,043	1,651,205		2.2%
Total Budget		<u>\$ 5,982,702</u>	<u>\$ 6,407,511</u>	<u>\$ 6,353,374</u>	<u>\$ 6,465,366</u>		0.9%

* Includes transfer to Pension/OPEB Trusts

FPUD Expense Summary
Fiscal Year 2018-19 Operating Budget

Description	Div	FY 2018-19		FY 2019-20		FY 2020-21	% Change
		Actual	Budget	Projected	Budget	Bgt to Bgt	
Water Services							
Production & Distribution	31						
Labor Expenses:							
Salaries		\$ 654,839	\$ 747,781	\$ 717,716	\$ 679,375		-9.1% 2-1
Non-Labor Expenses:							
Contractor Services		28,640	49,000	25,595	51,000		4.1%
Equipment (Non Capital)		-	14,000	6,541	14,000		0.0%
Materials/Services/Supplies		270,647	217,000	195,843	238,000		9.7% 2-2
Professional Services		63	-	-	-		NA
Memberships/Training/Permits		60,736	90,000	72,159	80,000		-11.1% 2-3
Utilities		63,047	65,000	68,718	75,000		15.4% 2-4
Total Non-Labor		<u>\$ 423,133</u>	<u>\$ 435,000</u>	<u>\$ 368,856</u>	<u>\$ 458,000</u>		5.3%
Division Operating Total		<u>\$ 1,077,972</u>	<u>\$ 1,182,781</u>	<u>\$ 1,086,572</u>	<u>\$ 1,137,375</u>		-3.8%
Pipeline Maintenance & Construction	32						
Labor Expenses:							
Salaries		\$ 299,607	\$ 346,089	\$ 397,139	\$ 380,361		9.9% 2.5
Non-Labor Expenses:							
Contractor Services		80,079	111,000	26,324	36,000		-67.6% 2.6
Equipment (Non Capital)		-	10,000	3,722	10,000		0.0%
Materials/Services/Supplies		50,908	32,000	16,250	33,000		3.1%
Professional Services		-	-	-	-		NA
Memberships/Training/Permits		144	500	-	-		-100.0% 2.7
Utilities		-	-	-	-		NA
Total Non-Labor		<u>\$ 131,131</u>	<u>\$ 153,500</u>	<u>\$ 46,296</u>	<u>\$ 79,000</u>		-48.5%
Division Operating Total		<u>\$ 430,738</u>	<u>\$ 499,589</u>	<u>\$ 443,435</u>	<u>\$ 459,361</u>		-8.1%
System Services	42						
Labor Expenses:							
Salaries		\$ 501,494	\$ 328,844	\$ 398,804	\$ 390,071		18.6% 2.8
Non-Labor Expenses:							
Contractor Services		205,294	136,000	62,222	76,000		-44.1% 2.9
Equipment (Non Capital)		712	-	-	-		NA
Materials/Services/Supplies		226,662	225,000	122,210	145,000		-35.6% 2.10
Professional Services		-	-	-	-		NA
Memberships/Training/Permits		-	-	-	-		NA
Utilities		-	-	-	-		NA
Total Non-Labor		<u>\$ 432,668</u>	<u>\$ 361,000</u>	<u>\$ 184,432</u>	<u>\$ 221,000</u>		-38.8%
Division Operating Total		<u>\$ 934,162</u>	<u>\$ 689,844</u>	<u>\$ 583,236</u>	<u>\$ 611,071</u>		-11.4%
Total Labor		1,455,940	1,422,713	1,513,659	1,449,807		1.9%
Total Non-Labor		986,932	949,500	599,584	758,000		-20.2%
Operating Total		<u>\$ 2,442,872</u>	<u>\$ 2,372,213</u>	<u>\$ 2,113,243</u>	<u>\$ 2,207,807</u>		-6.9%
Allocated Benefits Expenditures		825,996	915,201	915,201	988,521		8.0%
Total Direct Water Costs		<u>\$ 3,268,868</u>	<u>\$ 3,287,415</u>	<u>\$ 3,028,444</u>	<u>\$ 3,196,328</u>		-2.8%
Allocation of Administrative Services		3,170,832	4,100,807	4,100,807	4,137,834		0.9%
Total Budget		<u>\$ 6,439,700</u>	<u>\$ 7,388,221</u>	<u>\$ 7,129,251</u>	<u>\$ 7,334,162</u>		-0.7%

FPUD Expense Summary
Fiscal Year 2018-19 Operating Budget

Description	Div	FY 2018-19		FY 2019-20		FY 2020-21	% Change
		Actual	Budget	Projected	Budget	Bgt to Bgt	
Wastewater Services							
Collections	31						
Labor Expenses:							
Salaries		\$ 522,471	\$ 434,419	\$ 481,124	\$ 429,802		-1.1%
Non-Labor Expenses:							
Contractor Services		7,847	38,200	36,117	43,000		12.6% 3-1
Equipment (Non Capital)		-	5,000	2,366	5,000		0.0%
Materials/Services/Supplies		134,430	152,300	71,488	125,000		-17.9% 3-2
Professional Services		-	-	-	-		NA
Memberships/Training/Permits		1,369	900	307	900		0.0%
Utilities		100,989	82,000	113,087	120,000		46.3% 3-3
Total Non-Labor		<u>\$ 244,635</u>	<u>\$ 278,400</u>	<u>\$ 223,365</u>	<u>\$ 293,900</u>		5.6%
Division Operating Total		<u>\$ 767,106</u>	<u>\$ 712,819</u>	<u>\$ 704,489</u>	<u>\$ 723,702</u>		1.5%
Treatment	30						
Labor Expenses:							
Salaries		\$ 649,455	\$ 756,299	\$ 749,748	\$ 827,430		9.4% 3-4
Non-Labor Expenses:							
Contractor Services		140,986	164,000	243,783	213,500		30.2% 3-5
Equipment (Non Capital)		44,752	13,000	4,868	9,000		-30.8% 3-6
Materials/Services/Supplies		277,292	246,000	252,881	310,500		26.2% 3-7
Professional Services		-	-	46,667	-		NA
Memberships/Training/Permits		60,111	65,000	83,689	95,000		46.2% 3-8
Utilities		251,888	252,000	201,760	215,000		-14.7% 3-9
Total Non-Labor		<u>\$ 775,029</u>	<u>\$ 740,000</u>	<u>\$ 833,648</u>	<u>\$ 843,000</u>		13.9%
Division Operating Total		<u>\$ 1,424,484</u>	<u>\$ 1,496,299</u>	<u>\$ 1,583,396</u>	<u>\$ 1,670,430</u>		11.6%
Total Labor		1,171,926	1,190,718	1,230,872	1,257,231		5.6%
Total Non-Labor		1,019,664	1,018,400	1,057,013	1,136,900		11.6%
Operating Total		<u>\$ 2,191,590</u>	<u>\$ 2,209,118</u>	<u>\$ 2,287,885</u>	<u>\$ 2,394,131</u>		8.4%
Allocated Benefits Expenditures		664,867	765,963	765,963	857,217		11.9%
Total Direct Wastewater Costs		<u>\$ 2,856,457</u>	<u>\$ 2,975,082</u>	<u>\$ 3,053,848</u>	<u>\$ 3,251,349</u>		9.3%
Allocation of Administrative Services		2,512,735	2,242,629	2,242,629	2,262,878		0.9%
Total Budget		<u>\$ 5,369,192</u>	<u>\$ 5,217,710</u>	<u>\$ 5,296,477</u>	<u>\$ 5,514,227</u>		5.7%

FPUD Expense Summary
Fiscal Year 2018-19 Operating Budget

Description	Div	FY 2018-19		FY 2019-20		FY 2020-21	% Change
		Actual	Budget	Projected	Budget	Bgt to Bgt	
Recycled Water Services							
Production	30						
Labor Expenses:							
Salaries		\$ 125,989	159,229	122,277	150,060		-5.8% 4-1
Non-Labor Expenses:							
Contractor Services		13,623	17,500	27,603	20,000		14.3% 4-2
Equipment (Non Capital)		11	8,000	3,435	4,000		-50.0% 4-3
Materials/Services/Supplies		113,842	112,000	110,457	91,000		-18.8% 4-4
Professional Services		-	-	-	-		NA
Memberships/Training/Permits		-	-	-	-		NA
Utilities		107,952	108,000	86,468	95,000		-12.0% 4-5
Total Non-Labor		<u>\$ 235,428</u>	<u>\$ 245,500</u>	<u>\$ 227,963</u>	<u>\$ 210,000</u>		-14.5%
Division Operating Total		<u>\$ 361,417</u>	<u>\$ 404,729</u>	<u>\$ 350,240</u>	<u>\$ 360,060</u>		-11.0%
Distribution	31						
Labor Expenses:							
Salaries		4,463	40,003	2,789	38,124		-4.7%
Non-Labor Expenses:							
Contractor Services		-	-	-	-		NA
Equipment (Non Capital)		-	-	-	-		NA
Materials/Services/Supplies		27,743	17,000	17,853	18,000		5.9% 4-6
Professional Services		-	-	-	-		NA
Memberships/Training/Permits		-	-	-	-		NA
Utilities		503	-	534	-		NA
Total Non-Labor		<u>\$ 28,246</u>	<u>\$ 17,000</u>	<u>\$ 18,387</u>	<u>\$ 18,000</u>		5.9%
Division Operating Total		<u>\$ 32,709</u>	<u>\$ 57,003</u>	<u>\$ 21,176</u>	<u>\$ 56,124</u>		-1.5%
Total Labor		130,452	199,232	125,066	188,184		-5.5%
Total Non-Labor		263,674	262,500	246,350	228,000		-13.1%
Operating Total		<u>\$ 394,126</u>	<u>\$ 461,732</u>	<u>\$ 371,416</u>	<u>\$ 416,184</u>		-9.9%
Allocated Benefits Expenditures		74,009	128,162	128,162	128,310		0.1%
Total Direct Recycled Water Costs		<u>\$ 468,135</u>	<u>\$ 589,894</u>	<u>\$ 499,578</u>	<u>\$ 544,494</u>		-7.7%
Allocation of Administrative Services		299,135	64,075	64,075	64,654		0.9%
Total Budget		<u>\$ 767,270</u>	<u>\$ 653,969</u>	<u>\$ 563,653</u>	<u>\$ 609,148</u>		-6.9%

Attachment B

District Employee Benefits	FY 2018-19	FY 2019-20		FY 2020-21	Budget to Budget
	Actuals	Budget	Projection	Budget	
Auto Allowance	15,058	14,500	14,500	14,500	0.0%
Insurance - Dental	64,152	70,701	70,701	73,856	4.5%
Insurance - Vision	13,148	14,394	14,394	14,394	0.0%
Insurance - Health	873,472	964,776	964,776	1,000,135	3.7%
Insurance - Life and Disability	34,184	41,555	41,555	51,714	24.4%
Insurance - Worker's Comp	138,235	154,979	154,979	157,403	1.6%
Longevity Bonus	27,529	32,945	32,945	36,448	10.6%
FICA - Employer's share	424,952	447,152	447,152	462,225	3.4%
CalPERS Annual Contribution	541,874	593,480	593,480	652,605	10.0%
CalPERS Unfunded Liability Payment	705,142	881,796	851,471	965,469	9.5%
Pension/OPEB Liability Trust Payment	650,000	500,000	500,000	500,000	0.0%
Employer's share (401 & 457)	17,048	20,410	20,410	51,467	152.2%
District Share of Retiree Medical Insurance	36,801	45,851	45,851	57,615	25.7%
Retiree Compensated Absence Payout		50,000	50,000	20,000	-60.0%
Uniforms & Boots	8,862	31,396	31,396	31,460	0.2%
Total	3,550,457	3,863,936	3,833,611	4,089,292	5.8%

Attachment C

Debt Service Budget Summary

Total annual principal and interest payment

Year Ending June 30	Red Mountain State Revolving Fund Loan		Water Reclamation Plant State Revolving loan		QECB* Loan		SMCUP State Revolving Funds**	District Annual Debt Service
	Principle	Interest	Principle	Interest	Principle	Interest		
2019	285,826	110,025	1,247,544	598,202	306,282	212,141		\$ 2,760,019
2020	293,220	102,630	1,274,990	570,756	325,386	194,288	20	\$ 2,761,290
2021	300,807	95,044	1,303,039	542,706	345,316	175,326	800,810	\$ 3,563,048
2022	308,589	87,261	1,331,706	514,039	366,104	155,208	1,038,424	\$ 3,801,332
2023	316,573	79,277	1,361,004	484,742	387,783	133,884	2,771,216	\$ 5,534,479
2024	324,764	71,087	1,390,946	454,800	410,388	111,302	2,771,216	\$ 5,534,502
2025	333,166	62,685	1,421,547	424,199	433,953	87,409	2,771,216	\$ 5,534,174
2026	341,786	54,065	1,452,821	392,925	458,515	62,150	2,771,216	\$ 5,533,477
2027	350,628	45,222	1,484,783	360,963	484,114	35,465	2,771,216	\$ 5,532,391
2028	359,700	36,151	1,517,448	328,298	254,219	7,296	2,771,216	\$ 5,274,327
2029	369,006	26,844	1,550,832	294,914	-	-	2,771,216	\$ 5,012,812
2030	378,553	17,297	1,584,950	260,796	-	-	2,771,216	\$ 5,012,812
2031	388,347	7,503	1,619,819	225,927	-	-	2,771,216	\$ 5,012,812
2032	-	-	1,655,455	190,291	-	-	2,771,216	\$ 4,616,962
2033	-	-	1,691,875	153,871	-	-	2,771,216	\$ 4,616,962
2034	-	-	1,729,096	116,649	-	-	2,771,216	\$ 4,616,962
2035	-	-	1,767,136	78,609	-	-	2,771,216	\$ 4,616,962
2036	-	-	1,806,014	39,732	-	-	2,771,216	\$ 4,616,962
2037	-	-	-	-	-	-	2,771,216	\$ 2,771,216
2038	-	-	-	-	-	-	2,771,216	\$ 2,771,216
2039	-	-	-	-	-	-	2,771,216	\$ 2,771,216
2040	-	-	-	-	-	-	2,771,216	\$ 2,771,216
2041	-	-	-	-	-	-	2,771,216	\$ 2,771,216
2042	-	-	-	-	-	-	2,771,216	\$ 2,771,216
2043	-	-	-	-	-	-	2,771,216	\$ 2,771,216
2044	-	-	-	-	-	-	2,771,216	\$ 2,771,216
2045	-	-	-	-	-	-	2,771,216	\$ 2,771,216
2046	-	-	-	-	-	-	2,771,216	\$ 2,771,216
2047	-	-	-	-	-	-	2,771,216	\$ 2,771,216
2048	-	-	-	-	-	-	2,771,216	\$ 2,771,216
2049	-	-	-	-	-	-	2,771,216	\$ 2,771,216
2050	-	-	-	-	-	-	2,771,216	\$ 2,771,216
2051	-	-	-	-	-	-	2,771,216	\$ 2,771,216
2052	-	-	-	-	-	-	2,771,216	\$ 2,771,216
2053	-	-	-	-	-	-	-	\$ -

*Qualified Energy Conservation Revenue Bonds. Debt service is not adjusted for interest rate subsidy payments.

** Debt service based upon approved loan amount and interest rate. Actual debt service will be calculated once the Santa Margarita Conjunction Use Project is completed.

FY 2021 Debt Service				
Debt Issuance	Service			Total Debt Service
	Water	Wastewater	Recycled Water	
2018 SRF Loan	800,810			800,810
2011 SRF Loan	395,851	-	-	395,851
2016 SRF Loan	-	1,292,022	553,724	1,845,746
2010 QECB	-	520,642	-	520,642
Total	1,196,661	1,812,664	553,724	3,563,048

* During the construction period interest is due based upon the amount of funds drawn.

*70% is allocated to wastewater and 30% of the debt service is allocated to recycled water.

Attachment D

	Budget	Actual (Projected as of 4/1)						
Water Capital Projects	FY 2020	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Pipelines and Valve Replacement Projects by District	\$720,000	\$656,214	\$670,000	\$587,272	\$593,144	\$704,177	\$605,066	\$611,117
Pipeline Replacement Projects by Contractors	\$1,303,933	\$1,377,411	\$1,298,000	\$2,507,237	\$3,615,579	\$3,168,795	\$3,014,717	\$3,216,406
Deluz ID Projects	\$80,000	\$0	\$80,000	\$103,030	\$104,060	\$105,101	\$106,152	\$107,214
Pump Stations	\$0	\$0	\$233,750	\$175,151	\$52,030	\$52,551	\$53,076	\$53,607
Meter Replacement	\$675,000	\$403,837	\$675,000	\$618,181	\$52,030	\$21,020	\$21,230	\$21,443
Pressure Reducing Stations	\$90,000	\$58,345	\$20,000	\$92,727	\$20,812	\$21,020	\$21,230	\$0
Red Mountain Reservoir Improvements	\$70,000	\$65,209	\$40,000	\$41,212	\$364,211	\$52,551	\$95,537	\$53,607
Steel Reservoir Improvements	\$0	\$235,415	\$669,000	\$70,060	\$10,406	\$10,510	\$849,216	\$696,888
Treatment Plant R&R	\$0	\$0	\$0	\$0	\$208,121	\$210,202	\$212,304	\$214,427
SCADA Upgrades/ Security/Telemetry	\$130,000	\$61,186	\$130,000	\$97,879	\$93,654	\$89,336	\$111,460	\$112,574
Total PAYGO Water Capital Projects	\$3,068,933	\$2,857,617	\$3,815,750	\$4,292,749	\$5,114,048	\$4,435,262	\$5,089,989	\$5,087,282
Santa Margarita Conjunctive Use Project Construction	\$27,179,100	\$18,589,638	\$31,900,000	\$7,727,258	\$0	\$0	\$0	\$0
Total Water Capital Projects (Including SMRCUP)	\$30,248,033	\$21,447,255	\$35,715,750	\$4,426,688	\$5,114,048	\$4,435,262	\$5,089,989	\$5,087,282

Recycled Water Capital Projects	FY 2019-20	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Recycled Water Improvements	\$406,000	\$158,898	\$430,000	\$117,454	\$118,629	\$119,815	\$121,013	\$175,830
Total Recycled Water Capital Projects	\$406,000	\$158,898	\$430,000	\$117,454	\$118,629	\$119,815	\$121,013	\$175,830

Waste Water Capital Projects	FY 2019-20	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
WRP Improvements	\$240,000	\$224,300	\$220,000	\$257,575	\$208,121	\$998,460	\$796,140	\$428,854
Collection System Improvements	\$1,740,000	\$1,077,181	\$1,740,000	\$1,372,361	\$1,071,822	\$1,080,438	\$1,050,905	\$525,346
Outfall Improvements	\$80,000	\$10,000	\$50,000	\$82,424	\$52,030	\$52,551	\$53,076	\$268,034
Total Waste Water Capital Projects	\$2,060,000	\$1,311,481	\$2,010,000	\$1,712,360	\$1,331,973	\$2,131,448	\$1,900,121	\$1,222,234

Administrative Capital Projects	FY 2019-20	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Administrative Upgrades	\$20,000	\$0	\$30,000	\$15,455	\$26,015	\$446,679	\$26,538	\$26,803
Engineering and Operations Information Systems	\$125,000	\$132,308	\$40,000	\$30,909	\$31,218	\$31,530	\$31,846	\$32,164
Facility Improvements/Upgrades/Security	\$70,000	\$86,537	\$185,000	\$128,788	\$88,451	\$26,275	\$26,538	\$26,803
District Yard Improvements	\$220,000	\$210,464	\$120,000	\$51,515	\$0	\$52,551	\$53,076	\$0
Vehicles and Heavy Equipment	\$560,000	\$584,081	\$566,000	\$441,484	\$315,823	\$387,297	\$497,322	\$395,082
Total Administrative Capital Projects	\$995,000	\$1,013,390	\$941,000	\$668,150	\$461,508	\$944,333	\$635,320	\$480,853

Total all PAYGO Capital Budget Projects	\$6,529,933	\$5,341,386	\$7,196,750	\$6,790,714	\$7,026,158	\$7,630,858	\$7,746,443	\$6,966,199
Total all Capital Projects (Including SMRCUP)	\$33,709,033	\$23,931,024	\$39,096,750	\$6,924,653	\$7,026,158	\$7,630,858	\$7,746,443	\$6,966,199

Collections System Improvements

Project Description:

Projects include replacements and major repairs to existing sewer infrastructure.

The proposed purchases and costs for Fiscal Year 2020-21 include:

- Overland Trail Lift Station Rehabilitation – The Overland Trail Lift Station is in need of mechanical, electrical and structural improvements due to its age and condition. The project includes replacement of the pumps, recoating of the wet well and replacement of electrical gear. The project will also include the elimination of Anthony’s Corner Lift Station and diversion of flows to Overland Trail Lift Station. Construction began in FY2019-20 and is scheduled to be complete in December 2020.
- Replacement of Sewer Main Creek Crossing – District staff have been strategically replacing sewer main lines at creek and culvert crossings to prevent spills into waterbodies. This year’s plan is to replace the Fallbrook Creek crossing on Elder Street.
- Sewer Main Relining – Extends the life of sewer mains by rehabilitating them in place. This year approximately 1,800 linear feet of pipe will be relined.
- SCADA/Telemetry Upgrades – Replacement of outdated RTU’s and radio communications at the Green Canyon and Dougherty Lift Stations for improved remote monitoring and control. Design for complete electrical upgrade of Green Canyon Lift Station.

Supports Strategic Goals:

Continue implementation of an asset-management program to improve system reliability by replacing existing aging infrastructure before its failure in an effort to avoid service disruptions and property damage.

Operating Impacts:

The collection systems capital program is critical in reducing the number of spills and potential fines. Operations will be simplified by the elimination of Anthony's Corner Lift Station. The planned projects do not require any additional operating budget funds, and are expected to reduce emergency repair costs.

Project Budgets:

Project	Total Project Budget	FY 2020-21 Budget
Overland Trail Lift Station	\$3,300,000	\$1,500,000
Creek Crossing	\$75,000	\$75,000
Sewer Main Relining	\$145,000	\$145,000
SCADA Upgrades	\$20,000	\$20,000
Total		\$1,740,000

Attachment E

FY 2020-21 Operating Budget Justifications (+/- 5%)

Administration

- 1-1 Increased budget for additional public outreach needed for detachment
- 1-2 Increased budget for additional contracted resources needed to support detachment
- 1-3 Increased budget based on approved Watermaster budget
- 1-4 Increased budget for new FTE, Management Analyst
- 1-5 Increased budget for to align with projections and included document storage line item
- 1-6 Reduced level of consulting support on the rate model.
- 1-7 Decreased budget for Finance meetings & travel
- 1-8 Increased budget for expected contractor price increases and additional support on door and gate repairs and maintenance.
- 1-9 Increase budget for anticipated Warehouse equipment to support electronic inventory tracking.
- 1-10 Increased budget due to the Warehouse now budgeting for materials such as asphalt and concrete, which used to be charged directly to departments. Almost all misc. items used throughout the District are paid for through this account (trash cans, snacks for board meetings, paper plates, etc.)
- 1-11 Increased budget based on FY 19/20 projections. However, it may be lower in FY 20/21 due to the solar panels being fully operational for the entire FY, compared to half of them being off during a large period of FY 19/20.
- 1-12 Increased budget for Admin Specialist support time allocation transferred from Engineering.
- 1-13 Decreased budget due to lower Neogov Annual Fee expenses, reduced 2 modules.
- 1-14 Decreased budget for recruiting expenses.
- 1-15 Increase due to labor allocation change. Position no longer performs Customer Service functions.
- 1-16 Increased budget for 2 newly added Contractor Services (City Works and AWS-Amazon Web Services).
- 1-17 Decreased budget due to 2 less FTE's in FY21:Eng. Sup & Eng. Tech.
- 1-18 Decreased budget due to CityWorks License is budgeted in Information Management budget.
- 1-19 Decreased budget to fall in line with actuals.
- 1-20 Decreased budget due to consulting services taken out of budget.
- 1-21 Increased budget due to new account added for "Small Claims".
- 1-22 Eliminated from the budget.
- 1-23 Decreased budget due to the reduction of 1 FTE and reduced supervisor time allocation.
- 1-24 Increased budget due to anticipated increases in charges to contracts used by Fleet.
- 1-25 Decreased budget due to vehicle repairs reduced cost due to overall fleet maintenance costs across the industry coming down in price and better sourcing of materials.

Water Services

- 2-1 Decreased budget due to allocation of Systems Services related activities being moved to Division 42 to align with actuals.
- 2-2 Increased budget due to system materials increase for additional aqueduct shutdowns and SDG&E shut-off events.
- 2-3 Decreased budget to align with actuals.

- 2-4 Increased budget due to UV Plant, pump stations additional usage and increase to align with actuals.
- 2-5 Increased budget due to Dep 6 increase in allocation of hours to valve maintenance.
- 2-6 Decreased budget due to Reduced paving/service line leak repair budget.
- 2-7 Eliminated from the budget.
- 2-8 Increased budget due Systems Services related activities transferred from Division 31 to align with actuals.
- 2-9 Decreased budget due to reduction in paving/service leak repair.
- 2-10 Decreased budget due to reduction in system materials and stores/inventory expense to align with actuals.

Wastewater Services

- 3-1 Increased budget due to additional need for paving for repair work.
- 3-2 Decreased budget for materials, chemicals/pesticides and stores/inventory.
- 3-3 Increased budget to align with actuals.
- 3-4 Increased budget due to larger allocation of Telemetry (SCADA) labor and budget for Standby which were not budgeted in Wastewater last FY.
- 3-5 Increased budget due to additional contract expenses (Neuros MSP, Sunpower Maintenance, Equipment Rentals, All meter/instrument calibrations, All hazardous waste pickups, tree trimming for fire prevention, Coast Mgt. Waste Services)
- 3-6 Decreased budget due to reduction of Laboratory Equipment budget.
- 3-7 Increased due to additional Lab Supplies & Services costs to maintain ELAP certification (New State program for lab certifications), increased QA/QC/ supplies and increased outside laboratory monitoring costs from new NPDES permit.
- 3-8 Increased budget due to costs associated with new NPDES permit (plume tracking plan and study, HF-183 monitoring, etc.). District has appealed the permit but this is assuming appeal is not upheld.
- 3-9 Decreased budget due to continuing efforts to reduce power.

Recycled Water Services

- 4-1 Decreased budget due to less hours budgeting to Tertiary compared to last FY.
- 4-2 Increased budget due to cost of D&H annual & semi-annual service for chlorine gas has increased.
- 4-3 Decreased budget due to reduce Laboratory Equipment in 1/2; kept in budget in event of refrigerator/incubator failure.
- 4-4 Decreased budget within lab supplies & services, moved some sampling to fund 32. Reduced maintenance-equipment.
- 4-5 Decreased budget to align with actuals as well as continuing efforts to reduce power.
- 4-6 Increased budget due to align budget with projections.