

BUDGET

Elsinore Valley Municipal Water District



**FISCAL YEAR
2020 AND 2021**



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Board of Directors
Andy Morris, President
Phil Williams, Vice President
Darcy Burke, Treasurer
Harvey R. Ryan, Director
Jared K. McBride, Director



General Manager
Greg Thomas
District Secretary
Terese Quintanar
Legal Counsel
Best Best & Krieger

Our Mission...

EVMWD will provide reliable, cost-effective, high quality water and wastewater services that are dedicated to the people we serve.

September 26, 2019

Board of Directors
Elsinore Valley Municipal Water District

Enclosed are the Elsinore Valley Municipal Water District's (EVMWD) proposed budgets for Fiscal Year (FY) 2020 and FY 2021. The proposed budgets represent the District's mission of providing our customers with safe, reliable, and cost-effective water, recycled water, and wastewater services while maintaining a strong financial position.

The proposed budgets provide a comprehensive financial plan for the District that includes a forecast of operating and non-operating revenues and expenditures; financing of long-term capital improvement plans to support infrastructure needs; and funding for the repayment of long-term debt.

Your participation throughout the development of the proposed budget process demonstrates your sincere dedication and commitment to the community. With your leadership and guidance, staff completed a thorough annual review of the revenues and expenses and matched those to the District's strategic plan to meet challenges related to growth, economic conditions, and other factors that may have significant financial impacts.

The District has a responsibility to deliver reliable water and wastewater services in the most cost-effective manner by maximizing operational efficiencies and seeking various cost saving measures.

CURRENT AND ONGOING CHALLENGES

Southern California's climate typically includes a rainy season (approximately 3-4 months), followed by extended drought in the hottest months of the year. Often times these droughts extend through the winter months and rains do not occur. The last extended drought ended in May 2017, however, the District continues to encourage its customers to conserve water.

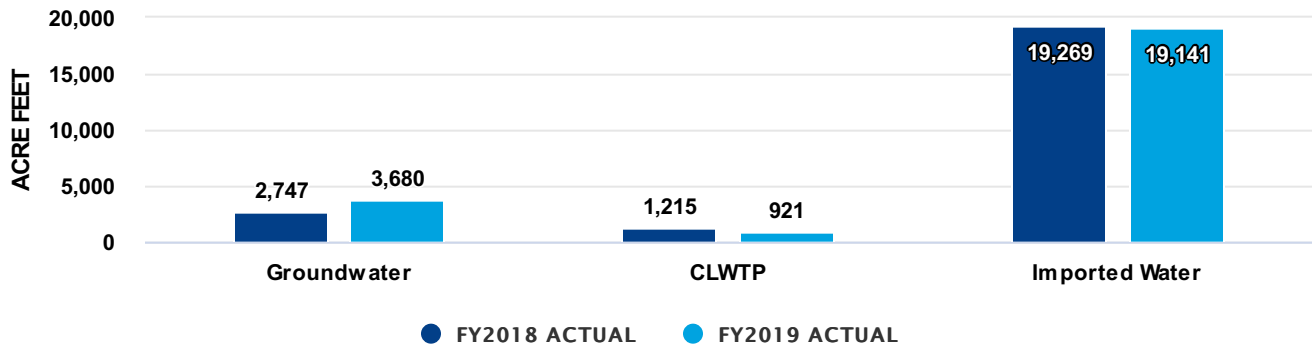
As part of these conservation efforts, the District established four drought stages. The District is currently in drought stage 2 which applies during periods when a reasonable probability exists that EVMWD will not be able to meet all of the water demands of its customers.

This past winter, nearly 8 inches of rain fell, filling Canyon Lake and adding 7 feet of water to Lake Elsinore. Even with the rainy, cool winter and spring, Lake Elsinore is currently below 1,239 feet (1,240 feet is considered the minimum level to maintain water quality). Clearly, the past drought is still affecting the District.

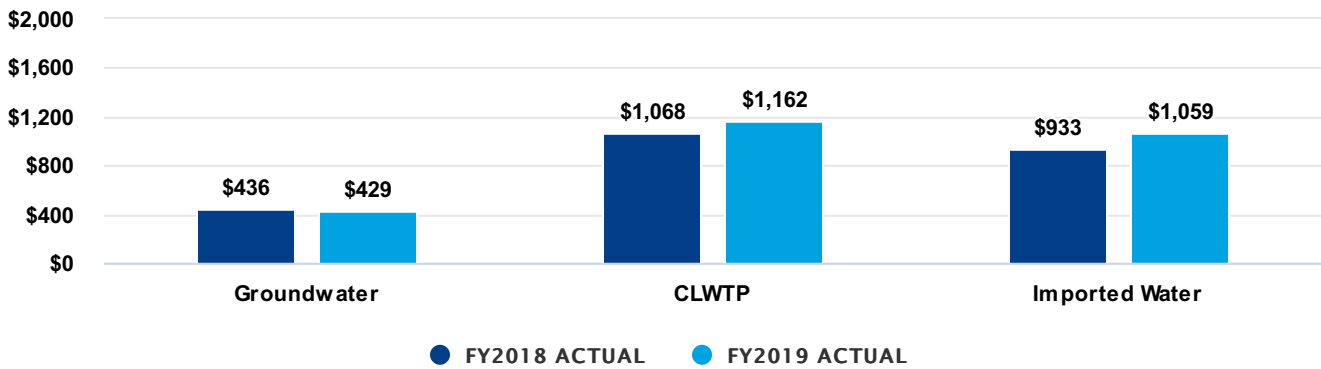
The District continues to make great progress maximizing less expensive local water sources, which in turn decreases the District's reliance on more expensive imported water. During FY 2018 and FY 2019 there were lengthy periods of time that the Canyon Lake Water Treatment Plant (CLWTP) and several wells were offline and out of production. The proposed budgets include a new well rehabilitation program to help maximize well production. The budget also includes a redesign of the CLWTP which will help address current environmental standards and should also reduce the amount of effluent discharge to the Regional Water Reclamation Facility.

As previously mentioned, the CLWTP and several wells were offline and out of production during FY 2018 and FY 2019, resulting in local water supply production of approximately 4,000 AF (average annual yield is approximately 9,000 AF). With the well maintenance program now in place the District hopes to avoid these situations in the future and reduce the need for additional imported water purchases. The following graphs show production, and costs of production per acre feet, from various sources.

Water Production in Acre Feet (AF)



Water Production - Cost per AF



Groundwater production averaged about 3,200 AF between the two years, which is significantly lower than annual averages. This was due to several wells going out of production for repair and maintenance. Local groundwater production is anticipated to return to historical levels with the implementation of the well maintenance program.

CLWTP production averaged 1,068 AF during this time. Given ideal conditions, the treatment plant has the capacity to treat 9 million gallons per day but production from this source is dependent on lake levels, water quality and other contractual obligations with the Canyon Lake Property Owners Association, which has leased the rights to use the lake for recreational purposes. District staff has performed an analysis of the plant operation and performance. Based on this analysis the District plans to operate the plant during the months of April to September at a sustainable 4-5 million gallons per day, ultimately targeting 2,500 AF of water from this source.

Imported water represents water purchased from the Metropolitan Water District (MWD). This water ultimately comes from rain and snowfall stored in reservoirs in northern California, and from precipitation in Colorado, Wyoming and Utah, stored in Lake Mead, along the Colorado River near Las Vegas, Nevada. Purchases averaged 19,200 AF. As previously mentioned, the increase was due to CLWTP and several wells being offline and out of productions for extended periods over the last two years.

Groundwater production costs were relatively steady at just over \$430/AF. Groundwater costs are primarily driven by electrical, pumping, and transmission costs and tend to remain fairly steady from year to year.

Canyon Lake production costs were very high for the past two years. This was the result of the fixed costs for the water plant being spread out over a very low level of production due to the plant repairs taking place at that time. Production costs are estimated at approximately \$827/AF in FY 2020 and FY 2021, based on production of 2,500 AF.

Imported water costs averaged \$996/AF between the two years as a result of Conjunctive Use Program (CUP) water call credits received. Imported water costs are anticipated to increase in FY 2020 and FY 2021 to an estimated \$1,240/AF.

Unfortunately supplies of local well and surface water are limited, and as a result, the growing District will continue to rely on more expensive imported water.

DISTRICT PRIORITIES

As of June 2019, the District provides services to over 155,000 customers, through approximately 45,000 domestic water connections, 36,000 wastewater connections, and 150 recycled water connections. Total growth projections for the next two years are 650 equivalent dwelling units (EDU) for both FY 2020 and FY 2021, respectively.

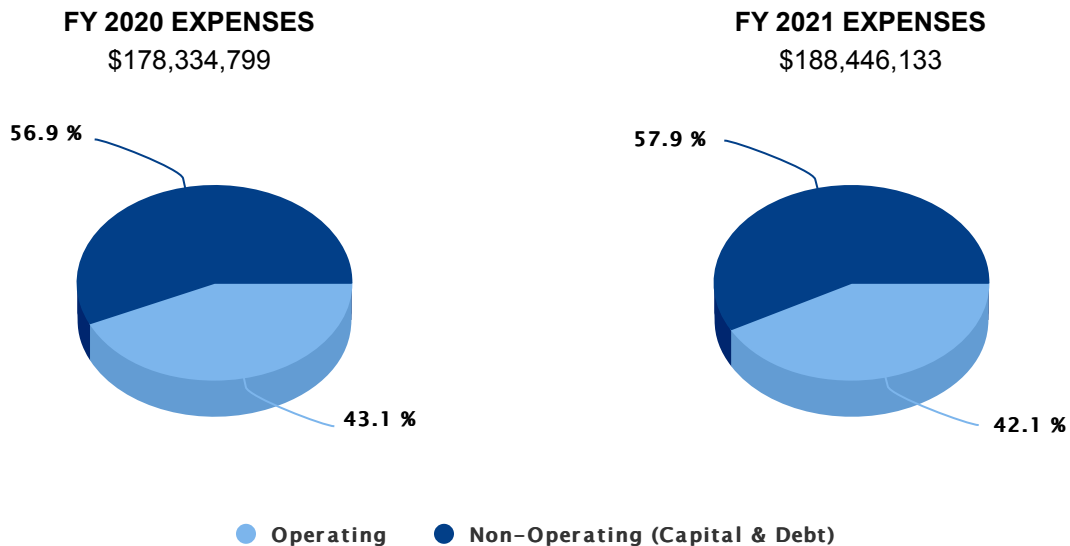
To meet the anticipated growth and to continue providing quality service to existing customers, the District must secure reliable sources of water and maintain financial stability. The District is doing this through the following efforts:

- Continuing efforts to promote conservation by expanding programs in water efficiency education; providing free water conservation devices; and offering rebates.
- Completing projects identified in the Integrated Resources Plan (IRP) to enhance domestic water supplies through 2040.
- Designing upgrades for the Canyon Lake Water Treatment Plant.
- Maximizing the use of recycled water for irrigation purposes in schools, golf courses, and parks.
- Establishing an ongoing well maintenance program to ensure stable local water sources.

BUDGET HIGHLIGHTS

The budget has two major components: the Operating Budget, and the Non-Operating (Capital) Budget. The Operating Budget includes costs to operate, maintain, treat, and supply reliable water, recycled water, and wastewater services to customers. The Non-Operating (Capital) Budget includes Capital Improvement Projects needed to improve existing infrastructure and construct new facilities to support future water, recycled water, and wastewater needs. Finally, it includes annual principal and interest payments to service long-term debt.

USES OF FUNDS



The total budget for FY 2020 is \$178.3 million with \$76.9 million (43%) in operating and \$101.4 million (57%) in capital and debt. The Operating Budget increased by \$7.8 million (11%) and the Non-Operating Budget increased by \$59.3 million (141%). Overall, the total proposed budget for FY 2020 represents a \$67.1 million (60%) increase as compared to the FY 2019 budget.

The total budget for FY 2021 is \$188.4 million with \$79.3 (42%) in operating and \$109.2 (58%) in capital and debt. The Operating Budget increased by \$2.3 million (3%) and the Non-Operating Budget increased by \$7.8 million (8%) over the FY 2020 budget. Overall, the total proposed budget for FY 2021 represents a \$10.1 million (6%) increase over the previous year budget.

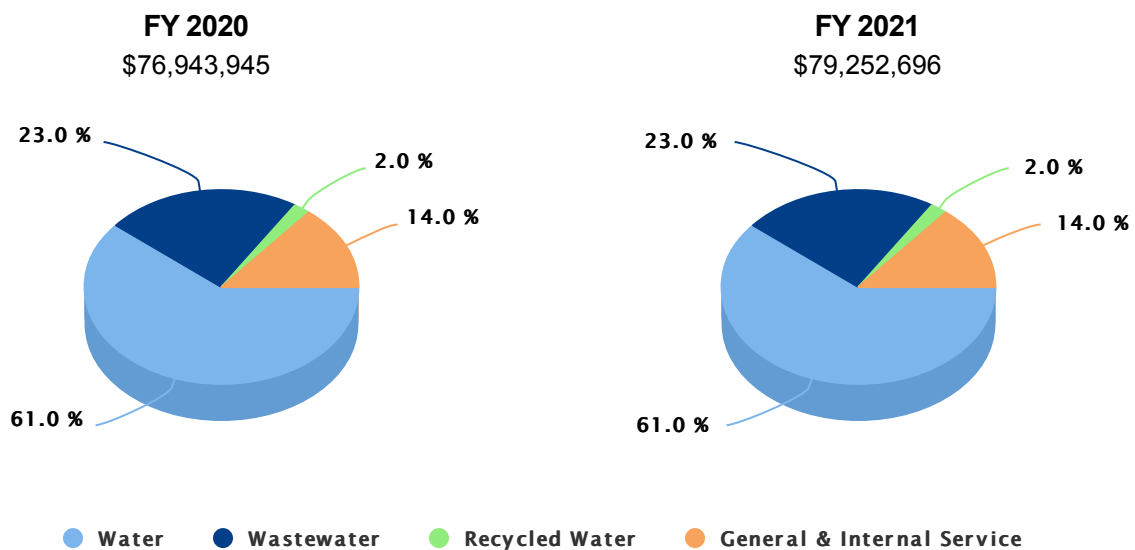
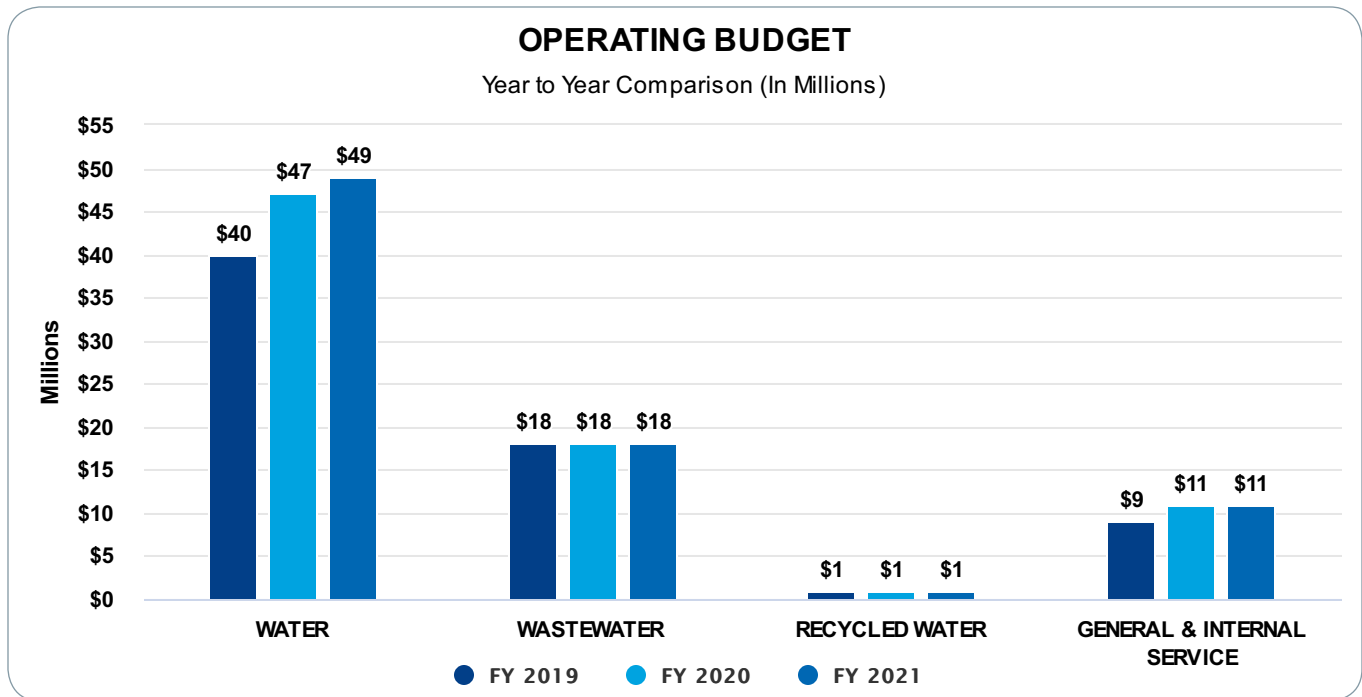
Budgetary changes are explained in more detail in the following sections.

Operating Expense Budget

The Operating Expense Budget consists of the operating costs for water, recycled water, and wastewater services. These operating costs are primarily funded through customer user fees, general property taxes, lease income, and other revenue sources.

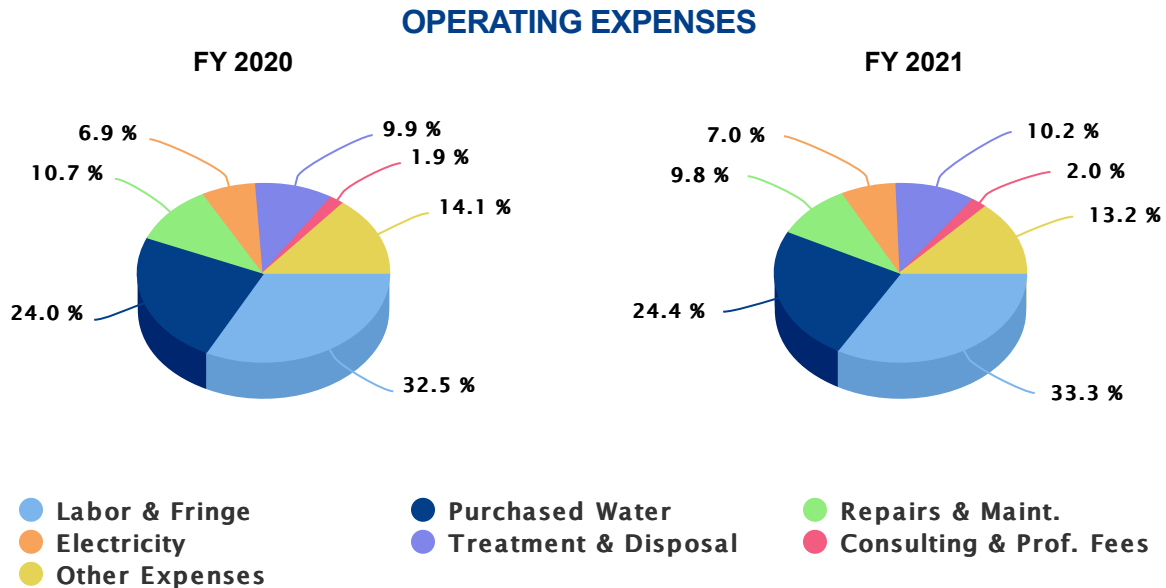
The District accounts for the Operating Budget in multiple funds to segregate expenditures in a logical manner. A list of all the funds with descriptions of each can be found in the Budget Statement section of this document. The General and Internal Services funds represent support services which are part of the operating costs allocated to the three main funds: Water, Recycled Water, and Wastewater.

Below is a graph showing the allocation of the Operating Budgets by major funds for the approved FY 2019, FY 2020 and FY 2021 budgets:



By Type

Overall, the total Operating Budgets are \$76.9 million and \$79.3 million for FY 2020 and FY 2021, respectively. Below are graphs of the operating expenses categorized by major types:



As shown in the graphs above, the two largest expenditure types are Labor & Fringe and Purchased Water. These two expenses, which make up to 58% of the operating expenses, are discussed below:

Labor & Fringe

Personnel related costs represent the largest portion of the Operating Budget. The District continuously works to improve operational efficiencies throughout all areas. Several organizational assessments have been completed to control staffing levels, ensure high quality service to the community, and manage growth within the District's boundaries.

With these efforts, the District has been able to control personnel expenditures in the last few years. For FY 2020, a cost of living (COLA) increase of 2.7%, merit increases averaging 2.5%, and insurance increases averaging 4% were included in the budget. The budget adds three new positions: Electrical Instrumentation & Controls Tech I / II, Principal Engineer, and Associate Engineer. In addition to these new positions there were several other organizational changes that are detailed in the Authorized Position section of the budget. Overall, Personnel Support Services increased by \$1.6 million (7%) over the FY 2019 budget.

For FY 2021, COLA increase of 2.7%, merit increases averaging 2.5%, and insurance increases averaging 4% resulted in a total increase of \$1.4 million.

Despite the addition of three new positions mentioned above, overall staffing levels for the District have been relatively flat for the past 10 years and are actually below 2009 levels (a decrease of two positions). These efficiencies were realized even though the customer base has grown by approximately 23% over the same time period.

Purchased Water

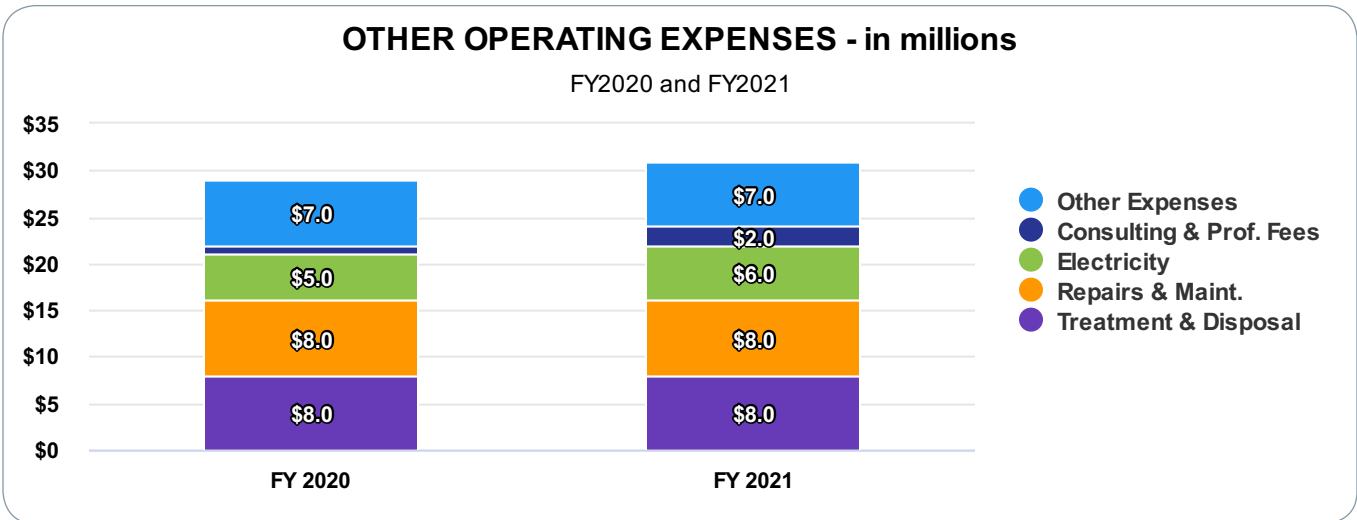
The second largest operating expense is the cost of imported water, purchased from MWD. The District operates two water divisions, the Elsinore Division and the Temescal Division. The Elsinore Division serves the Lake Elsinore, Horsethief Canyon, Canyon Lake, Wildomar, and Murrieta/California Oaks Development areas. The Temescal Division provides service to the South Corona area.

MWD adopted a Tier 1 rate of \$1,078 per AF (a 2.7% increase) for calendar year 2020 and projects \$1,104 per AF (a 2.4% increase) for calendar year 2021. As previously discussed, with the rising costs of imported water, the District continues to expand its efforts to find more local ground and surface water in both water divisions. For both budget years, the District projects that water supply sources will include 61% imported water, 29% from local wells, and 10% from Canyon Lake Reservoir.

To put these changes in perspective, the current cost to purchase imported water from MWD is \$1,050 per AF, excluding any fixed monthly charges. As indicated previously, the cost per AF for groundwater is approximately \$430 per AF. Clearly, customers experience considerable cost savings as the District diversifies its local water portfolio and moves away from reliance on imported water. The total imported water cost budget is \$18.3 million for FY 2020 and \$19.2 million for FY 2021.

Other Operating Expenses

The graph below displays expenditures by type for the remaining 42% of operating expenses:

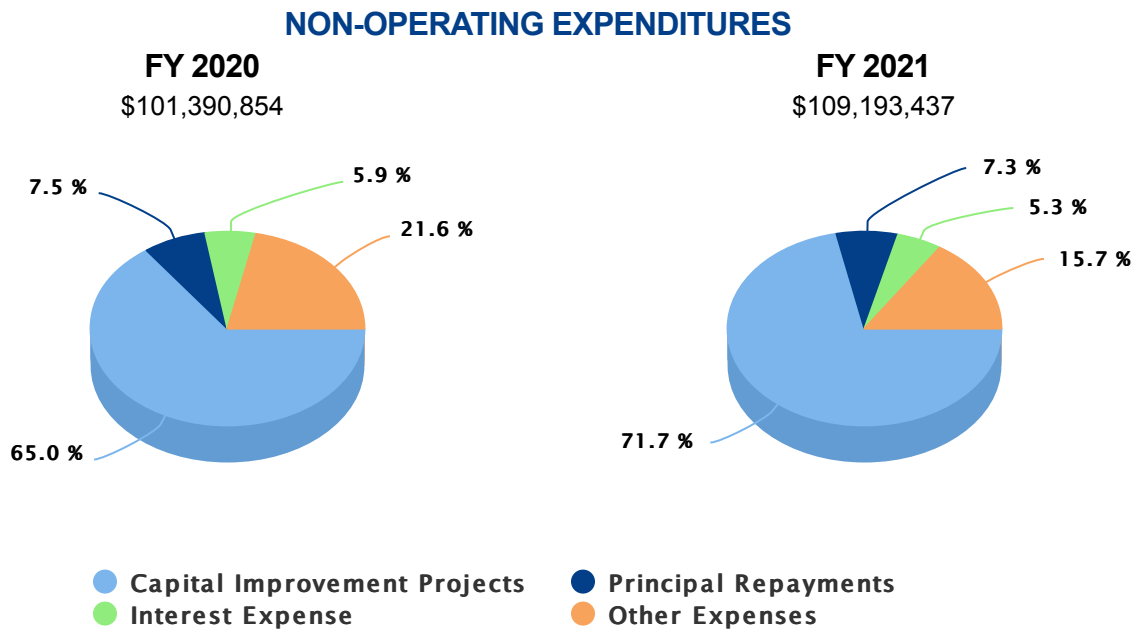


For this segment of the operating budget, other costs increased by \$3.3 million (8%) from FY 2019 to FY 2020. This increase was primarily due to the increase in expected repairs & maintenance expenses. From FY 2020 to FY 2021, this segment increased by only \$0.1 million (1%).

Non-Operating Expenditures Budget

The Non-Operating Expenditures Budget represents, on average, 58% of the total budget. It consists primarily of Capital Improvement Projects (CIP) for District infrastructure and the annual principal and interest repayments on long-term debt. The total Non-Operating Expenditures Budgets are \$101.4 million and \$109.2 million for FY 2020 and FY 2021, respectively.

Below are graphs of the Non-Operating Expenditures categorized by major types:



The largest non-operating expenditure is for CIP. The proposed CIP budgets are \$65.9 million for FY 2020 and \$78.3 million for FY 2021.

In an effort to minimize costs that affect customer rates, the District is aggressively pursuing other revenue sources such as grants and low interest state revolving fund (SRF) loans to fund planned CIP projects. To date, the District has secured over \$18.5 million in grants and \$50.4 million in low interest SRF loans to fund projects like the Regional Upgrades design and construction projects. In addition, funds have been secured for various planning documents like the Water Conservation Business plan and System Optimization Review. Additional grant and SRF loan funding of approximately \$167 million is currently being sought for multiple planned construction projects such as the Regional Plant Expansion and Diamond Regional Lift Station and Dual Force Main projects.

Below is a list of some of the major projects included in the CIP budgets for FY 2020 and FY 2021:

In Millions	
RWRF Upgrades - Construction	\$ 40.0
Diamond Regional Lift Station	16.6
HTCWRF Expansion	13.0
Diamond Regional Lift Station Dual Force Main	12.0
RWRF Expansion - Construction	12.0
Lee Lake Well Conversion	4.6
Mayhew Well (new)	4.2
CLWTP - Phase I Improvements	3.3
Palomar Well & Wellhead Facilities	2.5
Warm Springs Basin Well	2.5
Other Small Projects ⁽⁵⁷⁾	33.4
Total CIP (2 Years)	\$ 144.1

Below is a brief description of the five largest projects:

RWRF Upgrades - Construction

The District plans to construct several critical upgrades to the existing Regional Water Reclamation Facility (RWRF) to improve plant reliability and provide redundancy features to the existing 8.0 mgd plant. These upgrades will occur within the existing footprint of the facility. The estimated total project cost is approximately \$40,587,040 and will be funded by a combination of grants and low interest loans from the State of California Revolving Fund.

Diamond Regional Lift Station

The District plans to construct the new Diamond Regional Lift Station which, will ultimately replace four existing lift stations. This new lift station will accommodate existing and future development flows. The Lift Station will be designed to accommodate initial flow of about 3.0 million gallons per day (MGD) and future upgrades to pump 6.6 MGD. Previous approved budgets include \$1,200,000 in FY 2018 and \$2,400,000 in FY 2019. This will increase the budget to \$20,250,000 in total.

HTCWRF Expansion

This project will expand and upgrade the Horsethief Canyon Water Reclamation Facility (HTCWRF). The expansion will increase the average daily capacity from 0.5 mgd to 0.8 mgd. The additional flows are expected from planned development in the area and the developers are funding the expansion. The project also includes construction of several critical upgrades to the existing HTCWRF to improve plant reliability and provide redundancy features to the existing 0.5 mgd plant.

As of the time of the budget preparation, the project included both an upgrade and expansion component. The project scope will now focus on the upgrades component only. It is anticipated that the costs will not change.

Diamond Regional Lift Station Dual Force Main

This project will construct new sewer force mains that will convey wastewater from the new Diamond Regional Lift Station to the existing 54-inch sewer line in Lakeshore Drive and Elm Street. The force mains will be designed and constructed to accommodate existing flows and future development flows. An amount of \$729,975 was previously budgeted for this project in FY 2019. This will increase the budget to \$12,729,975 in total.

RWRF Expansion - Construction

The Regional Water Reclamation Facility (RWRF) is projected to reach its design capacity in the near future. To meet future demands, the project will expand average daily capacity from 8.0 to 12.0 mgd. The project includes new bar screens and grit removal tank, a new 4.0 mgd membrane bioreactor, a new 12 mgd UV systems, and sludge processing facilities. The estimated total project cost is approximately \$129,860,229. The District is currently in the process of applying for a low interest loan from the State of California Revolving Fund to fund this project.

A complete list of all planned CIP with detailed descriptions can be found in the Capital Improvement Project section of this document.

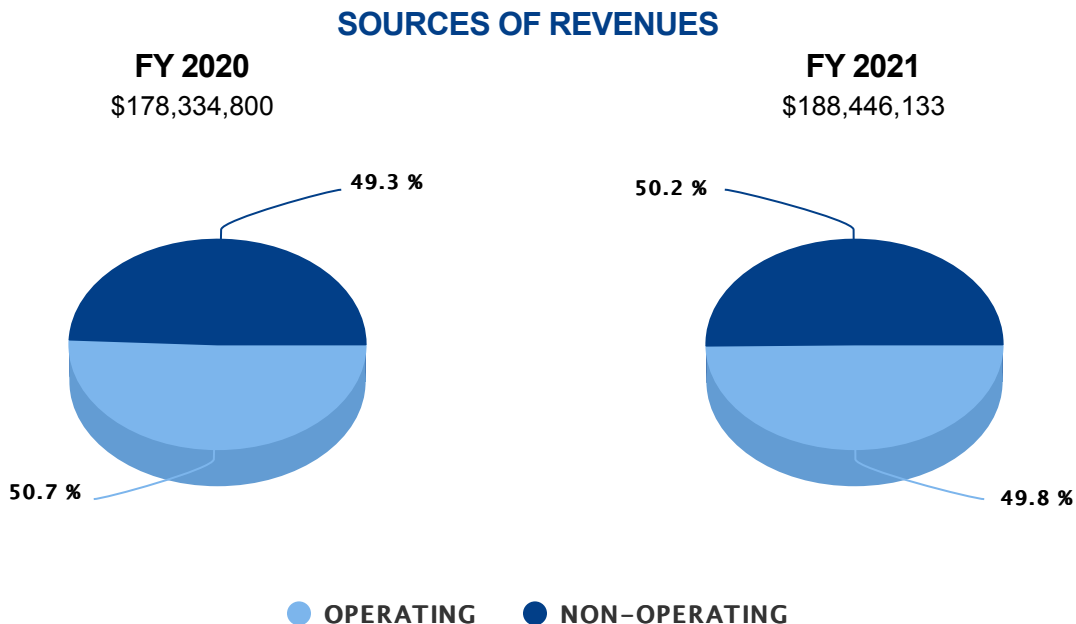
Two other large portions of the Non-Operating Expenditures Budget are the long-term annual debt service (principal & interest) repayments, representing about 13% for FY 2020 and 13% of the FY 2021 Non-Operating budget. The annual principal and interest repayments are \$13.6 million and \$13.7 million for FY 2020 and FY 2021, respectively.

As of June 2019, a total of \$188.0 million in principal and interest is due between now and 2040. This includes \$36.3 million of interest expense. In the past, the District has actively pursued various options such as refunding or early repayments of principal to reduce these amounts further. In addition, the District actively pursues low interest SRF loans to finance large CIP projects rather than issue debt which saves the District a significant amount of interest expense. A significant refunding occurred in 2016, reducing principal by \$56.4 million and saving \$21.5 million in future interest expenses.

Other Non-Operating Expenditures include Capital Outlay, transfers to reserves, and others. Capital Outlays are non-CIP equipment or software purchases that have an individual cost of over \$10,000 with a useful life of more than five years. Transfers to reserves are needed to comply with debt covenants and other administrative code requirements.

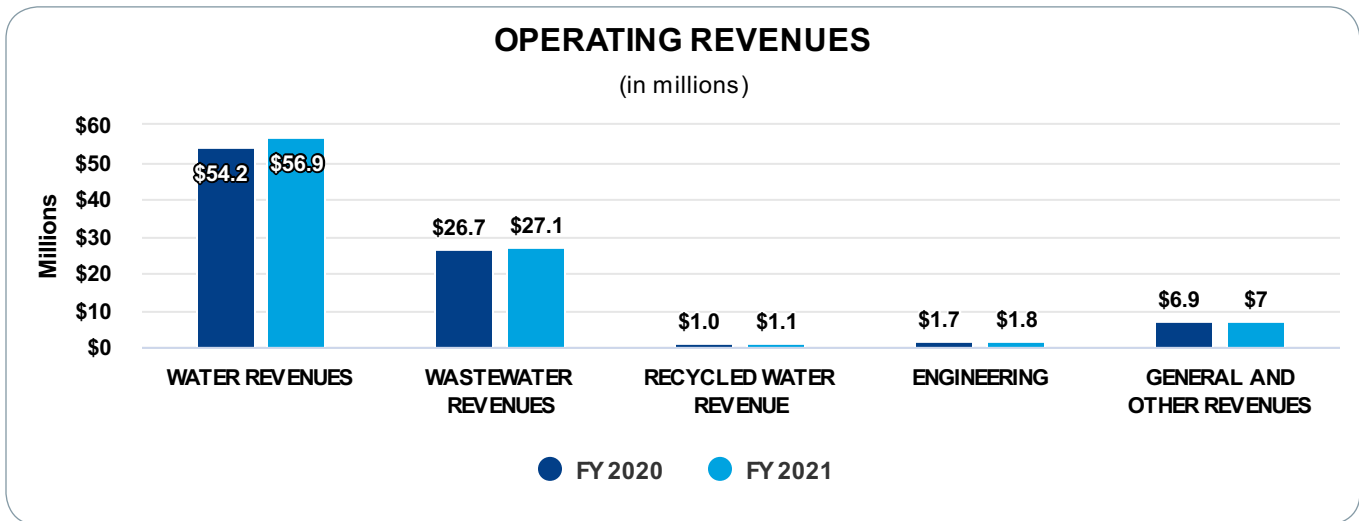
SOURCES OF REVENUES

The District goal is to maintain a balanced budget. As a result, the total Revenue Budget is \$178.3 million for FY 2020 and \$188.4 million for FY 2021. The main sources of revenue are classified as Operating Revenues and Non-Operating Revenues.



Operating Revenues Budget

The Operating Revenue Budget consists of Water, Wastewater, Recycled Water, Engineering revenues, and General & Other Revenues. The revenues are derived from monthly user charges to the District's customers for water and wastewater services. The proposed Operating Revenues are \$90.5 million for FY 2020 and \$93.9 million for FY 2021.



Water Revenues

The proposed Water Revenue Budgets are \$54.2 million and \$56.9 million for FY 2020 and FY 2021, respectively. The rate structure has two major components: fixed and variable charges. The fixed charge consists of the water meter service charges that pay for usage readings, meter maintenance, billing, and customer service. The variable charge consists of the costs to supply and deliver water, capital costs to improve water supply and storage, and funding of conservation programs. These charges are enhanced by other revenue streams such as delinquent fees, service requests fees, and various cost savings programs. Additionally, the District maintains a power surcharge rate to cover costs associated with the energy needed to operate water treatment facilities and to deliver water to customers at higher elevations.

Water revenues are increasing primarily as a result of increases to the fixed and variable rates each year, in addition to an increase in projected customer accounts. This additional revenue will fund capital improvements needed due to deferred maintenance of property, plant, and equipment after the 2008 recession.

In accordance with SWRCB mandates imposed during the recent drought, the District maintains a fully compliant tiered rate system, including a system for implementing drought penalties and surcharges. There is currently no declaration of a drought emergency, and as a result, the District is not currently charging any drought related penalties and/or surcharges.

The District's rate structure encourages customers to control water usage, complies with existing state laws, and helps the District comply with state mandates during drought emergency conditions.

The District continues to offer its Rate Assistance for Residents of Elsinore Valley (RARE) Program which allows qualifying customers to be eligible for low income rate assistance on their water bill at their primary residence. This program is similar in nature to the California Alternate Rate for Energy (CARE) program offered by gas and electric companies. Customers who normally qualify for CARE are generally eligible to apply for the RARE Program. Applications for this program are accepted on a first-come first-serve basis until the available funds are exhausted. Most of the funding for this program comes from lease income earned from cell phone carriers leasing cell tower locations on District owned properties. The maximum monthly RARE credit was increased from \$25.00 to \$27.34 on 9/1/2019 and will increase again on 7/1/2020 from \$27.34 to \$29.68.

The proposed rate tables for Elsinore can be found beginning on page 139 and Temescal Water Divisions can be found beginning on page 156.

Wastewater Revenues

The Proposed Wastewater Revenue budgets are \$26.7 million and \$27.1 million for FY 2020 and FY 2021, respectively. The Wastewater Services Division continues to serve four areas: Regional, Canyon Lake (also known as Railroad Canyon), Horsethief, and Southern areas. The District directly operates three treatment facilities to serve Regional, Canyon Lake, and Horsethief. The District uses an existing Joint Powers Authority (JPA) agreement known as the Santa Rosa Regional Resource Authority (SRRRA) between EVMWD, Rancho California Water District (RCWD), and Western Municipal Water District (WMWD) to provide treatment and disposal services for the Southern area located within the California Oaks Development in the City of Murrieta.

Wastewater rates are unchanged in FY 2020 and FY 2021. Revenues are scheduled to increase as a result of District growth and are sufficient to cover the cost of operating and maintaining the wastewater system for the budgeted fiscal years.

Beginning in FY 2019, the District updated the residential customers rate structure from a fixed monthly charge to a hybrid bill with fixed and variable components, which is based on the number of persons per household. Commercial customers are billed a fixed monthly charge and a variable charge based on water consumption.

Wastewater service charges are based on budgeted operating expenses. On an annual basis, the District completes a thorough review of the services related to collecting, treating, and disposing of wastewater. The District has taken initiatives in the past year to keep costs down. Some of the initiatives included reducing chemical costs by installing UV resistant shade cloths minimizing the deterioration of the chlorine residual caused by UV radiation from the sunlight; and making various operational upgrades.

As a result of cost-saving efforts and concerted effort of controlling costs, the District is not proposing any increases for the two budgeted fiscal years. The complete proposed wastewater rate table can be found on page 169.

Recycled Water Revenues

With continued drought conditions, the recycled water system has been expanded for schools, parks, and golf course irrigation. There are now 150 recycled water connections. This number is expected to grow in the future as the recycled water system is expanded.

The proposed Recycled Water Revenue Budgets are \$1.0 and \$1.1 million in FY 2020 and FY 2021, respectively. The proposed rate table can be found on page 182.

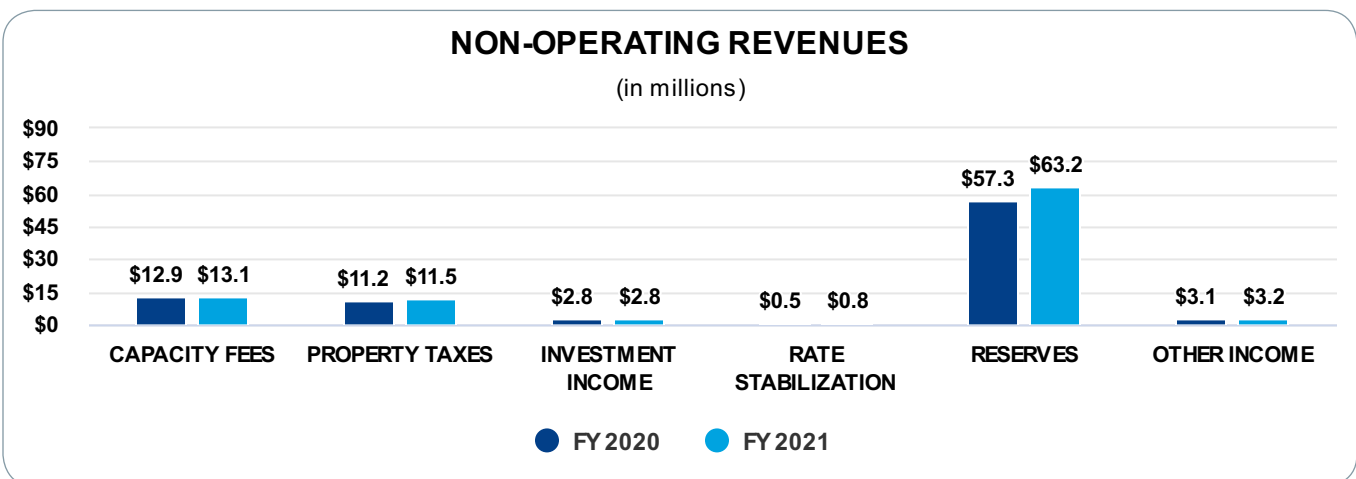
Engineering Revenues

The District engineering revenues are derived from engineering service fees such as planning and plan check, developer project inspections, and other miscellaneous services. Engineering service fee rates are reviewed annually and are set at levels that cover costs associated with performing services. The proposed Engineering Revenue Budgets are \$1.7 million and \$1.8 in FY 2020 and FY 2021, respectively.

General & Other Revenues

The District's general & other revenues are mostly derived from internal service fees to cover the costs of the internal service funds such as the Information Technology fund. The internal service fees are charged to the operating funds. The proposed General & Other Revenue Budgets are \$6.9 million and \$7.0 in FY 2020 and FY 2021, respectively.

Non-Operating Revenues Budget



As previously stated, operating revenues (and ultimately rates) are set at levels needed to fund operations. These rates, fees, and charges are partially offset by non-operating revenues including the sources shown in the chart above.

Capacity fee revenue is generated from fees imposed on new water and wastewater connections. Using projected growth, capacity fee revenue is budgeted at \$12.9 million and \$13.1 million for FY 2020 and FY 2021, respectively. Capacity revenues are highly sensitive to developer plans and economic factors. The proposed capacity fees for the next two fiscal years were determined based on projected growth, and may not be achieved. The capacity fee rates can be found on page 31.

Property tax is received from the County of Riverside and collected from properties within the District's boundaries. The District uses these funds to offset operational and non-operational expenses. The General Property Tax Budgets are \$11.2 million and \$11.5 million for FY 2020 and FY 2021, respectively.

Other sources of revenue include Investment Income; use of Rate Stabilization & other Reserves, Lease Income, and miscellaneous service charges.

CONCLUSION

EVMWD is committed to delivering quality water, recycled water, and wastewater services through continued innovations and efficiencies. This budget document demonstrates the commitment of the entire EVMWD organization to maintain financial stability and to uphold its core principles of transparency and accountability.

Overall, the District's financial position remains strong. The proposed budget is based on near and long-term financial projections, considering a constantly changing economic environment. The Finance & Accounting Department provides continuous financial analysis to the Board of Directors through reports monitoring the District's budget. This in turn provides the Board of Directors with the information it needs to respond to changing budgetary and economic situations.

The proposed budgets for FY 2020 and FY 2021 are a result of the efforts of the EVMWD staff. The Board of Directors has in turn performed its fiduciary role using due diligence to review and question staff proposals.

In addition to the efforts of the Board and various departments, we would like to take this opportunity to thank the Finance and Accounting Department for its role in compiling this budget document.

Respectfully Submitted,



Robert Hartwig, CPA, MBA
Interim General Manager



Scott Thompson, CPA
Accounting Manager



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Elsinore Valley Municipal Water District
California**

For the Biennium Beginning

July 1, 2017

Christopher P. Morill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Elsinore Valley Municipal Water District for its annual budget for the fiscal year beginning July 2015. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

*California Society of
Municipal Finance Officers*

Certificate of Award

*Operating Budget Excellence Award
Fiscal Year 2017-2018*

Presented to the

Elsinore Valley Municipal Water District

For meeting the criteria established to achieve the Operating Budget Excellence Award.

February 7, 2018



Drew Corbett

**Drew Corbett
CSMFO President**

Craig Boyer

**Craig Boyer, Chair
Professional Standards and
Recognition Committee**

Dedicated Excellence in Municipal Financial Reporting



Budget Narrative

July 1, 2019 – June 30, 2020



July 1, 2020 – June 30, 2021



DESCRIPTION OF THE DISTRICT AND THE BUDGET PROCESS

The Elsinore Valley Municipal Water District

History

The Elsinore Valley Municipal Water District (the “District”) was incorporated on December 23, 1950, under the provisions of the California Municipal Water District Act of 1911.

Responsibility

This Act authorizes the District to supply and distribute water, treat and dispose of wastewater, make beneficial use of reclaimed water and manage water-related recreational activities.

Mission Statement

Elsinore Valley Municipal Water District will provide reliable, cost-effective, high quality water and wastewater services that are dedicated to the people we serve.

Vision Statement

A leading-edge service organization managing water resources to exceed customer expectations.

Value Statements

- Recognize employees as valuable assets.
- Promote and display ethical behavior.
- Manage natural resources to be sustainable and a benefit for generations.
- Promote conservation of water and other resources by example.
- Promote environmental responsibility as a faithful steward.
- Promote education to increase understanding based on science.
- Promote community interaction to achieve appropriate consensus.

Government

The District is governed by a five member Board of Directors (the “Board”), elected by the voters within their respective divisions for staggered four-year terms. The current Directors are:

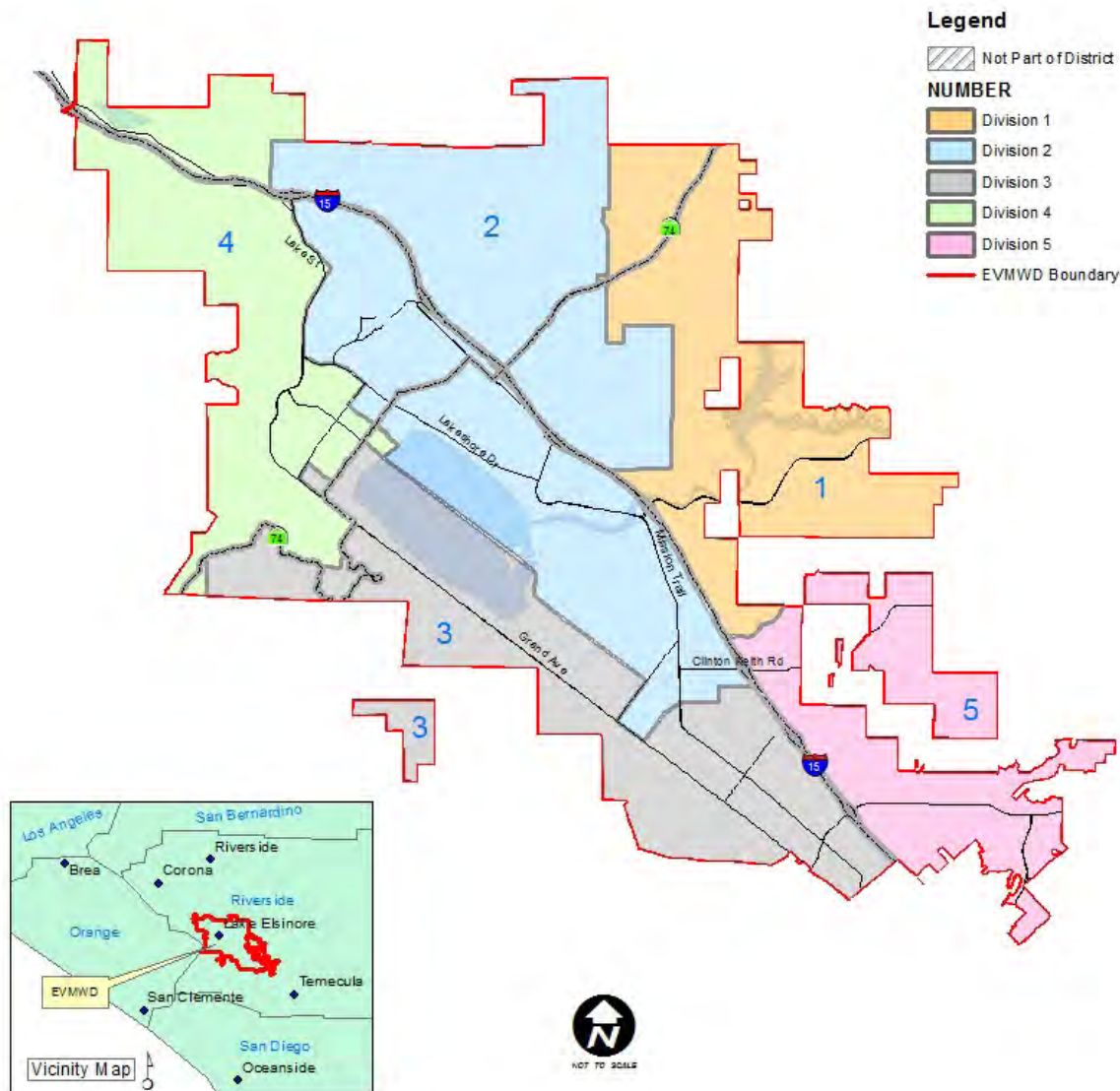
Division	Name	Position
1	Darcy Burke	Treasurer
2	Harvey R. Ryan	Director
3	Jared McBride	Director
4	Phil Williams	Vice President
5	Andy Morris	President

Service Area

The District is located in Southern California and provides service to approximately 61,949 acres or 97 square miles of land located between the cities of Corona and Temecula in the western portion of Riverside County, and a portion of Orange County, along the Ortega Highway.

The District primarily provides service to the cities of Lake Elsinore, Canyon Lake, Wildomar, the California Oaks Development within the City of Murrieta, and the unincorporated communities of Lakeland Village, Meadowbrook, Rancho Capistrano/El Cariso Village, Horsethief Canyon, and Temescal Canyon. The District is a member agency of the Western Municipal Water District (“WMWD”), which is a member agency of the Metropolitan Water District of Southern California (“MWD”). The map below shows the service area and Director’s divisions.

Service Area



Organizational Structure

The General Manager, who reports directly to the Board of Directors, manages the District's day-to-day operations. The General Counsel also reports directly to the Board.

Reporting to the General Manager are three departments: Administration, Governmental Relations, Human Resources; and two divisions: Business Services, and Engineering & Operations.

The Administration Department provides support to the General Manager and Board of Directors, maintains official District records by providing a centralized record center, and coordinating with legal counsel.

The Governmental Relations Department provides review, analysis and development of recommendations regarding state and federal legislation to management and the Board.

The Human Resources Department provides personnel, safety and benefit services to employees and supports management to ensure that the District maintains compliance with various legal and regulatory requirements. This department processes claims, and also maintains the District's personnel and safety policies and procedures, current job descriptions, salary ranges and personnel records.

The Business Services Division provides services in the areas of finance & accounting, community relations, information technology, and purchasing.

The Finance & Accounting department oversees the financial operations of the District to provide accountability and control over the use of District funds. The department provides services in the areas of financial reporting & analysis; treasury & investment management; grant administration; debt management; fixed asset management; financing and management of capital projects & outlays; maintenance of all financial transactions; and general accounting (billing & collections; accounts payable; and payroll)

The Community Relations Department is responsible for billing, collecting, and processing payments for the District's water, recycled water, and wastewater accounts. This department also advances public awareness of the District's mission, strategic goals and objectives to the community and manages all public relations functions.

The Information Technology Department provides office automation and data processing services which increases the effectiveness of all District departments. Software and technical support is provided to evaluate, procure, or configure software programs to the specified needs of various departments; hardware and technical support is provided for District-wide, remote and local area operating platforms; networked automation support is available to all District staff including a trouble call hotline; and centralized computer processing services are provided on all major systems.

The Purchasing Department directs all the procurement activities for the District. Among the goods and services purchased are operating supplies, outside services, maintenance & repair parts, and vehicles & equipment.

The Engineering & Operations Division provides services in the areas of engineering, operations, water resources and strategic planning.

The Operations Department provides services in the areas of Water Operations, Wastewater Operations, and Maintenance. The Water Operations Section operates the water distribution system and two water treatment plants, and provides preventive maintenance and construction services for water facilities. The Wastewater Operations Section collects, transports, and treats the wastewater generated in the District's service area which flows into the District's three wastewater treatment facilities. The Maintenance Section provides electrical, mechanical, meter, and general maintenance services for all District facilities.

The Engineering Department is made up of the Development Services Section, Capital Projects & Design Services Section, and Construction Services Section. The Engineering Department plays a major role in the expansion of the water, recycled water, and wastewater infrastructures. With a wide ranging assortment of responsibilities, the Engineering Department assists developers build new residential and commercial properties and efficiently manages projects for infrastructure improvements, replacements, or expansions.

The Water Resources Department manages, develops and administers ongoing programs in areas such as: watershed management, groundwater recharge, water resources planning, and permit management. The Water Resources Department assists the Operations Department in the review of State and Federal agency water and wastewater reports. The department also is involved with developing, modifying, and implementing the pretreatment program, and assisting in grants and loans applications. The Water Resources Department oversees EVMWD's laboratory which provides test results for water and wastewater samples collected at EVMWD treatment, distribution, and collection systems. The Water Resources Department is organized into three sections: Water Resources Planning, Water Systems Engineering, and Wastewater Systems Engineering.

The Strategic Programs Department's primary goal is to explore and develop water supply programs and strategies that are derived from business case analyses. Additionally, the department provides highly responsible and complex financial support for the District's General Management. This department plans and develops the District's capital financing needs, plans for long term stability of the District's finances, and analyzes District contracts to ensure the highest level of accuracy and compliance to all applicable requirements.

For a more detailed description of each department's function, please see the Strategic Plan section beginning on page 47.

Understanding the Budget Document

A budget is a plan to match resources with the needs of the District. The budget presented is a balanced budget in which the District's expenditures are matched by the District's revenues. This budget provides for the general operation of the District for a two-year period. It includes expenditures and the means to finance them.

The budget of the Elsinore Valley Municipal Water District assures the efficient, effective, and economic uses of the District's resources. Through this budget, the Board sets the direction of the District, allocates its resources, and establishes its priorities.

To plan beyond an annual timeframe and better anticipate future revenue and expense requirements, this budget document covers the period from July 1, 2019 to June 30, 2021, and therefore sets the expenditure guidelines for both the 2019-20 and 2020-21 fiscal years. This document is a vehicle to accurately and openly communicate the District's priorities to its customers, community, employees, and other public agencies. As a comprehensive management and financial plan, this budget describes the programs, services, and resources provided by the District, as well as its policies and long-term financial plans. The Board approved this two year budget at its August 22, 2019 meeting.

The following is a summary of the various sections of the document:

Table of Contents lists the major sections and page numbers of each section.

General Manager's Letter provides a summary of current and future challenges and how they are addressed in the budget and includes a list of major changes in revenues, rates, capital outlays, and capital improvements.

Budget Narrative contains information about the District, the Budget Calendar and Budget Process, major revenue sources and expenditure categories, Non-operating Revenues and Expenditures, Capital Outlays and Improvements, Debt Administration, and District Policies.

Authorized Positions contains an organization chart, a summary of approved changes in the budget, including a description of budgeting practices on authorized positions; and a listing of all authorized positions for the prior, current, and budgeted fiscal years.

Strategic Plan contains detailed information about the District's overall plan and each department's function, goals, objectives, strategies, accomplishments, and performance measures.

Capital Outlays includes a detailed listing of all budgeted outlay items. It also contains a description and justification of the significant projects as well as their impact on the operating budget.

Capital Improvement Projects includes a listing of all new projects with funding requirements and sources. It also contains a description of the significant projects, why they are necessary and their impact on the operating budget.

Budget Statements contains the District's Fund Structure description, list of funds and its source of revenues, a Relationship Between Divisions, Departments, and Funds/Programs chart, Summary of Revenues & Expenditures and Operating Transfers In (Out), Consolidated and Individual Fund Sources and Uses Statements, Consolidated Statement of Income, Computation of Debt Coverage, Schedule of Debt Repayment Requirement and Sources of Funding, Total Debt Service graph, Funding and Cash Flow Diagram, and Schedule of Projected Changes in Fund Balances that describes significant changes.

Water Operations contains information about each of the two water divisions' customers, water sources and production, rates and charges, and detailed financial data for the prior, current, and budgeted fiscal years for each water operating fund, and detailed Fund budgets for each water division.

Recycled Water Operations contains information about the division's customers, water sources and production, rates and changes, and detailed financial data for the proposed budget years.

Wastewater Operations contains information about each of the four wastewater divisions' history, customers, rates, and detailed financial data for the prior, current, and budgeted fiscal years for the wastewater operating fund, and detailed combined fund budget for the Wastewater Division.

General Internal Service Funds contains detailed financial information for the prior, current, and budgeted fiscal years for the general fund and five internal service funds.

Policies contains the District policies on investment, debt management, reserves, capital assets and purchasing.

Supplementary Information contains statistical data of the water and wastewater divisions, list of the District's ten largest water and wastewater customers, as well as demographics and economic data of Lake Elsinore and nearby cities within the District boundary.

Glossary contains a list of budget related terminology and definitions, as well as acronyms and abbreviations used in this document.

Budget Planning

Planning Processes

On an annual basis, the District reviews and updates the Strategic Plan to ensure efficiency in meeting District needs. In September 2014, the District began the process of reviewing its strategic business plan. In a series of workshops, management reviewed the District's mission, vision, and revised the goals, objectives, strategies, and performance measures. The strategic plan is a document which will be monitored, modified and refined continually. The strategic plan was last updated in 2018. Please see the Strategic Plan section beginning on page 46 for more detailed information about this planning process.

Budget Process

The budget process is a team effort starting with a planning meeting where management discussed the proposed budget schedule and major budget assumptions. Thereafter, the General Manager and staff conducted an exhaustive process to develop the budget requirements, review and consolidate requests, and compile the approved budget.

The District has adopted a more long range budgeting approach. With the goals of budgeting effectiveness and accountability as well as minimizing rate impacts, departments are required to provide detailed support by activity for each budgeted amount. This support was prepared as a guideline for expenditures throughout the entire budget period and to provide accountability for any subsequent activities and related expenditures not included in budgeted amounts. Additionally, departments were required to review and update goals, objectives, and strategies; provide a list of accomplishments for the last year; and performance measures for the next fiscal years. The Board also did an extensive review of the water budget based rate structure and water conservation business plan with staff and outside consultants.

November 2018 – February 2019 – Budget Kickoff and Development

The General Manager, and other District management personnel discussed the proposed budget schedule and major budget assumptions. Numerous meetings were held to discuss and review water production, operations and maintenance expenditures, capital outlays, capital improvement projects, position adjustments, goals, objectives, and strategies.

February 2019 – July 2019 – Presentation to Board

In a series of study session meetings, District personnel presented the capital outlay and capital improvement projects budgets, budgeted position adjustments and additions, debt, purchased water, operating statements, budget issues, and rate recommendations to the Board.

July 8, 2019 – Notification to Public

As Required by Proposition 218, a notification of rates and charges was sent out informing all property owners, tenants of real property, and customers of record whose parcels receive service for such rates and charges of the proposed rates.

August 22, 2019 – Budget Approval

The consolidated FY 2019-20 and FY 2020-21 budget and rates were presented, discussed, and approved by the Board.

Budget Amendments

The Board does not formally amend the budget after approval. The General Manager has authority to enter into contracts and agreements and expend funds up to \$50,000. Purchases in excess of \$50,000 require approval of the Board. However, the General Manager may make emergency purchases in excess of \$50,000, but this purchase must be ratified by the Board at the next regular Board meeting. An emergency, as defined by Administrative Code Section 1508A, is “an unforeseen crisis or incident which requires immediate action and the acquisition of goods or services to forestall a shutdown of essential services; to avoid a threat to public health, safety, or welfare; or to avoid serious damage to property.”

The Board approves all District disbursements and changes in authorized positions at regular Board meetings.

Budgeting Basis

The District’s basis of budgeting follows directly with its basis of accounting. The District collects and records revenues and expenditures within the following categories: Proprietary Funds and Governmental Funds (refer to page 80 for more details). Two different accounting methods are used to treat these two categories of funds.

First, Proprietary funds are business-type funds. They include the Enterprise Funds and Internal Service Funds. These funds are accounted for using the accrual basis where revenues are recognized when they are earned, while expenses are recognized when the related fund liability is incurred.

On the other hand, Governmental Funds include the General Fund, Special Revenue Funds, Capital Project Funds, and Debt Service Funds. These funds are accounted for using the modified accrual basis where revenues are recognized when they become both measurable and available, while expenses are recognized when the related fund liability is incurred.

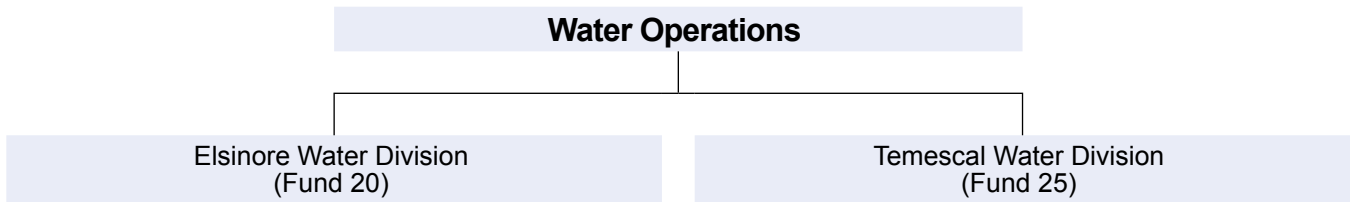
Rather than being accounted for as a single integral entity, the District utilizes a governmental accounting structure where its activities are accounted for in a collection of smaller separate accounting entities known as “funds”. Each fund includes a self-balancing set of accounts established to record the financial position and results that pertain to a specific activity which is classified as either a business-type activity or a governmental-type activity. None of the District’s funds are subject to appropriation. A listing and description of each District fund can be found beginning on page 82.

Reserve Accounts

The District maintains a number of reserve accounts. According to the District’s Master Resolution adopted in 1992 (refer to page 244), the Operating Reserve is budgeted at 20% of maintenance and operation costs. The Rate Stabilization Reserve is maintained at a level that provides the financial flexibility to manage water and wastewater rate fluctuations and debt service coverage. The District maintains additional reserve balances as required by debt covenants. The District is in conformance with reserve requirements for all current indebtedness.

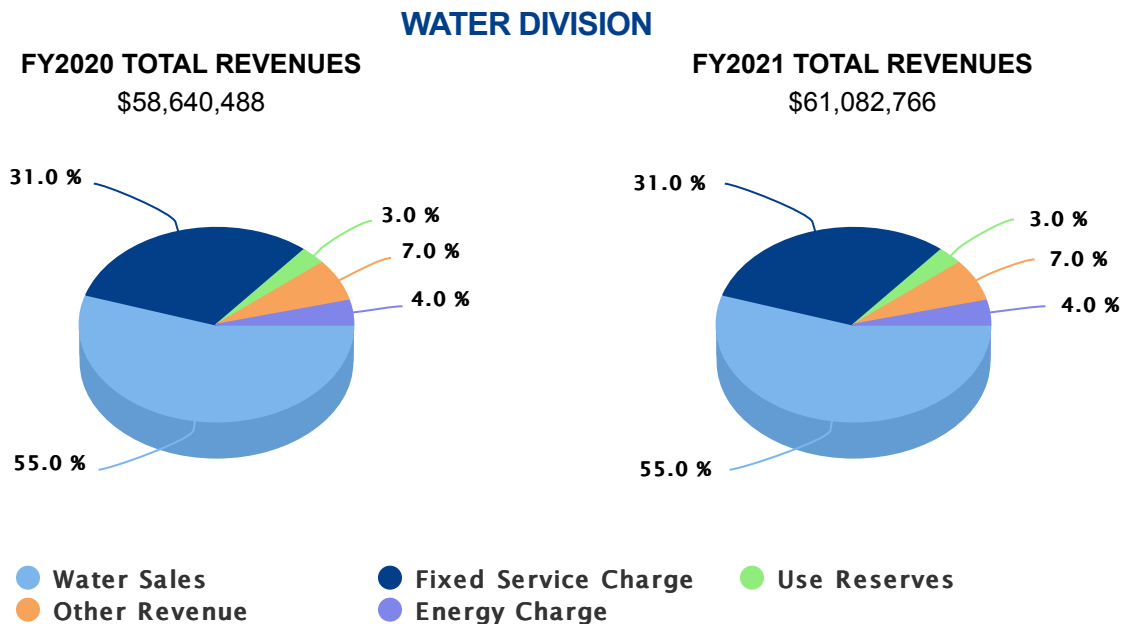
WATER OPERATIONS

Revenues and Expenditures



The District operates two water divisions: Elsinore and Temescal. Total operating revenues from these two divisions comprise approximately 30% of the District’s total operating and non-operating revenues for FY 2020 and FY 2021. These water divisions derive their revenues from a variety of sources. As seen in the pie charts below (Figure 1) the major revenue sources are water commodity sales, fixed service charges, and energy charges, which makes up approximately 90% of the District’s total water operating revenues for FY 2020 and FY 2021.

Figure 1

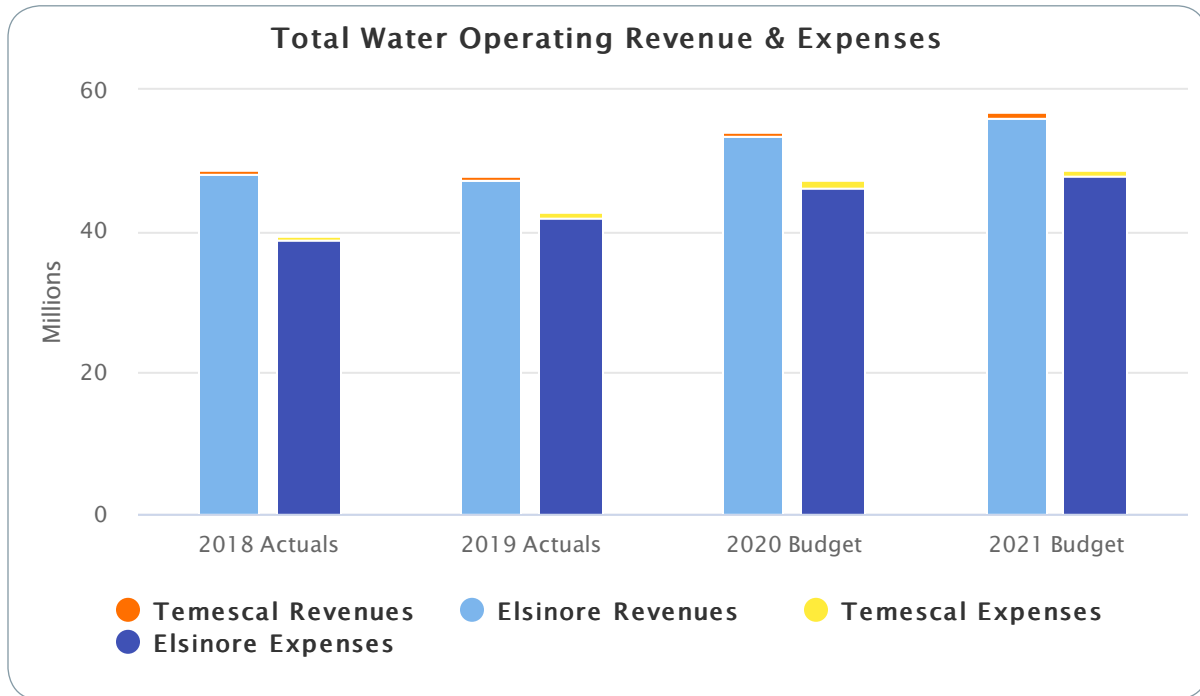


The largest source of revenue, water commodity sales, is partially driven by the weather conditions, with increased water usage in dry and hot weather periods and decreased water usage in wet and cool periods. Drought conditions, water supply restrictions, water conservation efforts, and growth all factor into the total amount of water sales and revenue. The District’s revenue is further impacted by periods of economic turmoil, such as those seen in recent years.

The fixed meter charges are intended to mitigate a portion of the District’s fixed costs, while the energy charge is designed to recover actual electricity expenditures. In total, rates are intended to provide adequate resources to cover the costs for purchased water, operating expenditures, repayment of debt obligations, and funding for replacement projects associated with water facilities.

Budgeted revenue for the Elsinore Water Division incorporates a growth in customers of 1.5% per year for the next two years. As the economy has continued to improve so has the growth within the District’s service area, as marked by increased construction and reduced vacancies. Including the two budget years, the total five-year increase in water customers is anticipated to be 5.6%.

Figure 2

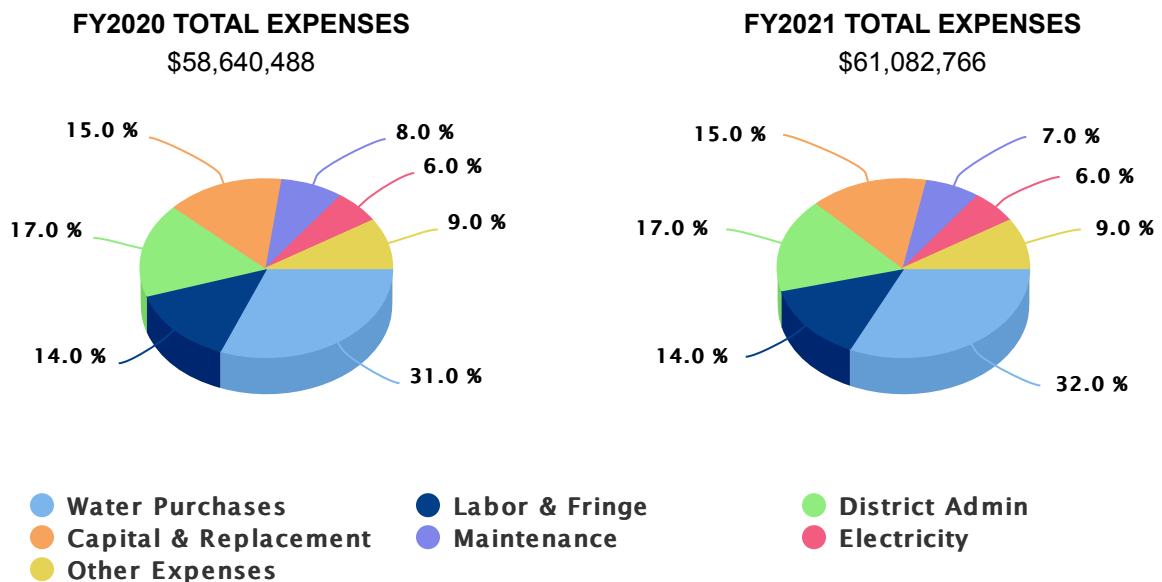


The graph above (Figure 2) shows total operating revenue and expenditures for both water divisions. Elsinore Water Division's operating revenue comprises on average 98% of the total operating water revenue for FY 2020 and FY 2021.

The Water Division's primary expense is purchased water expenses. As shown on the pie charts below (Figure 3), purchased water expenses makes up approximately 31-32% of the Water Division's total expenses. Imported water has made up approximately 70% of the District's total water production for the past 10 years. The charts also show the percentage budgeted expenditures by major category for the District's Water Division.

Figure 3

WATER DIVISION



RECYCLED WATER OPERATIONS

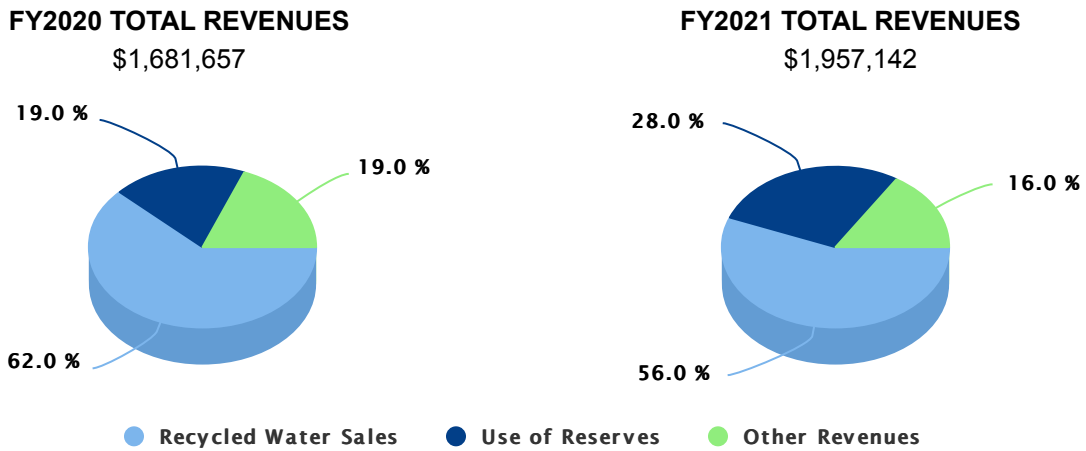
Revenues and Expenditures

Revenue from recycled water sales generates less than 1% of the District’s total projected operating and non-operating revenue for FY 2020 and FY 2021, on average. Reclaimed water sales accounts for 100% of operating revenues for the Recycled Water fund. As with the potable water commodity sales, recycled water commodity sales are partially driven by the weather conditions, water conservation, and District growth.

For FY 2020 and FY 2021, approximately 38-44% of total revenues are made up of other revenues, which mostly consist of transfers from other funds and reserves. Transfer from other funds are mostly from the Elsinore Water fund, which benefits from the District providing recycled water, in the way of not having to provide potable water for irrigation purposes. The charts below (Figure 4) detail the total revenues for both FY 2020 and FY 2021.

Figure 4

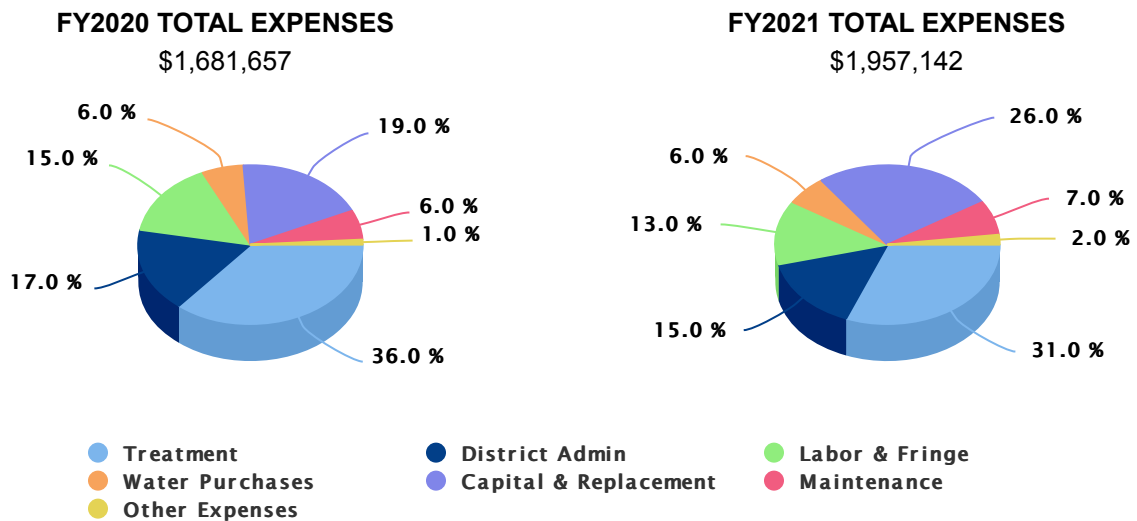
RECYCLED WATER DIVISION



On average, for both FY 2020 and FY 2021, water treatment expenses make up 33% of the Recycled Water Fund expenses. The charts below (Figure 5) details the Recycled Water expenses for the proposed budget years.

Figure 5

RECYCLED WATER DIVISION



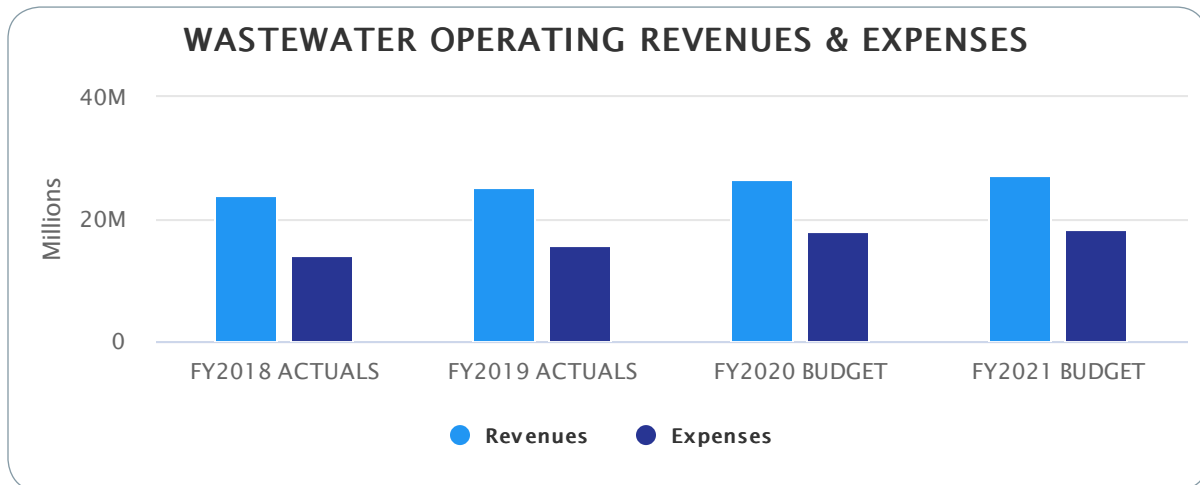
WASTEWATER OPERATIONS

Revenues and Expenditures

Total wastewater revenues are approximately 15% of the District’s total operating and non-operating revenue for FY 2020 and FY 2021, on average. The single largest revenue source for wastewater operations is the wastewater service charge, averaging approximately 94% of total revenues for both FY 2020 and FY 2021. This charge is a combination of a fixed monthly charge and variable rate component based upon the persons per household (pph) for both residential and multi-family customers, while all other customers are mostly charged based on actual water usage. Since most customers are residential, there is very little fluctuation in operating revenue, with increases correlated to growth and an increase in the service charge rate. The number of wastewater customers is budgeted to grow approximately 1.8% for both budget years. Including the growth that has been projected for the budget years, the total five-year increase in wastewater customers is estimated to be 8.4%.

Rates are intended to provide adequate resources to cover the costs of operating expenditures, repayment of debt obligations, and funding for replacement projects associated with wastewater facilities. The graph shown below (Figure 6) illustrates total wastewater operating revenues and expenditures for a four-year period.

Figure 6



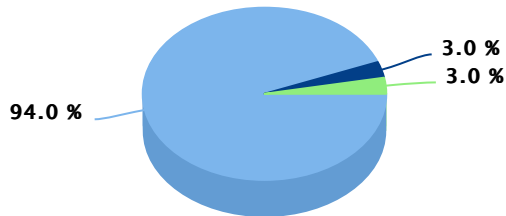
The pie charts below (Figure 7) show the percentage of budgeted revenues for each major funding source and budgeted expenditures by major category for FY 2020 and FY 2021.

Figure 7

WASTEWATER DIVISION

FY2020 TOTAL REVENUES

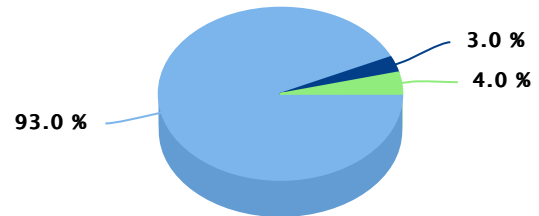
\$27,862,967



● Sewer Service Charge ● Lake Replenishment ● Other Revenue

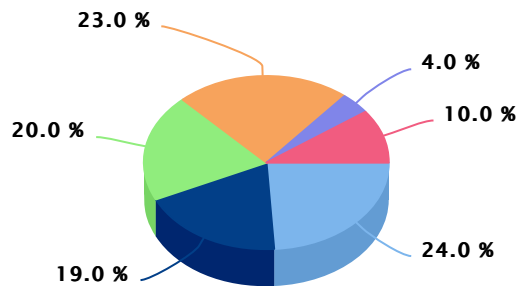
FY2021 TOTAL REVENUES

\$28,529,088



FY2020 TOTAL EXPENSES

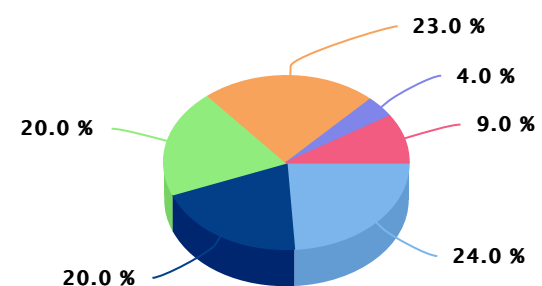
\$27,862,967



● Capital & Replacement ● Labor & Fringe ● District Admin
● Treatment Plant ● RCWD ● Other Expenses

FY2021 TOTAL EXPENSES

\$28,529,088



NON-OPERATING REVENUES AND EXPENDITURES

Lake Maintenance

Lake Elsinore is a natural lake which is replenished by natural flows from the San Jacinto River. Such natural flows can vary tremendously. In the past, flows have been so great as to cause the Lake to overflow and at other times so low that the Lake has dried up completely. In March 2003, the District and the City of Lake Elsinore entered into the Lake Elsinore Comprehensive Water Management Agreement in order to help stabilize Lake Elsinore and to assist in the protection of recreational, fishery and environmental values associated therewith. The agreement stipulates that the District and the City annually contribute to the Lake Maintenance Fund, which is established to fund costs associated with maintaining the water level in Lake Elsinore. The annual contribution for both proposed budget years is \$750,000.

In February of 2003, the District also entered into the O&M agreement for the Axial Flow Water Pump Destratification System with the County of Riverside and the City of Lake Elsinore. The destratification system is intended to avoid the substantial adverse environmental and aesthetic impacts that result from harmful algae blooms and resultant fish kills. The costs of the destratification system are shared equally amongst the District, County, and City. For FY 2020 and FY 2021, the District has budgeted \$50,000 for its share of the system costs.

In July of 2006, the District entered into an Agreement to form the Lake Elsinore and Canyon Lake Total Maximum Daily Loads (TMDL) Task Force with various other Agencies (stake holders). This was in response to the Santa Ana Regional Water Control Board's designation of Lake Elsinore and Canyon Lake as "impaired water bodies" pursuant to Section 303(d) of the Clean Water Act. In December 2004, in response to this designation, the Regional Board adopted a resolution amending the Water Quality Control Plan for the Santa Ana River Basin. The plan amendment specifies an implementation plan (TMDL Implementation Plan), which holds specific stake holders individually and/or jointly responsible for complying with the TMDLs. The purpose of the task force is to implement certain tasks identified in the TMDL Implementation Plan and to pursue TMDL related tasks agreed upon by the task force agencies. The District has budgeted \$125,000 for both FY 2020 and FY 2021 for costs related to the TMDL related activities.

In addition to the agreements noted above, in August 2006, the District entered into the Aeration System agreement with the County of Riverside and the City of Lake Elsinore, in an effort to improve water quality within the watershed and Lake Elsinore. The agreement stipulates that each Agency will pay its pro rata share of the aeration system costs. For FY 2020 the budgeted costs for the aeration system are \$225,296 with the District's share being \$76,426. In FY 2021 the total aeration system budgeted costs are \$232,434, with the District's share being \$78,872.

Standby Charges

The District maintains a standby charge program which recognizes that along with current users, unimproved property within the District's water and wastewater service areas bear some financial responsibility of maintaining and replacing the system(s) for their future use. In order to institute a fair and equitable cost sharing program, the Board of Directors adopted a system of charges that are distributed to undeveloped properties who receive a benefit.

The proposed standby charges and the revenues for the FY 2020 and FY 2021 budget years are summarized below (Figure 8).

Figure 8

District Wide Standby						
	Charges (Per Year)		Actual FY 2018	Actual FY 2019	Budget FY 2020	Budget FY 2021
	FY 2020					
	Improved	Unimproved(1)				
Elsinore Water	-	\$7.50 / \$10.00*	155,395	153,351	\$143,559	\$135,951
Elsinore Water District	\$20	20	136,056	133,872	136,524	136,524
Regional Sewer	-	10	277,687	298,056	289,026	273,759
Canyon Lake Sewer	10	30	48,810	49,554	49,383	49,271
California Oaks Sewer	-	30	-	-	466	133
Total Standby Revenue			\$617,948	\$634,833	\$618,958	\$595,638

* Based upon distance from waterline

(1) Per acre or portion thereof

Taxes

General Purpose Property Taxes

Each year the District receives a portion of Riverside County’s general purpose property taxes collected on parcels located within the District’s boundaries. The District utilizes general purpose property tax revenues for a variety of purposes including its capital repayment and improvement programs. Any significant reduction in this source of funding would have an immediate impact on the District, including its ability to meet current commitments under its capital repayment and improvement programs.

Community Facilities District Taxes

The District is the lead agency for six Community Facilities Districts (“CFDs”) located within its service area. The following is a description of each CFD.

CFD 1998-2 was formed on December 22, 1998 to finance the construction of public water and wastewater facilities required to provide service to nine parcels totaling approximately 368 acres in the Wildomar area. The District has provided a cash contribution to the project that will be reimbursed through additional facilities charges on undeveloped property within the benefit area. Bonds in the amount of \$5,500,000 were issued on February 9, 2000, with repayment being provided by a special assessment charged to each parcel or acre of land within the project.

CFD 1999-1 was formed to finance the construction of public wastewater facilities including a Regional wastewater pumping station and main pipeline for approximately 81 acres within the City of Murrieta. Bonds in the amount of \$4,000,000 were issued on January 4, 2000, with repayment being provided by a special assessment charged to each parcel or acre of land within the project. In order to take advantage of lower interest rates, the bonds were refunded on December 28, 2006 and again on June 22, 2016. On this date, the 2016 Special Tax Refunding Bonds, in the amount of \$2,673,000 were issued through a private placement and resulted in a projected net total savings of \$400,126.

CFD 2004-1 was formed to finance the construction and acquisition of public facilities, as well as water and wastewater connection fees for approximately 62 acres in the City of Lake Elsinore. Bonds in the amount of \$2,130,000 were issued on December 30 2009, with repayment being provided by a special assessment charged to each parcel or acre of land within the project. In order to take advantage of lower interest rates, the bonds were refunded on June 22, 2016. On this date, the 2016 Special Tax Refunding Bonds, in the amount of \$1,461,000 were issued through a private placement and resulted in a projected net total savings of \$582,345.

The 2014A Special Tax Refunding bonds were issued to refund existing CFD 2002-1, 2003-1, and 2003-2. To take advantage of low interest rates the Elsinore Valley Municipal Water District Financing Authority (Authority) was established to help facilitate a pooled refunding of the existing CFD bonds. The 2014A Special Tax Refunding Bonds were issued on February 20, 2014 in the amount of \$6,792,000 with repayment being provided by a special tax to be placed on each parcel of taxable property.

CFD 2002-1 was formed to finance the construction of public wastewater facilities, water and wastewater connection fees, and Lake Elsinore Unified School District fees for approximately 32 acres in the Wildomar area. Bonds in the amount of \$2,240,000 were issued on May 26, 2004. They were refunded through the issuance of the 2014A bonds in the amount of \$1,818,000.

CFD 2003-2 was formed to finance the construction of public facilities including an off-site wastewater lift station and a wastewater force main for approximately 135 acres within the City of Murrieta. Bonds in the amount of \$1,985,000 were issued on March 23, 2004. They were refunded through the issuance of the 2014A bonds in the amount of \$1,340,000.

CFD 2003-1 was formed to finance the construction of public water and wastewater facilities, as well as water and wastewater connection fees for approximately 65 acres in the City of Lake Elsinore. Bonds in the amount of \$4,410,000 were issued on September 23, 2004. They were refunded through the issuance of the 2014A bonds in the amount of \$3,634,000.

All debt service funds relating to CFDs are excluded from the District’s audited financial statements. The District’s only obligation is to act as an agent for each CFD, remitting to bondholders the amounts collected from property holders.

Capacity Fees

Another revenue source for the District is Capacity Fees, which are fees that the District collects as each new water or wastewater service is connected to the District’s infrastructure. Capacity fees are comprised of components which identify specific costs the District incurs with each additional connection. Water capacity fees are calculated based upon the size of new meters, whereas wastewater capacity fees are calculated per equivalent dwelling unit (EDU). The table below (Figure 9) provides the District’s water and wastewater capacity fees for a typical single family residential connection, but is not a comprehensive list of all applicable fees. While both water and wastewater connections are subject to a recycled water fee, this fee will only be charged once for each pair of water and wastewater connections.

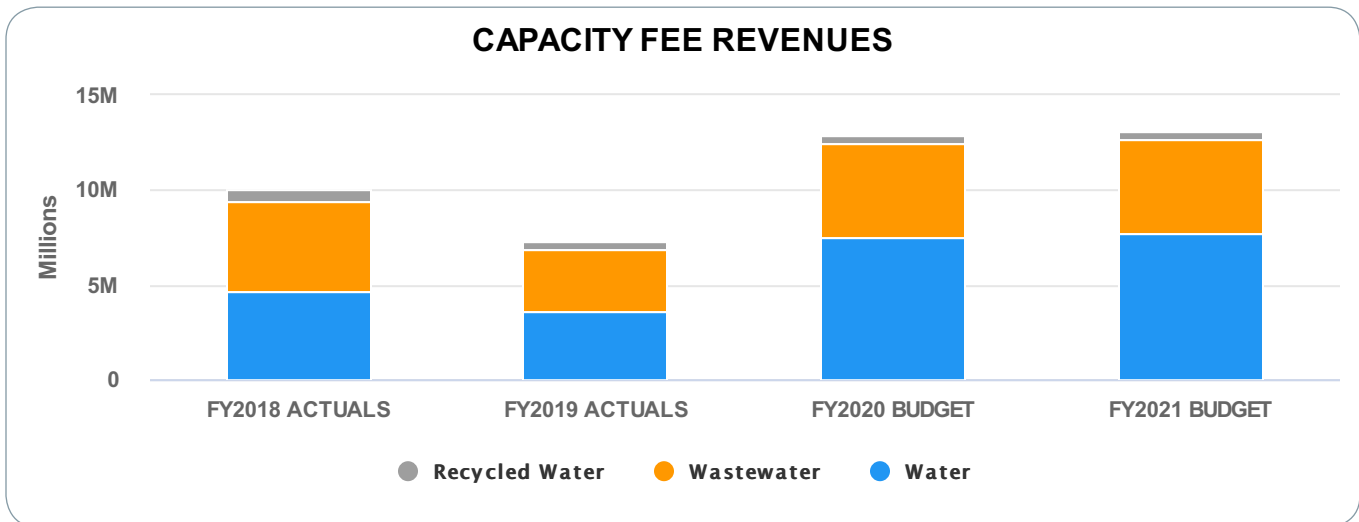
Figure 9

		FY2018	FY2019	FY2020
Water Capacity Fee	Per ¾" Meter	\$9,284	\$13,035	\$13,346
Sewer Capacity Fee	Per EDU	\$7,925	\$7,800	\$7,917
Alberhill Sewer Capacity Fee*	Per EDU	\$13,512	\$12,100	\$12,282
Recycled Water Capacity Fee	Per Connection	\$1,036	\$665	\$675

*Also applies to new flows to the Horsethief Treatment Plant

Revenue from capacity fees is difficult to project due to its heavy reliance on developers’ plans, which, in turn, are based on current real estate demands. Total revenue derived from this source comprises approximately 7% of the total revenues for both proposed budget years. These fees are utilized to provide funding for capital improvement projects which will provide water or wastewater services for future customers. The graph shown below (Figure 10) shows the projected water, wastewater, and recycled water capacity fees for FY 2020 and FY 2021.

Figure 10



Transfers to/from Rate Stabilization Reserves

The District utilizes rate stabilization reserves to offset changes in operations, legislation, or other economic events that could not have been reasonably anticipated at the time the budget was prepared and would otherwise directly impact water and sewer rates and charges. The District targets a reserve level of between 15-30% of operating expenses.

The District has budgeted a net transfer of \$237,212 to rate stabilization in FY 2020 for the water and wastewater funds. FY 2021 includes a net transfer of \$678,440 to rate stabilization for water and wastewater funds.

Capital Outlays

For accounting and financial reporting purposes, the District defines a capital outlay project expenditure as an individually significant acquisition of capital assets (not involving construction) that are expected to last more than five years and have an individual cost of \$10,000 or more. This threshold is applied at the individual asset level. Group purchases of individual assets under \$10,000 are not capitalized, even if the group totals to more than \$10,000. The Board of Directors has directed staff to submit all requests in excess of \$50,000 for the funding of capital outlay purchases on an individual basis for Board approval. Each year, as a part of the budget process, the District’s various departments compile and submit a list of capital outlay items as replacements for, or additions to, current equipment inventory. This year’s capital outlay requests were submitted, reviewed and prioritized in accordance with the District’s anticipated needs for FY 2020 and FY 2021.

The District maintains a Vehicles & Equipment Replacement Reserves. This fund was instituted as a result of studies relating to vehicle & equipment purchases, which determine the annual replacement costs of these items. Replacement criteria for the District vehicles are determined by each vehicle’s unit life cycle cost. Vehicles & Equipment purchase funding is determined by the annual amortized replacement value calculated on a “per mile driven” allocation. This calculation has consistently provided the District with an accurate means of determining funding requirements for each operating division. The Vehicle & Equipment Replacement Reserves is \$400,000 for both FY 2020 and FY 2021. The District leases vehicles under 1-1/2 tons with Enterprise Fleet Management, Inc.

The District also maintains a Computer Replacement Reserve. The funding requirements for each fund are determined by the fund's computer equipment and the associated life expectancy, ranging from five to twenty year life spans. Computer equipment purchase funding is determined by the annual amortized replacement value less expected salvage value from the sale of warranty-expired equipment.

The table shown below (Figure 11) presents the prior, current budgeted and proposed budgeted capital outlay items. A list detailing each of the proposed capital outlay items is provided on pages 64-66.

Figure 11

Capital Outlays				
	Actual FY 2018	Budgeted FY 2019	Budgeted FY 2020	Budgeted FY 2021
Vehicle & Equipment	\$181,366	\$132,501	\$1,302,336	\$955,197
Computers	13,703	-	622,000	650,000
General	991,356	-	509,650	43,125
Total	\$1,186,425	\$132,501	\$2,433,986	\$1,648,322

Capital Improvements

For accounting and financial reporting purposes, the District defines a capital improvement project expenditure as an individually significant construction project with a cost of \$35,000 or more that creates a new capital asset, improves an existing asset (increases its service capacity, etc.), or significantly and unusually extends an asset's operating life. Routine minor projects that are periodically performed in order to keep an asset in its normal operating condition are budgeted as Operation and Maintenance (O&M) costs. Projects that are individually not significant are also budgeted as O&M costs regardless of the nature of the project

Proposed Capital Improvement Projects for the budgeted fiscal years were submitted by the Engineering Department in accordance with the anticipated needs of the District as outlined in the Water, Wastewater, and Recycled Water Master Plans that were updated in August 2016. The master plans include projects which will allow the District to address existing system deficiencies and provide the facilities necessary to meet future growth. These projects are phased based on the anticipated construction of future land developments, the need to meet existing system deficiencies, and improvement of service reliability. The master plans outline projects needed within the District through 2040. Projects totaling \$65,858,511 and \$78,301,794 have been proposed for budgeted FY 2020 and FY 2021, respectively. The proposed projects for both fiscal years are anticipated to be funded from a variety of sources such as the Districts capital replacement or capacity fee funds, general purpose property tax, grants or low interest loans from the State of California Revolving Fund, or developer funded. The total project amounts outlined in the Master Plans beyond FY 2020-21 are detailed below (Figure 12).

Figure 12

Master Plan Projects							
	FY2022	FY2023	FY2024	FY2025-2029	FY2030-2034	FY2035-2039	FY2040-2044
Water	\$57,466,600	\$62,224,100	\$55,706,600	\$120,560,281	\$145,059,072	\$134,811,572	\$108,135,602
Wastewater	87,573,000	78,883,000	24,343,000	78,382,300	81,677,300	118,752,650	80,175,400
Other	8,500,000	24,500,000	8,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Grand Total	\$153,539,600	\$165,607,100	\$88,549,600	\$201,442,581	\$229,236,372	\$256,064,222	\$190,811,002

To the extent that cash funding is available, amounts for all approved projects contained in this proposed budget will be transferred to the Capital Improvement Fund from the sources outlined on the capital improvement projects listing on pages 68-78.

These fund transfers will be made upon Board approval of this budget. However, before commencing with any project, it will be brought to the Board for consideration and approval. Any shortfalls in funding transfers will be reviewed and alternative funding sources will be determined.

Debt Administration

As of June 2019, the District's outstanding debt principal totals \$157,356,061. The majority of the debt, (approximately 88%) encompasses two outstanding Certificates of Participation totaling \$71,080,000 and the 2016A Water Revenue Bonds totaling \$67,920,000. The remaining debt obligations are comprised of various loans and Advances from the U.S. Government.

Total future long-term debt maturities as of June 30, 2019 are as follows:

Fiscal Year	Principal	Interest	Total
2020	\$ 7,405,151	\$ 5,546,616	\$ 12,951,767
2021	7,660,086	5,421,754	13,081,840
2022	7,964,126	5,116,739	13,080,865
2023	8,296,064	4,789,451	13,085,515
2024	8,387,080	4,446,494	12,833,574
2025-2029	47,634,592	16,559,078	64,193,670
2030-2034	51,241,511	7,387,414	58,628,925
2035-2039	18,640,363	791,348	19,431,711
2040	127,089	2,288	129,377
Total	\$ 157,356,062	\$ 50,061,182	\$ 207,417,244

As shown, the District's debt maturities for FY 2020 and FY 2021, are \$12,951,767 and \$13,081,840, respectively. However, to reconcile total debt maturities to the Computation of Debt Coverage on page 123, you must first deduct the debt payments for the Advances from the U.S. Government, as the loan is not considered a parity obligation. Then due to the fact that the District's two outstanding COPs have a variable interest rate but are budgeted at a fixed rate and funding for debt repayment is based on accrued amounts, you must adjust for the difference between accrued interest and actual interest expense as shown below (Figure 13):

Figure 13

	FY 2020	FY 2021
Total Debt Maturities	\$ 12,951,767	\$ 13,081,840
SRRRA Debt Maturities	1,753,403	2,270,285
Advances from U.S. Government	<u>(386,473)</u>	<u>(386,473)</u>
	14,318,697	14,965,652
Adjustment for Interest	<u>726,534</u>	<u>602,111</u>
Total Obligation Expenditure from the Computation of Debt Coverage	\$ 15,045,231	\$ 15,567,763

Additionally, because the District pre-funds a portion of future principal payments each year, in order to reconcile the principal expenditure amounts from the Computation of Debt Coverage to the Sub-Totaled Debt Repayment Requirements amounts on the Schedules of Debt Repayment Requirements and Sources of Funding pages 124-125, you must include the annually funded principal payment amounts for expenditures that are not scheduled to be repaid until the last ten years of the bond's thirty-year life.

All applicable bond covenants, such as ratios of net revenues to debt service and reserve fund balance requirements have been met or exceeded (see page 123). The District has no legal debt limit, but the District's future borrowing capability is limited by the debt coverage ratio (net revenue divided by annual debt service) required by existing bond covenants. These covenants require that the coverage exceed 1.10; the District's ratio is 2.58 and 2.60 for FY 2020 and FY 2021, respectively. The District can issue revenue bonds at its discretion up to the minimum debt coverage ratio; however, issuing GO bonds requires a vote of the affected taxpayers. Additionally, the District maintains long-term cash projections for all funding sources and debt repayment requirements and believes it has the means to meet all current and future debt repayment requirements.

Policies

The District has adopted several financial policies addressing investments, reserves, debt management, capital outlay and purchasing. These policies are included in the Policies section.

Authorized Positions

Organization Chart



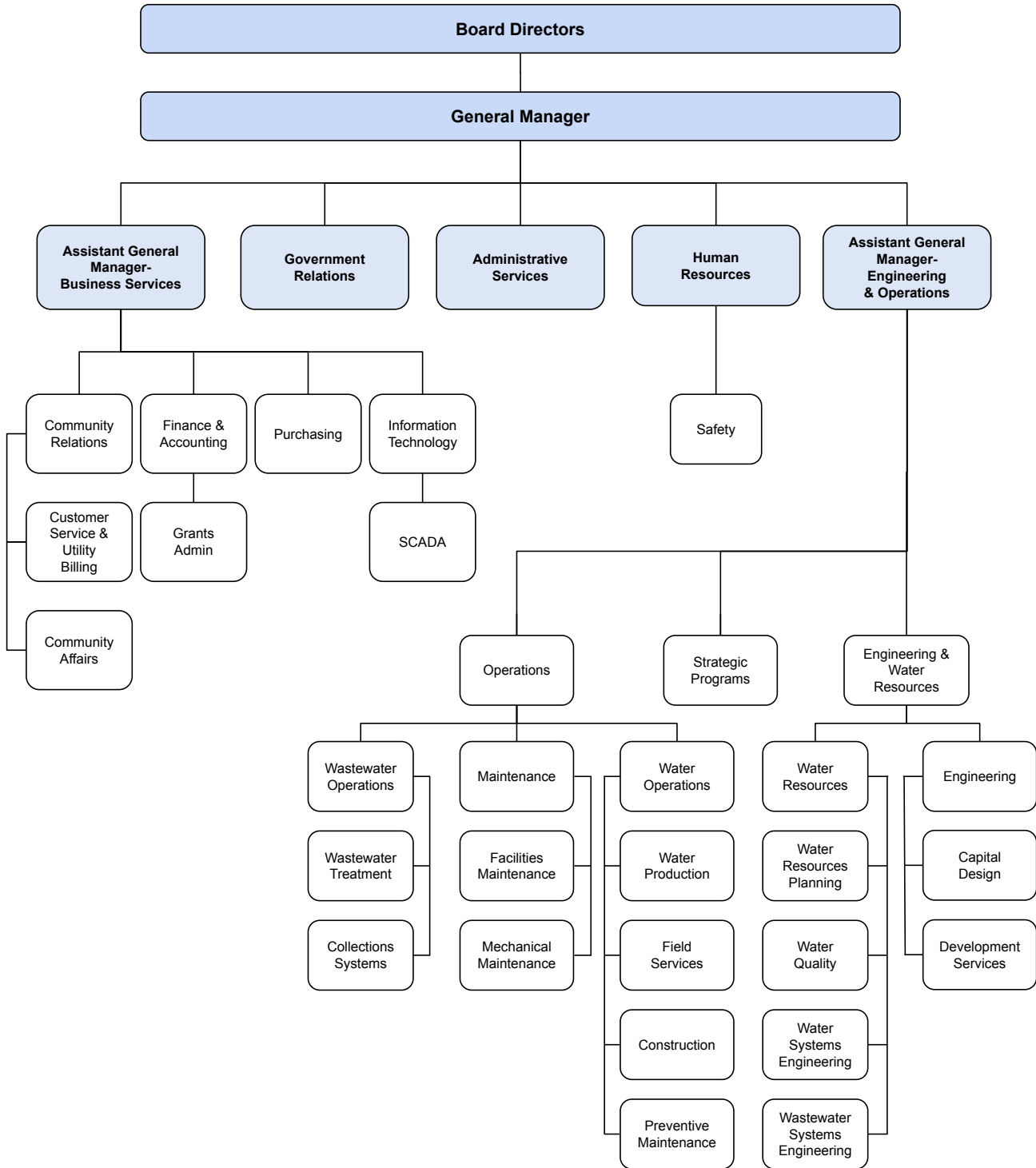
Summary of Changes



Authorized Position Listing



ORGANIZATIONAL CHART



SUMMARY OF CHANGES IN AUTHORIZED POSITIONS

Fiscal Years 2020 and 2021

Fiscal Year 2020 and 2021

A net of five Full-Time Equivalents (FTE) have been added to the Authorized Position Listing for FY 2020 and FY 2021 as compared to FY 2019 budgets. A summary of the increase is as follows:

ADDS / DELETIONS (does not include advances within same class)

DEPARTMENT	CLASSIFICATION	ACTION	TOTAL
Administration Services	Senior Executive Assistant	Added	1.0
	Administration Secretary - Deputy Board Secretary	Deleted	-1.0
	Executive Assistant - Deputy Board Secretary	Added	1.0
	Office Services Specialist-Administration	Deleted	-1.0
Safety	Safety Tech	Added	1.0
Business Services	Management Analyst - Grants	Added	1.0
	Senior Office Assistant	Added	1.0
	Office Services Specialist - Community Affairs	Deleted	-1.0
	Contracts Administrator	Added	1.0
	Buyer I / II	Added	1.0
	Purchasing Assistant	Deleted	-2.0
Engineering	Principal Engineer	Added	1.0
	Associate Engineer	Added	1.0
Mechanical Maintenance	Electrical Instrumentation & Controls Tech I / II	Added	1.0
			5.0

The authorized positions that were added, as shown above, were a result of an organizational assessment in an effort to continue streamlined operational and support services. Functions and responsibilities previously performed by the deleted positions were absorbed in other existing positions.

This same organizational assessment resulted in the addition of various positions to fulfill the needs in specific areas that were identified. Details are as follows:

Safety Tech

To fully execute the planned programs and activities for the safety and risk management function, an estimated total of 4,412 labor hours per fiscal year would be required. Given the limitations trying to accomplish planned programs and activities with a temporary employee, this position was added to provide clerical and technical assistance to the Safety Officer.

Management Analyst - Grants

The administration of grants and timing of grant applications is key to maximizing application competitiveness and successful award. The District is in the process of, and plans to submit for several other grant and low interest loans in the near future. The Management Analyst was added to ensure District's fundability and competitiveness of District applications.

Principal Engineer and Associate Engineer

The Capital Improvement Program (CIP) has a significant backlog of projects with new projects being added each year from the Master Plan in addition to projects identified throughout the year by the Operations Department. Engineering has been understaffed in the CIP Department for several years and the Department has relied on consultants to manage projects. The existing consultant contract will be ending over the next several years and the need for long term CIP project management will continue in perpetuity. This position will be the first step in creating a ladder for advancement in the CIP program. The phasing out of consultants will result in a cost savings to the District in both the short and long term.

Electrical Instrumentation & Controls Tech I/II

The current reactive work load consumes 100% of the available staff time and preventive electrical maintenance has been deferred for over five years. A recent staffing analysis comparing available staff time to anticipated workload indicates the need for over four additional electrical FTE's. New facilities are being constructed that will exacerbate this staffing shortage. To ensure component reliability, full equipment life cycle, and staff safety, one electrical FTE has been added to start building the electrical preventive maintenance program.

In addition to the changes previously discussed, the District has gone through re-organization that has resulted in various position modifications (pay range & title changes) or positions being moved from one department to another. The summary of the changes are detailed below.

MODIFICATIONS

DEPARTMENT	CLASSIFICATION	ACTION	TOTAL
Administration	Assistant General Managers	Moved	-2.0
Business Services	Assistant General Manager - Business Services	Moved	1.0
Engineering & Ops Admin	Assistant General Managers - Engineerng & Ops Admin	Moved	1.0
Engineering & Ops Admin	Senior Office Assistant	Moved/Modified	3.0
Development Services	Engineering Services Assistant	Moved/Modified	-3.0
Engineering & Ops Admin	Executive Assistant	Moved/Modified	1.0
Operations Admin	Sr. Office Services Specialist	Moved/Modified	-1.0
Engineering	Development Services Representative	Moved/Modified	1.0
Operations Admin	Office Services Specialist	Moved/Modified	-1.0
Wastewater Collection	Lift Station Tech	Moved	1.0
Mechanical Maintenance	Lift Station Tech	Moved	-1.0

**This list does not include position changes that included title changes only.*

Budgeting Practices for Authorized Positions

The District maintains a practice of budgeting for all authorized positions, with unfilled positions being budgeted at the lowest salary step for each range with the exception of management level positions which are typically budgeted at mid-range.

The District’s positions are filled by way of a contract with the Water Employee Services Authority (WESA), a joint powers authority providing professional water and wastewater services to two water agencies, Elsinore Valley Municipal Water District (EVMWD) and Meeks & Daley Mutual Water Company (M&D). As a joint powers authority, WESA is better positioned to recruit and retain high quality employees with benefits that surpass what was available through either of its member agencies independently.

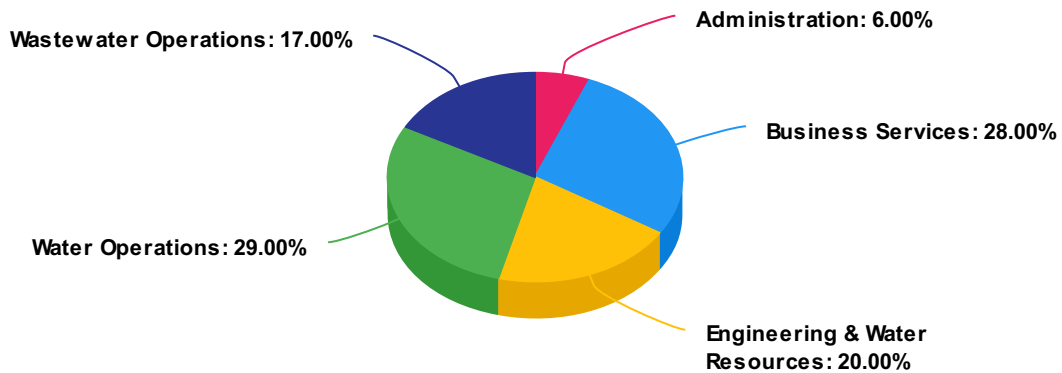
In addition, the District’s employees are members of the Employee Association (EA) bargaining units, the Management Team Association (MTA), or are unrepresented. The EA and MTA both adopted a three-year Memorandum of Understanding (MOU) with the District effective January 1, 2018 to December 31, 2020. Both MOU agreements adopted different salary schedules. Unrepresented employees follow the Management Team Association MOU.

Both MOUs’ include a cost of living adjustment (COLA) based on the consumer price index for the Los Angeles, Riverside, and Orange County area. Both FY 2020 and FY 2021 budgets include a 2.5% merit increase as well as a COLA increase of 2.7%. The last actual COLA increase, effective January 1, 2019, was 3.9% for all bargaining groups.

The employer’s retirement plan provides the PERS “2.7% at 55” benefit for all “classic” members and the “2% at 62” benefit for “new” members (as defined by CalPERS). Classic EA/Confidential/MTA PERS members pay the full 8.0% employee share of the PERS retirement contribution and new members pay 6.75%.

Fiscal Years 2020 & 2021

Total Authorized Positions -172



AUTHORIZED POSITION LISTING

Fiscal Years 2020 Through 2021

<u>Classification</u>	<u>Range</u>	FY 2019	FY 2020		FY 2021	
		<u>Budget</u>	<u>Total</u>	<u>Changes</u>	<u>Total</u>	<u>Changes</u>
<u>Administration Division</u>						
<u>General Management</u>						
General Manager	50	1	1		1	
Assistant General Manager - Business Services	46	1		(1)		
Assistant General Manager - Engineering & Operations	46	1		(1)		
Sub-total General Management Division		3	1	0	1	-
<u>Administration Services</u>						
District Secretary - Administration Services Supervisor	32	1	1		1	
Senior Executive Assistant	28		1	1	1	
Executive Assistant - Deputy Board Secretary	27		1	1	1	
Administration Secretary - Deputy Board Secretary	25	1		(1)		
Office Services Specialist-Administration	23	1		(1)		
Records Management Coordinator	23	1	1		1	
Sub-total Administration Services Division		4	4	-	4	-
<u>Governmental Relations</u>						
Governmental Relations Officer	38	1	1		1	
Sub-total Governmental Relations		1	1	-	1	-
<u>Human Resources & Safety</u>						
Human Resources & Safety Manager	37	1	1		1	
Human Resources Specialist	28	1	1		1	
Human Resources Technician	24	1	1		1	
Safety Officer	33	1	1		1	
Safety Technician	24		1	1	1	
Sub-total Human Resources		4	5	1	5	-
Total Administrative Division		12	11	1	11	-
<u>Business Services Division</u>						
<u>Business Services Administration</u>						
Assistant General Manager - Business Services	46		1	1	1	
Executive Secretary	27	1	1		1	
Senior Office Assistant	21		1	1	1	
Sub-total Business Services Administration		1	3	2	3	-
<u>Finance & Accounting</u>						
Accounting Manager	37	1	1		1	
Senior Management Analyst	36	1	1		1	
Accounting Supervisor	34	1	1		1	
Accountant III	32	4	4		4	
Management Analyst	31		1	1	1	
Accounting Technician I / II / III	21/23/25	5	5		5	
Sub-total Finance & Accounting		12.0	13.0	1.0	13.0	9.0

AUTHORIZED POSITION LISTING

Fiscal Years 2020 Through 2021

<u>Classification</u>	<u>Range</u>	<u>FY 2019</u>	<u>FY 2020</u>		<u>FY 2021</u>	
		<u>BUDGET</u>	<u>Total</u>	<u>Changes</u>	<u>Total</u>	<u>Changes</u>
Business Services Division (continued)						
<u>Community Relations</u>						
Community Relations Manager	37	1	1		1	
Community Affairs Supervisor	33	1	1		1	
Customer Service Supervisor	31	1	1		1	
Water Efficiency Specialist	27	1	1		1	
Community Affairs Specialist	27	1	1		1	
Customer Service Specialist	23	3	3		3	
Office Services Specialist - Community Affairs	22	1		(1)		
Customer Service Representative	20	10	10		10	
Sub-total Community Relations		19	18	(1)	18	-
<u>Purchasing</u>						
Purchasing Manager	36	1	1		1	
Contract Administrator	31		1	1	1	
Inventory Control Specialist	24	1	1		1	
Buyer I / II	24/26		1	1	1	
Purchasing Assistant	23	2		(2)		
Sub-total Purchasing		4	4	-	4	-
<u>Information Technology</u>						
Director of Information Technology	41	1	1		1	
Information Technology Supervisor	34	1	1		1	
Applications Specialist I / II / III	29/31/33	2	2		2	
SCADA Specialist I / II / III	29/31/33	3	3		3	
Network Specialist	31	1	1		1	
IT Technician I / II / III	22/24/26	1	1		1	
GIS Technician I / II / II	22/24/26	1	1		1	
Sub-total Information Technology		10	10	-	10	-
Total Business Services Division		46	48	2	48	-

AUTHORIZED POSITION LISTING

Fiscal Years 2020 Through 2021

Classification	Range	FY 2019	FY2020		FY2021	
		BUDGET	Total	Changes	Total	Changes
Engineering and Operations Division						
Engineering Operations Administration						
Assistant General Manager - Business Services	46		1	1	1	
Executive Assistant	27		1	1	1	
Senior Office Assistant	21		1	1	1	
Senior Office Assistant	21		1	1	1	
Senior Office Assistant	21		1	1	1	
Sub-total Engineering & Ops Administration		-	5	5	5	-
Engineering & Water Resources Administration						
Director of Engineering & Water Resources	44	1	1		1	
Engineering Manager	42	1	1		1	
Water Resources Manager	42	1	1		1	
Engineering Project Coordinator	28	1	1		1	
Sub-total Engineering & Water Resources Admin		4	4	-	4	-
Capital Design						
Principal Engineer	38		2	2	2	
Senior Civil Engineer	38	1		(1)		
Associate Engineer	34				1	1
Engineering Technician	24	1	1		1	
Sub-total Capital Design		2	3	1	4	1
Development Services						
Construction Services Supervisor	38	1		(1)		
Senior Civil Engineer (Development Services)	38		1	1	1	
Senior Engineering Inspector	31	1		(1)		
Engineering Inspector	28	1	2	1	2	
Development Coordinator	26	1		(1)		
Senior Development Services Representative	24		1	1	1	
Development Services Representative	22		1	1	1	
Engineering Services Assistant	21	3		(3)		
Sub-total Development Services		7	5	(2)	5	-
Water Resources Planning						
Senior Water Resources Engineer/Planner	38	1	1		1	
Civil Engineer (Planning)	32	1	1		1	
Sub-total Water Resources Planning		2	2	-	2	-
Water Quality						
Water Quality Supervisor	33	1	1		1	
Water Quality Analyst	30	1	1		1	
Water Quality Technician	27	3	3		3	
Sub-total Water Quality		5	5	-	5	-
Water Systems Engineering						
Water Quality Administrator	38	1	1		1	
Water Protection Supervisor	30	1	1		1	
Senior Water Protection Technician	27	1	1		1	
Water Protection Technician	24	1	1		1	
Sub-total Water Systems Engineering		4	4	-	4	-

AUTHORIZED POSITION LISTING

Fiscal Years 2020 Through 2021

<u>Classification</u>	<u>Range</u>	<u>FY 2019</u>	<u>FY 2020</u>		<u>FY 2021</u>	
			<u>Total</u>	<u>Changes</u>	<u>Total</u>	<u>Changes</u>
<u>Engineering and Operations Division - Continued</u>						
<u>Wastewater Systems Engineering</u>						
Senior Civil Engineer (Wastewater)	38	1	1		1	
Pretreatment Program Coordinator	29	1	1		1	
Environmental Compliance Inspector	27	1	1		1	
Sub-total Wastewater Systems Engineering		3	3	-	3	-
<u>Strategic Programs Department</u>						
<u>Strategic Programs</u>						
Director of Strategic Programs	44	1	1		1	
Management Analyst	31	1	1		1	
Total Strategic Programs Department		2	2	-	2	-
Total Engineering & Water Resources Division		29	28	(1)	29	1
<u>Water & Wastewater Operations Department</u>						
<u>Operations Administration</u>						
Director of Operations	44	1	1		1	
Wastewater Operations Manager	40	1	1		1	
Water Operations Manager	40	1	1		1	
Maintenance Manager	40	1	1		1	
Regulatory Compliance Specialist	31	1	1		1	
Sr. Office Services Specialist	25	1		(1)		
Office Services Specialist	22	1		(1)		
Sub-total Operations Administration		7	5	(2)	5	-
<u>Facilities Maintenance</u>						
Lead Field Maintenance Worker	30		1	1	1	
Welder - Fabricator	27	1	1		1	
Field Maintenance Worker I / II / III - Facilities	22/24/27	4	3	(1)	3	
Sub-total Facilities Maintenance		5	5	-	5	-
<u>Mechanical Maintenance</u>						
Mechanical Maintenance Superintendent	34	1	1		1	
Mechanical Technician I / II / III	26/27/29	8	8		8	
Lift Station Technician	24	1		(1)		
Lead Electrical Instrumentation & Controls Tech	31		1	1	1	
Electrical Instrumentation & Controls Tech I / II	27/29		2	2	2	
Electromechanical Technician I	28	2		(2)		
Sub-total Mechanical Maintenance		12	12	-	12	-
<u>Water Operations - Construction Maintenance</u>						
Field Maintenance Superintendent - CM	33	1	1		1	
Field Maintenance Worker I / II / III - CM	22/24/27	10	10		10	
Sub-total Construction Maintenance		11	11	-	11	-

AUTHORIZED POSITION LISTING

Fiscal Years 2020 Through 2021

Classification	Range	FY 2019	FY 2020		FY 2021	
			Total	Changes	Total	Changes
Engineering and Operations Division - Continued						
<u>Water Operations - Preventive Maintenance</u>						
Field Maintenance Superintendent - PM	33	1	1		1	
Facilities Locator - Valve Technician	28	1	1		1	
Field Maintenance Worker I / II / III - PM	22/24/27	7	7		7	
Sub-total Preventive Maintenance		9	9	-	9	-
<u>Water Operations - Field Services</u>						
Field Maintenance Superintendent - FS	33	1	1		1	
Field Maintenance Worker I / II / III - FS	22/24/27	7	7		7	
Sub-total Field Services		8	8	-	8	-
<u>Water Production</u>						
Water Production Superintendent	36	1	1		1	
Lead Water Production Operator	30	2	2		2	
Water Production Operator I / II / III	22/25/28	7	7		7	
Sub-total Water Production		10	10	-	10	-
<u>Wastewater Collection</u>						
Wastewater Collections System Superintendent	33	1	1		1	
Collection Systems Maintenance Worker I / II / III	22/24/27	6	6		6	
Lift Station Technician	24	1	1	1	1	
Sub-total Wastewater Collection		7	8	1	8	-
<u>Wastewater Treatment</u>						
Wastewater Treatment Superintendent	33	2	2		2	
Wastewater Treatment Operator I / II / III	22/26/28	9	9		9	
Sub-total Wastewater Treatment		11	11	-	11	-
Total Water & Wastewater Operations Department		80	79	(1)	79	-
Total Engineering & Operations Division		109	112	3	113	1
Total District		167	171	4	172	1

Strategic Plan & Department Accomplishments

General Management



Business Services Division



Engineering & Operations Division



2019
SUSTAINABILITY
AWARD
Elsinore Valley
Municipal Water District

For Outstanding Leadership,
Commitment and Achievement
in Sustainable Practices

1st District Awardee

Presented by:

STRATEGIC PLAN

The District recognized that an organization must know where it wants to go and how to position itself for success in the current business environment. It envisioned a strategic plan as a strong foundation for creating an evolving District, which will motivate people to learn and work to improve efficiency and effectiveness. The District further believes that a strategic plan can be a powerful tool for creating an atmosphere for better decision-making, strengthening teamwork and communication skills, as well as building understanding and focus to achieve intended results. To achieve the intended results, it was essential to align the goals, functions, and systems of the organization.

The Board of Directors believes that the strategic plan will benefit the District, the employees, and the public it serves. The District realizes that a comprehensive strategic plan developed with stakeholder input through active participation of management and employees, and then used to establish specific action plans and goals will provide that framework.

District's Strategic Vision Goals

- **Water Supply** – meet current and future water supply needs of our customers
- **Infrastructure** – invest in our infrastructure systems to ensure the treatment and distribution of existing and future water and wastewater supplies as well as maintain and improve facilities and operational support systems
- **Financial Management** – be a steward of the District's financial resources in a responsible manner to ensure the current and future reliability of its operations
- **Public and Political Outreach** – develop opportunities to positively influence outcomes favorable to the District
- **Organizational Development** – hire, train, and retain the highest quality employees while providing them the tools and organizational structure to grow in their personal and professional development

Mission Statement

"EVMWD will provide reliable, cost-effective, high quality water and wastewater services that are dedicated to the people we serve."

Vision Statement

"A dynamic and professional organization providing high quality water and wastewater services through proactive and creative strategies as a trusted and recognized industry and community leader."

District Values

- Recognize employees as valuable assets
- Manage natural resources to be sustainable and a benefit for generations
- Promote conservation of water and other resources by example
- Promote environmental responsibility as a faithful steward
- Promote education to increase understanding based on science
- Promote community interaction to achieve appropriate consensus
- Promote and display ethical behavior

Implementation Process

The Strategic Planning objectives of defining the purpose and direction of the District along with aligning planning activities with resources requires an ongoing commitment to manage the Plan. The Plan as designed, has a 5-year planning horizon. Strategic Planning is an 'active process' requiring continuous management and focus. Several factors may disrupt or interrupt the scheduling and implementation of key projects, some of which may not be entirely within the District's control. These include continuous investment of financial resources, regional and local political influence and reprioritization of goals and objectives by the Board of Directors or staff.

Management monitors and updates the plan through the District's Executive Management team. This workgroup reviews the plan annually and reports progress to the Board of Directors, and makes changes as needed based on discussions with the Board.

Department Goals, Objectives, Strategies, and Performance Measures

The District departments identified their function and service areas and developed long-term goals and objectives, which support the District's overall goals and its mission. As a part of this process, each department developed key Performance Measures in specific areas, which will be used to assess departmental efficiencies. The following is a listing of these goals, objectives, strategies, and performance measures.

General Management

●
Function

◆
Goals, Objectives, Strategies and
Performance Measures

◆
Accomplishments



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General Management

Function

General Management provides support to the Board of Directors of EVMWD, including participation on Board ad hoc and standing committees, as well as, the Elsinore Valley Water and Sewer Facilities Corporation, the EVMWD Financing Authority Board, and the Meeks and Daley Water Company Board. Direction and management of services, activities, and operations of the District in the areas of Finance, Engineering, Human Resources, Operations, and Governmental Relations are also provided.

Within the General Management division are the Administration, Governmental Relations, and Human Resources and Safety departments.

Administration

The Administration Department supports the General Manager, Board of Directors of WESA and EVMWD, Elsinore Valley Water and Sewer Facilities Corporation Board, Meeks and Daley Water Company Board, EVMWD Financing Authority, Board ad hoc and standing committees, and executive management staff.

Governmental Relations

The function of the Governmental Relations Department is to communicate and influence legislative efforts of the organization at the local, state, and federal levels. Additionally, the department focuses developing new and enhancing existing, interagency relationships. It is also the goal of the District to establish EVMWD in a larger regional leadership role.

Human Resources and Safety

The Human Resources and Safety Department plans, directs, manages, and oversees the functions, programs and operations related to personnel matters, including employee relations, contract administration, recruitment and selection of employees, administration of health and welfare benefits, risk management, administration of safety regulations, professional development services. This department provides highly responsible and complex administrative support to the General Manager, other departments and outside agencies.

Strategic Vision Goals:

- **Water Supply**
 - Secure additional Mills Gravity Line Capacity
 - Continue to work with City of Lake Elsinore to finalize amendments to existing Lake Elsinore Comprehensive Management Agreement
- **Financial Management**
 - Evaluate current annexation fees and perform a new fee study, if needed
 - Work with District legal counsel to implement changes needed to comply with SB 998
- **Public and Political Involvement**
 - Expand and maintain relationships with local, state, and federal legislative representatives
 - Continue lobbying efforts for dam safety funding through FEMA
 - Manage State advocacy contract to expand EVMWD's Government Relations Program in Sacramento
 - Increase EVMWD's role in national and statewide associations
 - Successfully complete the Army Corps Federal Interest of Determination on Lake Elsinore
- **Organizational Development**
 - Continue developing managerial and staff training modules
 - Complete review and update of job descriptions

- Complete Employee Engagement Survey to review overall engagement and satisfaction levels and identify opportunities for enhancing organizational culture and employee engagement
- Continue to identify and evaluate programs or affiliations to enhance employee benefits and programs, to maintain status of “Employer of Choice”
- Enhance the employee recognition program, taking into consideration performance metrics and employee commitment to the District’s mission, vision, and values
- Complete Performance Management Program enhancements

Accomplishments

● Administration

- Completed notification configuration and roll out for On Base Agenda software, including initial and ongoing training for all users
- Responded timely to 91 Public Records Act requests and subpoenas
- Processed and distributed 111 meeting packets for EVMWD, WESA, EVWSFC, EVMWDF, BCGSA, the Meeks and Daley Water Company and for Standing Committees
- Completed an update to the District’s Records Retention Schedules and updated the Records Management Policy in the Administrative Code. This involved feedback from all departments and took several months. Training and information was provided to staff, following Board approval

● Governmental Relations

○ State Legislative Accomplishments

- Created and Board adopted the EVMWD Government Relations Comprehensive Policy program
- Reviewed and took positions on over 100 bills
- Successfully engaged in major effort to defeat SB 623/SB 845 Water Tax
- Engaged in lobbying coalition to defeat SB 998 Water Customer Shutoffs
- Discussions related to Proposition 218 impacts
- Provided testimony at key committee hearings
- Engaged with the Governor, Legislature and the State Board on EMWD’s alternative to the Water Tax, including providing testimony at key committee hearings and support letters
- Continued work with an ACWA coalition to work with the Governor and the State Board on the development of a plan for the funding and implementation of a Low-Income Water Rate Assistance (LIWRA) Program, as required by AB 401 without severely impacting local water agencies

○ Federal Legislative Accomplishments

- Successfully lead major effort to work with the Army Corps of Engineers on a feasibility study for improving the Aquatic Ecosystem for Lake Elsinore
- Organized meetings at all levels of the Corps, including the Pentagon, to include this project in their fiscal year 2018 work plan. The project team will begin work early in 2019
- Reviewed and took positions on over 75 bills
- Lead 7 lobbying trips to DC to discuss the District’s projects and grant efforts
- Engaged in several discussions with strategic Congressional members and staff to increase federal spending for the Bureau of Reclamation, Army Corps of Engineers, and Federal Emergency Management Agency to increase funding for water and wastewater infrastructure programs and grants
- Lead discussions with Congressional members and the Federal Emergency Management Agency (FEMA) regarding potential funding for Lee Lake dam rehabilitation
- Submitted several support letters for key Presidential federal agency appointments
- Continued efforts to develop the definition of the term “Waters of the United States” (“WOTUS”) for the purposes of the federal Clean Water Act

- **Human Relations and Safety**

- Training program for management and supervisory staff included content targeted at compliance knowledge and understanding, and ensuring regulatory and procedural compliance for managerial staff. Training and development program for staff at all levels focused on enhancing interpersonal skills and promoting positive organizational behaviors
- Continued Performance Evaluation Committee to redefine, improve, and enhance the performance management process for all employees. Revised performance management process will be implemented in 2019
- Continued Essential Functions Job Analysis process, to review and update specified operations job descriptions, providing detailed information regarding essential functions, physical, and mental requirements for each position
- Reorganized the Safety, Grant Administration, and Purchasing departments to enhance efficiencies and provide greater support for departments
- Implemented new health plan option that reduced premium costs, while providing enhanced medical and dental benefits, and providing a provision for employees to continue coverage at the group rate upon retirement, and until eligible for Medicare
- Enhanced the Employee Wellness Program with the addition of an Employee Wellness Center, which includes an indoor and outdoor fitness facility, providing employees the benefit of a no-cost onsite fitness facility, and encouraging employees to maintain a healthy lifestyle
- Engaged staff at all levels to participate in the review and development of WESA Core Values, to define WESA's current organizational culture and provide a description for the public, current, and future employees, of what exemplifies an employee at WESA
- Enhanced efficiencies within all aspects of Human Resources and Safety program management with the implementation of the Global Human Resources system, with the goal of reducing manual processes and improving recordkeeping and data processing for all functions of the department, and updating processes to ensure human resources and safety operate according to industry best practices

Business Services Division



Function



Goals, Objectives, Strategies and Performance Measures



Accomplishments

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Business Services Division

Function

Within the Business Services Division are the Finance and Accounting, Community Relations, Purchasing, and Information Technology departments.

Finance and Accounting

The function of the Finance & Accounting Department is to oversee the financial operations of the District in order to provide accountability and adequate control over the use of District funds. This division maintains the financial systems and records of the District in accordance with generally accepted accounting principles, as well as applicable laws, regulations and District policies. Additionally, the division includes grants administration, which is responsible for contract and expenditure oversight for District projects funded through federal, state and various other grant and loan programs.

Community Relations

Community Relations Department includes the Customer Service Section and the Community Affairs Section. The Customer Service Section provides exceptional service to all customers by responding to customer inquiries, establishing and discontinuing service, preparing monthly statements, processing payments, and collecting outstanding customer balances. The Community Affairs Section serves as the main outreach vehicle for increasing customer and constituent awareness of the District's mission and role in the local and regional community. The section's main areas of outreach are media relations and community relations.

Purchasing

The function of the Purchasing Department is to acquire high quality goods and services at the best value and lowest overall cost to the District. The Department also oversees the competitive bidding process, the supplier selection for all District departments, the disposition and sale of surplus equipment and vehicles, maintains the District central warehouse inventory, with the exception of public works contracts.

Information Technology

The Information Technology (IT) Department is responsible for system maintenance, network management, systems support, providing support to all District system users, updating software/hardware, and monitoring district needs for new equipment. Also included in the IT department is the SCADA Section, which provides preventive maintenance and repair to all electrical components of equipment and the SCADA system

Strategic Vision Goals:

- **Water Supply**
 - Expand demand management and conservation programs through customer awareness and use of the water rate structure
- **Financial Management**
 - Modify quarterly financial reporting to include more value-added information to assist the Board of Directors and staff in managing operating and capital expenses
 - Revise/condense current chart of accounts
 - Analyze and report available reserve funds needed for capital expenditures and/or other projects
 - Analyze and report current and future water and power costs to optimize operating expenses
 - Modify budget preparation and management process to improve management District expenditures
 - Conduct a cost of service analysis to adjust the fixed rate component of the current water rate structure to improve revenue stability
 - Implement a cost accounting program for management of individual programs and projects
 - Streamline bidding, contract and award processes that will encourage a larger pool of vendors to engage the District for services and reduce staff time needed to establish, renew or extend contracts

- Develop procurement card system from third party website into CSF software for better user experience and controls
- **Infrastructure**
 - Conduct financial analysis of developer impact fees
 - Conduct financial evaluations and feasibility studies for future infrastructure projects
 - Replace Access Control System hardware and software at EVMWD remote sites
 - Replace one-third of SCADA Proxim radios with latest radio technology
 - Implement new budget software
- **Public and Political Involvement**
 - Develop a strategy to maximize the effectiveness of the public's awareness of the drought and the need for water conservation
 - Provide training to District staff on the goals and objectives of the Public Relations Masterplan program components
 - Conduct a customer satisfaction survey
 - Develop and implement a welcome packet for new utility customers
 - Enhance the Education Program in the areas of secondary education and career path development
 - Encourage conservation by building relationships with HOAs, school districts, cities, contractors, etc.
 - Establish a policy and strategy for dealing with critical use alerts detected by the Aquahawk system
- **Organizational Development**
 - Develop a District-wide succession plan to address future retirements and loss of key staff
 - Migration to Infor Global Human Resources Payroll

Accomplishments

- **Finance and Accounting**
 - Received the Certificate of Excellence in Financial Reporting award from the Government Finance Officers Association (GFOA) for the FY 16/17 and FY 17/18 Comprehensive Annual Financial Reports.
 - Received the GFOA Distinguished Budget Presentation award and the California Society of Municipal Finance Officers (CSMFO) Excellence Award in Operating Budget for the FY 17/18 and FY 18/19 biennial budget.
 - Successfully completed the FY 16/17 and FY 17/18 Financial and Single audits, both receiving an Unqualified or "Clean" opinion with no audit findings.
 - Successful conversion and implementation of the Infor Cloud Suite Financials ERP system.
 - Successful testing/implementation of CSF Payroll Beta – Initial phase.
 - Implemented new Contract/P.O. approval and A/P transaction review processes to reduce errors and save staff time.
 - Automated the Developer project management system.
 - Created in-house training program for staff to ensure ongoing professional development.
 - Implementation of Gravity Software to enhance and automate CAFR and Budget reporting.
 - Successfully bid out and awarded new Investment Management and Banking Services contracts saving the District approximately \$125,000 annually.
 - Successfully created and presented the quarterly Financial Performance Measures/Indicators report and Annual District Funds, Restricted Accounts and Reserves presentation.

- Created and/or updated the Finance department SOPs in ten critical process areas: General Ledger, A/P, A/R, Grants, Fixed Assets, CIP, Banking, Cash Receipts, Debt, and Budget.
- Developed a Preliminary Grant Funding Project List and Strategic Plan.
- Submitted and received approval of Final IDC rate for FY 18/19 and Provisional rate for FY 19/20 at 37.46% (up from 35.07%), the highest in District history.
- Evaluated and added one additional staff in Grants Administration to allow for continued growth of the program.
- Received approximately \$18.6 million in grants and \$50.4 million in low interest SRF loans over the past several years, saving the District approximately \$17.2 million in current and future interest payments.
- Applied/submitted funding applications for \$166.9 million in grants and low interest SRF loans (\$500,000/grants and \$166.4 million/low interest SRF loans).

● **Community Relations**

- As a result of increased staff training, customer's questions/issues are resolved the first time resulting in a decrease in the number of incoming calls from June 2017 to June 2019 by 18%.
- Decreased accounts closed with a balance due from June 2017 to June 2019 by 1%.
- Increased web payment utilization from June 2017 to June 2019 by 5%.
- Increased calls answered in under 5 minutes from June 2017 to June 2019 by 4%.
- Calculated and issued adjustments for approximately 410 customers who experienced excessive water usage as a result of the Holy Fire.
- Developed and completed the Community Affairs Master Plan. The plan outlines goals and objectives for the department in the areas of education, conservation and outreach as they relate to the District's Strategic Goals.
- Developed a Crisis Communications Plan to prepare for emergencies, disasters and crises of confidence. The plan was shared with community partners and internal staff.
- Developed and distributed outreach materials advising customers of the benefits of AMI technology.
- Community Affairs staff worked with County, City and neighboring agencies and assisted with the planning and dissemination of information regarding the Holy Fire and Debris Flows. Staff participated in town hall meetings to assist with customer concerns and served at the City EOC to assist as a public information liaison.
- EVMWD partnered with EMWD and local bee keeping services to launch the Beekeeper First program. The program allows beekeepers to safely remove hives found in District facilities or in customer meter boxes. In the first month of implementation, ten hives were successfully relocated.
- EVMWD partnered with MET and WMWD and launched the Landscape Transformation Program. EVMWD has had two to three times the participation of neighboring agencies resulting in a total annual water savings of 3.4-acre feet per year.
- Community Affairs staff hosted a total of five water efficiency workshops and increased workshop participation 52% over previous years.
- Staff hosted and presented the Project WET teacher workshop which facilitates and promotes awareness and stewardship of water resources in the classroom. The pilot six-hour training was attended by 15 local teachers. As a result, EVMWD will reach an additional 797 students through this program.
- Community Affairs staff initiated and increased student awareness of water industry careers focusing on a "Careers in the Water Industry" Program. EVMWD hosted more than 600 students through its tours and presented to 420 middle and high school students at school career fairs.
- EVMWD relaunched the Instant Hot Water Recirculating Pump rebate program. As of June 30, 2019, over 117 rebated were approved resulting in water savings totaling 1.62-acre feet per year.

- Received several industry awards for outreach efforts to customers, including the Polaris Award for the Advanced Meter Technology Outreach from the Public Relations Society of American Inland Empire Division, and the Sustainability Award from the Riverside County Board of Supervisors. In addition, the California Association of Public Information Officers (CAPIO) awarded the department the EPIC Award for its Instagram Outreach and the Award of Distinction for its Variable Sewer Outreach.
- Educated over 900 customers through the Annual Splash into Spring Community Water Festival showcasing EVMWD's commitment to clean, safe, and reliable water/wastewater services for the community.
- Increased EVMWD's social media presence in 2018-2019 with more than 450 social media posts.
- **Purchasing**
 - Updated procurement card policy and provided new training tools for staff to use the cards.
 - Streamlined sole source process by incorporating electronic approvals and tracking through CSF software.
 - Implemented DocuSign e-signature process reducing cost and processing time for critical documents.
 - Navigated the challenges of product tariffs particularly between the United States and China with support from BB&K.
 - Revised and clarified the Purchasing Admin Code to provide the District better guidance on procurement policy and procedures.
- **Information Technology**
 - Migrated to Infor Modern Human Resources Management System.
 - Installed a redundant humidity and temperature control unit in the IT server room.
 - Completed CIS Infinity Upgrade.
 - Provided more network infrastructure to support growth.
 - Identified process enhancements related to the new AMI system.

Engineering & Operations Division

Function

Goals, Objectives, Strategies and
Performance Measures

Accomplishments



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Engineering and Operations Division

Function

Within the Engineering and Operations Division are the Engineering, Operations, Water Resources and Strategic Programs departments.

Engineering Department

Made up of Development Services, Capital Projects and Design Services, and Construction Services sections, the Engineering Department plays a major role in the expansion of the water and sewer infrastructure to the District's customers. With a wide-ranging assortment of responsibilities, the Engineering Department assists developers build new residential and commercial properties and efficiently manages projects for water and wastewater infrastructure improvements, replacements, or expansions.

Capital Projects and Design Section

Capital Projects and Design Section (CPD) develops the capital improvement budget and prepares local planning studies that support and show the need for the proposed capital improvements. CPD also prepares Requests for Proposals used to solicit consulting engineering firms to submit their proposals for Capital Improvement Projects (CIP) design and then coordinates the design efforts with the selected consultants. Engineering support is provided to the Operations and Maintenance departments, and technical support is provided to the Engineering Department staff including review of construction submittals and information requests.

Construction Services Section

The primary duties of Construction Services Section include providing construction management and inspection services for the District's CIPs, as well as developer-financed expansion of the overall infrastructure systems supporting new homes and business.

Development Services Section

The primary duties of Development Services Section include working with developers, both large and small, to ensure that the water, sewer and recycled water systems are sized properly for the size and type of the proposed development, and to ensure consistency with the Water and Sewer Master Plans.

Operations Department

The Operations Department consists of Water Operations, Wastewater Operations, and Maintenance Sections.

Water Operations Section

The Water Operations Section oversees the safe treatment, storage and delivery of the water supply to the community through four groups: Water Production, Preventive Maintenance, Construction Maintenance, and Field Services.

The Water Production Group provides daily operation of the water system wells, booster pumps, reservoirs, and water quality. This section is also responsible for the operations of the Canyon Lake and Back Basin Water Treatment Plants.

The Preventive Maintenance Group is responsible for the regular and scheduled maintenance of the water transmission and distribution lines. These activities include valve exercising, air valve maintenance, hydrant flushing, control valve maintenance, USA locates, water shutdowns for scheduled and emergency repairs, and various special projects.

The Construction Maintenance Group repairs and replaces valves, hydrants, services, and other appurtenances of the water transmission and distribution lines. They are also responsible for grading access roads, replacing DCDA's for Cross Connection, and serving after-hours standby duty.

The Field Services Group repairs, tests, and replaces meters, meter angle stops, meter boxes, and other appurtenances of the water transmission and distribution system.

Wastewater Operations Section

The Wastewater Operations Section is responsible for daily operation and oversight of wastewater collection activities for conveyance lines as well as three water reclamation facilities (WRF): Regional, Railroad Canyon, and Horsethief Water Reclamation Facilities. This is accomplished through The Collection Systems and Water Treatment groups.

Collection Systems Group performs cleaning, inspecting, and repairing sewer lines to ensure the consistently reliable, trouble free conveyance of wastewater to the reclamation facilities for treatment.

The Wastewater Treatment group maintains and operates the District's three WRFs.

Maintenance Section

The Maintenance Section provides daily repair and maintenance of all water and wastewater facilities, infrastructure, equipment and fleet. The Maintenance Sections is divided into two maintenance groups based on specialty of work.

The Mechanical Maintenance Group provides preventive maintenance and repair on pumps, motors, wells, and other mechanical devices at all water and wastewater facilities. They provide the oil changes and regular inspections on booster stations, wells and pumps to ensure equipment and machinery are working effectively. Also included in this group is Electrical Maintenance, which provides preventive maintenance and repair to all electrical components of equipment throughout the District.

The Facilities/Fleet Maintenance Group is responsible for the daily care, maintenance and repair of all District owned facilities, equipment and fleet. Facilities are regularly inspected to ensure cleanliness and that all structures and fixtures are in proper working order. The Fleet section ensures all vehicles and equipment are regularly scheduled maintained and are safe to operate.

Water Resources Department

The Water Resources Department manages, develops and administers ongoing programs in areas such as: watershed management, groundwater recharge, water resources planning, sampling and water quality testing and reporting, facility permits, assisting operations in reviewing reports to the state and federal water and sewer agencies, procedures and protocol development for lab work, developing, modifying and implementing the pretreatment program and assisting in grants and loans. The Water Resources Department is organized in three sections.

Water Resources Planning Section

The Water Resources Planning Section performs a wide range of professional planning, research, and technical analyses related to EVMWD's near-term and long-term water supply (potable and recycled) needs.

Water Systems Engineering Section

The Water Systems Engineering Section manages, supervises, and coordinates the activities of the Water Protection (Backflow Prevention Program) group, the Recycled Water group, and the Water Quality and Laboratory groups.

Wastewater Systems Engineering Section

The Wastewater Systems Engineering Section manages, supervises, and coordinates the activities of industrial waste inspection and the wastewater pre-treatment inspection and installation of pre-treatment equipment in businesses and commercial buildings throughout the EVMWD service area.

Strategic Programs Department

The Strategic Programs Department's primary goal is to explore and develop water supply programs and strategies that are derived from business case analyses. Additionally, the department provides highly responsible and complex financial support for the District's general management. This department plans and develops the District's capital financing needs, plans for long term stability of the District's finances, and analyzes District contracts to ensure the highest level of accuracy and compliance to all applicable requirements.

Strategic Vision Goals:

- **Water Supply**
 - Finalize negotiations for the purchase of capacity rights in the Mills Gravity Pipeline with Western Municipal Water District
 - Develop additional groundwater production capacity, consistent with the Integrated Resources Planning Program
 - Complete geotechnical evaluation and drilling of new wells for the Lee Lake Basin and finalize the design for the well equipping and treatment
 - Complete design for the Palomar Wellhead and Treatment Facilities
 - Continue monitoring emerging constituents

- Initiate development of a Comprehensive Potable Water Title 22 Source Water Regulatory Compliance and Emerging Contaminants Monitoring Plan
 - Initiate rehabilitation of the Joy Avenue Well as part of the Well Maintenance Program
 - Initiate study and identify options for expansion of the Temescal Valley Pipeline
 - Initiate feasibility study for long term utilization of San Bernardino Basin Assets
 - Initiate updates to the following studies/plans:
 - Integrated Resources Plan
 - Potable Water Disinfection By-Products Regulatory Compliance Plan
 - Initiate updates to the Water and Sewer Hydraulic Models
 - Complete Maximum Benefit Proposal for Elsinore Groundwater Basin
 - Complete development of a Groundwater Sustainable Plan (GSP) for:
 - Elsinore Groundwater Basin
 - Bedford Coldwater Basin
 - Complete the Southern Section Inflow and Infiltration Study
-
- **Infrastructure**
 - Initiate the next phase of developing an Asset Management Plan for District facilities
 - Complete Risk and Resiliency Study
 - Complete design of the Regional Water Reclamation Facility Expansion
 - Complete construction of:
 - Access Road to B-3 Lift Station
 - Disconnection of the old chlorine contact basin and UV basin at Regional Water Reclamation Facility Train A
 - Installation of the Cottonwood Booster Pump Station Standby Power
 - Meadowbrook Reservoir Repairs
 - Odor control upgrades to A-2 Lift Station Manhole
 - Peck Street and Chestnut Street Sewer Replacement
 - Phase 1B of the Single Check Backflow Device Replacement
 - Phase 2 of the District Office Renovations, which includes improvements to the Engineering, Finance, IT/SCADA, and Administration Departments
 - Demolition of Meadowbrook Tank
 - Demolition of Trtan Tank
 - Regional Water Reclamation Facility Train B Filter Media Replacement
 - Rehabilitation and/or replacement of 15 manholes
 - Replacement of the Roto Screen Drain Line at Railroad Canyon Water Reclamation Facility
 - Skymeadows Booster Pump Station Improvements
 - Yard piping improvements at Railroad Canyon Wastewater Treatment Facility
 - Recycled Water Pipeline to Lake Elsinore

Accomplishments

- **Engineering and Water Resources**
 - Developed interactive project maps for capital and developer projects, which are available to the public.

- Completed a Seismic Vulnerability Study.
 - Updated the Sanitary Sewer Management Plan.
 - Developed a Hazardous Algal Bloom Monitoring Plan in coordination with Canyon Lake Property Owners Association.
 - Initiated development of a Groundwater Sustainable Plan (GSP) for Elsinore Groundwater Basin and Coldwater Bedford Basin.
 - Completed hydrogeological evaluation and groundwater modeling for Lee Lake Basin.
 - Stored 4,300 acre-feet in lieu for Metropolitan Water District's Conjunctive Use Program.
- **Operations**
 - Started Phase 1 of a comprehensive asset management plan for all lift stations, water pump stations, and water/wastewater linear assets.
 - Created a seasonal operations plan for CLWTP that will optimize plant efficiency and regulatory compliance.
 - Created a draft emergency water supply plan and began procuring equipment (large water buffalo trailer, 4 portable water tanks).
 - Led the revision of the Canyon Lake Stormwater/SSO sampling protocol in coordination with all stakeholders.
 - Created a critical asset maintenance program for all infrastructure relating to water, wastewater, and appurtenant facilities.
 - Implemented the GEM employee recognition program.
 - Managed the installation of new HVAC chillers at the main office building.
 - Successfully placed two large water tanks back online. Staff overcame challenges to integrate the tanks back into the system hydraulically; extra 13 MG storage.
 - Began the replacement of aerators, mixers and appurtenant equipment at Regional WRF to improve reliability and catch up on deferred maintenance.
 - Set up Barney Lee 1 Well to supplement recycled water demands in the Horsethief development; created operational strategy.
 - Helped manage the installation of new flooring throughout the office building, and the installation/rearranging of cubicle workstations in the Customer Service and Finance areas.
 - Completed an internal assessment of the solar array installed at the main office building, projected life cycle and long-term payoff outlook.
 - Initiated the process of replacing hydraulic valve actuators at Railroad Canyon Dam, ordered specialty parts and built a safe working platform for maintenance staff.
 - Expanded the meter testing program to improve accounting and better comply with SB-555.
 - **Strategic Programs**
 - Developed the Integrated Resources Planning Program.
 - Completed negotiations process for Maximum Benefit Analysis for Elsinore Groundwater Basin and received initial approval from the Regional Water Quality Control Board.

Capital Outlays



SIGNIFICANT CAPITAL OUTLAYS

The District's Capital Outlay budget totals \$2,433,986 for FY 2020 and \$1,648,322 for FY 2021. All of the Capital Outlay items have been categorized as replacements or additions. Additionally, these items have been sub-categorized into computer-related items, vehicle & equipment-related items, and all other capital outlays. Significant capital outlay items are those that are not routine in nature and (1) would result in a change of District operations or (2) would enhance customer service or (3) improve operational efficiency. These items are described below and highlighted on the Capital Outlay Budget listing on pages 65 through 66.

Replace Combo Truck #159

The District currently owns a 2002 Vactor Jet Rodder sewer line cleaning truck which has been in service for 16 years and is at the end of its reliable service life. The District plans to purchase the new vehicle manufactured by GapVax. The design of the new Gapvax vehicle makes it operator friendly by ensuring daily maintenance points required to be performed by the operator are accessible and at ground level, minimizing maintenance time and possible injury. The controls are also operator friendly by being well marked with an integrated wireless remote, allowing the operator to control the machine from a distance. The ability to purchase parts over the counter is desirable which potentially will save the District money when replacement parts are needed, due to more than one vendor being able to bid on the items.

Replace Water Meter Test Bench

On January 1, 2017 California State Senate Bill-555 went into effect and covered a vast number of issues relating to water conservation and water loss auditing. The Bill requires that all water agencies test a minimum of 1% of the District's metered population to get a passing score in this category. The District currently has approximately 45,000 active meters in the system, of which, we are currently test less than .5% of the meter population annually. Over 90% of all meters tested are ¾"-1" in size, and are tested by Field Services staff on the meter test bench in the meter shop. All tests performed on 1.5"-2" meters are performed at a remote location in the field with a mobile test unit.

The current test bench in service was purchased in the late 60's/early 70's and is no longer efficient for the quantities of meters the District is required to test and is not capable of testing 1.5"-2" meters. In addition, the required testing quantity will increase each year as the District continues to grow. Both of the above testing methods meet the AWWA M6 manual for meter testing but are limited in the quantity of meters we can test efficiently. After many hours of research, the District found a meter test bench that will substantially increase the number of meters tested per hour. The new test bench has the capability to test ¾" through 2" meter sizes in house, and at a greater quantity per hour.

In summary, the new meter test bench will save 50 staff hours per year which will continue to grow as the District's meter quantity increases, reduce water loss due to meter inaccuracies and gauge future meter failure limits, and allow for more accurate data collections for state reporting and customer confidence when witnessing a test. The new test bench will allow the District to test 2 times the current quantity while saving 73% in staff time.

Permit Tracking System

The new Permit Tracking System will replace a legacy engineering system that included paper processing and the use of excel and access databases. The new system will automate and streamline the construction permit process by allowing for electronic review of plans and documents online with a built-in workflow. Applications for permits and fees will also be processed online. Additional benefits include more timely information to staff and managers, integration with existing District systems, and improved record keeping and archiving of permit activities. The District will experience cost savings due to the expedited approval of permits, efficient use of staff time, less duplication of effort, and a reduction of printed documents.

CIP Management Software

The new CIP Management Software will improve the management of the District's Capital Improvement Program. The Software will track projects from initial planning through construction and will include built-in workflows. The Software will include budget tracking, scheduling, and construction management tools including construction inspection tracking and submittal reviews, amongst others. Additional benefits include integration with existing District systems, and improved record keeping and project archiving.

**CAPITAL OUTLAY
PROPOSED FY 2020 BUDGET**

Item		Outlay Categories			R / A (1)	
No.	Outlay Description	Total	Vehicle & Equipment	Capital		Computer
<u>Vehicles & Facilities Maintenance</u>						
1	Replace Combo Truck #159	\$ 550,304	\$ 550,304			R
2	Replace Combo Truck #111	388,061	388,061			R
3	Replace Combo Truck #87	186,546	186,546			R
4	250KVA Diesel Portable Emergency Generator	146,350	146,350			A
5	Regional Substation 3 AC Replacement	26,850		26,850		R
6	Surveillance Camera with Automated Gate-Warehouse	25,125		25,125		A
7	Replace Travel Vac Unit #731	20,300	20,300			R
8	Replace Highline Trailer #678	10,775	10,775			R
	Subtotal	1,354,311	1,302,336	51,975	-	
<u>Field Services</u>						
9	Replace Water Meter Test Bench	269,700		269,700		R
<u>Water Production</u>						
10	Power Actuated Valve - Lake Street Reservoir	15,275		15,275		A
11	Power Actuated Valve - Bryant Reservoir	12,250		12,250		A
12	Power Actuated Valve - Auld Reservoir	10,450		10,450		A
	Subtotal	37,975	-	37,975	-	
<u>Information Technology</u>						
13	Permit Tracking System	500,000			500,000	R
14	Access Control System Replacement Phase II	150,000		150,000		R
15	Access Storage & Backup Hardware Replacement	122,000			122,000	R
	Subtotal	772,000	-	150,000	622,000	
TOTAL		\$ 2,433,986	\$ 1,302,336	\$ 509,650	\$ 622,000	

(1) R = Replacement ; A = Addition

**CAPITAL OUTLAY
PROPOSED FY 2021 BUDGET**

Item No. Outlay Description	Total	Outlay Categories			R / A (1)
		Vehicle & Equipment	Capital	Computer	
<u>Vehicles & Facilities Maintenance</u>					
16 Replace Combo Truck #203	\$ 550,304	\$ 550,304			R
17 Replace Camera Van #176	210,763	210,763			R
18 Replace Dump Truck #145	166,655	166,655			R
19 Regional Substation 4 AC Replacement	27,850		27,850		R
20 Replace Mechanic Shop Compressor	16,700	16,700			R
21 Replace Trench Shoring Trailer #729	10775	10775			R
Subtotal	983,047	955,197	27,850		
<u>Water Production</u>					
22 Power Actuated Valve for Railroad Reservoir	15,275		15,275		A
<u>Information Technology</u>					
23 SCADA Master Plan	150,000			150,000	A
24 CIP Management Software	500,000			500,000	R
Subtotal	650,000			650,000	
TOTAL	\$ 1,648,322	\$ 955,197	\$ 43,125	\$ 650,000	

⁽¹⁾R = Replacement ; A = Addition

Capital Improvement Projects



CAPITAL IMPROVEMENT PROJECTS

The District's Capital Improvement Project (CIP) totals \$65,858,511 for FY 2020 and \$78,301,794 for FY 2021. The projects included in this budget are consistent with the District's water and sewer master plans, which identifies projects as being required for new development or replacement. CIP projects are those that are not routine in nature and (1) result in a change of District operations, (2) bring facilities to a new service area where it is currently not available, (3) are required to keep the District in regulatory compliance or (4) require additional staff. A description of each project is presented below.

RWRF Upgrades - Construction - \$20,000,000 (FY 2020) & \$20,000,000 (FY 2021)

Construct several critical upgrades to the existing Regional Water Reclamation Facility (RWRF) to improve plant reliability and provide redundancy features to the existing 8.0 mgd plant. These upgrades will occur within the existing footprint of the facility.

The estimated total project cost is approximately \$40 million and is anticipated to be funded by a low interest loan from the State of California Revolving Fund.

Diamond Regional Lift Station - \$4,550,000 (FY 2020) & \$12,100,000 (FY 2021)

Construct the new Diamond Regional Lift Station, which will ultimately replace four existing lift stations. This new lift station will accommodate existing and future development flows. The Lift Station will be designed to accommodate initial flow of about 3.0 million gallons per day (MGD) and future upgrades to pump 6.6 MGD.

Previous approved budgets include \$1,200,000 in FY 2018 and \$2,400,000 in FY 2019. This will increase the budget to \$20,250,000 in total.

HTCWRF Expansion - \$10,000,000 (FY 2020) & \$3,000,000 (FY 2021)

Expand and upgrade the Horsethief Canyon Water Reclamation Facility (HTCWRF). The expansion will increase the average daily capacity from 0.5 mgd to 0.8 mgd. The additional flows are expected from planned development in the area and the developers are funding the expansion. The project also includes construction of several critical upgrades to the existing HTCWRF to improve plant reliability and provide redundancy features to the existing 0.5 mgd plant

As of the time of the budget preparation, the project included both an upgrade and expansion. The project scope will now focus on upgrades only. It is anticipated that the costs will not change.

Diamond Regional Lift Station Dual Force Main - \$6,000,000 (FY 2020) & \$6,000,000 (FY 2021)

Construct new sewer force mains that will convey wastewater from the new Diamond Regional Lift Station to the existing 54-inch sewer line in Lakeshore Drive and Elm Street. The force mains will be designed and constructed to accommodate existing flows and future development flows.

An amount of \$729,975 was previously budgeted for this project in FY 2019. This will increase the budget to \$12,729,975 in total.

Regional Water Reclamation Facility Expansion - \$12,000,000 (FY 2021)

The Regional Water Reclamation Facility (RWRF) is projected to reach its design capacity in the near future. To meet future demands, the project will expand average daily capacity from 8.0 to 12.0 mgd. The project includes new bar screens and grit removal tank, a new 4.0 mgd membrane bioreactor, a new 12 mgd UV systems, and sludge processing facilities.

The estimated total project cost is approximately \$130 million and is anticipated to be funded by a low interest loan from the State of California Revolving Fund.

Lee Lake Well Conversion - \$3,680,000 (FY 2020) & \$920,000 (FY 2021)

Construct two new groundwater wells in the Lee Lake Groundwater Basin. As part of the Integrated Resources Plan, the project will improve water supply reliability and decrease dependency of imported water which will greatly benefit EVMWD customers.

An amount of \$2,500,000 was previously budgeted for this project in FY 2017 and \$600,000 was transferred into the project from funding set aside for the near-term water supply projects. This will increase the budget to \$7,700,000 in total.

Mayhew Well (New) - \$600,000 (FY2020) & \$3,600,000 (FY2021)

The existing Mayhew Well has reached the end of its useful life as identified during rehabilitation efforts completed in 2019. This project entails the design and construction of a new well and abandonment of the existing well. The project will improve water supply reliability and benefit EVMWD customers and will allow the District to maintain safe groundwater levels within the Coldwater Basin.

CLWTP - Phase I Improvements - \$1,650,000 (FY2020) & \$1,650,000 (FY2021)

The District completed a Facilities Master Plan for Canyon Lake Water Treatment Plant (CLWTP) in 2018. This budget cycle includes design of Phase 1 components: 1) New Flocculation and Sedimentation Basin, 2) New Intake Pumps and Piping, 3) New Chemical Storage and Feed Piping, and 4) New Static and Rapid Mixer.

Palomar Well & Wellhead Facilities - \$2,038,656 (FY 2020) & \$509,664 (FY 2021)

Replace the existing Palomar Well with a new well within the existing Palomar Well enclosure. The project is being designed to include wellhead treatment to ensure compliance with state and federal water quality requirements. The project will improve water supply reliability and benefit EVMWD customers.

An amount of \$961,800, was previously budgeted for this project in FY 2015, \$1,000,000 in FY 2016, and \$596,350 was transferred into the project from funding set aside for the near-term water supply projects. This will increase the budget to \$5,106,470 in total.

Warm Springs Basin Well - \$500,000 (FY2020) & \$2,000,000 (FY 2021)

Construct one new groundwater wells in the Warm Springs Groundwater Basin. As part of the Integrated Resources Plan, the project will improve water supply reliability and decrease dependency of imported water which will greatly benefit EVMWD customers.

An amount of \$1,056,979 was previously approved by the Board and \$3,200,000 was transferred into the project from funding set aside for the near-term water supply projects. This will increase the budget to \$6,756,979 in total.

In September 2019, subsequent to the budget being adopted, staff reported that core samples were taken from the target area for this well and non-water bearing conditions were encountered. Staff recommended that the project be closed. The funding requested for this budget cycle will not be transferred and all funding will be returned to its original funding source.

SCADA Installation at Railroad Canyon Water Reclamation Facility - \$1,925,000 (FY 2021)

The Railroad Canyon Water Reclamation Facility (RRCWRF) is a wastewater treatment facility that provides recycled water for irrigation. The RRCWRF was built in 1982, upgraded in 1991 to provide better solids removal and disinfection, and upgraded in 2004 for removal of nitrogen. The current project involves an upgrade to the facility's instrumentation and Supervisory Control and Data Acquisition (SCADA) system to improve operation reliability and improve remote access for staff to identify the plant's status and operate normal functions unmanned.

An amount of \$463,000 was previously budgeted for this project in FY 2013, \$117,338 in FY 2018, and \$400,000 in FY 2019. This will increase the budget to \$2,905,338 in total.

Pipeline from Tomlin 1 to Los Pinos 2 - \$1,775,130 (FY 2021)

The project will replace approximately 1,900 LF of existing 6-inch water main between Tomlin 2 Pump Station and Tomlin 1 Pump Station and approximately 3,200 LF of 6-inch transmission main between Tomlin 1 Pump Station and Los Pinos 1 Pump Station. The existing pipes are near the end of their useful life and in order to meet the required fire flow demands in the area, the pipeline will need to be up-sized to 8-inch. The pipeline is located within the Cleveland National Forest area along steep mountainous terrain.

An amount of \$760,770 was previously budgeted for this project in FY 2019. This will increase the budget to \$2,535,900 in total.

Peck & Chestnut St. Sewer Replacement - \$880,000 (FY 2020) & \$880,000 (FY 2021)

The existing sewers in Peck and Chestnut streets and adjacent areas are undersized and have reached the end of their useful life. The sewer lines have significant structural damage and require frequent cleaning and flushing. To avoid sanitary sewer overflows, certain sewer lines in this area need to be replaced or repaired.

An amount of \$148,797 was previously approved by the Board and \$330,139 was budgeted in FY 2018 for this project. This will increase the budget to \$2,238,936 in total.

1467 Zone Watermain Phase V - \$850,000 (FY 2020) & \$750,000 (FY 2021)

The 2016 Water Master Plan identified Pressure Zone 1467 as having pressure and fire flow deficiencies. A detailed hydraulic analysis identified system upgrades that would improve fire flow and reliability in the zone. The improvements include upsizing approximately 4,000 LF 4-inch diameter pipelines to 8-inch diameter, installing a pressure reducing valve and receiving flow from Zone 1601, and installing a check valve connecting Zone 1434 to 1467 which would allow additional flow into the zone during a fire flow situation.

An amount of \$500,000 was previously budgeted in FY 2015 for this project. This will increase the budget to \$2,100,000 in total.

Admin Building Repairs - \$800,000 (FY 2020) & \$800,000 (FY 2021)

The project will design and construct repairs recommended in the Administration Operations Building Assessment dated February 2019. The work will include grading and drainage improvements, structural evaluation to determine seismic reliability, roof repairs, and exterior building repairs.

An amount of \$492,000 was previously budgeted in FY 2018 and \$492,000 in FY 2019 for this project. This will increase the budget to \$2,584,000 in total.

Diamond Drive Sewer Extension (Sports Complex) - \$1,500,000 (FY2020)

The District is collaborating with a developer to install sewer infrastructure within Diamond Drive. Staff desire to upsize the sewer line in conjunction with the Sports Complex construction in order to construct the necessary master plan infrastructure with the expansion of Diamond Drive.

Reservoir Rehabilitation - \$500,000 (FY2020) & \$1,000,000 (FY2021)

During regular reservoir inspections, five reservoirs (Ortega, Tuscany 1, Horsethief 2 Recycled Water, Auld Valley and Bundy Canyon Reservoirs) were identified as needing repairs. Staff plans to conduct condition assessments in FY20 and rehabilitation construction in FY21 and future years.

Los Pinos Pump Station - \$732,000 (FY 2020) & \$732,000 (FY 2021)

The project is to replace aging pump station facilities that were constructed in 1978 and has reached the end of its useful life. The site has also experienced significant erosion over the years that has impacted the operational integrity of the facility. The project planning and design are complete, the current funds are to complete construction.

An amount of \$285,000 was previously budgeted in FY 2019 for this project. This will increase the budget to \$1,749,000 in total.

Single Check Backflow Devices - \$450,000 (FY 2020) & \$990,000 (FY 2021)

The California Code of Regulations (CCR), requires public water systems to protect their water supplies from contamination by implementing a cross-connection control program. The program must include protection of the drinking water supply through the installation of appropriate backflow prevention assemblies where a potential hazard to the water supply is identified by the public water supplier.

There are several industrial and commercial fire services in the District's service area that have below ground single backflow devices installed. When these devices were installed several years ago, they were acceptable, however, the devices do not meet current standards and require upgrades. The District is planning a multi-year project to upgrade the remaining 77 single check devices.

An amount of \$999,834 was previously budgeted for this project. This will increase the budget to \$2,439,834 in total.

Southern Section Inflow Infiltration Study - \$350,000 (FY2020) & \$900,000 (FY 2021)

After evaluating flow metering data at the Washington Avenue Lift and McVicar Lift Stations following the recent rain events, significant peaking factors occurred due to rain Inflow and Infiltration (I/I). As a result, it is important to conduct the Southern Sewershed I/I Reduction Study (concentrating on the areas contributing flows to the lift stations). This would include completing a closed-circuit television (CCTV) of the pipelines to include NASSCO certified PACP coding, smoke tests, flow monitoring, and other methods to identify the condition of the pipelines and identify any point repairs that can be completed, reducing the I/I into the system. This study will be used to identify future CIP projects that address the I/I into the collection system in the southern sewershed, ultimately reducing the peaking factor and limiting the risk of sewer spills.

Mills Capacity Purchase - \$600,000 (FY2020) & \$600,000 (FY2021)

The project considers buying capacity in the Mills Gravity Pipeline to import water coming from the State Water Project. By having conveyance capacity in the Mills Gravity Pipeline, Elsinore Valley Municipal Water District will be able to maintain existing system capacity to satisfy existing water demands and will reduce its costs as compared with leasing capacity.

An amount of \$1,267,870 was previously funded for this project. This will increase the budget to \$2,467,870 in total.

Condition Assessment of MCCs (LS, PS, Wells) - \$500,000 (FY 2020) & \$500,000 (FY 2021)

A condition assessment of the Motor Control Centers (MCCs) is necessary to develop a MCC replacement schedule. MCCs have become difficult to maintain; potential issues may occur due to age of the equipment. Most of the B series (B3 through B10) lift stations have Siemens Allis Marq 21 MCCs that went obsolete in 1988.

Stage Ranch Road Pipeline - \$100,000 (FY 2020) & \$800,000 (FY 2021)

The project entails replacing approximately 2,600' of very shallow 10-inch concrete mortar lined and coated steel waterline with 8-inch Ductile iron pipe. The waterline has experienced 14 leaks over the past 5 years.

Canyon Lake Sewer Rehabilitation - \$400,000 (FY 2020) & \$400,000 (FY 2021)

The Canyon Lake Sewer system was constructed in the 1960's and 1970's and due to land topography, the alignment of the sewer system makes reconstruction efforts very difficult. As such, the District is proposing to conduct repairs via cured-in-place pipe (CIPP). This alternative will limit customer impacts, repair broken lines, and extend the useful life of the sewer system. The District is planning to line approximately 3,000 linear feet of sewer each fiscal year.

Repair Sewer Manholes - \$500,000 (FY2020) & \$250,000 (FY2021)

District staff routinely evaluate the condition of existing sewer manholes for corrosion and structural integrity. This project will rehabilitate 14 existing manholes and replace one existing manhole that has been identified as critical condition and a potential for failure or collapse.

An amount of \$250,000 was previously budgeted in FY 2014, \$250,000 in FY 2015, and \$156,428 was approved by the Board in FY 2018 for this project. This will increase the budget to \$1,406,428 in total.

Lawson Road and Hunt Road - \$650,000 (FY 2020)

The waterline within Lawson Road has experienced several leaks over the past ten years. The existing 3-inch waterline is not capable of meeting the required fire flow demand. The project entails the design and construction of a waterline replacement project to improve reliability for the affected customers and improve fire flow conditions.

Additional District Parking - \$600,000 (FY2020)

Elsinore Valley Municipal Water District's (EVMWD) Administration and Operations Building currently has limited customer parking available to its customers, contractors, consultants, and other visitors near the front entrance. There are currently eight (8) standard parking stalls with one ADA Accessible stall located on the property.

The District owns an approximate 0.42 acre parcel adjacent to the west side of the District's Administration Building, at the southwest corner of Treleven Avenue and Gedge Avenue in the City of Lake Elsinore. The District anticipates the parking lot will provide parking for approximately 45-55 additional parking spaces.

An amount of \$98,215 was previously Board approved and \$70,000 was previously budgeted in FY 2015 for this project. This will increase the budget to \$768,215 in total.

Pipeline Replacement on Little Valley Road - \$550,000 (FY 2021)

The Little Valley Road Pipeline lies within the Meadowbrook area, on Little Valley Road just east of Greenwald Drive. The 2016 Water Master Plan identified the pipeline as having corrosion issues and is undersized presenting pressure concerns. The Master Plan proposed replacing the 6-inch pipeline with an 8-inch pipeline to better meet the system needs.

An amount of \$148,500 was previously budgeted in FY 2019 for this project. This will increase the budget to \$698,500 in total.

Elsinore Basin Groundwater Sustainability Plan - \$250,000 (FY2020) & \$250,000 (FY2021)

The project consists of preparing the Groundwater Sustainability Plan (GSP) for the Elsinore Valley Sub-basin (Basin). The plan will be used to foster sustainable groundwater management for the Basin and is consistent with the requirements of the Sustainable Groundwater Management Act (SGMA) and Department of Water Resources (DWR)'s Grant Agreement that EVMWD entered into in December 2018 which provides funding of \$1,000,000 and requires a local cost share of not less than 50 % of the project costs.

An amount of \$500,000 was previously budgeted in FY 2015 for this project. This will increase the budget to \$1,000,000 in total which will be used to satisfy the match requirement for the grant.

Lift Station Assessment and Prioritization - \$250,000 (FY2020) & \$250,000 (FY2021)

During regular lift station inspections, five lift stations (Serena, A-3, A-5, B-10, Greer Ranch) were identified as needing repairs. The plan is to conduct condition assessments in FY20 and rehabilitation construction in FY21 and future years.

An amount of \$150,000 was previously budgeted in FY 2018 and \$150,000 in FY 2019 for this project. This will increase the budget to \$800,000 in total.

Asset Management Program - \$250,000 (FY 2020) & \$250,000 (FY 2021)

Phase 2 & 3 of the development of a Comprehensive Asset Management Program which includes wells and water and wastewater treatment plants. These phases involve the purchase and implementation of asset management software.

An amount of \$213,499 was previously approved by the Board in FY 2019 for this project. This will increase the budget to \$713,499 in total.

Back Basin Groundwater Treatment Plant Filter 5&6 - \$500,000 (FY 2020)

Back Basin Groundwater Treatment Plant was scheduled for media replacement and vessel assessment. The plant had been off-line for roughly 2 years due to an issue with the Anthracite media leaking into the water system. The assessment discovered that vessels 5 & 6 would require complete replacement of the concrete and filter drains at the bottom of the vessel. This project includes a more thorough evaluation of the plant and chemical process and recommendations for upgrades.

Cottonwood Booster Pump Station Standby Power - \$500,000 (FY 2020)

The Cottonwood Booster Pump Station is a critical facility serving the Canyon Hills area. The District's current portable generators can only supply power to one of the three pumps. The project entails designing and installing a new stationary emergency standby generator that will be capable of powering all three pumps simultaneously.

Safety Upgrade and Occupational Safety and Health Administration (OSHA) Compliance Evaluation at Treatment Plants and Lift Stations - \$500,000 (FY 2020)

In order to comply with OSHA requirements, staff plans to hire a consultant to evaluate and recommend safety upgrades at the water and wastewater treatment plants and various other remote facilities.

San Bernardino Basin Assets (SBBA) Projects - \$250,000 (FY 2020) & \$250,000 (FY 2021)

The District prepared a San Bernardino Basin Assets study that evaluated alternatives to utilize the District's groundwater rights within the Bunker Hill Basin. This project is to evaluate the next steps including pipeline alignment and environmental evaluation for the proposed construction of a pipeline connecting the SBBA to the EVMWD water system.

Train B Filter Media Replacement - \$500,000 (FY2020)

The Train B filter has been in operation for 20 years and the filter media needs to be replaced, underdrains assessed, and repairs conducted.

Well Maintenance - Joy Street Well - \$490,000 (FY 2021)

As part of well maintenance program, Joy Street Well will be rehabilitated to enhance the efficiency and useful life of the well.

Well Maintenance - Lincoln Well - \$490,000 (FY 2020)

As part of well maintenance program, Lincoln Well will be rehabilitated to enhance the efficiency and useful life of the well.

Washington Avenue LS Connect-RCWD - \$420,000 (FY 2020)

The project will allow the District to convey 125,000 gallons per day of wastewater through the connection which ultimately conveys the wastewater for treatment at the Santa Rosa Water Reclamation Facility (SRWRF). The improvements include construction of approximately 60 linear feet of new 18-inch PVC gravity sewer pipeline to bypass the Washington Avenue Lift Station and divert the wastewater flows directly to the SRWRF. The scope of work will also consist of manhole rehabilitation, installation of a diversion structure at the manhole which connects to the Washington Avenue Lift Station.

An amount of \$265,981 was previously budgeted in FY 2019 for this project. This will increase the budget to \$685,981 in total.

Ranspot Ave. and Peeler Ave. Main Replacement - \$400,000 (FY 2021)

The existing water lines in Ranspot and Peeler Avenues are 1.5-inch in diameter. The project entails upsizing both water mains to 8-inch and install fire hydrants to improve reliability and fire protection in the area. The project also involves removing a portion of the steel water main on Ranspot Ave. that runs within private property and relocating it to the road for better access when maintenance is required.

33" San Jacinto River Canyon Transmission Main - \$350,000 (FY 2020)

The District has a 33-inch cement-mortar lined and coated transmission main that runs along the San Jacinto River from Lakeshore Drive to the Canyon Lake Water Treatment Plant. This is a critical transmission facility that provides the main source of water to the Canyon Hills, Canyon Lake and Tuscany Hills Developments. The project entails conducting a condition assessment in order to identify the useful life and any necessary improvements required to ensure the transmission pipeline remains in good working condition.

Downtown Sewer Replacement - \$300,000 (FY 2021)

The existing sewers in downtown Lake Elsinore are undersized and over 100 years old. The sewer lines have significant structural damage and require frequent cleaning and flushing. To avoid sanitary sewer overflows, certain sewer lines in this area need to be replaced or repaired. The project entails conducting an assessment to identify additional phases of sewer lines to be replaced.

Lake Trail Circle - \$300,000 (FY 2020)

At times, customer along Lake Trail Circle experience low pressure. The project entails constructing a 100-foot waterline extension to convert the customer along Lake Trail Circle from the 1601 zone to the 1800 zone. The project will also require the installation of residential pressure regulators.

Railroad Canyon Dam Valve Replacement - \$100,000 (FY 2020) & \$200,000 (FY 2021)

The Railroad Canyon Dam (Canyon Lake Reservoir Dam) has two butterfly valves at the base that are used to release water. The valves leak and do not operate properly. This project will repair or replace the valves.

Regional Water Reclamation Facility (RWRF) Clarifiers - \$150,000 (FY 2020) & \$150,000 (FY 2021)

The RWRF Train A clarifiers have been in operation for approximately 30 years. The steel drives, settled sludge and scum collection mechanisms, and concrete in the clarifiers were assessed as part of the RWRF Upgrade and Expansion Project. It was determined that the steel drives, collection mechanisms should be sandblasted, repaired as necessary, and recoated. The project entails completing the necessary repairs as identified in the condition assessment.

Utility Tunnel (HVAC) - \$300,000 (FY2020)

The HVAC system within the District's Administration Building has not been replaced or rehabilitated since the building was constructed in 1989. The piping within the building is corroded and requires replacement. The project entails design and construction to replace the piping within the utility tunnel under the Administrative Building.

District Office Renovation - \$285,000 (FY 2020)

Elsinore Valley Municipal Water District's (EVMWD) main building was constructed in 1989. The building is open five days a week and has been in service continuously for 29 years. The cubicle workstations show excessive wear due to many years of use, replacement parts are no longer manufactured and data/power systems in the furniture are obsolete. Replacement of existing cubicle workstations which includes electrical and minor structural modifications within the District's Administration Building. The new cubicles will provide better workflow within each department and address workstation ergonomics and organization.

Previous approved budgets included \$24,173 in FY 2014, \$25,920 in FY 2016, \$96,075 in FY 2017, and \$420,000 in FY 2018. This will increase the budget to \$851,168 in total.

Integrated Resources Plan Update - \$250,000 (FY 2021)

The project consists of updating the 2017 Integrated Resources Plan. This effort will be instrumental to redefine the medium and long term water supply sources that will allow EVMWD to enhance its water supply reliability and to decrease dependence on imported water supplies.

Engineering District Standards Update - \$250,000 (FY 2020)

The District's Volume II Standards and Specifications were last updated in 2008 and require a holistic update. Staff plans to hire a consultant to lead the effort to ensure the latest technologies and industry standards are incorporated.

Sewer Capacity Category Evaluation - \$250,000 (FY 2020)

In order to fund future system expansions, the District charges sewer capacity fees. The project will evaluate the current Equivalent Dwelling Unit (EDU) approach, identify alternative approaches, and update the existing EDU factors that will be used to calculate capacity fees moving forward.

Software Upgrades-LIMS - \$250,000 (FY 2020)

The District's Water Quality Lab uses Laboratory Information Management System (LIMS) software to manage the water quality data results. The LIMS software requires upgrades or replacement with a newer LIMS software to address current and future needs with the goal of improving lab efficiencies associated with workflow processes, data management, compliance with upcoming state regulatory requirements, and integration with other internal and external software programs.

Software Upgrades- WaterTrax - \$250,000 (FY 2020)

The District uses WaterTrax database as its primary software for hosting and supporting water, wastewater, recycled water regulatory compliance data query and regulatory compliance reporting needs. The WaterTrax software requires upgrades to address new industry standards for integrating data input sources, automation of reporting, and querying functionality.

Temescal Valley Pipeline (TVP) Expansion - \$250,000 (FY 2021)

EVMWD is expected to almost double its water demand by 2050. The TVP has been identified as the most cost-effective alternative to increase water supply system capacity. The purpose of this study is to identify the best infrastructure options to expand the TVP.

Total Dissolved Solids (TDS) Control – Max Benefit Analysis - \$200,000 (FY 2020)

The purpose of this project is to increase the water quality objectives for the Elsinore Valley Groundwater Basin in order to have a greater flexibility in water management, maximize the use of recycled water, while providing the long term water quality benefit to the basin through the Indirect Potable Use program.

An amount of \$300,000 was previously budgeted for this project. This will increase the budget to \$500,000 in total.

Temecula Pauba - \$200,000 (FY 2021)

Implementation of a hydrogeological study of the Northern Portion of the Temecula Pauba aquifer. This study will estimate potential safe yield of the aquifer and identify the best options to drill a new well to extract EVMWD's return flows from the aquifer. As part of the Integrated Resources Plan, the project will improve water supply reliability and benefit EVMWD customers.

Trtan Tank Refurbishment – Demolition Only - \$182,855 (FY 2020)

Trtan Tanks were acquired by EVMWD through the acquisition of the Elsinore Water Department. Upon acquisition, the Tanks were abandoned and the customers were consolidated into EVMWD's existing water system. The project involves demolition of the tanks and underground reservoir and relocation of the SCADA repeater antenna.

Comprehensive Potable Water Title 22 Source Water Regulatory Compliance and Emerging Contaminants Monitoring Plan - \$150,000 (FY 2021)

The purpose of this project is to develop and update existing source water compliance monitoring plans to ensure continued compliance with current and projected future regulatory changes, including the drinking water sources assessments and protection and associated water quality and emerging contaminants monitoring plans.

Fuel Island Piping - \$150,000 (FY 2020)

The underground fuel storage tanks are inoperable during rain events due to water intrusion in the fuel sumps. This causes the system to shut down whenever there is a presence of moisture in the sump area. This project will consist of removing the existing concrete cover over the tanks and replacing all raisers and sealing them, replacing the concrete cover to an elevation above standing waterline, and replacing the fuel dispensers with new digital dispensers.

Water Hydraulic Model Update - \$120,000 (FY2021)

Update existing InfoWater Suite 12.3 Water System Hydraulic Model (Water Model) created for the 2016 Water System Master Plan. The Water Model will be used to analyze the capacity of the existing and future system in its current condition and with future system improvements for master planning and water quality planning purposes. The Water Model will also be used for future asset management planning.

Summerly Golf Drain to Wetlands - \$100,000 (FY 2020)

The District is required to maintain the water level in the 356 acre wetlands area adjacent to Lake Elsinore at an elevation of 1238 mean sea level. To assist with maintaining this level, an overflow pipe for the Summerly Golf Course channel needs to be extended into the 356 acre wetlands. This funding will allow the pipeline to be extended, which will make it possible for recycled water to be discharged into the wetlands.

An amount of \$20,459 was previously approved by the General Manager and \$61,606 was budgeted in FY 2018 for this project. This will increase the budget to \$182,065 in total.

Summerly RW Line to Wetlands - \$100,000 (FY 2020)

The District is required to ensure the recycled water line from the Summerly area flows to the 356 acre wetlands area adjacent to Lake Elsinore. In order for the line to flow to the wetlands area, it needs to be extended approximately 100 feet with valves and discharge facilities added. This funding will allow the pipeline to be extended.

An amount of \$20,720 was previously approved by the General Manager and \$65,609 was budgeted in FY 2018 for this project. This will increase the budget to \$186,329 in total.

A-2 LS Manhole IPEX Vortex Flow PVC Insert Fitting - \$100,000 (FY 2020)

The District has received odor complaints from neighboring residences adjacent to the A-2 Lift Station. This project proposes to install a technology that generates a vortex that draws the odor down into the sewer line.

Disconnect the Old Chlorine Contact Basin and UV Basin at Train A - \$100,000 (FY 2020)

Disconnect the chlorine contact tank from the system to avoid flushing material into the UV basin during high flow. The work would include cutting into a buried 42-inch pipe and installing blind flanges and valves.

Sewer Hydraulic Model Update - \$100,000 (FY 2021)

Update EVMWD's existing InfoSWMM Suite 14.512.0 Sewer System Hydraulic Model (Sewer Model) created for the 2016 Sewer System Master Plan. The Sewer Model will be used to analyze the capacity of the existing and future system in its current condition and with future system improvements for master planning.

Potable Water Disinfection By-Products Regulatory Compliance Plan Update – \$60,000 (FY2021)

Update EVMWD's existing Disinfection by-products Rule compliance plan, the Chloramination Operations and Nitrification Monitoring Control Plan and Total Coliform Rule Compliance Plans associated with emerging constituents, to ensure compliance with changing water quality regulations.

Access Road to B-3 Lift Station - \$50,000 (FY 2020)

After the original construction of the B-3 Lift Station and sewer line in 1984, the District acquired an easement for access and maintenance of the sewer lines. In September 2005, safety concerns at the B-3 Lift Station site led to the construction of a retaining wall which blocked access to the easement. Since the area around the lift station building is part of a regulated wetland, staff entered into an agreement with a consultant to coordinate with the Army Corp of Engineers to secure an access easement and the regulatory application preparation and permit processing. This project entails acquisition of the easement from the property owner and construction of an access road.

An amount of \$77,455 was previously approved in FY 2013 and \$20,109 was budgeted in FY 2018 for this project. This will increase the budget to \$147,564 in total.

Replace the Rotary Drum Screen Drain Line at RRCWRF - \$50,000 (FY 2021)

Replace an existing 4-inch drain line that connects the screening sump at the Railroad Canyon Water Reclamation Facility (RRCWRF). The drain is undersized and frequently clogs.

**CAPITAL IMPROVEMENT PROGRAM
PROPOSED FY 2020 & FY 2021 BUDGET**

No.	Project Title	Item	CIP Amount	Fund No.	Source of Funding
FY 2020					
1	Regional Water Reclamation Facility Upgrades-Construction		\$ 20,000,000	SRF	State Revolving Fund Loan
2	Horsethief Canyon WRF Expansion-PM & CM		9,200,000	DEV	Developer Funding
			800,000	333	Regional Sewer Replacement
3	Diamond Regional Lift Station Dual Force Main		4,380,000	560	Regional Sewer Capital Fund
			1,620,000	333	Regional Sewer Replacement
4	Diamond Regional Lift Station		3,321,500	SRF	State Revolving Fund Loan
			1,228,500	333	Regional Sewer Replacement
5	Lee Lake Well Conversion		2,198,335	318	Elsinore Water Replacement
			1,481,665	520	Supply Facilities Capacity
6	Palomar Well & Wellhead Facilities		2,038,656	250	Lake Elsinore Redevelopment Area I
7	CLWTP Master Plan Phase I Improvements		1,650,000	520	Supply Facilities Capacity
8	Diamond Drive Sewer Extension (Sports Complex)		1,095,000	560	Regional Sewer Capital Fund
			405,000	333	Regional Sewer Replacement
9	Peck & Chestnut St Sewer Replacement		880,000	250	Lake Elsinore Redevelopment Area I
10	1467 Zone Watermain Phase V		850,000	318	Elsinore Water Replacement
11	Admin Building Repairs		800,000	530	General Purpose Property Tax Fund
12	Los Pinos Pump Station & Pipeline		732,000	318	Elsinore Water Replacement
13	Lawson Rd/Hunt Rd (Replace 2,000" of 3" PVC)		650,000	318	Elsinore Water Replacement
14	Mills Capacity (12 CFS)		600,000	513	Transmission Facilities Capacity
15	Additional Parking-District		600,000	530	General Purpose Property Tax Fund
16	Mayhew Well (New)		600,000	319	Temescal Water Replacement
17	Repair Sewer Manholes		500,000	333	Regional Sewer Replacement
18	Condition Assessment of MCCs (LS, PS, Wells)		299,106	318	Elsinore Water Replacement
			174,107	333	Regional Sewer Replacement
			8,929	319	Temescal Water Replacement
			8,929	330	Recycled Water Replacement
			8,929	530	General Purpose Property Tax Fund
19	Warm Springs Basin Well		500,000	520	Supply Facilities Capacity
20	Back Basin Groundwater Treatment Plant Filter 5 & 6		500,000	318	Elsinore Water Replacement
21	Cottonwood Booster Pump Station Standby Power		500,000	318	Elsinore Water Replacement
22	Reservoir Rehabilitation		500,000	318	Elsinore Water Replacement
23	Safety Upgrade/OSHA Compliance Eval-TP and Lift Stations		500,000	333	Regional Sewer Replacement
24	Train B Filter Media Replacement		500,000	333	Regional Sewer Replacement
25	Well Maintenance - Lincoln Well		490,000	318	Elsinore Water Replacement
26	Single Check Backflow Devices		450,000	318	Elsinore Water Replacement
27	Washington Ave Lift Station Connect-RCWD		420,000	333	Regional Sewer Replacement
28	Canyon Lake Sewer Rehabilitation		400,000	333	Regional Sewer Replacement
29	Southern Section Inflow Infiltration Study		350,000	333	Regional Sewer Replacement
30	33" San Jacinto River Canyon Transmission Main		350,000	318	Elsinore Water Replacement
31	Lake Trail Circle		300,000	318	Elsinore Water Replacement
32	Utility Tunnel (HVAC)		300,000	530	General Purpose Property Tax Fund
33	District Office Renovation		285,000	530	General Purpose Property Tax Fund
34	Elsinore Basin Groundwater Sustainability Plan		250,000	318	Elsinore Water Replacement

**CAPITAL IMPROVEMENT PROGRAM
PROPOSED FY 2020 & FY 2021 BUDGET**

Item No.	Project Title	CIP Amount	Fund No.	Source of Funding
<u>FY 2020 (continued)</u>				
35	Lift Station Assessment & Prioritization Project	250,000	333	Regional Sewer Replacement
36	Sewer Capacity Category Evaluation	250,000	333	Regional Sewer Replacement
37	Engineering District Standards Update	250,000	530	General Purpose Property Tax Fund
38	SBBA Projects	250,000	520	Supply Facilities Capacity
39	Asset Management Program	250,000	15	General & Administrative Fund
40	Software Upgrades-LIMS	125,000	318	Elsinore Water Replacement
		125,000	333	Regional Sewer Replacement
41	Software Upgrades-WaterTrax	125,000	318	Elsinore Water Replacement
		125,000	333	Regional Sewer Replacement
42	TDS Control - Max Benefit Analysis	100,000	20	Elsinore Water Operating Fund
		100,000	30	Wastewater Operating Fund
43	Tritan Tank Refurbishment Project - Demo	182,855	318	Elsinore Water Replacement
44	Regional Clarifiers	150,000	333	Regional Sewer Replacement
45	Fuel Island Piping	150,000	530	General Purpose Property Tax Fund
46	Summerly RW Line to Wetlands	100,000	530	General Purpose Property Tax Fund
47	Summerly Golf Drain To Wetland	100,000	530	General Purpose Property Tax Fund
48	A-2 LS Manhole IPEX Vortex Flow PVC Insert Fitting	100,000	333	Regional Sewer Replacement
49	Railroad Canyon Dam Valve Replacement	100,000	15	General & Administrative Fund
50	Disconnect Old Chlorine Contact Basin & UV Basin at Train A	100,000	333	Regional Sewer Replacement
51	Stage Ranch Road Pipeline	100,000	318	Elsinore Water Replacement
52	Access Road to B-3 Lift Station	50,000	333	Regional Sewer Replacement
53	Replace Roto Screen Drain Line-RRCWRF	50,000	333	Regional Sewer Replacement
	<u>FY 2020 TOTAL</u>	<u>\$ 65,858,511</u>		
<u>FY 2021</u>				
54	Regional Water Reclamation Facility Upgrades-Construction	20,000,000	SRF	State Revolving Fund Loan
55	Diamond Regional Lift Station	8,833,000	SRF	State Revolving Fund Loan
		3,267,000	333	Regional Sewer Replacement
56	Regional Water Reclamation Facility Expansion-Construction	12,000,000	SRF	State Revolving Fund Loan
57	Diamond Regional Lift Station Dual Force Main	4,380,000	560	Regional Sewer Capital Fund
		1,620,000	333	Regional Sewer Replacement
58	Mayhew Well (New)	3,600,000	319	Temescal Water Replacement
59	Horsethief Canyon WRF Expansion-PM & CM	3,000,000	DEV	Developer Funding
60	Warm Springs Basin Well	2,000,000	520	Supply Facilities Capacity
61	SCADA Install RR CYN WWTP	1,925,000	333	Regional Sewer Replacement
62	Pipeline from Tomlin 1 to Los Pinos 2	1,775,130	318	Elsinore Water Replacement
63	CLWTP Master Plan Phase I Improvements	1,650,000	318	Elsinore Water Replacement
64	Reservoir Rehabilitation	1,000,000	318	Elsinore Water Replacement
65	Single Check Backflow Devices	990,000	318	Elsinore Water Replacement

**CAPITAL IMPROVEMENT PROGRAM
PROPOSED FY 2020 & FY 2021 BUDGET**

Item No.	Project Title	CIP Amount	Fund No.	Source of Funding
<u>FY 2021 (continued)</u>				
66	Lee Lake Well Conversion	920,000	520	Supply Facilities Capacity
67	Southern Section Inflow Infiltration Study	900,000	333	Regional Sewer Replacement
68	Peck & Chestnut St Sewer Replacement	880,000	250	Lake Elsinore Redevelopment Area I
69	Admin Building Repairs	800,000	530	General Purpose Property Tax Fund
70	Stage Ranch Road Pipeline	800,000	318	Elsinore Water Replacement
71	1467 Zone Watermain Phase V	750,000	318	Elsinore Water Replacement
72	Los Pinos Pump Station & Pipeline	732,000	318	Elsinore Water Replacement
73	Mills Capacity (12 CFS)	600,000	513	Transmission Facilities Capacity
74	Pipeline Replacement on Little Valley Road	550,000	318	Elsinore Water Replacement
75	Palomar Well & Wellhead Facilities	509,664	520	Supply Facilities Capacity
76	Condition Assessment of MCCs (LS, PS, Wells)	299,106	318	Elsinore Water Replacement
		174,107	333	Regional Sewer Replacement
		8,929	319	Temescal Water Replacement
		8,929	330	Recycled Water Replacement
		8,929	530	General Purpose Property Tax Fund
77	Well Maintenance - Joy Street Well	490,000	318	Elsinore Water Replacement
78	Canyon Lake Sewer Rehabilitation	400,000	333	Regional Sewer Replacement
79	Ranspot Ave & Peeler Ave Main Replacement	400,000	318	Elsinore Water Replacement
80	Downtown Sewer Replacement	300,000	250	Lake Elsinore Redevelopment Area I
81	IRP Update	250,000	318	Elsinore Water Replacement
82	Elsinore Basin Groundwater Sustainability Plan	250,000	318	Elsinore Water Replacement
83	Repair Sewer Manholes	250,000	333	Regional Sewer Replacement
84	Lift Station Assessment & Prioritization Project	250,000	333	Regional Sewer Replacement
85	SBBA Projects	250,000	520	Supply Facilities Capacity
86	Asset Management Program	250,000	15	General & Administrative Fund
87	TVP Expansion	150,000	512	Pumping Plant Capacity
		100,000	513	Transmission Facilities Capacity
88	Railroad Canyon Dam Valve Replacement	200,000	15	General & Administrative Fund
89	Temecula Pauba	200,000	520	Supply Facilities Capacity
90	Regional Clarifiers	150,000	333	Regional Sewer Replacement
91	Comprehensive Potable Water Title 22 Plan	150,000	35	Recycled Water Operating Fund
92	Water Hydraulic Model Update	120,000	20	Elsinore Water Operating Fund
93	Sewer Hydraulic Model Update	100,000	30	Wastewater Operating Fund
94	Potable Wtr Disinfection By-Product Regulatory Plan Update	60,000	20	Elsinore Water Operating Fund
FY 2021 TOTAL		\$ 78,301,794		

Budget Statements



FUND STRUCTURE

The District accounts for its water, recycled water, wastewater, and Engineering operations activities in operational funds. These activities closely resemble those of private business enterprises where services are provided on a continuous basis and are substantially financed by revenues derived from user charges.

The District's activities not directly tied to water, recycled water, and wastewater operations are accounted for in one of the following types of funds or programs. Programs are accounted for within the funds they are closely related to. For example, debt issued for water related construction would be a self-balancing program within the water fund.

General Fund: This is the general operating fund for the District, which accounts for all resources not required to be accounted for in other funds. The total general fund costs are then allocated to the operating funds, proportionate to the labor costs in each of the operating funds.

Special Revenue Funds: The District utilizes these funds to account for the proceeds of specific revenue sources that are legally restricted or earmarked for a specific purpose.

Internal Service Program: This program type is used to account for the financing of goods and services by one fund to other funds of the District on a cost allocation basis. The District's Vehicles and Equipment, Computers, Facilities and Capital Outlays programs are all accounted for as Internal Service programs. These program costs are allocated to the operating funds and vary based on the program. For Vehicles & Equipment and Computers, costs are allocated based on estimated use/location of equipment. Facilities allocation is based on estimated square foot usage.

Capital Projects Program: These funds are used by the District to account for financial resources used in the acquisition and improvement of major capital facilities.

Debt Service Program: The District utilizes these funds to account for the accumulation of resources for and payments of all general long term debt principal and interest.

Rate Stabilization Program: The District utilizes these funds to allow for incremental increases to annual water and sewer rates, so as to offset large increases due to extraordinary circumstances.

Beginning on page 82 is a listing of all the District's funds and programs. This listing indicates whether the fund is a business fund type (BUS) or a governmental fund type (GOV). It also indicates the specific fund type per the following table and includes the fund and program number, title, purpose and source of revenues.

A cash flow diagram which illustrates the sources and uses of funding for the District's fund categories is included on page 127.

A number of District departments perform functions supporting both water and wastewater operations. The chart on page 87 shows the relationship between the District's divisions, departments, sections, and the funds/programs that are charged for their activities.

FUND STRUCTURE

<u>Fund/Program Type</u>	<u>Description</u>
W	Water Operating
RW	Recycled Water Operating
WW	Wastewater Operating
RS	Rate Stabilization
G	General
IS	Internal Service
SR-WR	Special Revenue – Water Replacement
SR-RW	Special Revenue – Recycled Water Replacement
SR-WWR	Special Revenue – Wastewater Replacement
SR-TX	Special Revenue – Assessments and Taxes
SR-WC	Special Revenue – Water Capacity
SR-WWC	Special Revenue – Wastewater Capacity
SR-RWC	Special Revenue – Recycled Water Capacity
CP	Capital Projects – Construction
DS-COP	Debt Service – Certificates of Participation
DS-WRB	Debt Service – Water Revenue Bonds
DS-LN	Debt Service – Loan
DS ADV	Debt Service – Advance from U.S. Government
DS-CFD	Debt Service – Community Facilities District

LIST OF FUNDS/PROGRAMS

Fund/ Program Type	No.*	Title	Purpose	Source of Revenues
W	20	Elsinore Water	To account for revenues and expenditures for operating the Elsinore water system, which includes the Canyon Lake Water Treatment Plant.	Allocated costs to all enterprise and internal service funds
W	25	Temescal Potable Water	To account for revenues and expenditures relating to operating the Temescal potable water system.	Water sales, service charges, and other user fees and charges
WW	30	Wastewater	To account for revenues and expenditures for operating the Regional, Canyon Lake, Horsethief and Southern Wastewater systems, including the Regional, Railroad Canyon and Horsethief Wastewater Treatment Plants.	Wastewater service charges and standby fees for the Regional, Canyon Lake, Horsethief and Southern service areas
RW	35	Recycled Water	To account for revenues and expenditures relating to providing recycled water.	Recycled water sales
IS	40	Lake Maintenance	To segregate District expenses attributed to the ongoing maintenance of Lake Elsinore	Revenue collected from city and county; Transfer from the General Purpose Property Tax fund
RS	20/320	Rate Stabilization	As detailed in the District's Master Resolution, the District deposits amounts from current water, recycled water, and wastewater revenues to a balance not exceeding \$3,000,000. These funds are used to pay for unusual and unexpected operating costs.	Transfers from water, recycled water, and wastewater operating funds
G	15/110	General	To accumulate general, administrative (including portions of facilities and computer allocations), fringe benefits expenses, and general and administrative departmental capital outlays for allocation to proper divisions, projects and funds; and to account for fixed assets, cash, liabilities and inter-fund payables and receivables.	Portion of allocation of District-wide interest income
IS	15/116	Vehicles & Equipment	To account for charges relating to the maintenance and operation of the District's fleet of vehicles and various equipment.	Allocated charges to other funds for the use of vehicles and equipment
IS	15/117	Engineering	To accumulate revenues and track engineering and inspection expenditures related to developer and District-sponsored projects and engineering services provided to operations and the public.	Various sources including capital revenue fund transfers, developer deposits, engineering service fees, transfers from operations for services provided to operations and from general purpose property tax fund for services provided to the public which cannot otherwise be identified with capital projects
IS	15/121	Information Technology	To account for charges relating to the maintenance and operation of the District's computer equipment.	Allocated charges to other funds for the use of computer equipment
IS	15/122	Facilities	To account for charges relating to the maintenance and operation of the District's headquarters.	Allocated charges to other funds for the use of the District's headquarters

LIST OF FUNDS/PROGRAMS

Fund/ Program	No.*	Title	Purpose	Source of Revenues
IS	15/310	Capital Outlays	To account for capital outlays by departments and funds.	Transfers from other funds that received a benefit from the purchase of capital outlays
SR-WR	20/318	Elsinore Water	To fund replacement project expenditures required for replacements in the Elsinore Water Division service area.	Transfers from the Elsinore Water Division Operating Fund 20 and General Purpose Property Tax Prog 530
SR-WR	25/319	Temescal Water	To fund replacement project expenditures required for replacements in the Temescal Water Division's service areas.	Transfers from the Temescal Water Division Operating Fund 25
SR-RWR	35/330	Recycled Water	To fund replacement project expenditures required for replacements in the Recycled Water system	Transfers from the Recycled Water Division Operating Fund 35
SR-WWR	30/333	Wastewater	To fund replacement project expenditures required for replacements in the Regional Wastewater service area.	Transfers from the Wastewater Operating Fund 30
SR-TX	50/250	Redevelopment Area I	To account for tax increment revenues received and subsequent capital project expenditures in Redevelopment Agency Project Area I.	Annual tax increments received from Riverside County, which were collected in Lake Elsinore RDA Area I
SR-TX	50/254	Redevelopment EWD	To account for EWD's tax increment revenues received and subsequent capital project expenditures in Redevelopment Agency Project Areas.	Annual tax increments.
SR-TX	50/530	General Purpose Property Taxes	To account for the 1% general purpose property taxes received from Riverside County used for debt service payments, replacements and other maintenance and operations costs.	Designated apportionment of Riverside County 1% general purpose property taxes
SR-TX	50/531	General Purpose Property Taxes EWD	To account for the 1% general purpose property taxes received from Riverside County used for capital projects.	Designated apportionment of Riverside County 1% general purpose property taxes
SR-TX	50/570	Water Standby Charges	To account for the District Wide Water Standby Charge on unimproved property used for capital expansion of the Elsinore water system and subsequent allocations to the Elsinore Water Division operating fund 20.	Water Standby charges based on a per acre basis, which are placed on the Riverside County annual tax rolls
SR-TX	50/571	EWD Water Standby Charges	To account for the EWD Standby Charge on both improved and unimproved property used for maintenance and improvement of former EWD service area.	EWD Standby charges based on a per acre basis, which are placed on the Riverside County annual tax rolls
SR-WC	20/510	Storage Participation	To account for the per EDU tank fee charge collected and earmarked for debt repayment or funding of reservoir construction.	Fee collected from the public for connection to District facilities
SR-WC	20/511	Temescal Valley Project Participation	To account for the per EDU TVP fee charge collected and earmarked for debt repayment or funding of construction of the Temescal Valley Project.	Fee collected from the public for connection to District facilities

LIST OF FUNDS/PROGRAMS

Fund/ Program Type	No.*	Title	Purpose	Source of Revenues
SR-WC	20/512	Pumping Plant Participation	To account for the per EDU pumping plant fee charge collected and earmarked for debt repayment or funding of booster pump construction.	Fee collected from the public for connection to District facilities
SR-WC	20/513	Transmission Facilities Participation	To account for the per EDU transmission facilities fee charge collected and earmarked for debt repayment or funding of expanding the District's water transmission facilities.	Fee collected from the public for connection to District facilities
SR-WC	20/520	Supply Facilities Participation	To account for the per EDU source of supply fee charge collected and earmarked for debt repayment or funding of expanding the District's source of water supply.	Fee collected from the public for connection to District facilities
SR-WWC	30/550	Regional Plant Capacity	To account for the per EDU connection fee charge collected and earmarked for debt repayment or funding of Regional treatment plant upgrades and expansion.	Fee collected from the public for connection to Regional wastewater system
SR-WWC	30/560	Wastewater Capital	To account for the per EDU connection fee charge collected and earmarked for debt repayment or funding of construction related to the wastewater system.	Fee collected from the public for connection to wastewater system
SR-RWC	35/561	Regional Recycled Water Capital	To account for the per EDU connection fee charge collected and earmarked for debt repayment or funding of construction related to water distribution systems delivering recycled water from the Regional treatment plant.	Fee collected from the public for connection to Regional wastewater system
CP	**/490	District Construction	To account for all capital improvement projects.	Transfers from various designated funds as approved with the budget
DS-LN	55/226	State Revolving Fund - Regional Expansion	To account for loan proceeds and debt service payments relating to the State Revolving Loan obtained for the purpose of expanding the Regional Wastewater Treatment Plant treatment capacity from 4.0 to 8.0 million gallons per day.	Transfers from the Regional Wastewater Division operating Fund 30 and Regional Plant Capacity Prog 550
DS-LN	55/228	State Revolving Fund Loan - AMI PH III	To account for loan proceeds and debt service payments relating to the State Revolving Loan obtained for the Advanced Metering Infrastructure Phase III Project to help mitigate water loss.	Transfer from the Water Operating Fund 20
DS-LN	55/229	State Revolving Fund Loan - Regional Upgrade (Planning)	To account for loan proceeds and debt service payments relating to the State Revolving Planning Loan obtained for the Regional Water Reclamation Facility Upgrade design.	Transfers from the Wastewater Replacement Prog 333.

LIST OF FUNDS/PROGRAMS

Fund/ Program	Type	No.*	Title	Purpose	Source of Revenues
DS-LN		55/230	State Revolving Fund Loan - Regional Expansion (Planning)	To account for loan proceeds and debt service payments relating to the State Revolving Planning Loan obtained for the Regional Water Reclamation Facility Expansion design.	Transfers from the Wastewater Capital Prog 550
DS-LN		55/231	State Revolving Fund Loan - Regional SCADA	To account for loan proceeds and debt service payments relating to the State Revolving Construction Loan obtained for the Regional Water Reclamation Facility SCADA Implementation project to replace existing remote control system.	Transfers from the Wastewater Replacement Prog 333.
DS-COP		55/248	2002 COP - Refinanced a portion of the 1992 COPs	To account for the debt service payments on the 2002 COPs.	Transfers from operating and capital funds which received funding from the proceeds of the 1986, 1989 and 1990 COPs
DS-COP		55/249	2008B COP- Refinanced the 2005 COP	To account for the debt service payments on the 2008B COPs	Transfers from operating and capital funds which received funding from the proceeds of the 2008B COPs
DS-COP		55/261	2011 COP	To account for the debt service payments on the 2011 COP	Transfers from capital funds (Prog 511) and Temescal Valley Project (Prog 487)
DS-WRB		55/263	2016A Revenue Bonds	To account for the debt service payments on the 2016A Water Revenue Bonds	Transfers from operating and capital funds which received funding from the proceeds of the 2007A and 2008A COPs
DS-ADV		55/486	Lake Management Project	To account for loan proceeds and debt service payments relating to the U.S. Bureau of Reclamation Loan obtained for the purpose of funding the Lake Management Project.	Transfers from the General Purpose Property Tax Prog 530
DS-CFD		55/487	Temescal Valley Project	To account for the collection of special assessments received relating to the U.S. Bureau of Reclamation Loan obtained for the purpose of funding the Temescal Valley Pipeline.	Special assessments paid by property owners within the CFD boundary
DS-CFD		60/451	CFD 1998-2 Wildomar	Community Facilities District 1998-2 was formed to finance the construction of public water and sewer facilities required to provide service to nine parcels totaling approximately 368 acres in the Wildomar area. This fund accounts for the collection of special assessments and the payment of debt service on the CFDs.	Special assessments paid by property owners within the CFD boundary

LIST OF FUNDS/PROGRAMS

Fund/ Program Type	No.*	Title	Purpose	Source of Revenues
DS-CFD	65/453	CFD 2003-2Greer Ranch	CFD 2003-2 was formed to finance the construction of public facilities including an off-site sewer lift station and a sewer force main for approximately 135 acres in the City of Murrieta.This fund accounts for the collection of special assessments and the payment of debt service on the CFDs.	Special assessments paid by property owners within the CFD boundary
DS-CFD	65/454	CFD 2002-1Oakmont	CFD 2002-1 was formed to finance the construction of public sewer facilities, water and sewer connection fees and Lake Elsinore Unified School District fees for approximately 32 acres in Wildomar area.This fund accounts for the collection of special assessments and the payment of debt service on the CFDs.	Special assessments paid by property owners within the CFD boundary
DS-CFD	65/455	CFD 2003-1Watermark	CFD 2003-1 was formed to finance the construction of public water and sewer facilities and water and sewer connection fees for approximately 65 acres in the City of Lake Elsinore.This fund accounts for the collection of special assessments and the payment of debt service on the CFDs.	Special assessments paid by property owners within the CFD boundary
DS-CFD	60/459	CFD 2016 Special Tax Refunding 2004-1 (Woodmoor)	CFD 2004-1 was formed to finance the acquisition and construction of public facilities and water and sewer connection fees for approximately 62 acres in the City of Lake Elsinore. This fund accounts for the collection of special assessments and the payment of debt service on the CFDs.	Special assessments paid by property owners within the CFD boundary
DS-CFD	60/460	CFD 2016 Special Tax Refunding 99-1 (La Gonda)	CFD 1999-1 was formed for the purpose of defeasing and refunding the outstanding 1999 bond.This bond was issued to finance the construction of public sewer facilities including a Regional sewer pumping station and main pipeline for approximately 81 acres in the City of Murrieta.This fund accounts for the collection of special assessments and the payment of debt service on the CFDs.	Special assessments paid by property owners within the CFD boundary

***Notes:**

- Two digit number denotes a Fund
- Three digit number denotes a Program
- Programs are listed along with the fund they are accounted for in
- ** denotes that program can be in various Funds

**RELATIONSHIP BETWEEN DIVISIONS, DEPARTMENTS,
SECTIONS, AND FUNDS/PROGRAM**

Division Department / Section	Water Operations		Wastewater Operations	Recycled Water Operations	Lake Maintenance	General & Internal Service Fund (15)				
	Elsinore	Temescal Potable	Wastewater	Recycled Wtr	Lake Maint.	General	Vehicles & Equip.	Engineering	Computers	Admin. Facilities
	20	25	30	35	40	110	116	117	121	122
Administration										
General Management						X				
Governmental Relations						X				
Human Resources						X				
Business Services										
Accounting & Analysis	X	X	X	X	X	X				X
Community Relations						X				
Customer Service	X	X	X	X	X	X				
Purchasing & Warehousing						X				
Information Technology/ SCADA	X	X	X	X	X	X	X		X	X
Engineering										
Administration	X					X		X		
Capital Design						X		X		
Construction Services	X					X		X		
Development Services						X		X		
Water Resources										
Water Resources Planning	X	X				X		X		
Water Systems	X	X				X		X		
Water Quality	X	X	X	X	X	X		X		
Wastewater Systems			X	X	X	X				
Strategic Planning	X	X	X	X	X	X				
Water and Wastewater Operations										
Administration	X		X	X	X	X	X			X
Facilities - Maintenance	X	X	X	X	X	X	X			X
Facilities - Mechanical	X	X	X	X	X	X				X
Maintenance										
Water - Field Services	X	X				X				
Water - Production	X	X	X	X	X	X				
Water - Construction	X	X				X				
Water - Preventive	X	X				X				
Maintenance										
Wastewater - Water			X	X	X	X				
Reclamation Facilities										
Wastewater - Collection Systems			X	X	X	X				

Note: Fringe benefit costs for all departments, divisions, and sections are charged to the General Fund.

**SUMMARY OF REVENUES AND OPERATING TRANSFERS IN/OUT ALL FUNDS
PROPOSED FY2020 AND FY2021 BUDGETS**

	Approved Budget FY2018	Approved Budget FY2019	Proposed Budget FY2020	Proposed Budget FY2021
Enterprise Funds				
Water	\$ 46,981,883	\$ 49,652,752	\$ 54,688,663	\$ 57,409,797
Wastewater	23,912,922	26,077,026	27,862,967	28,264,461
Recycled Water	1,131,447	1,146,680	1,053,203	1,107,693
Capital Projects Fund				
Construction	12,997,167	16,266,106	65,858,511	78,301,794
Capital Funds				
Water	5,248,998	5,449,774	7,815,938	7,956,393
Wastewater	4,846,319	5,164,992	4,963,987	4,993,452
Recycled Water	540,269	549,028	476,308	478,988
Replacement Funds				
Water	433,511	48,744	55,909	55,909
Wastewater	94,420	32,535	93,427	93,427
Recycled Water	-	-	281	281
Other Revenue Funds				
Rate Stabilization	33,250	33,250	35,234	35,234
Assessments And Taxes	7,672,059	7,748,570	9,675,673	9,950,345
Debt Service Fund				
Loans	278,758	440,708	835,340	953,622
Revenue Bonds	4,347,300	4,354,100	4,367,320	8,224,673
Certificate Of Participation	7,299,755	7,212,527	7,300,149	3,494,405
Advances From U.S. Government	10,450	10,450	11,110	11,110
Community Facilities District	1,491,239	1,502,996	1,480,157	-
Internal Service Funds				
General Fund	1,834,793	1,925,637	2,387,691	2,554,124
Vehicles & Equipment	1,498,496	1,611,212	1,911,944	1,917,238
Engineering	2,371,172	2,473,593	4,813,301	5,166,299
Information Technology	3,010,723	2,874,286	3,778,243	3,854,061
Facilities	869,291	909,880	1,022,568	999,586
Capital Outlays	1,130,619	-	509,650	43,125
Other Funds				
Lake Elsinore Maintenance	1,078,810	1,042,412	1,056,944	1,062,344
Grand Total	\$ 129,113,651	\$ 136,527,258	\$ 202,054,518	\$ 216,928,361

CONSOLIDATED STATEMENT OF SOURCES AND USES OF FUNDS

	Total Actual FY 2018	Approved Budget FY 2019	Proposed Budget FY 2020	Proposed Budget FY 2021
<u>Operating Revenues</u>				
Water Revenues	\$ 48,647,761	\$ 49,569,633	\$ 54,186,840	\$ 56,923,519
Wastewater Revenues	24,046,130	25,220,256	26,683,163	27,079,700
Recycled Water Revenues	1,146,853	1,141,469	1,041,065	1,095,555
Engineering Revenue	949,905	2,308,003	1,681,530	1,778,962
General and Operating Revenues	6,731,854	5,557,385	6,881,032	7,004,638
Total Operating Revenues	81,522,502	83,796,746	90,473,630	93,882,373
<u>Operating Expenses</u>				
Source Of Supply	18,036,267	15,311,359	18,336,693	19,219,929
Water Operations	21,179,895	25,099,129	28,858,092	29,476,025
Wastewater Operations	14,071,948	17,713,090	17,871,382	18,228,216
Recycled Water Operations	948,191	1,499,110	1,126,865	1,188,960
General And Administrative	2,301,306	4,070,220	4,803,876	5,156,874
Allocated General And Administrative	7,450,529	5,426,560	5,947,037	5,982,692
Total Operating Expenses	63,988,136	69,119,468	76,943,945	79,252,696
Operating Income (Loss)	17,534,366	14,677,278	13,529,684	14,629,677
<u>Non-operating Revenue</u>				
Property taxes:				
General Purpose	6,508,824	5,819,000	6,866,805	7,141,477
Redevelopment	2,644,790	1,600,000	2,400,000	2,400,000
Improvement / CFD	1,351,090	1,502,996	1,480,157	1,486,285
Temescal Valley Project	482,155	499,277	499,277	499,277
Standby Charges	617,948	455,796	780,135	748,547
Investment Income	937,021	2,100,000	2,766,377	2,766,377
Mutual Water Company	(68,819)	-	-	-
Lease Income	1,433,523	1,517,238	1,525,374	1,566,807
Transfer from Rate Stabilization	(8,912,952)	194,219	534,657	812,777
Transfer from Reserves	44,522,796	2,191,397	57,272,447	63,212,672
Capital Contributions:				
Capacity Fees	10,027,211	10,934,642	12,905,941	13,078,541
Capital Grant	3,090,355	-	-	-
Other Contributions	4,799,226	-	-	-
Net Transfers In/(Out)	(133,243)	-	-	-
Other Income	8,096,263	602,863	830,000	851,000
Total Non-Operating Revenue	75,396,190	27,417,428	87,861,170	94,563,760
<u>Non-Operating Expense</u>				
Principal Repayments	8,407,214	6,890,557	7,568,066	7,921,485
Interest Expense	5,262,168	6,308,398	6,024,978	5,785,560
Capital Improvement Projects	20,709,876	16,266,106	65,858,511	78,301,794
Capital Outlays	1,186,424	132,501	2,433,986	1,648,322
Transfer to Rate Stabilization	(3,627,349)	386,281	771,869	1,491,217
Transfer to Reserves	81,113,692	10,254,192	16,240,251	11,462,442
Other Expenses	3,156,744	1,856,671	2,493,193	2,582,617
Total Non-Operating Expense	116,208,769	42,094,706	101,390,854	109,193,437
Net Income / (Loss)	\$ (23,278,214)	\$ -	\$ -	\$ -

**STATEMENT OF SOURCES AND USES OF FUNDS
PROPOSED FY2020 BUDGET**

	Elsinore Water Operating 20	Temescal Water Operating 25	W. Water Fund 30
<u>Operating Revenues</u>			
Water Revenues	\$ 53,468,146	\$ 718,694	\$ -
Wastewater Revenues	-	-	26,683,163
Recycled Water Revenues	-	-	-
Engineering Revenue	-	-	-
General and Operating Revenues	-	-	-
Total Operating Revenues	53,468,146	718,694	26,683,163
<u>Operating Expenses</u>			
Source Of Supply	18,307,677	29,016	-
Water Operations	27,892,091	966,001	-
Wastewater Operations	-	-	17,871,382
Recycled Water Operations	-	-	-
General And Administrative	-	-	-
Allocated General And Administrative	-	-	-
Total Operating Expenses	46,199,768	995,017	17,871,382
Operating Income (Loss)	7,268,378	(276,323)	8,811,781
<u>Non-operating Revenue</u>			
Property Taxes:			
General Purpose	-	-	-
Redevelopment	-	-	-
Improvement / CFD	-	-	-
Temescal Valley Project	-	-	-
Standby Charges	293,327	-	346,972
Investment Income	196,407	12,089	142,832
Mutual Water Company	-	-	-
Lease Income	-	-	-
Transfer from Rate Stabilization	-	276,089	-
Transfer from Reserves	1,491,746	-	-
Capital Contributions:			
Capacity Fees	-	-	-
Capital Grant	-	-	-
Other Contributions	-	-	-
Net Transfers In (Out)	(7,589,558)	83,990	(9,407,921)
Other Income	-	-	690,000
Total Non-operating Revenue	(5,608,078)	372,168	(8,228,117)
<u>Non-operating Expense</u>			
Principal Repayments	-	-	-
Interest Expense	-	-	-
Capital Improvement Projects	-	-	-
Capital Outlays	-	-	-
Transfer to Rate Stabilization	311,139	-	460,730
Transfer to Reserves	1,243,522	94,970	5,353
Other Expenses	105,639	874	117,581
Total Non-operating Expense	1,660,300	95,844	583,664
Net Income (Loss)	\$ -	\$ -	\$ -

STATEMENT OF SOURCES AND USES OF FUNDS
PROPOSED FY2020 BUDGET

	Recycled Water 35	Rate Stabilization 320	General 15
<u>Operating Revenues</u>			
Water Revenues	\$ -	\$ -	\$ -
Wastewater Revenues	-	-	-
Recycled Water Revenues	1,041,065	-	-
Engineering Revenue	-	-	-
General and Operating Revenues	-	-	121,000
Total Operating Revenues	1,041,065	-	121,000
<u>Operating Expenses</u>			
Source Of Supply	-	-	-
Water Operations	-	-	-
Wastewater Operations	-	-	-
Recycled Water Operations	1,126,865	-	-
General And Administrative	-	-	-
Allocated General And Administrative	234,382	-	21,900
Total Operating Expenses	1,361,247	-	21,900
Operating Income (Loss)	(320,182)	-	99,100
<u>Non-operating Revenue</u>			
Property Taxes:			
General Purpose	-	-	-
Redevelopment	-	-	-
Improvement / CFD	-	-	-
Temescal Valley Project	-	-	-
Standby Charges	-	-	-
Investment Income	12,138	35,234	350,317
Mutual Water Company	-	-	-
Lease Income	-	-	1,525,374
Transfer from Rate Stabilization	258,569	-	-
Transfer from Reserves	68,586	-	-
Capital Contributions:			
Capacity Fees	-	-	-
Capital Grant	-	-	-
Other Contributions	-	-	-
Net Transfers In (Out)	(19,111)	-	1,277,426
Other Income	-	-	-
Total Non-operating Revenue	320,182	35,234	3,153,117
<u>Non-operating Expense</u>			
Principal Repayments	-	-	-
Interest Expense	-	-	-
Capital Improvement Projects	-	-	-
Capital Outlays	-	-	-
Transfer to Rate Stabilization	-	-	-
Transfer to Reserves	-	35,234	3,164,761
Other Expenses	-	-	87,456
Total Non-operating Expense	-	35,234	3,252,217
Net Income (Loss)	\$ -	\$ -	\$ -

**STATEMENT OF SOURCES AND USES OF FUNDS
PROPOSED FY2020 BUDGET**

	Engineering 117	Vehicles & Equipment Internal Svc 116	Lake Elsinore Maintenance 40
<u>Operating Revenues</u>			
Water Revenues	\$ -	\$ -	\$ -
Wastewater Revenues	-	-	-
Recycled Water Revenues	-	-	-
Engineering Revenue	1,681,530	-	-
General and Operating Revenues	-	1,888,410	-
Total Operating Revenues	1,681,530	1,888,410	-
<u>Operating Expenses</u>			
Source Of Supply	-	-	-
Water Operations	-	-	-
Wastewater Operations	-	-	-
Recycled Water Operations	-	-	-
General And Administrative	4,803,876	-	-
Allocated General And Administrative	-	1,511,944	-
Total Operating Expenses	4,803,876	1,511,944	-
Operating Income (Loss)	(3,122,347)	376,466	-
<u>Non-operating Revenue</u>			
Property Taxes:			
General Purpose	-	-	-
Redevelopment	-	-	-
Improvement / CFD	-	-	-
Temescal Valley Project	-	-	-
Standby Charges	-	-	-
Investment Income	23,489	23,534	8,503
Mutual Water Company	-	-	-
Lease Income	-	-	-
Transfer from Rate Stabilization	-	-	-
Transfer from Reserves	932,747	902,336	-
Capital Contributions:			
Capacity Fees	-	-	-
Capital Grant	-	-	-
Other Contributions	-	-	-
Net Transfers In (Out)	2,175,536	-	1,084,441
Other Income	-	-	140,000
Total Non-operating Revenue	3,131,772	925,870	1,232,944
<u>Non-operating Expense</u>			
Principal Repayments	-	-	-
Interest Expense	-	-	-
Capital Improvement Projects	-	-	-
Capital Outlays	-	1,302,336	-
Transfer to Rate Stabilization	-	-	-
Transfer to Reserves	-	-	176,000
Other Expenses	9,425	-	1,056,944
Total Non-operating Expense	9,425	1,302,336	1,232,944
Net Income (Loss)	\$ -	\$ -	\$ -

STATEMENT OF SOURCES AND USES OF FUNDS
PROPOSED FY2020 BUDGET

	Info. Tech. Internal SVC 121	Facilities Internal SVC 122	Cap.Outlays Internal SVC 310
<u>Operating Revenues</u>			
Water Revenues	\$ -	\$ -	\$ -
Wastewater Revenues	-	-	-
Recycled Water Revenues	-	-	-
Engineering Revenue	-	-	-
General and Operating Revenues	3,339,404	1,022,568	509,650
Total Operating Revenues	3,339,404	1,022,568	509,650
<u>Operating Expenses</u>			
Source Of Supply	-	-	-
Water Operations	-	-	-
Wastewater Operations	-	-	-
Recycled Water Operations	-	-	-
General And Administrative	-	-	-
Allocated General And Administrative	3,156,243	1,022,568	-
Total Operating Expenses	3,156,243	1,022,568	-
Operating Income (Loss)	183,161	-	509,650
<u>Non-operating Revenue</u>			
Property Taxes:			
General Purpose	-	-	-
Redevelopment	-	-	-
Improvement / CFD	-	-	-
Temescal Valley Project	-	-	-
Standby Charges	-	-	-
Investment Income	16,839	-	9,321
Mutual Water Company	-	-	-
Lease Income	-	-	-
Transfer from Rate Stabilization	-	-	-
Transfer from Reserves	422,000	-	-
Capital Contributions:			
Capacity Fees	-	-	-
Capital Grant	-	-	-
Other Contributions	-	-	-
Net Transfers In (Out)	-	-	-
Other Income	-	-	-
Total Non-operating Revenue	438,839	-	9,321
<u>Non-operating Expense</u>			
Principal Repayments	-	-	-
Interest Expense	-	-	-
Capital Improvement Projects	-	-	-
Capital Outlays	622,000	-	509,650
Transfer to Rate Stabilization	-	-	-
Transfer to Reserves	-	-	9,321
Other Expenses	-	-	-
Total Non-operating Expense	622,000	-	518,971
Net Income (Loss)	\$ -	\$ -	\$ -

**STATEMENT OF SOURCES AND USES OF FUNDS
PROPOSED FY2020 BUDGET**

	Elsinore Water Replacement 318	Temescal Water Replacement 319	Recycled Water Replacement 330
<u>Operating Revenues</u>			
Water Revenues	\$ -	\$ -	\$ -
Wastewater Revenues	-	-	-
Recycled Water Revenues	-	-	-
Engineering Revenue	-	-	-
General and Operating Revenues	-	-	-
Total Operating Revenues	-	-	-
<u>Operating Expenses</u>			
Source Of Supply	-	-	-
Water Operations	-	-	-
Wastewater Operations	-	-	-
Recycled Water Operations	-	-	-
General And Administrative	-	-	-
Allocated General And Administrative	-	-	-
Total Operating Expenses	-	-	-
Operating Income (Loss)	-	-	-
<u>Non-operating Revenue</u>			
Property Taxes:			
General Purpose	-	-	-
Redevelopment	-	-	-
Improvement / CFD	-	-	-
Temescal Valley Project	-	-	-
Standby Charges	-	-	-
Investment Income	36,583	19,326	281
Mutual Water Company	-	-	-
Lease Income	-	-	-
Transfer from Rate Stabilization	-	-	-
Transfer from Reserves	-	289,603	-
Capital Contributions:			
Capacity Fees	-	-	-
Capital Grant	-	-	-
Other Contributions	-	-	-
Net Transfers In (Out)	584,283	(308,929)	139,071
Other Income	-	-	-
Total Non-operating Revenue	620,866	-	139,352
<u>Non-operating Expense</u>			
Principal Repayments	-	-	-
Interest Expense	-	-	-
Capital Improvement Projects	-	-	-
Capital Outlays	-	-	-
Transfer to Rate Stabilization	-	-	-
Transfer to Reserves	351,166	-	139,352
Other Expenses	269,700	-	-
Total Non-operating Expense	620,866	-	139,352
Net Income (Loss)	\$ -	\$ -	\$ -

STATEMENT OF SOURCES AND USES OF FUNDS
PROPOSED FY2020 BUDGET

	Sewer Replacement 333	RDA I Spec Rev 250	Gen. Purpose Prop Taxes 530
<u>Operating Revenues</u>			
Water Revenues	\$ -	\$ -	\$ -
Wastewater Revenues	-	-	-
Recycled Water Revenues	-	-	-
Engineering Revenue	-	-	-
General and Operating Revenues	-	-	-
Total Operating Revenues	-	-	-
<u>Operating Expenses</u>			
Source Of Supply	-	-	-
Water Operations	-	-	-
Wastewater Operations	-	-	-
Recycled Water Operations	-	-	-
General And Administrative	-	-	-
Allocated General And Administrative	-	-	-
Total Operating Expenses	-	-	-
Operating Income (Loss)	-	-	-
<u>Non-operating Revenue</u>			
Property Taxes:			
General Purpose	-	-	6,851,745
Redevelopment	-	2,400,000	-
Improvement / CFD	-	-	-
Temescal Valley Project	-	-	-
Standby Charges	-	-	-
Investment Income	93,427	50,381	202,239
Mutual Water Company	-	-	-
Lease Income	-	-	-
Transfer from Rate Stabilization	-	-	-
Transfer from Reserves	2,656,494	1,307,426	6,337,628
Capital Contributions:			
Capacity Fees	-	-	-
Capital Grant	-	-	-
Other Contributions	-	-	-
Net Transfers In (Out)	(2,723,071)	(3,757,807)	(13,216,487)
Other Income	-	-	-
Total Non-operating Revenue	26,850	-	175,125
<u>Non-operating Expense</u>			
Principal Repayments	-	-	-
Interest Expense	-	-	-
Capital Improvement Projects	-	-	-
Capital Outlays	-	-	-
Transfer to Rate Stabilization	-	-	-
Transfer to Reserves	-	-	-
Other Expenses	26,850	-	175,125
Total Non-operating Expense	26,850	-	175,125
Net Income (Loss)	\$ -	\$ -	\$ -

**STATEMENT OF SOURCES AND USES OF FUNDS
PROPOSED FY2020 BUDGET**

	General Purp Prop Tax - EWD Spec Rev 531	Water Standby Spec Rev 570	EWD Water Standby Spec Rev 571
<u>Operating Revenues</u>			
Water Revenues	\$ -	\$ -	\$ -
Wastewater Revenues	-	-	-
Recycled Water Revenues	-	-	-
Engineering Revenue	-	-	-
General and Operating Revenues	-	-	-
Total Operating Revenues	-	-	-
<u>Operating Expenses</u>			
Source Of Supply	-	-	-
Water Operations	-	-	-
Wastewater Operations	-	-	-
Recycled Water Operations	-	-	-
General And Administrative	-	-	-
Allocated General And Administrative	-	-	-
Total Operating Expenses	-	-	-
Operating Income (Loss)	-	-	-
<u>Non-operating Revenue</u>			
Property Taxes:			
General Purpose	15,060	-	-
Redevelopment	-	-	-
Improvement / CFD	-	-	-
Temescal Valley Project	-	-	-
Standby Charges	-	-	139,836
Investment Income	2,433	12,292	1,687
Mutual Water Company	-	-	-
Lease Income	-	-	-
Transfer from Rate Stabilization	-	-	-
Transfer from Reserves	-	-	-
Capital Contributions:			
Capacity Fees	-	-	-
Capital Grant	-	-	-
Other Contributions	-	-	-
Net Transfers In (Out)	-	-	-
Other Income	-	-	-
Total Non-operating Revenue	17,493	12,292	141,523
<u>Non-operating Expense</u>			
Principal Repayments	-	-	-
Interest Expense	-	-	-
Capital Improvement Projects	-	-	-
Capital Outlays	-	-	-
Transfer to Rate Stabilization	-	-	-
Transfer to Reserves	17,493	12,292	141,523
Other Expenses	-	-	-
Total Non-operating Expense	17,493	12,292	141,523
Net Income (Loss)	\$ -	\$ -	\$ -

STATEMENT OF SOURCES AND USES OF FUNDS
PROPOSED FY2020 BUDGET

	Storage Participation Wtr Capital 510	TVP Participation Wtr Capital 511	Pumping Plant Participation Wtr Capital 512
<u>Operating Revenues</u>			
Water Revenues	\$ -	\$ -	\$ -
Wastewater Revenues	-	-	-
Recycled Water Revenues	-	-	-
Engineering Revenue	-	-	-
General and Operating Revenues	-	-	-
Total Operating Revenues	-	-	-
<u>Operating Expenses</u>			
Source Of Supply	-	-	-
Water Operations	-	-	-
Wastewater Operations	-	-	-
Recycled Water Operations	-	-	-
General And Administrative	-	-	-
Allocated General And Administrative	-	-	-
Total Operating Expenses	-	-	-
Operating Income (Loss)	-	-	-
<u>Non-operating Revenue</u>			
Property Taxes:			
General Purpose	-	-	-
Redevelopment	-	-	-
Improvement / CFD	-	-	-
Temescal Valley Project	-	-	-
Standby Charges	-	-	-
Investment Income	103,948	6,892	94,456
Mutual Water Company	-	-	-
Lease Income	-	-	-
Transfer from Rate Stabilization	-	-	-
Transfer from Reserves	-	-	-
Capital Contributions:			
Capacity Fees	1,406,881	1,480,324	769,129
Capital Grant	-	-	-
Other Contributions	-	-	-
Net Transfers In (Out)	(39,820)	(1,011,102)	(159,985)
Other Income	-	-	-
Total Non-operating Revenue	1,471,009	476,114	703,600
<u>Non-operating Expense</u>			
Principal Repayments	-	-	-
Interest Expense	-	-	-
Capital Improvement Projects	-	-	-
Capital Outlays	-	-	-
Transfer to Rate Stabilization	-	-	-
Transfer to Reserves	1,471,009	476,114	703,600
Other Expenses	-	-	-
Total Non-operating Expense	1,471,009	476,114	703,600
Net Income (Loss)	\$ -	\$ -	\$ -

**STATEMENT OF SOURCES AND USES OF FUNDS
PROPOSED FY2020 BUDGET**

	Transmissn Fac Participation WTR Capital 513	Supply Fac Participation WTR Capital 520	Reg Plant Capacity WWater Cptl 550
<u>Operating Revenues</u>			
Water Revenues	\$ -	\$ -	\$ -
Wastewater Revenues	-	-	-
Recycled Water Revenues	-	-	-
Engineering Revenue	-	-	-
General and Operating Revenues	-	-	-
Total Operating Revenues	-	-	-
<u>Operating Expenses</u>			
Source Of Supply	-	-	-
Water Operations	-	-	-
Wastewater Operations	-	-	-
Recycled Water Operations	-	-	-
General And Administrative	-	-	-
Allocated General And Administrative	-	-	-
Total Operating Expenses	-	-	-
Operating Income (Loss)	-	-	-
<u>Non-operating Revenue</u>			
Property Taxes:			
General Purpose	-	-	-
Redevelopment	-	-	-
Improvement / CFD	-	-	-
Temescal Valley Project	-	-	-
Standby Charges	-	-	-
Investment Income	54,923	17,681	13,237
Mutual Water Company	-	-	-
Lease Income	-	-	-
Transfer from Rate Stabilization	-	-	-
Transfer from Reserves	-	230,387	98,329
Capital Contributions:			
Capacity Fees	2,454,428	1,427,276	2,543,310
Capital Grant	-	-	-
Other Contributions	-	-	-
Net Transfers In (Out)	(969,064)	(1,675,344)	(2,654,876)
Other Income	-	-	-
Total Non-operating Revenue	1,540,287	-	-
<u>Non-operating Expense</u>			
Principal Repayments	-	-	-
Interest Expense	-	-	-
Capital Improvement Projects	-	-	-
Capital Outlays	-	-	-
Transfer to Rate Stabilization	-	-	-
Transfer to Reserves	1,540,287	-	-
Other Expenses	-	-	-
Total Non-operating Expense	1,540,287	-	-
Net Income (Loss)	\$ -	\$ -	\$ -

STATEMENT OF SOURCES AND USES OF FUNDS
PROPOSED FY2020 BUDGET

	Regional Swr Capital 560	Rec. Water Capital 561	District Construction 490
<u>Operating Revenues</u>			
Water Revenues	\$ -	\$ -	\$ -
Wastewater Revenues	-	-	-
Recycled Water Revenues	-	-	-
Engineering Revenue	-	-	-
General and Operating Revenues	-	-	-
Total Operating Revenues	-	-	-
<u>Operating Expenses</u>			
Source Of Supply	-	-	-
Water Operations	-	-	-
Wastewater Operations	-	-	-
Recycled Water Operations	-	-	-
General And Administrative	-	-	-
Allocated General And Administrative	-	-	-
Total Operating Expenses	-	-	-
Operating Income (Loss)	-	-	-
<u>Non-operating Revenue</u>			
Property Taxes:			
General Purpose	-	-	-
Redevelopment	-	-	-
Improvement / CFD	-	-	-
Temescal Valley Project	-	-	-
Standby Charges	-	-	-
Investment Income	31,077	28,078	751,546
Mutual Water Company	-	-	-
Lease Income	-	-	-
Transfer from Rate Stabilization	-	-	-
Transfer from Reserves	1,707,626	431,964	36,877,962
Capital Contributions:			
Capacity Fees	2,376,363	448,230	-
Capital Grant	-	-	-
Other Contributions	-	-	-
Net Transfers In (Out)	(4,115,066)	(908,272)	28,259,065
Other Income	-	-	-
Total Non-operating Revenue	-	-	65,888,573
<u>Non-operating Expense</u>			
Principal Repayments	-	-	-
Interest Expense	-	-	-
Capital Improvement Projects	-	-	65,858,511
Capital Outlays	-	-	-
Transfer to Rate Stabilization	-	-	-
Transfer to Reserves	-	-	30,062
Other Expenses	-	-	-
Total Non-operating Expense	-	-	65,888,573
Net Income (Loss)	\$ -	\$ -	\$ -

STATEMENT OF SOURCES AND USES OF FUNDS

PROPOSED FY2020 BUDGET

	Regional Expansion Debt 226	AMI Loan Debt 228	Regional Upgrade Debt 229
<u>Operating Revenues</u>			
Water Revenues	\$ -	\$ -	\$ -
Wastewater Revenues	-	-	-
Recycled Water Revenues	-	-	-
Engineering Revenue	-	-	-
General and Operating Revenues	-	-	-
Total Operating Revenues	-	-	-
<u>Operating Expenses</u>			
Source Of Supply	-	-	-
Water Operations	-	-	-
Wastewater Operations	-	-	-
Recycled Water Operations	-	-	-
General And Administrative	-	-	-
Allocated General And Administrative	-	-	-
Total Operating Expenses	-	-	-
Operating Income (Loss)	-	-	-
<u>Non-operating Revenue</u>			
Property Taxes:			
General Purpose	-	-	-
Redevelopment	-	-	-
Improvement / CFD	-	-	-
Temescal Valley Project	-	-	-
Standby Charges	-	-	-
Investment Income	2,140	23,532	-
Mutual Water Company	-	-	-
Lease Income	-	-	-
Transfer from Rate Stabilization	-	-	-
Transfer from Reserves	-	-	-
Capital Contributions:			
Capacity Fees	-	-	-
Capital Grant	-	-	-
Other Contributions	-	-	-
Net Transfers In (Out)	251,316	138,920	676,748
Other Income	-	-	-
Total Non-operating Revenue	253,456	162,452	676,748
<u>Non-operating Expense</u>			
Principal Repayments	233,875	100,848	144,824
Interest Expense	16,026	37,215	27,367
Capital Improvement Projects	-	-	-
Capital Outlays	-	-	-
Transfer to Rate Stabilization	-	-	-
Transfer to Reserves	3,554	24,389	504,557
Other Expenses	-	-	-
Total Non-operating Expense	253,456	162,452	676,748
Net Income (Loss)	\$ -	\$ -	\$ -

STATEMENT OF SOURCES AND USES OF FUNDS

PROPOSED FY2020 BUDGET

	Reg. Expansion Planning Debt 230	Regional WW SCADA Debt 231	2002 COP Debt 248
<u>Operating Revenues</u>			
Water Revenues	\$ -	\$ -	\$ -
Wastewater Revenues	-	-	-
Recycled Water Revenues	-	-	-
Engineering Revenue	-	-	-
General and Operating Revenues	-	-	-
Total Operating Revenues	-	-	-
<u>Operating Expenses</u>			
Source Of Supply	-	-	-
Water Operations	-	-	-
Wastewater Operations	-	-	-
Recycled Water Operations	-	-	-
General And Administrative	-	-	-
Allocated General And Administrative	-	-	-
Total Operating Expenses	-	-	-
Operating Income (Loss)	-	-	-
<u>Non-operating Revenue</u>			
Property Taxes:			
General Purpose	-	-	-
Redevelopment	-	-	-
Improvement / CFD	-	-	-
Temescal Valley Project	-	-	-
Standby Charges	-	-	-
Investment Income	-	-	52,741
Mutual Water Company	-	-	-
Lease Income	-	-	-
Transfer from Rate Stabilization	-	-	-
Transfer from Reserves	-	-	3,813,009
Capital Contributions:			
Capacity Fees	-	-	-
Capital Grant	-	-	-
Other Contributions	-	-	-
Net Transfers In (Out)	627,207	19,593	-
Other Income	-	-	-
Total Non-operating Revenue	627,207	19,593	3,865,750
<u>Non-operating Expense</u>			
Principal Repayments	246,046	-	3,855,000
Interest Expense	23,259	5,879	-
Capital Improvement Projects	-	-	-
Capital Outlays	-	-	-
Transfer to Rate Stabilization	-	-	-
Transfer to Reserves	357,902	13,713	-
Other Expenses	-	-	10,750
Total Non-operating Expense	627,207	19,593	3,865,750
Net Income (Loss)	\$ -	\$ -	\$ -

**STATEMENT OF SOURCES AND USES OF FUNDS
PROPOSED FY2020 BUDGET**

	2008B COP DEBT 249	2011 COP DEBT 261	2016A Rev. Bond DEBT 263
<u>Operating Revenues</u>			
Water Revenues	\$ -	\$ -	\$ -
Wastewater Revenues	-	-	-
Recycled Water Revenues	-	-	-
Engineering Revenue	-	-	-
General and Operating Revenues	-	-	-
Total Operating Revenues	-	-	-
<u>Operating Expenses</u>			
Source Of Supply	-	-	-
Water Operations	-	-	-
Wastewater Operations	-	-	-
Recycled Water Operations	-	-	-
General And Administrative	-	-	-
Allocated General And Administrative	-	-	-
Total Operating Expenses	-	-	-
Operating Income (Loss)	-	-	-
<u>Non-operating Revenue</u>			
Property Taxes:			
General Purpose	-	-	-
Redevelopment	-	-	-
Improvement / CFD	-	-	-
Temescal Valley Project	-	-	-
Standby Charges	-	-	-
Investment Income	271,621	20,991	32,716
Mutual Water Company	-	-	-
Lease Income	-	-	-
Transfer from Rate Stabilization	-	-	-
Transfer from Reserves	-	141,970	-
Capital Contributions:			
Capacity Fees	-	-	-
Capital Grant	-	-	-
Other Contributions	-	-	-
Net Transfers In (Out)	2,925,742	1,510,350	8,465,500
Other Income	-	-	-
Total Non-operating Revenue	3,197,363	1,673,311	8,498,216
<u>Non-operating Expense</u>			
Principal Repayments	-	915,000	1,010,000
Interest Expense	1,423,950	565,350	3,345,500
Capital Improvement Projects	-	-	-
Capital Outlays	-	-	-
Transfer to Rate Stabilization	-	-	-
Transfer to Reserves	1,449,275	-	4,130,896
Other Expenses	324,139	192,961	11,820
Total Non-operating Expense	3,197,363	1,673,311	8,498,216
Net Income (Loss)	\$ -	\$ -	\$ -

STATEMENT OF SOURCES AND USES OF FUNDS
PROPOSED FY2020 BUDGET

	Lake Mgmt Project Debt 486	Temescal Valley Debt 487	CFD 1998-2 Debt 451
<u>Operating Revenues</u>			
Water Revenues	\$ -	\$ -	\$ -
Wastewater Revenues	-	-	-
Recycled Water Revenues	-	-	-
Engineering Revenue	-	-	-
General and Operating Revenues	-	-	-
Total Operating Revenues	-	-	-
<u>Operating Expenses</u>			
Source Of Supply	-	-	-
Water Operations	-	-	-
Wastewater Operations	-	-	-
Recycled Water Operations	-	-	-
General And Administrative	-	-	-
Allocated General And Administrative	-	-	-
Total Operating Expenses	-	-	-
Operating Income (Loss)	-	-	-
<u>Non-operating Revenue</u>			
Property Taxes:			
General Purpose	-	-	-
Redevelopment Improvement / CFD	-	-	486,737
Temescal Valley Project	-	499,277	-
Standby Charges	-	-	-
Investment Income	11,110	336	-
Mutual Water Company	-	-	-
Lease Income	-	-	-
Transfer from Rate Stabilization	-	-	-
Transfer from Reserves	-	12,635	-
Capital Contributions:			
Capacity Fees	-	-	-
Capital Grant	-	-	-
Other Contributions	-	-	-
Net Transfers In (Out)	386,473	(499,248)	-
Other Income	-	-	-
Total Non-operating Revenue	397,583	13,000	486,737
<u>Non-operating Expense</u>			
Principal Repayments	386,473	-	195,000
Interest Expense	-	-	234,675
Capital Improvement Projects	-	-	-
Capital Outlays	-	-	-
Transfer to Rate Stabilization	-	-	-
Transfer to Reserves	11,110	-	36,912
Other Expenses	-	13,000	20,150
Total Non-operating Expense	397,583	13,000	486,737
Net Income (Loss)	\$ -	\$ -	\$ -

**STATEMENT OF SOURCES AND USES OF FUNDS
PROPOSED FY2020 BUDGET**

	CFD 2003-2 Debt 453	CFD 2002-1 Debt 454	CFD 2003-1 Debt 455
<u>Operating Revenues</u>			
Water Revenues	\$ -	\$ -	\$ -
Wastewater Revenues	-	-	-
Recycled Water Revenues	-	-	-
Engineering Revenue	-	-	-
General and Operating Revenues	-	-	-
Total Operating Revenues	-	-	-
<u>Operating Expenses</u>			
Source Of Supply	-	-	-
Water Operations	-	-	-
Wastewater Operations	-	-	-
Recycled Water Operations	-	-	-
General And Administrative	-	-	-
Allocated General And Administrative	-	-	-
Total Operating Expenses	-	-	-
Operating Income (Loss)	-	-	-
<u>Non-operating Revenue</u>			
Property Taxes:			
General Purpose	-	-	-
Redevelopment	-	-	-
Improvement / CFD	123,661	157,789	299,966
Temescal Valley Project	-	-	-
Standby Charges	-	-	-
Investment Income	-	-	-
Mutual Water Company	-	-	-
Lease Income	-	-	-
Transfer from Rate Stabilization	-	-	-
Transfer from Reserves	-	-	-
Capital Contributions:			
Capacity Fees	-	-	-
Capital Grant	-	-	-
Other Contributions	-	-	-
Net Transfers In (Out)	-	-	-
Other Income	-	-	-
Total Non-operating Revenue	123,661	157,789	299,966
<u>Non-operating Expense</u>			
Principal Repayments	54,000	70,000	139,000
Interest Expense	44,856	61,390	122,941
Capital Improvement Projects	-	-	-
Capital Outlays	-	-	-
Transfer to Rate Stabilization	-	-	-
Transfer to Reserves	10,355	11,729	22,515
Other Expenses	14,450	14,670	15,510
Total Non-operating Expense	123,661	157,789	299,966
Net Income (Loss)	\$ -	\$ -	\$ -

STATEMENT OF SOURCES AND USES OF FUNDS
PROPOSED FY2020 BUDGET

	CFD 2004-1 Debt 459	CFD 2006-1 Debt 460
<u>Operating Revenues</u>		
Water Revenues	\$ -	\$ -
Wastewater Revenues	-	-
Recycled Water Revenues	-	-
Engineering Revenue	-	-
General and Operating Revenues	-	-
Total Operating Revenues	-	-
<u>Operating Expenses</u>		
Source Of Supply	-	-
Water Operations	-	-
Wastewater Operations	-	-
Recycled Water Operations	-	-
General And Administrative	-	-
Allocated General And Administrative	-	-
Total Operating Expenses	-	-
Operating Income (Loss)	-	-
<u>Non-operating Revenue</u>		
Property Taxes:		
General Purpose	-	-
Redevelopment	-	-
Improvement / CFD	127,112	284,891
Temescal Valley Project	-	-
Standby Charges	-	-
Investment Income	-	-
Mutual Water Company	-	-
Lease Income	-	-
Transfer from Rate Stabilization	-	-
Transfer from Reserves	-	-
Capital Contributions:		
Capacity Fees	-	-
Capital Grant	-	-
Other Contributions	-	-
Net Transfers In (Out)	-	-
Other Income	-	-
Total Non-operating Revenue	127,112	284,891
<u>Non-operating Expense</u>		
Principal Repayments	48,000	170,000
Interest Expense	46,031	70,539
Capital Improvement Projects	-	-
Capital Outlays	-	-
Transfer to Rate Stabilization	-	-
Transfer to Reserves	20,006	31,277
Other Expenses	13,075	13,075
Total Non-operating Expense	127,112	284,891
Net Income (Loss)	\$ -	\$ -

**STATEMENT OF SOURCES AND USES OF FUNDS
PROPOSED FY2021 BUDGET**

	Elsinore Water Operating 20	Temescal Water Operating 25	W. Water Fund 30
<u>Operating Revenues</u>			
Water Revenues	\$ 56,084,937	\$ 838,582	\$ -
Wastewater Revenues	-	-	27,079,700
Recycled Water Revenues	-	-	-
Engineering Revenue	-	-	-
General and Operating Revenues	-	-	-
Total Operating Revenues	56,084,937	838,582	27,079,700
<u>Operating Expenses</u>			
Source Of Supply	19,190,913	29,016	-
Water Operations	28,744,053	731,972	-
Wastewater Operations	-	-	18,228,216
Recycled Water Operations	-	-	-
General And Administrative	-	-	-
Allocated General And Administrative	-	-	-
Total Operating Expenses	47,934,966	760,988	18,228,216
Operating Income (Loss)	8,149,971	77,594	8,851,484
<u>Non-operating Revenue</u>			
Property Taxes:			
General Purpose	-	-	-
Redevelopment	-	-	-
Improvement / CFD	-	-	-
Temescal Valley Project	-	-	-
Standby Charges	277,782	-	330,929
Investment Income	196,407	12,089	142,832
Mutual Water Company	-	-	-
Lease Income	-	-	-
Transfer from Rate Stabilization	-	-	264,627
Transfer from Reserves	1,561,778	46,806	-
Capital Contributions:			
Capacity Fees	-	-	-
Capital Grant	-	-	-
Other Contributions	-	-	-
Net Transfers In (Out)	(8,264,741)	(135,615)	(10,107,924)
Other Income	-	-	711,000
Total Non-operating Revenue	(6,228,775)	(76,720)	(8,658,536)
<u>Non-operating Expense</u>			
Principal Repayments	-	-	-
Interest Expense	-	-	-
Capital Improvement Projects	-	-	-
Capital Outlays	-	-	-
Transfer to Rate Stabilization	1,491,217	-	-
Transfer to Reserves	347,040	-	71,367
Other Expenses	82,939	874	121,581
Total Non-operating Expense	1,921,196	874	192,948
Net Income (Loss)	\$ -	\$ -	\$ -

STATEMENT OF SOURCES AND USES OF FUNDS
PROPOSED FY2021 BUDGET

	Recycled Water 35	Rate Stabilization 320	General 15
<u>Operating Revenues</u>			
Water Revenues	\$ -	\$ -	\$ -
Wastewater Revenues	-	-	-
Recycled Water Revenues	1,095,555	-	-
Engineering Revenue	-	-	-
General and Operating Revenues	-	-	181,000
Total Operating Revenues	1,095,555	-	181,000
<u>Operating Expenses</u>			
Source Of Supply	-	-	-
Water Operations	-	-	-
Wastewater Operations	-	-	-
Recycled Water Operations	1,188,960	-	-
General And Administrative	-	-	-
Allocated General And Administrative	239,907	-	21,900
Total Operating Expenses	1,428,866	-	21,900
Operating Income (Loss)	(333,311)	-	159,100
<u>Non-operating Revenue</u>			
Property Taxes:			
General Purpose	-	-	-
Redevelopment	-	-	-
Improvement / CFD	-	-	-
Temescal Valley Project	-	-	-
Standby Charges	-	-	-
Investment Income	12,138	35,234	350,317
Mutual Water Company	-	-	-
Lease Income	-	-	1,566,807
Transfer from Rate Stabilization	548,150	-	-
Transfer from Reserves	-	-	-
Capital Contributions:			
Capacity Fees	-	-	-
Capital Grant	-	-	-
Other Contributions	-	-	-
Net Transfers In (Out)	(213,453)	-	1,516,926
Other Income	-	-	-
Total Non-operating Revenue	346,835	35,234	3,434,050
<u>Non-operating Expense</u>			
Principal Repayments	-	-	-
Interest Expense	-	-	-
Capital Improvement Projects	-	-	-
Capital Outlays	-	-	-
Transfer to Rate Stabilization	-	-	-
Transfer to Reserves	13,524	35,234	3,005,694
Other Expenses	-	-	587,456
Total Non-operating Expense	13,524	35,234	3,593,150
Net Income (Loss)	\$ -	\$ -	\$ -

**STATEMENT OF SOURCES AND USES OF FUNDS
PROPOSED FY2021 BUDGET**

	Engineering 117	Vehicles & Equipment Internal Svc 116	Lake Elsinore Maintenance 40
<u>Operating Revenues</u>			
Water Revenues	\$ -	\$ -	\$ -
Wastewater Revenues	-	-	-
Recycled Water Revenues	-	-	-
Engineering Revenue	1,778,962	-	-
General and Operating Revenues	-	1,893,704	-
Total Operating Revenues	1,778,962	1,893,704	-
<u>Operating Expenses</u>			
Source Of Supply	-	-	-
Water Operations	-	-	-
Wastewater Operations	-	-	-
Recycled Water Operations	-	-	-
General And Administrative	5,156,874	-	-
Allocated General And Administrative	-	1,517,238	-
Total Operating Expenses	5,156,874	1,517,238	-
Operating Income (Loss)	(3,377,912)	376,466	-
<u>Non-operating Revenue</u>			
Property Taxes:			
General Purpose	-	-	-
Redevelopment	-	-	-
Improvement / CFD	-	-	-
Temescal Valley Project	-	-	-
Standby Charges	-	-	-
Investment Income	23,489	23,534	8,503
Mutual Water Company	-	-	-
Lease Income	-	-	-
Transfer from Rate Stabilization	-	-	-
Transfer from Reserves	1,018,047	555,197	-
Capital Contributions:			
Capacity Fees	-	-	-
Capital Grant	-	-	-
Other Contributions	-	-	-
Net Transfers In (Out)	2,345,801	-	1,089,841
Other Income	-	-	140,000
Total Non-operating Revenue	3,387,337	578,731	1,238,344
<u>Non-operating Expense</u>			
Principal Repayments	-	-	-
Interest Expense	-	-	-
Capital Improvement Projects	-	-	-
Capital Outlays	-	955,197	-
Transfer to Rate Stabilization	-	-	-
Transfer to Reserves	-	-	176,000
Other Expenses	9,425	-	1,062,344
Total Non-operating Expense	9,425	955,197	1,238,344
Net Income (Loss)	\$ -	\$ -	\$ -

STATEMENT OF SOURCES AND USES OF FUNDS
PROPOSED FY2021 BUDGET

	Info. Tech. Internal SVC 121	Facilities Internal SVC 122	Cap.Outlays Internal SVC 310
<u>Operating Revenues</u>			
Water Revenues	\$ -	\$ -	\$ -
Wastewater Revenues	-	-	-
Recycled Water Revenues	-	-	-
Engineering Revenue	-	-	-
General and Operating Revenues	3,887,222	999,586	43,125
Total Operating Revenues	3,887,222	999,586	43,125
<u>Operating Expenses</u>			
Source Of Supply	-	-	-
Water Operations	-	-	-
Wastewater Operations	-	-	-
Recycled Water Operations	-	-	-
General And Administrative	-	-	-
Allocated General And Administrative	3,204,061	999,586	-
Total Operating Expenses	3,204,061	999,586	-
Operating Income (Loss)	683,161	-	43,125
<u>Non-operating Revenue</u>			
Property Taxes:			
General Purpose	-	-	-
Redevelopment	-	-	-
Improvement / CFD	-	-	-
Temescal Valley Project	-	-	-
Standby Charges	-	-	-
Investment Income	16,839	-	9,321
Mutual Water Company	-	-	-
Lease Income	-	-	-
Transfer from Rate Stabilization	-	-	-
Transfer from Reserves	-	-	-
Capital Contributions:			
Capacity Fees	-	-	-
Capital Grant	-	-	-
Other Contributions	-	-	-
Net Transfers In (Out)	-	-	-
Other Income	-	-	-
Total Non-operating Revenue	16,839	-	9,321
<u>Non-operating Expense</u>			
Principal Repayments	-	-	-
Interest Expense	-	-	-
Capital Improvement Projects	-	-	-
Capital Outlays	650,000	-	43,125
Transfer to Rate Stabilization	-	-	-
Transfer to Reserves	50,000	-	9,321
Other Expenses	-	-	-
Total Non-operating Expense	700,000	-	52,446
Net Income (Loss)	\$ -	\$ -	\$ -

**STATEMENT OF SOURCES AND USES OF FUNDS
PROPOSED FY2021 BUDGET**

	Elsinore Water Replacement 318	Temescal Water Replacement 319	Recycled Water Replacement 330
<u>Operating Revenues</u>			
Water Revenues	\$ -	\$ -	\$ -
Wastewater Revenues	-	-	-
Recycled Water Revenues	-	-	-
Engineering Revenue	-	-	-
General and Operating Revenues	-	-	-
Total Operating Revenues	-	-	-
<u>Operating Expenses</u>			
Source Of Supply	-	-	-
Water Operations	-	-	-
Wastewater Operations	-	-	-
Recycled Water Operations	-	-	-
General And Administrative	-	-	-
Allocated General And Administrative	-	-	-
Total Operating Expenses	-	-	-
Operating Income (Loss)	-	-	-
<u>Non-operating Revenue</u>			
Property Taxes:			
General Purpose	-	-	-
Redevelopment	-	-	-
Improvement / CFD	-	-	-
Temescal Valley Project	-	-	-
Standby Charges	-	-	-
Investment Income	36,583	19,326	281
Mutual Water Company	-	-	-
Lease Income	-	-	-
Transfer from Rate Stabilization	-	-	-
Transfer from Reserves	2,317,194	1,189,603	-
Capital Contributions:			
Capacity Fees	-	-	-
Capital Grant	-	-	-
Other Contributions	-	-	-
Net Transfers In (Out)	(2,353,777)	(1,208,929)	166,071
Other Income	-	-	-
Total Non-operating Revenue	-	-	166,352
<u>Non-operating Expense</u>			
Principal Repayments	-	-	-
Interest Expense	-	-	-
Capital Improvement Projects	-	-	-
Capital Outlays	-	-	-
Transfer to Rate Stabilization	-	-	-
Transfer to Reserves	-	-	166,352
Other Expenses	-	-	-
Total Non-operating Expense	-	-	166,352
Net Income (Loss)	\$ -	\$ -	\$ -

STATEMENT OF SOURCES AND USES OF FUNDS
PROPOSED FY2021 BUDGET

	Sewer Replacement 333	RDA I Spec Rev 250	Gen. Purpose Prop Taxes 530
<u>Operating Revenues</u>			
Water Revenues	\$ -	\$ -	\$ -
Wastewater Revenues	-	-	-
Recycled Water Revenues	-	-	-
Engineering Revenue	-	-	-
General and Operating Revenues	-	-	-
Total Operating Revenues	-	-	-
<u>Operating Expenses</u>			
Source Of Supply	-	-	-
Water Operations	-	-	-
Wastewater Operations	-	-	-
Recycled Water Operations	-	-	-
General And Administrative	-	-	-
Allocated General And Administrative	-	-	-
Total Operating Expenses	-	-	-
Operating Income (Loss)	-	-	-
<u>Non-operating Revenue</u>			
Property Taxes:			
General Purpose	-	-	7,125,815
Redevelopment	-	2,400,000	-
Improvement / CFD	-	-	-
Temescal Valley Project	-	-	-
Standby Charges	-	-	-
Investment Income	93,427	50,381	202,239
Mutual Water Company	-	-	-
Lease Income	-	-	-
Transfer from Rate Stabilization	-	-	-
Transfer from Reserves	-	4,568,977	3,692,888
Capital Contributions:			
Capacity Fees	-	-	-
Capital Grant	-	-	-
Other Contributions	-	-	-
Net Transfers In (Out)	(54,180)	(7,019,358)	(11,020,942)
Other Income	-	-	-
Total Non-operating Revenue	39,247	-	-
<u>Non-operating Expense</u>			
Principal Repayments	-	-	-
Interest Expense	-	-	-
Capital Improvement Projects	-	-	-
Capital Outlays	-	-	-
Transfer to Rate Stabilization	-	-	-
Transfer to Reserves	11,397	-	-
Other Expenses	27,850	-	-
Total Non-operating Expense	39,247	-	-
Net Income (Loss)	\$ -	\$ -	\$ -

**STATEMENT OF SOURCES AND USES OF FUNDS
PROPOSED FY2021 BUDGET**

	General Purp Prop Tax - Ewd Spec Rev 531	Water Standby Spec Rev 570	EWD Water Standby Spec Rev 571
<u>Operating Revenues</u>			
Water Revenues	\$ -	\$ -	\$ -
Wastewater Revenues	-	-	-
Recycled Water Revenues	-	-	-
Engineering Revenue	-	-	-
General and Operating Revenues	-	-	-
Total Operating Revenues	-	-	-
<u>Operating Expenses</u>			
Source Of Supply	-	-	-
Water Operations	-	-	-
Wastewater Operations	-	-	-
Recycled Water Operations	-	-	-
General And Administrative	-	-	-
Allocated General And Administrative	-	-	-
Total Operating Expenses	-	-	-
Operating Income (Loss)	-	-	-
<u>Non-operating Revenue</u>			
Property Taxes:			
General Purpose	15,662	-	-
Redevelopment	-	-	-
Improvement / CFD	-	-	-
Temescal Valley Project	-	-	-
Standby Charges	-	-	139,836
Investment Income	2,433	12,292	1,687
Mutual Water Company	-	-	-
Lease Income	-	-	-
Transfer from Rate Stabilization	-	-	-
Transfer from Reserves	-	-	-
Capital Contributions:			
Capacity Fees	-	-	-
Capital Grant	-	-	-
Other Contributions	-	-	-
Net Transfers In (Out)	-	-	-
Other Income	-	-	-
Total Non-operating Revenue	18,095	12,292	141,523
<u>Non-operating Expense</u>			
Principal Repayments	-	-	-
Interest Expense	-	-	-
Capital Improvement Projects	-	-	-
Capital Outlays	-	-	-
Transfer to Rate Stabilization	-	-	-
Transfer to Reserves	18,095	12,292	141,523
Other Expenses	-	-	-
Total Non-operating Expense	18,095	12,292	141,523
Net Income (Loss)	\$ -	\$ -	\$ -

STATEMENT OF SOURCES AND USES OF FUNDS
PROPOSED FY2021 BUDGET

	Storage Participation Wtr Capital 510	TVP Participation Wtr Capital 511	Pumping Plant Participation WTR Capital 512
<u>Operating Revenues</u>			
Water Revenues	\$ -	\$ -	\$ -
Wastewater Revenues	-	-	-
Recycled Water Revenues	-	-	-
Engineering Revenue	-	-	-
General and Operating Revenues	-	-	-
Total Operating Revenues	-	-	-
<u>Operating Expenses</u>			
Source Of Supply	-	-	-
Water Operations	-	-	-
Wastewater Operations	-	-	-
Recycled Water Operations	-	-	-
General And Administrative	-	-	-
Allocated General And Administrative	-	-	-
Total Operating Expenses	-	-	-
Operating Income (Loss)	-	-	-
<u>Non-operating Revenue</u>			
Property Taxes:			
General Purpose	-	-	-
Redevelopment	-	-	-
Improvement / CFD	-	-	-
Temescal Valley Project	-	-	-
Standby Charges	-	-	-
Investment Income	103,948	6,892	94,456
Mutual Water Company	-	-	-
Lease Income	-	-	-
Transfer from Rate Stabilization	-	-	-
Transfer from Reserves	-	-	-
Capital Contributions:			
Capacity Fees	1,415,227	1,584,567	773,800
Capital Grant	-	-	-
Other Contributions	-	-	-
Net Transfers In (Out)	(39,853)	(1,007,752)	(310,153)
Other Income	-	-	-
Total Non-operating Revenue	1,479,322	583,707	558,103
<u>Non-operating Expense</u>			
Principal Repayments	-	-	-
Interest Expense	-	-	-
Capital Improvement Projects	-	-	-
Capital Outlays	-	-	-
Transfer to Rate Stabilization	-	-	-
Transfer to Reserves	1,479,322	583,707	558,103
Other Expenses	-	-	-
Total Non-operating Expense	1,479,322	583,707	558,103
Net Income (Loss)	\$ -	\$ -	\$ -

**STATEMENT OF SOURCES AND USES OF FUNDS
PROPOSED FY2021 BUDGET**

	Transmissn Fac Participation WTR Capital 513	Supply Fac Participation WTR Capital 520	Reg Plant Capacity WWater Cptl 550
<u>Operating Revenues</u>			
Water Revenues	\$ -	\$ -	\$ -
Wastewater Revenues	-	-	-
Recycled Water Revenues	-	-	-
Engineering Revenue	-	-	-
General and Operating Revenues	-	-	-
Total Operating Revenues	-	-	-
<u>Operating Expenses</u>			
Source Of Supply	-	-	-
Water Operations	-	-	-
Wastewater Operations	-	-	-
Recycled Water Operations	-	-	-
General And Administrative	-	-	-
Allocated General And Administrative	-	-	-
Total Operating Expenses	-	-	-
Operating Income (Loss)	-	-	-
<u>Non-operating Revenue</u>			
Property Taxes:			
General Purpose	-	-	-
Redevelopment	-	-	-
Improvement / CFD	-	-	-
Temescal Valley Project	-	-	-
Standby Charges	-	-	-
Investment Income	54,923	17,681	13,237
Mutual Water Company	-	-	-
Lease Income	-	-	-
Transfer from Rate Stabilization	-	-	-
Transfer from Reserves	-	595,440	211,366
Capital Contributions:			
Capacity Fees	2,469,326	1,435,573	2,558,430
Capital Grant	-	-	-
Other Contributions	-	-	-
Net Transfers In (Out)	(1,069,083)	(2,048,694)	(2,783,033)
Other Income	-	-	-
Total Non-operating Revenue	1,455,166	-	-
<u>Non-operating Expense</u>			
Principal Repayments	-	-	-
Interest Expense	-	-	-
Capital Improvement Projects	-	-	-
Capital Outlays	-	-	-
Transfer to Rate Stabilization	-	-	-
Transfer to Reserves	1,455,166	-	-
Other Expenses	-	-	-
Total Non-operating Expense	1,455,166	-	-
Net Income (Loss)	\$ -	\$ -	\$ -

STATEMENT OF SOURCES AND USES OF FUNDS
PROPOSED FY2021 BUDGET

	Regional Swr Capital 560	Rec. Water Capital 561	District Construction 490
<u>Operating Revenues</u>			
Water Revenues	\$ -	\$ -	\$ -
Wastewater Revenues	-	-	-
Recycled Water Revenues	-	-	-
Engineering Revenue	-	-	-
General and Operating Revenues	-	-	-
Total Operating Revenues	-	-	-
<u>Operating Expenses</u>			
Source Of Supply	-	-	-
Water Operations	-	-	-
Wastewater Operations	-	-	-
Recycled Water Operations	-	-	-
General And Administrative	-	-	-
Allocated General And Administrative	-	-	-
Total Operating Expenses	-	-	-
Operating Income (Loss)	-	-	-
<u>Non-operating Revenue</u>			
Property Taxes:			
General Purpose	-	-	-
Redevelopment	-	-	-
Improvement / CFD	-	-	-
Temescal Valley Project	-	-	-
Standby Charges	-	-	-
Investment Income	31,077	28,078	751,546
Mutual Water Company	-	-	-
Lease Income	-	-	-
Transfer from Rate Stabilization	-	-	-
Transfer from Reserves	660,775	443,319	46,635,673
Capital Contributions:			
Capacity Fees	2,390,708	450,910	-
Capital Grant	-	-	-
Other Contributions	-	-	-
Net Transfers In (Out)	(3,082,560)	(922,307)	31,545,874
Other Income	-	-	-
Total Non-operating Revenue	-	-	78,933,093
<u>Non-operating Expense</u>			
Principal Repayments	-	-	-
Interest Expense	-	-	-
Capital Improvement Projects	-	-	78,301,794
Capital Outlays	-	-	-
Transfer to Rate Stabilization	-	-	-
Transfer to Reserves	-	-	631,299
Other Expenses	-	-	-
Total Non-operating Expense	-	-	78,933,093
Net Income (Loss)	\$ -	\$ -	\$ -

**STATEMENT OF SOURCES AND USES OF FUNDS
PROPOSED FY2021 BUDGET**

	Regional Expansion Debt 226	AMI Loan Debt 228	Regional Upgrade Debt 229
<u>Operating Revenues</u>			
Water Revenues	\$ -	\$ -	\$ -
Wastewater Revenues	-	-	-
Recycled Water Revenues	-	-	-
Engineering Revenue	-	-	-
General and Operating Revenues	-	-	-
Total Operating Revenues	-	-	-
<u>Operating Expenses</u>			
Source Of Supply	-	-	-
Water Operations	-	-	-
Wastewater Operations	-	-	-
Recycled Water Operations	-	-	-
General And Administrative	-	-	-
Allocated General And Administrative	-	-	-
Total Operating Expenses	-	-	-
Operating Income (Loss)	-	-	-
<u>Non-operating Revenue</u>			
Property Taxes:			
General Purpose	-	-	-
Redevelopment	-	-	-
Improvement / CFD	-	-	-
Temescal Valley Project	-	-	-
Standby Charges	-	-	-
Investment Income	2,140	23,532	-
Mutual Water Company	-	-	-
Lease Income	-	-	-
Transfer from Rate Stabilization	-	-	-
Transfer from Reserves	-	-	-
Capital Contributions:			
Capacity Fees	-	-	-
Capital Grant	-	-	-
Other Contributions	-	-	-
Net Transfers In (Out)	251,316	138,920	676,748
Other Income	-	-	-
Total Non-operating Revenue	253,456	162,452	676,748
<u>Non-operating Expense</u>			
Principal Repayments	238,118	102,562	147,431
Interest Expense	11,757	35,486	38,222
Capital Improvement Projects	-	-	-
Capital Outlays	-	-	-
Transfer to Rate Stabilization	-	-	-
Transfer to Reserves	3,580	24,404	491,095
Other Expenses	-	-	-
Total Non-operating Expense	253,456	162,452	676,748
Net Income (Loss)	\$ -	\$ -	\$ -

STATEMENT OF SOURCES AND USES OF FUNDS

PROPOSED FY2021 BUDGET

	Reg. Expansion Planning Debt 230	Regional WW SCADA Debt 231	2002 COP Debt 248
<u>Operating Revenues</u>			
Water Revenues	\$ -	\$ -	\$ -
Wastewater Revenues	-	-	-
Recycled Water Revenues	-	-	-
Engineering Revenue	-	-	-
General and Operating Revenues	-	-	-
Total Operating Revenues	-	-	-
<u>Operating Expenses</u>			
Source Of Supply	-	-	-
Water Operations	-	-	-
Wastewater Operations	-	-	-
Recycled Water Operations	-	-	-
General And Administrative	-	-	-
Allocated General And Administrative	-	-	-
Total Operating Expenses	-	-	-
Operating Income (Loss)	-	-	-
<u>Non-operating Revenue</u>			
Property Taxes:			
General Purpose	-	-	-
Redevelopment	-	-	-
Improvement / CFD	-	-	-
Temescal Valley Project	-	-	-
Standby Charges	-	-	-
Investment Income	-	-	52,741
Mutual Water Company	-	-	-
Lease Income	-	-	-
Transfer from Rate Stabilization	-	-	-
Transfer from Reserves	-	-	-
Capital Contributions:			
Capacity Fees	-	-	-
Capital Grant	-	-	-
Other Contributions	-	-	-
Net Transfers In (Out)	627,207	39,185	-
Other Income	-	-	-
Total Non-operating Revenue	627,207	39,185	52,741
<u>Non-operating Expense</u>			
Principal Repayments	250,475	27,426	-
Interest Expense	90,632	11,512	-
Capital Improvement Projects	-	-	-
Capital Outlays	-	-	-
Transfer to Rate Stabilization	-	-	-
Transfer to Reserves	286,101	247	52,741
Other Expenses	-	-	-
Total Non-operating Expense	627,207	39,185	52,741
Net Income (Loss)	\$ -	\$ -	\$ -

**STATEMENT OF SOURCES AND USES OF FUNDS
PROPOSED FY2021 BUDGET**

	2008B COP DEBT 249	2011 COP DEBT 261	2016A Rev. Bond DEBT 263
<u>Operating Revenues</u>			
Water Revenues	\$ -	\$ -	\$ -
Wastewater Revenues	-	-	-
Recycled Water Revenues	-	-	-
Engineering Revenue	-	-	-
General and Operating Revenues	-	-	-
Total Operating Revenues	-	-	-
<u>Operating Expenses</u>			
Source Of Supply	-	-	-
Water Operations	-	-	-
Wastewater Operations	-	-	-
Recycled Water Operations	-	-	-
General And Administrative	-	-	-
Allocated General And Administrative	-	-	-
Total Operating Expenses	-	-	-
Operating Income (Loss)	-	-	-
<u>Non-operating Revenue</u>			
Property Taxes:			
General Purpose	-	-	-
Redevelopment	-	-	-
Improvement / CFD	-	-	-
Temescal Valley Project	-	-	-
Standby Charges	-	-	-
Investment Income	271,621	20,991	32,716
Mutual Water Company	-	-	-
Lease Income	-	-	-
Transfer from Rate Stabilization	-	-	-
Transfer from Reserves	-	152,972	-
Capital Contributions:			
Capacity Fees	-	-	-
Capital Grant	-	-	-
Other Contributions	-	-	-
Net Transfers In (Out)	2,925,742	1,507,000	8,474,500
Other Income	-	-	-
Total Non-operating Revenue	3,197,363	1,680,963	8,507,216
<u>Non-operating Expense</u>			
Principal Repayments	-	945,000	5,120,000
Interest Expense	1,423,950	537,000	3,089,500
Capital Improvement Projects	-	-	-
Capital Outlays	-	-	-
Transfer to Rate Stabilization	-	-	-
Transfer to Reserves	1,396,921	-	282,543
Other Expenses	376,492	198,963	15,173
Total Non-operating Expense	3,197,363	1,680,963	8,507,216
Net Income (Loss)	\$ -	\$ -	\$ -

STATEMENT OF SOURCES AND USES OF FUNDS
PROPOSED FY2021 BUDGET

	Lake Mgmt Project Debt 486	Temescal Valley Debt 487	CFD 1998-2 Debt 451
<u>Operating Revenues</u>			
Water Revenues	\$ -	\$ -	\$ -
Wastewater Revenues	-	-	-
Recycled Water Revenues	-	-	-
Engineering Revenue	-	-	-
General and Operating Revenues	-	-	-
Total Operating Revenues	-	-	-
<u>Operating Expenses</u>			
Source Of Supply	-	-	-
Water Operations	-	-	-
Wastewater Operations	-	-	-
Recycled Water Operations	-	-	-
General And Administrative	-	-	-
Allocated General And Administrative	-	-	-
Total Operating Expenses	-	-	-
Operating Income (Loss)	-	-	-
<u>Non-operating Revenue</u>			
Property Taxes:			
General Purpose	-	-	-
Redevelopment Improvement / CFD	-	-	487,053
Temescal Valley Project	-	499,277	-
Standby Charges	-	-	-
Investment Income	11,110	336	-
Mutual Water Company	-	-	-
Lease Income	-	-	-
Transfer from Rate Stabilization	-	-	-
Transfer from Reserves	-	12,635	-
Capital Contributions:			
Capacity Fees	-	-	-
Capital Grant	-	-	-
Other Contributions	-	-	-
Net Transfers In (Out)	386,473	(499,248)	-
Other Income	-	-	-
Total Non-operating Revenue	397,583	13,000	487,053
<u>Non-operating Expense</u>			
Principal Repayments	386,473	-	210,000
Interest Expense	-	-	220,150
Capital Improvement Projects	-	-	-
Capital Outlays	-	-	-
Transfer to Rate Stabilization	-	-	-
Transfer to Reserves	11,110	-	41,253
Other Expenses	-	13,000	15,650
Total Non-operating Expense	397,583	13,000	487,053
Net Income (Loss)	\$ -	\$ -	\$ -

**STATEMENT OF SOURCES AND USES OF FUNDS
PROPOSED FY2021 BUDGET**

	CFD 2003-2 Debt 453	CFD 2002-1 Debt 454	CFD 2003-1 Debt 455
<u>Operating Revenues</u>			
Water Revenues	\$ -	\$ -	\$ -
Wastewater Revenues	-	-	-
Recycled Water Revenues	-	-	-
Engineering Revenue	-	-	-
General and Operating Revenues	-	-	-
Total Operating Revenues	-	-	-
<u>Operating Expenses</u>			
Source Of Supply	-	-	-
Water Operations	-	-	-
Wastewater Operations	-	-	-
Recycled Water Operations	-	-	-
General And Administrative	-	-	-
Allocated General And Administrative	-	-	-
Total Operating Expenses	-	-	-
Operating Income (Loss)	-	-	-
<u>Non-operating Revenue</u>			
Property Taxes:			
General Purpose	-	-	-
Redevelopment	-	-	-
Improvement / CFD	125,528	160,002	297,855
Temescal Valley Project	-	-	-
Standby Charges	-	-	-
Investment Income	-	-	-
Mutual Water Company	-	-	-
Lease Income	-	-	-
Transfer from Rate Stabilization	-	-	-
Transfer from Reserves	-	-	-
Capital Contributions:			
Capacity Fees	-	-	-
Capital Grant	-	-	-
Other Contributions	-	-	-
Net Transfers In (Out)	-	-	-
Other Income	-	-	-
Total Non-operating Revenue	125,528	160,002	297,855
<u>Non-operating Expense</u>			
Principal Repayments	53,000	69,000	143,000
Interest Expense	42,623	58,485	116,963
Capital Improvement Projects	-	-	-
Capital Outlays	-	-	-
Transfer to Rate Stabilization	-	-	-
Transfer to Reserves	15,435	17,827	22,362
Other Expenses	14,470	14,690	15,530
Total Non-operating Expense	125,528	160,002	297,855
Net Income (Loss)	\$ -	\$ -	\$ -

STATEMENT OF SOURCES AND USES OF FUNDS
PROPOSED FY2021 BUDGET

	CFD 2004-1 Debt 459	CFD 2006-1 Debt 460
<u>Operating Revenues</u>		
Water Revenues	\$ -	\$ -
Wastewater Revenues	-	-
Recycled Water Revenues	-	-
Engineering Revenue	-	-
General and Operating Revenues	-	-
Total Operating Revenues	-	-
<u>Operating Expenses</u>		
Source Of Supply	-	-
Water Operations	-	-
Wastewater Operations	-	-
Recycled Water Operations	-	-
General And Administrative	-	-
Allocated General And Administrative	-	-
Total Operating Expenses	-	-
Operating Income (Loss)	-	-
<u>Non-operating Revenue</u>		
Property Taxes:		
General Purpose	-	-
Redevelopment	-	-
Improvement / CFD	125,379	290,468
Temescal Valley Project	-	-
Standby Charges	-	-
Investment Income	-	-
Mutual Water Company	-	-
Lease Income	-	-
Transfer from Rate Stabilization	-	-
Transfer from Reserves	-	-
Capital Contributions:		
Capacity Fees	-	-
Capital Grant	-	-
Other Contributions	-	-
Net Transfers In (Out)	-	-
Other Income	-	-
Total Non-operating Revenue	125,379	290,468
<u>Non-operating Expense</u>		
Principal Repayments	48,000	181,000
Interest Expense	44,384	64,895
Capital Improvement Projects	-	-
Capital Outlays	-	-
Transfer to Rate Stabilization	-	-
Transfer to Reserves	19,905	31,483
Other Expenses	13,090	13,090
Total Non-operating Expense	125,379	290,468
Net Income (Loss)	\$ -	\$ -

STATEMENT OF INCOME

PROPOSED FY2020 & FY2021 BUDGETS

	Total Actual FY2018	Total Actual FY2019	Proposed Budget FY2020	Proposed Budget FY2021
<u>Operating Revenues</u>				
Water Revenues	\$ 48,647,761	\$ 47,750,933	\$ 54,186,840	\$ 56,923,519
Wastewater Revenues	24,046,130	25,332,984	26,683,163	27,079,700
Recycled Water Revenues	1,146,853	1,043,280	1,041,065	1,095,555
Engineering Revenue	949,905	898,488	1,681,530	1,778,962
General and Operating Revenues	6,731,854	5,936,304	6,371,382	6,961,513
Total Operating Revenues	81,522,502	80,961,989	89,963,980	93,839,248
<u>Operating Expenses</u>				
Water Purchases	18,036,267	20,646,287	18,336,693	19,219,929
Water Operations	21,369,498	22,176,833	28,926,630	29,544,563
Wastewater Operations	14,097,880	15,628,442	17,905,963	18,262,797
Recycled Water Operations	1,172,102	1,242,431	1,361,247	1,428,866
Engineering Operations	2,308,374	2,506,417	4,813,301	5,166,299
General and Other Operating Expenses	7,154,015	6,778,044	5,753,681	6,283,587
Depreciation/Amortization	19,982,645	20,751,083	-	-
Total Operating Expenses	84,120,782	89,729,536	77,097,515	79,906,041
Operating Income / (Loss)	(2,598,280)	(8,767,547)	12,866,464	13,933,207
<u>Non-operating Revenue</u>				
Property Taxes:				
General Purpose	6,508,824	6,867,031	6,866,805	7,141,477
Redevelopment	2,644,790	2,915,254	2,400,000	2,400,000
Temescal Valley Project	482,155	508,160	502,000	502,000
Standby Charges	617,948	636,398	486,808	470,765
Investment Income	934,564	8,106,997	2,766,377	2,766,377
Mutual Water Company	(68,819)	27,282	-	-
Lease Income	1,433,523	1,385,928	1,525,374	1,566,807
Other Income	8,096,263	2,709,678	(168,496)	(147,496)
Total Non-operating Revenue	20,649,248	23,156,729	14,378,868	14,699,930
<u>Non-operating Expense</u>				
Interest - Certificates Of Participation	3,571,438	3,492,809	5,334,800	5,050,450
Interest - Bonds And Loans	53,146	41,874	53,241	47,243
Other Expenses	3,935,681	1,782,127	2,162,029	1,778,452
Total Non-operating Expense	7,560,264	5,316,810	7,550,070	6,876,145
Net Income (Loss)	\$ 10,490,704	\$ 9,072,373	\$ 19,695,262	\$ 21,756,992

COMPUTATION OF DEBT COVERAGE
PROPOSED FY2020 & FY2021 BUDGETS

	Total Actual FY2018	Total Actual FY2019	Proposed Budget FY2020	Proposed Budget FY2021
Revenues:				
Water Revenues	\$ 48,647,761	\$ 47,750,933	\$ 54,186,840	\$ 56,923,519
Wastewater Revenues	24,046,130	25,332,984	26,683,163	27,079,700
Recycled Water Revenues	1,146,853	1,043,280	1,041,065	1,095,555
Engineering Revenues	949,905	898,488	1,681,530	1,778,962
General Operating Revenues	6,731,854	5,936,304	6,762,382	7,417,513
Property Taxes - General Purpose	6,508,824	6,795,417	6,866,805	7,141,477
Property Taxes - Redevelopment	2,644,790	2,915,254	2,400,000	2,400,000
Property Taxes - Temescal Valley Project	482,155	506,524	499,277	499,277
Standby Charges	617,948	634,833	486,808	470,765
Capacity Fees	10,027,211	7,335,179	12,905,941	13,078,541
Investment Income	934,564	8,106,997	2,766,377	2,766,377
Grants	3,090,355	25,315	-	-
Lease Income	1,433,523	1,385,928	1,525,374	1,566,807
Other	8,096,263	2,709,678	(168,496)	(147,496)
Transfer from (to) Rate Stabilization	(10,812,292)	3,517,013	679,536	376,873
Total Gross Revenues	104,545,843	114,894,129	118,316,601	122,447,869
Maintenance And Operations Costs:				
Water Purchases	18,036,267	20,646,287	18,336,693	19,219,929
Water Operations	21,369,498	22,176,833	28,926,630	29,544,563
Wastewater Operations	14,097,880	15,628,442	17,905,963	18,262,797
Recycled Water Operations	1,172,102	1,242,431	1,361,247	1,428,866
Engineering	2,308,374	2,506,417	4,813,301	5,166,299
General & Administrative	7,154,015	6,778,044	5,753,681	6,283,587
Maintenance & Operations Obligations	386,473	386,473	386,473	386,473
Other	3,864,142	1,752,122	2,086,729	1,698,242
Total Maintenance And Operations Costs	68,388,751	71,117,047	79,570,717	81,990,756
Total Net Revenue	36,157,092	43,777,082	38,745,884	40,457,113
Obligation Expenditures:				
Principal	9,401,353	9,401,363	9,657,189	10,470,069
Interest	3,624,583	3,534,683	5,388,041	5,097,693
Total Obligation Expenditures	13,025,936	12,936,045	15,045,231	15,567,763
Coverage Requirement	1.10	1.10	1.10	1.10
Total Obligation Requirements	14,328,530	14,229,650	16,549,754	17,124,539
Net Revenues	36,157,092	43,777,082	38,745,884	40,457,113
Net Revenue After Obligation Requirements	\$ 23,131,156	\$ 30,841,036	\$ 23,700,654	\$ 24,889,351
Actual Coverage Ratio	2.78	3.38	2.58	2.60
Coverage Ratio Less Contributions, Grants, Etc.	1.77	2.82	1.72	1.76

Note: Community Facilities Districts Have Been Eliminated.

**SCHEDULE OF DEBT REPAYMENT REQUIREMENTS
AND SOURCES OF FUNDING**

Fiscal Year 2021

	(1)						
	Loans	Certificates of Participation	Water Revenue Bonds	Sub-Total	Advances from US Government	Community Facilities Districts	Total
Debt Repayment Requirements							
Principal ⁽²⁾	\$ 1,145,766	\$ 2,471,792	\$ 5,385,000	\$ 9,002,558	\$ 386,473	\$ 736,500	\$ 10,125,531
Interest	187,609	1,960,950	3,089,500	5,238,059	-	547,500	5,785,559
Reserve Requirement / Loan	-	-	-	-	-	-	-
Total Debt Repayment Requirements	\$ 1,333,375	\$ 4,432,742	\$ 8,474,500	\$ 14,240,617	\$ 386,473	\$ 1,284,000	\$ 15,911,090
Sources of Funding							
Property Taxes	-	25,690	61,065	86,755	386,473	-	473,228
Wastewater Capital Fees	754,390	884,154	4,242,175	5,880,719	-	-	5,880,719
Wastewater Operating Revenues	124,132	616,527	923,885	1,664,544	-	-	1,664,544
Wastewater Replacement	315,933	266,972	125,367	708,272	-	-	708,272
Water Capital Fees	-	1,639,408	1,436,127	3,075,535	-	-	3,075,535
Water Operating Revenues	138,920	-	157,420	296,340	-	-	296,340
Water Replacement	-	500,743	682,185	1,182,928	-	-	1,182,928
RDA Property Taxes	-	-	839,358	839,358	-	-	839,358
General Fund	-	-	6,918	6,918	-	-	6,918
Tax Assessments	-	499,248	-	499,248	-	1,284,000	1,783,248
Total Sources of Funding	\$ 1,333,375	\$ 4,432,742	\$ 8,474,500	\$ 14,240,617	\$ 386,473	\$ 1,284,000	\$ 15,911,090

⁽¹⁾Advances from US Government shown as Maintenance & Operation Obligations for Computation of Debt Coverage

⁽²⁾Amounts shown represents accrued principal

**SCHEDULE OF DEBT REPAYMENT REQUIREMENTS
AND SOURCES OF FUNDING**

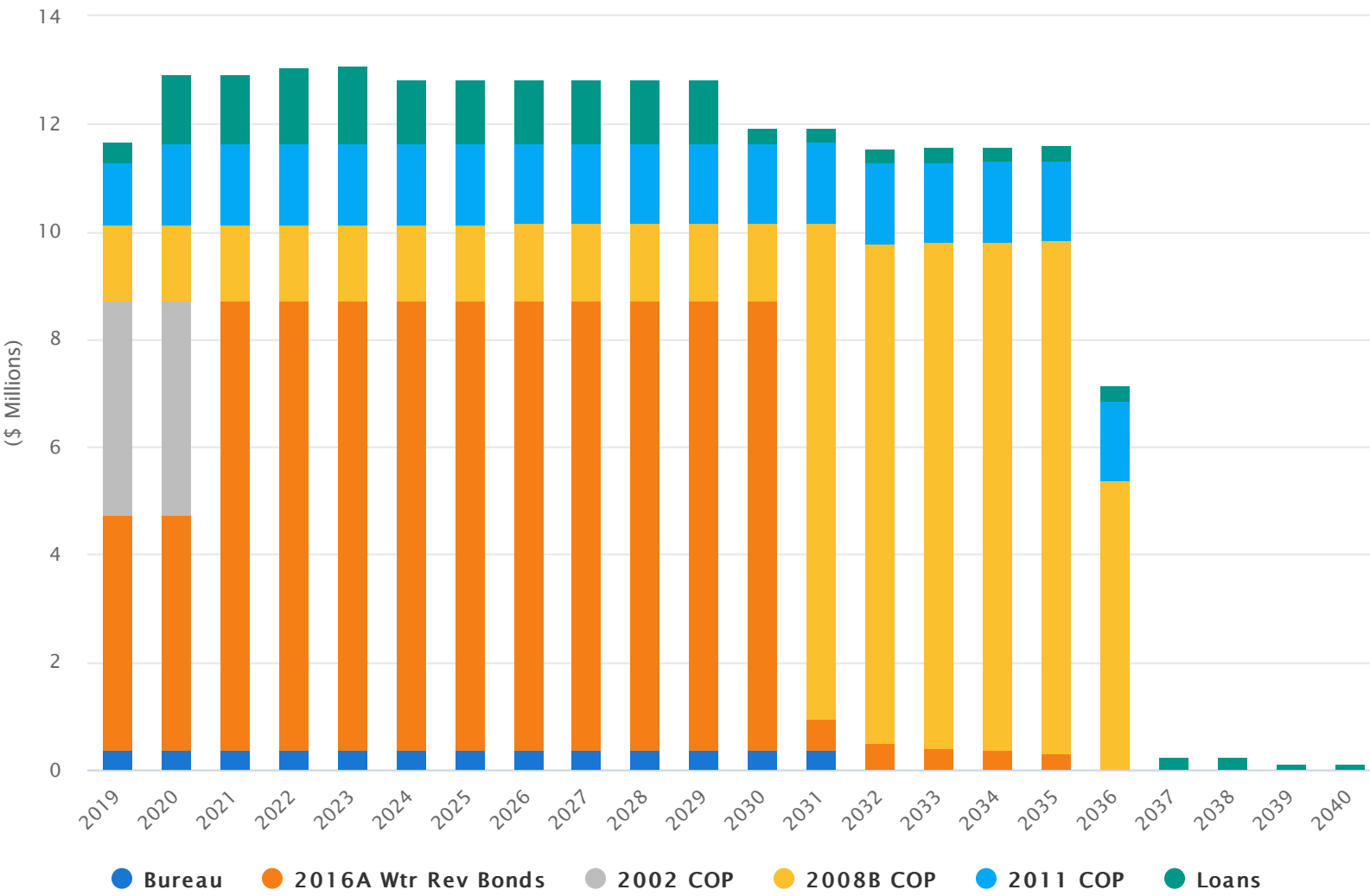
Fiscal Year 2020

	(1)						
	Loans	Certificates of Participation	Water Revenue Bonds	Sub-Total	Advances from US Government	Community Facilities Districts	Total
Debt Repayment Requirements							
Principal ⁽²⁾	\$ 1,204,036	\$ 2,446,792	\$ 5,120,000	\$ 8,770,828	\$ 386,473	\$ 699,333	\$ 9,856,634
Interest	109,747	1,989,300	3,345,500	5,444,547	-	580,432	6,024,979
Reserve Requirement / Loan	-	-	-	-	-	-	-
Total Debt Repayment Requirements	\$ 1,313,783	\$ 4,436,092	\$ 8,465,500	\$ 14,215,375	\$ 386,473	\$ 1,279,765	\$ 15,881,613
Sources of Funding							
Property Taxes	-	25,690	60,994	86,684	386,473	-	473,157
Wastewater Capital Fees	760,630	884,154	4,282,125	5,926,909	-	-	5,926,909
Wastewater Operating Revenues	117,892	616,527	877,486	1,611,905	-	-	1,611,905
Wastewater Replacement	296,341	266,972	125,231	688,544	-	-	688,544
Water Capital Fees	-	1,642,758	1,434,967	3,077,725	-	-	3,077,725
Water Operating Revenues	138,920	-	157,236	296,156	-	-	296,156
Water Replacement	-	500,743	681,400	1,182,143	-	-	1,182,143
RDA Property Taxes	-	-	839,151	839,151	-	-	839,151
General Fund	-	-	6,910	6,910	-	-	6,910
Tax Assessments	-	499,248	-	499,248	-	1,279,765	1,779,013
Total Sources of Funding	\$ 1,313,783	\$ 4,436,092	\$ 8,465,500	\$ 14,215,375	\$ 386,473	\$ 1,279,765	\$ 15,881,613

⁽¹⁾Advances from US Government shown as Maintenance & Operation Obligations for Computation of Debt Coverage

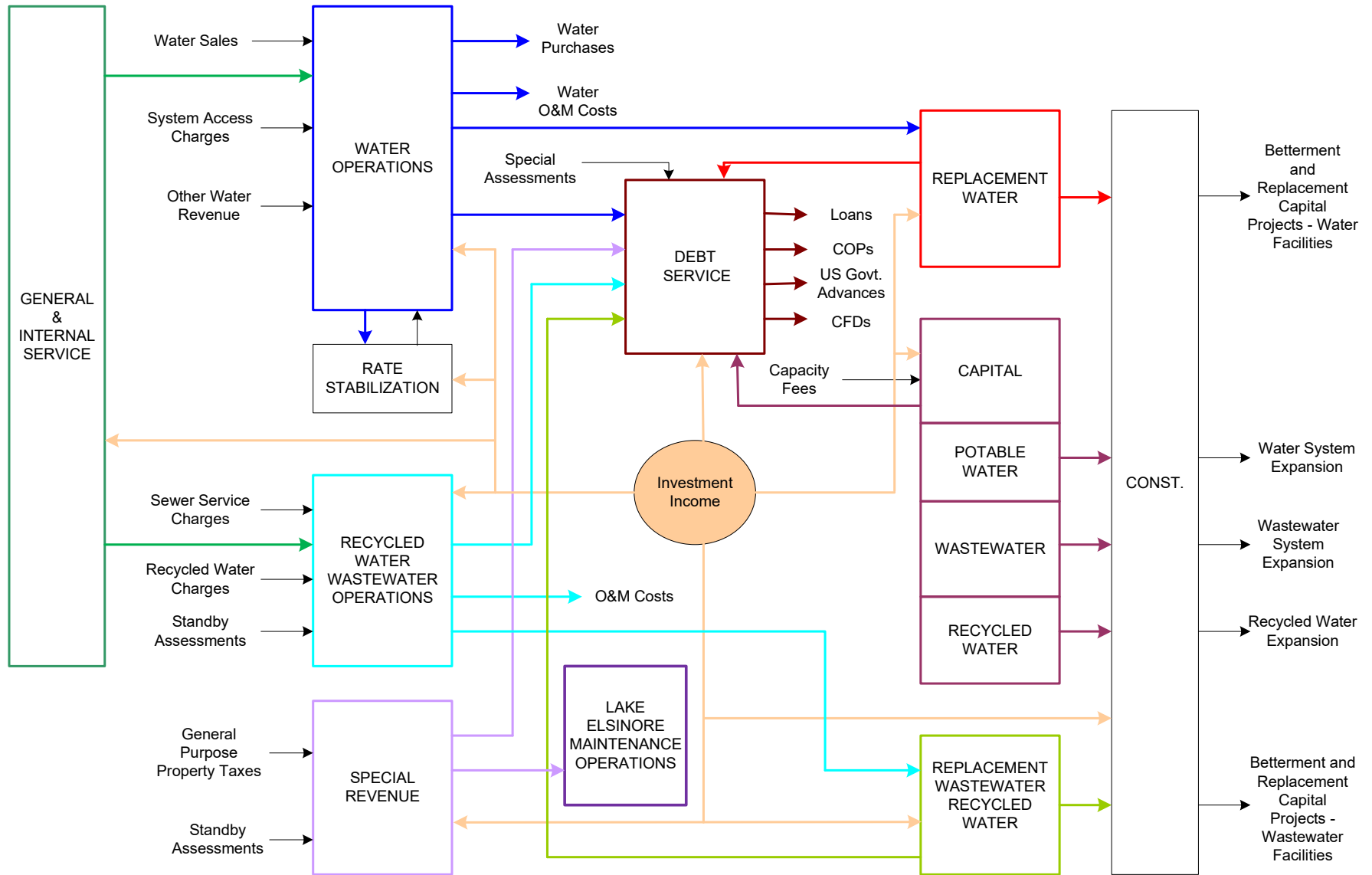
⁽²⁾Amounts shown represents accrued principal

Total Debt Service



Source: Elsinore Valley Municipal Water District

FUNDING AND CASH FLOW DIAGRAM



Significant Changes in Fund Balances

Rather than being accounted for as a single integral entity, the District utilizes a governmental accounting structure where its activities are accounted for in a collection of smaller separate accounting entities known as “funds”. A fund will also contain self-balancing “programs” which are utilized to account for distinct activities such as debt and capital. Each fund includes a self-balancing set of accounts established to record the financial position and results that pertain to a specific activity. The Fund balance, which is defined as the difference between the assets and liabilities for a particular fund at any given point in time, represents the resources available to meet expenditure requirements and are shown in detail by fund for both budgeted fiscal years on pages 129 through 132. A significant change in fund balance is defined as a projected change of 20% or more for any particular fund type. There are no major funds within any of the fund types; each fund is as significant as any other within the same fund type.

The District’s total fund balance is estimated to be \$236,832,654 at the beginning of FY 2020. Of this amount, a net revenue of \$17,421,544 are funds that have been committed prior to FY2020 and are therefore considered to be outside of this budget process. This is primarily made up of anticipated loan and developer contributions. Net available balance at the beginning of FY 2020 is \$254,254,197, while the projected balance at the end of the fiscal year is \$213,850,213. The projected ending balance at FY 2021 is \$206,682,298, a slight decrease as compared to the previous year. The two-year change in fund balance is a decrease of 13%.

The change in projected ending balance for the water, recycled water, and wastewater operating funds in the aggregate is a decrease of 4.6% in FY 2020, and 3.3% in FY 2021. The District’s goal is to ensure that the rates implemented result in the required rate stabilization balance level of between 15% - 30% of the total annual operating expenditures for the fund.

The General & Internal Service Funds ending balances are projected to increase by approximately 2.3% and 7.8% in FY 2020 and FY 2021, respectively.

In total, the projected ending balance for the water, recycled water, and wastewater replacement funds reflect a decrease of 14.4% in FY 2020 and 22.8% in FY 2021. These decreases are driven by the large amount of CIP projects that will be funded from these sources during this two year budget cycle. These projects were deferred in prior years due to economic conditions, however, the District has now determined that replacement projects can no longer be deferred due to the age and condition of the infrastructure. The District’s Reserve policy requires that the replacement fund balances are to be maintained between 5% - 20% of the value of the capital assets. Currently, the replacement fund balance is 2.9% of the value of the water, recycled water, and wastewater capital assets.

The water capacity funds are projected to increase by 15.3% and 11.7% in FY 2020 and FY 2021, respectively. These increases were partially driven by increases to the District’s water capacity fee, which incorporates several near term water supply projects. Projected wastewater capacity funds on the other hand decreased by 37.7% in FY 2020 and 36.6% for FY 2021. This is a result of funding the Regional Treatment Plant project.

Collectively, the Debt Service Funds ending balance is projected to increase 6.9% in FY 2020 and 6.1% for FY 2021. The majority of this increase is caused by increased debt repayment reserves, particularly for the 2008B Certificates of Participation, where the repayment period is concentrated at the end of the life of the debt and principal repayment amounts are built up over the life of the debt.

The District feels confident that all fund balance changes are anticipated, accountable, planned, and are in line with expected near-future renewals.

SCHEDULE OF CHANGES IN FUND BALANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Fund/ Prgm No.	Fund Description	Estimated Balance June 30, 2019	Estimated Sources of Funds	Net Estimated Expenditures	Prior Commitments	Capital Expenditures	Capital Repayment	Net Fund Transfers In (Out)	Projected Balance June 30, 2020
Operating Funds									
20	Elsinore Water	\$ 15,105,445	\$ 53,957,880	\$ 46,305,407	\$ 1,261,889	\$ -	\$ -	\$ (7,589,558)	\$ 13,906,471
25	Temescal Water - Potable	490,755	730,783	995,891	94,970	-	-	83,990	214,666
30	Regional Wastewater	11,845,782	27,862,967	17,988,963	31,658	-	-	(9,407,921)	12,280,207
35	Recycled Water	862,131	1,053,203	1,361,247	(68,586)	-	-	(19,111)	603,563
	Total Operating Funds	28,304,114	83,604,833	66,651,508	1,319,932	-	-	(16,932,600)	27,004,907
320	Rate Stabilization Fund	3,000,000	35,234	-	-	-	-	-	3,035,234
General & Internal Service Funds									
110	General	20,121,912	2,387,691	109,356	-	-	-	1,277,426	23,677,673
116	Vehicles & Equipment	2,224,643	1,911,944	1,511,944	617,721	1,302,336	-	-	704,586
117	Engineering	1,078,174	1,705,019	4,813,301	-	-	-	2,175,536	145,428
40	Lake Elsinore Maintenance	759,688	148,503	1,056,944	-	-	-	1,084,441	935,688
121	Information Technology	1,440,589	3,356,243	3,156,243	113,478	622,000	-	-	905,111
122	Facilities	79,665	1,022,568	1,022,568	-	-	-	-	79,665
310	Capital Outlays	895,730	518,971	-	152,013	509,650	-	-	753,038
	Total General & Internal Service Funds	26,600,401	11,050,939	11,670,357	883,212	2,433,986	-	4,537,403	27,201,188
Replacement Funds									
318	Elsinore Water	5,934,452	36,583	269,700	-	-	-	584,283	6,285,618
319	Temescal Water	1,929,439	19,326	-	-	-	-	(308,929)	1,639,836
330	Recycled Water	8,681,675	93,427	26,850	-	-	-	(2,723,071)	6,025,181
333	Regional Wastewater	502,780	281	-	-	-	-	139,071	642,132
	Total Replacement Funds	17,048,347	149,617	296,550	-	-	-	(2,308,646)	14,592,768
Special Revenue Funds									
250	Redevelopment Area I	6,236,924	2,450,381	-	-	-	-	(3,757,807)	4,929,498
254	Redevelopment Area - EWD	220,128	-	-	-	-	-	-	220,128
530	General Purpose Property Taxes	16,486,436	7,053,984	175,125	-	-	-	(12,666,487)	10,698,808
531	General Purpose Property Taxes - EWD	213,992	17,493	-	-	-	-	-	231,485
570	Water Standby	1,106,717	12,292	-	-	-	-	-	1,119,009
571	Water Standby - EWD	150,536	141,523	-	-	-	-	-	292,059
	Total Special Revenue Funds	24,414,732	9,675,673	175,125	-	-	-	(16,424,293)	17,490,987
Water Capacity Funds									
510	Storage Participation	9,789,580	1,510,829	-	-	-	-	(39,820)	11,260,588
511	TVP Participation	240,913	1,487,216	-	-	-	-	(1,011,102)	717,028
512	Pumping Plant Participation	8,960,678	863,585	-	-	-	-	(159,985)	9,664,278
513	Transmission Facilities Participation	6,002,158	2,509,351	-	-	-	-	(969,064)	7,542,445
520	Supply Facilities Participation	917,232	1,444,957	-	-	-	-	(1,675,344)	686,845
	Total Water Capital Funds	25,910,561	7,815,938	-	-	-	-	(3,855,315)	29,871,184

**SCHEDULE OF CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Fund/ Prgrm No.	Fund Description	Estimated Balance June 30, 2019	Estimated Sources Of Funds	Net Estimated Expenditures	Prior Commitments	Capital Expenditures	Capital Repayment	Net Fund Transfers In (Out)	Projected Balance June 30, 2020
Wastewater Capacity Funds									
550	Regional Plant Capacity	990,357	2,556,547	-	-	-	-	(2,654,876)	892,028
560	Regional Sewer Treatment	2,384,366	2,407,440	-	-	-	-	(4,215,066)	576,740
561	Recycled Water Capacity Funds	2,832,365	476,308	-	-	-	-	(908,272)	2,400,400
	Total Wastewater Capital Funds	6,207,088	5,440,295	-	-	-	-	(7,778,214)	3,869,169
490	District Construction Fund	66,609,188	751,546	-	(19,624,688)	65,858,511	-	28,259,065	49,385,975
Debt Service Funds									
Loans									
226	State Revolving Loan - Regional Expansion	188,198	2,140	-	-	-	249,901	251,316	191,752
228	AMI Phase III	261,078	23,532	-	-	-	138,063	138,920	285,466
229	Regional Upgrade	36,427	-	-	-	-	172,191	676,748	540,984
230	Regional Expansion	49,632	-	-	-	-	269,305	627,207	407,535
231	Regional SCADA	-	-	-	-	-	5,879	19,593	13,713
	Total Loans	535,334	25,672	-	-	-	835,340	1,713,783	1,439,450
Revenue Bonds									
263	2016A Revenue Bond	2,833,181	32,716	11,820	-	-	4,355,500	8,465,500	6,964,077
Certificates Of Participation									
248	2002 COP	4,639,993	52,741	10,750	-	-	3,855,000	-	826,984
249	2008B COP	25,457,026	271,621	324,139	-	-	1,423,950	2,925,742	26,906,300
261	2011 COP	1,856,572	20,991	192,961	-	-	1,480,350	1,510,350	1,714,602
487	Temescal Valley Project	22,358	499,613	13,000	-	-	-	(499,248)	9,723
	Total Certificates of Participation	31,975,949	844,966	540,849	-	-	6,759,300	3,936,844	29,457,610
Advances From US Government									
486	Lake Management Project	979,089	11,110	-	-	-	386,473	386,473	990,199
Community Facilities Districts									
451	CFD 1998-2 - Wildomar	812,222	486,737	20,150	-	-	429,675	-	849,134
459	CFD 2003-2 - Greer Ranch	162,466	127,112	13,075	-	-	94,031	-	182,472
460	CFD 2002-1 - Oakmont II	359,651	284,891	13,075	-	-	240,539	-	390,928
453	CFD 2003-1 - Watermark	204,715	123,661	14,450	-	-	98,856	-	215,070
454	CFD 2004-1 - Woodmoor	339,685	157,789	14,670	-	-	131,390	-	351,414
455	CFD 2006-1 - La Gonda	535,930	299,966	15,510	-	-	261,941	-	558,445
	Total Community Facilities District	2,414,670	1,480,157	90,930	-	-	1,256,432	-	2,547,465
	Total Debt Service Funds	38,738,223	2,394,620	643,599	-	-	13,593,044	14,502,600	41,398,800
	Total All Funds	\$ 236,832,654	\$ 120,918,695	\$ 79,437,138	\$ (17,421,544)	\$ 68,292,497	\$ 13,593,044	\$ -	\$ 213,850,213

SCHEDULE OF CHANGES IN FUND BALANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Fund/ Prgm No.	Fund Description	Estimated Balance June 30, 2020	Estimated Sources of Funds	Net Estimated Expenditures	Prior Commitments	Capital Expenditures	Capital Repayment	Net Fund Transfers In (Out)	Projected Balance June 30, 2021
Operating Funds									
20	Elsinore Water	\$ 13,906,471	\$ 56,559,126	\$ 48,017,905	\$ 347,040	\$ -	\$ -	(8,264,741)	\$ 13,835,911
25	Temescal Water - Potable	214,666	850,671	761,862	(46,806)	-	-	(135,615)	214,666
30	Regional Wastewater	12,280,207	28,264,461	18,349,797	71,367	-	-	(10,107,924)	12,015,580
35	Recycled Water	603,563	1,107,693	1,428,866	13,524	-	-	(213,453)	55,413
	Total Operating Funds	27,004,907	86,781,951	68,558,430	385,125	-	-	(18,721,734)	26,121,569
320	Rate Stabilization Fund	3,035,234	35,234	-	-	-	-	-	3,070,468
General & Internal Service Funds									
110	General	23,677,673	2,554,124	609,356	-	-	-	1,516,926	27,139,367
116	Vehicles & Equipment	704,586	1,917,238	1,517,238	-	955,197	-	-	149,389
117	Engineering	145,428	1,802,451	5,166,299	-	-	-	2,345,801	(872,619)
40	Lake Elsinore Maintenance	935,688	148,503	1,062,344	-	-	-	1,089,841	1,111,688
121	Information Technology	905,111	3,904,061	3,204,061	-	650,000	-	-	955,111
122	Facilities	79,665	999,586	999,586	-	-	-	-	79,665
310	Capital Outlays	753,038	52,446	-	-	43,125	-	-	762,359
	Total General & Internal Service Funds	27,201,188	11,378,409	12,558,885	-	1,648,322	-	4,952,568	29,324,960
Replacement Funds									
318	Elsinore Water	6,285,618	36,583	-	-	-	-	(2,353,777)	3,968,425
319	Temescal Water	1,639,836	19,326	-	-	-	-	(1,208,929)	450,233
330	Recycled Water	6,025,181	93,427	27,850	-	-	-	(54,180)	6,036,579
333	Regional Wastewater	642,132	281	-	-	-	-	166,071	808,484
	Total Replacement Funds	14,592,768	149,617	27,850	-	-	-	(3,450,815)	11,263,721
Special Revenue Funds									
250	Redevelopment Area I	4,929,498	2,450,381	-	-	-	-	(7,019,358)	360,521
254	Redevelopment Area - EWD	220,128	-	-	-	-	-	-	220,128
530	General Purpose Property Taxes	10,698,808	7,328,054	-	-	-	-	(10,470,942)	7,555,920
531	General Purpose Property Taxes - EWD	231,485	18,095	-	-	-	-	-	249,580
570	Water Standby	1,119,009	12,292	-	-	-	-	-	1,131,301
571	Water Standby - EWD	292,059	141,523	-	-	-	-	-	433,582
	Total Special Revenue Funds	17,490,987	9,950,345	-	-	-	-	(17,490,300)	9,951,032
Water Capacity Funds									
510	Storage Participation	11,260,588	1,519,175	-	-	-	-	(39,853)	12,739,911
511	TVP Participation	717,028	1,591,459	-	-	-	-	(1,007,752)	1,300,735
512	Pumping Plant Participation	9,664,278	868,256	-	-	-	-	(310,153)	10,222,381
513	Transmission Facilities Participation	7,542,445	2,524,249	-	-	-	-	(1,069,083)	8,997,611
520	Supply Facilities Participation	686,845	1,453,254	-	-	-	-	(2,048,694)	91,404
	Total Water Capital Funds	29,871,184	7,956,393	-	-	-	-	(4,475,535)	33,352,042

SCHEDULE OF CHANGES IN FUND BALANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Fund/ Prgm No.	Fund Description	Estimated Balance June 30, 2020	Estimated Sources Of Funds	Net Estimated Expenditures	Prior Commitments	Capital Expenditures	Capital Repayment	Net Fund Transfers In (Out)	Projected Balance June 30, 2021
Wastewater Capacity Funds									
550	Regional Plant Capacity	892,028	2,571,667	-	-	-	-	(2,783,033)	680,662
560	Regional Sewer Treatment	576,740	2,421,785	-	-	-	-	(3,182,560)	(184,034)
561	Recycled Water Capacity Funds	2,400,400	478,988	-	-	-	-	(922,307)	1,957,081
	Total Wastewater Capital Funds	3,869,169	5,472,440	-	-	-	-	(6,887,901)	2,453,708
490	District Construction Fund	49,385,975	751,546	-	(43,833,000)	78,301,794	-	31,545,874	47,214,601
Debt Service Funds									
Loans									
226	State Revolving Loan - Regional Expansion	191,752	2,140	-	-	-	249,876	251,316	195,332
228	AMI Phase III	285,466	23,532	-	-	-	138,048	138,920	309,870
229	Regional Upgrade	540,984	-	-	-	-	185,653	676,748	1,032,078
230	Regional Expansion	407,535	-	-	-	-	341,107	627,207	693,635
231	Regional SCADA	13,713	-	-	-	-	38,938	39,185	13,960
	Total Loans	1,439,450	25,672	-	-	-	953,622	1,733,376	2,244,876
Revenue Bonds									
263	2016A Revenue Bond	6,964,077	32,716	15,173	-	-	8,209,500	8,474,500	7,246,620
Certificates Of Participation									
248	2002 COP	826,984	52,741	-	-	-	-	-	879,725
249	2008B COP	26,906,300	271,621	376,492	-	-	1,423,950	2,925,742	28,303,221
261	2011 COP	1,714,602	20,991	198,963	-	-	1,482,000	1,507,000	1,561,630
487	Temescal Valley Project	9,723	499,613	13,000	-	-	-	(499,248)	(2,913)
	Total Certificates of Participation	29,457,610	844,966	588,455	-	-	2,905,950	3,933,494	30,741,664
Advances From US Government									
486	Lake Management Project	990,199	11,110	-	-	-	386,473	386,473	1,001,309
Community Facilities Districts									
451	CFD 1998-2 - Wildomar	849,134	487,053	15,650	-	-	430,150	-	890,387
459	CFD 2003-2 - Greer Ranch	182,472	125,379	13,090	-	-	92,384	-	202,377
460	CFD 2002-1 - Oakmont II	390,928	290,468	13,090	-	-	245,895	-	422,412
453	CFD 2003-1 - Watermark	215,070	125,528	14,470	-	-	95,623	-	230,506
454	CFD 2004-1 - Woodmoor	351,414	160,002	14,690	-	-	127,485	-	369,241
455	CFD 2006-1 - La Gonda	558,445	297,855	15,530	-	-	259,963	-	580,807
	Total Community Facilities District	2,547,465	1,486,285	86,520	-	-	1,251,500	-	2,695,729
	Total Debt Service Funds	41,398,800	2,400,749	690,149	-	-	13,707,045	14,527,843	43,930,198
	Total All Funds	\$ 213,850,213	\$ 124,876,684	\$ 81,835,313	\$ (43,447,875)	\$ 79,950,116	\$ 13,707,045	\$ -	\$ 206,682,298

Water Operations

Elsinore



Temescal



WATER OPERATIONS

Elsinore Water Division Distribution System

The Elsinore Water Division’s distribution system includes 53 water booster or pumping plants and 70 reservoirs ranging in size from 20,000 gallons to 8 million gallons, totaling 90 million gallons of tank storage capacity. In total, this Division has approximately 731 miles of pipeline ranging in size from 4 to 42 inches in diameter and maintains 10 active potable water production wells.

Customers

The Elsinore Water Division provides service to customers throughout Lake Elsinore, Horsethief Canyon, Canyon Lake, Wildomar, and the Murrieta/California Oaks Development. Single family and multi-family residential services represent 95% of this division’s customer base.

The table below (Figure 14) provides the breakdown of customers by user category and percentage of total services for the prior, actual and budgeted fiscal years. The proposed budget assumes a growth in water services of 1.5% (650 customers) for both fiscal years.

Figure 14

Water Division Meters by User Category					
User Category	Actual FY2018	Actual FY2019	Estimated FY2020	Estimated FY2021	% of Total Services
Domestic	42,398	42,693	43,360	44,011	95.1%
Commercial	1,040	1,053	1,069	1,085	2.3%
Landscape Irrigation	973	973	988	1,003	2.2%
Hydrants	66	92	93	94	0.2%
Institutional	78	78	79	80	0.2%
Wholesale	3	3	3	3	0.0%
Total	44,558	44,892	45,592	46,276	

Water Sources & Production

The Elsinore Water Division receives its water supply from three sources: local groundwater, surface water, and imported water purchased from Metropolitan Water District (MWD) through the Western Municipal Water District (WMWD). All three water sources are blended within the distribution system and delivered throughout the Division's service area.

For the past 10 years, approximately 22% of the Division's water supply (excluding recycled water) has come from local groundwater. This source relies heavily upon rainfall and other means of recharge. In order to better manage the groundwater basin to ensure future supplies, the District adopted a Groundwater Management Plan and established an operating safe yield of not to exceed 5,500 acre-feet (AF) of groundwater production per year, which is approximately 20% of the Division's annual water supply.

The Canyon Lake Water Treatment Plant treats surface water that flows into Canyon Lake, which includes rain and runoff. The treatment plant has the capacity to treat 9 million gallons per day. For the last 10 years, this source of water has provided approximately 6% of the Division's water supply.

In August 2013, the District also started pumping water out of the Coldwater Basin for use by the Elsinore Water Division. Although this water is being transferred from the Temescal Water Division, this water has been classified as local groundwater.

The remaining source of supply comes from purchases of MWD water. MWD receives its water supply from two main sources: the Colorado River via the Colorado River Aqueduct, and from Northern California, as a result of the State Water Project via the Edmund G. Brown California Aqueduct.

The District imports potable water for domestic purposes through two separate connections: the Auld Valley Pipeline and Temescal Valley Pipeline (TVP). The District owns capacity rights in the Auld Valley Pipeline to deliver 37.5 cubic feet per second ("cfs") to the District's service area from MWD's Lake Skinner Reservoir, which in turn receives water from the Colorado River Aqueduct. The TVP provides additional water from the State Water Project through MWD's Mills Treatment Plant facility located north of the District. The District has agreements that secure an additional 21.0 cfs of water delivery capacity from this source.

Additional sources of imported Colorado River water are available to the District from two untreated water connections to MWD's facilities. This untreated water, when released upstream of the Canyon Lake Reservoir, travels 11 miles through the San Jacinto Riverbed (which is dry most of the year) before reaching the reservoir's 5,000 AF of storage capacity. The San Jacinto watershed runoff is the primary source of replenishment to the Canyon Lake Reservoir.

Water from the lake is treated by the Canyon Lake Water Treatment Plant prior to introduction into the District's distribution system. Ownership of the Canyon Lake Reservoir was transferred to the District as a result of the Temescal Water Company acquisition. The District has contractual obligations to maintain the level of the lake at 1,372 feet. Historically, the amount of water that is treated has been limited to the amount of runoff and rainfall, and so the treatment plant does not always operate on a full-time basis.

The graph (Figure 15) and the table on the following page (Figure 16) illustrate the source of supply and water production data (respectively) for the Elsinore Water Division. Total water production for FY 2020 is budgeted at 24,514 AF. This production budget reflects an increase of 3.3% when compared to the actual water production for FY 2019. Total water production for FY 2021 is budgeted at 24,890 AF, an increase of 1.5% compared to the FY 2020 budgeted water production.

During this budget cycle the District has budgeted to produce 9,575 AF of water from a combination of local ground and surface water sources. Total groundwater production from various wells, Back Basin and the Coldwater Basin are budgeted at 7,075 AF and total surface water from the Canyon Lake Water Treatment Plant is budgeted at 2,500 AF for both FY 2020 and FY 2021.

The remaining amount of the District's water portfolio will be comprised of imported water sources, which is projected to be 14,939 AF for FY 2020 and 15,315 AF for FY 2021.

Figure 15

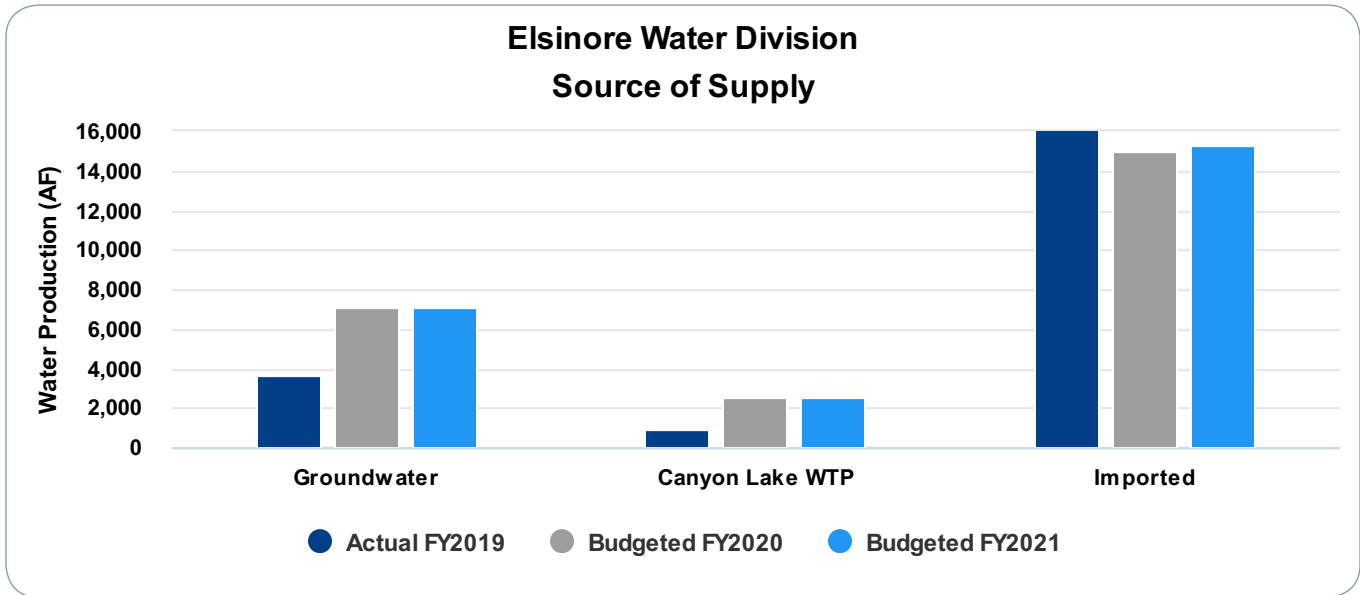


Figure 16

Elsinore Water Division Water Sources and Production			
	Actual FY2019	Budgeted FY2020	Budgeted FY2021
Groundwater			
Wells	2,461	5,006	5,006
Back Basin WTP	1,086	1,814	1,814
Coldwater Basin	133	255	255
Canyon Lake WTP			
Surface Water	921	2,500	2,500
Imported			
Auld Valley (Lake Skinner)	11,957	8,449	8,805
Temescal Valley Pipeline	5,384	6,490	6,510
San Jacinto - Untreated	1,800	-	-
Total Production	23,742	24,514	24,890
Production Loss (AF)	(958)	(1,226)	(1,245)
Production Loss (%)	-4.04%	5.00%	5.00%
NET PRODUCTION	22,784	23,288	23,646

MWD Commodity Charge

In January 2003, Metropolitan Water District (MWD) implemented a new rate structure in response to the changing conditions in availability of water resources, drought, growth in water demand, and existing system conditions. The goals of the new rate structure were to further MWD’s strategic objectives, support and encourage sound water resource management, accommodate a water transfer market, and enhance fiscal stability. The new rate structure was based on cost-of-service principles. See the table below (Figure 17) and the descriptions below.

The **commodity rate** is unbundled into five separate components including: (1) Water supply, (2) System access for conveyance and distribution, (3) Water stewardship, (4) Power, and (5) Treatment.

1. The two-tiered **Water Supply Rate** structure encourages efficient water resource management and conservation.
 - **Tier 1** – Water purchases in any one year at this lower rate is determined by a percentage of the following two factors: (1) The base amount of water purchased in the last ten fiscal years by the member agency, and (2) Submittal of a purchase order for a ten-year supply of water.
 - **Tier 2** – This rate reflects MWD’s cost of acquiring new supplies and is charged for deliveries in excess of the allowable percentage of the MWD base amount.
2. **System Access Rate** – Recovers the costs associated with the conveyance and distribution system including capital, operating, and maintenance costs.
3. **Water Stewardship Rate** – Supports MWD’s financial commitment to conservation, water recycling, groundwater recovery, and other water management programs.
4. **System Power Rate** – Recovers the cost of power to pump water through the distribution system.
5. **Treatment Surcharge** – Recovers the cost of treating imported water.

Capacity Reservation Charge

This charge recovers costs for peak capacity on MWD’s distribution system. This cubic foot per second rate charge is levied based on the highest summer day demand.

Readiness-to-Serve Charge

This is a fixed charge that recovers the cost of MWD’s emergency storage and conveyance standby, which is the portion of system capacity that is on standby to provide emergency service and operational flexibility.

Figure 17

MWD Commodity Charges (Costs per AF)						
Component	Current 1/1/2019		Adopted 1/1/2020		Projected 1/1/2021	
	Tier 1	Tier 2	Tier 1	Tier 2	Tier 1	Tier 2
Water Supply	\$ 209	\$ 295	\$ 208	\$ 295	\$ 221	\$ 295
System Access	326	326	346	346	349	349
Water Stewardship	69	69	65	65	65	65
System Power	127	127	136	136	146	146
Total Untreated	\$ 731	\$ 817	\$ 755	\$ 842	\$ 781	\$ 855
Treatment Surcharge	319	319	323	323	323	323
Total Treated	\$ 1,050	\$ 1,136	\$ 1,078	\$ 1,165	\$ 1,104	\$ 1,178

Rates

The District hired a third-party financial firm to conduct a comprehensive rate study. The proposed rate changes are intended to ensure that the District can deliver a sustainable supply of water service at rates that are fair and equitable.

Elsinore Water Division Commodity Charge

District customers have been on a budget based rate structure since July 2009. A water budget is a monthly amount of water allocated to each customer for efficient indoor and outdoor uses. This rate structure was implemented as a fair way to encourage efficient water use and discourage water waste. Customers who stay within their budget pay less than customers who are inefficient or excessive in their water use. The water budget takes into account historical weather and evapotranspiration (ET) data for the EVMWD service area. For residential customers, the water budget also looks at the number of residents and the square footage of irrigated landscape. For landscape irrigation customers, individual allocations are based upon irrigated square footage. The rate structure also imposes higher charges as the level of water consumption increases and is structured to deter waste and encourage efficiency. The current and proposed rates are shown on the following page (Figure 18).

The current rate structure is as follows:

Tier 1 (Indoor Use): Indoor water budget is calculated using 55 gallons per person per day with 4 people per household. The rate is based on a blended cost of local and imported water supplies, delivery, and apportioned peaking costs, offset by miscellaneous revenue to help mitigate this rate.

Tier 2 (Outdoor Use): Outdoor water budget is calculated using a formula accounting for the type of plants, local weather, irrigation efficiency, and square footage of irrigated landscape area. Since watering requirements are different throughout the year, the outdoor budgets are determined for each billing cycle based upon the 10-year average weather in the District's service area. Irrigation usage has a higher peaking factor than residential usage which results in higher capital costs. The rate is based on a blended cost of local and imported water supplies, delivery, peaking cost, and conservation funding.

Tier 3 – (Inefficient Use): 30% of the outdoor water budget. The rate is based on the costs of regular and excessive imported water supplies, delivery, peaking cost, recycled water cost funding, and conservation funding.

Tier 4 – (Excessive Use): All water above inefficient use. The rate is based on the costs of excessive imported water supplies, delivery, peaking costs, recycled water cost funding, and conservation funding.

Figure 18

Elsinore Water Division Water Commodity Rates			
Rate Classification	Current Rate 7/1/2018 per CCF	Proposed 9/1/2019 per CCF	Proposed 7/1/2020 per CCF
Domestic			
Tier 1	\$2.34	\$2.34	\$2.43
Tier 2	2.84	3.08	3.20
Tier 3	5.05	5.56	5.77
Tier 4	7.48	7.24	7.52
Landscape Irrigation			
Tier 1	2.93	3.06	3.18
Tier 2	5.25	5.90	6.12
Tier 3	8.08	8.27	8.58
Commercial	2.84	3.02	3.13
Institutional	2.84	3.02	3.13
Hydrant Water	5.49	5.49	5.49
Inter-Agency			
Tier 1 (0-9,000 ccf),	2.48	2.55	2.65
Tier 2 (9,000-12,000 ccf)	4.61	4.57	4.74
Tier 3 (above 12,000 ccf)	6.25	6.53	6.78

Power Zone Charge

The Elsinore Water Division incorporates a power zone charge in order to recover the electricity costs associated with pumping water through all of the District's booster stations, which are located at various elevations. Three pumping zones have been established and are based upon the elevation of the water storage tanks, which provide service to specific areas. The three zones are described and listed in the table (Figure 19) below.

Zone 1: Customers are assigned to this zone if they reside in or are provided water at the lowest elevation within the District's service area (commonly referred to as the loop zone, which is at the 1,434 foot elevation). The electricity costs recovered from this charge include the pumping of wells and treatment and pumping of water into the water distribution system.

Zone 2: (1,435-2,800 foot elevation) This zone was established to recover the electricity cost of boosting water to tanks within the valley at higher elevations.

Zone 3: (2,801-3,200 foot elevation) This zone was established to recover the electricity costs to boost water to customers in Rancho Capistrano and El Cariso Village located on top of the Ortega Mountains.

The energy or power charge revenue is intended to recover the projected electrical expenditures. This charge will be maintained at a level where the power revenue excess or deficit will be contained within 10% of actual electrical expenditures. No changes are proposed for the next two budget years.

Figure 19

Elsinore Water Division Power Zone Charges			
Zone	Current Rate 7/1/2018 per CCF	Proposed 9/1/2019 per CCF	Proposed 7/1/2020 per CCF
1	\$ 0.12	No Change	No Change
2	0.29	No Change	No Change
3	1.52	No Change	No Change

Fixed Service Charge

The fixed meter charge is intended to mitigate a portion of the District's fixed costs. The table below (Figure 20) illustrates the Elsinore Water Division's current and proposed monthly fixed meter charges by meter size.

Figure 20

Elsinore Water Division Service Charge						
Meter Size (inches)	AWWA Capacity Ratio	Number of Meters	Number of Capacity Units	Current Rate 7/1/2018 per CCF	Proposed Charge 9/1/2019 per CCF	Proposed Charge 7/1/2020 per CCF
3/4	1.00	41,583	41,583	\$26.27	\$27.65	\$28.70
1	1.67	1,992	3,327	\$41.29	\$46.08	\$47.83
1-1/2	3.33	378	1,259	\$78.85	\$92.17	\$95.67
2	5.33	720	3,838	\$123.91	\$147.47	\$153.07
3	10.67	39	416	\$266.59	\$294.93	\$306.14
4	16.67	50	834	\$476.87	\$460.83	\$478.35
6	33.33	10	333	\$1,205.35	\$921.67	\$956.69
8	53.33	6	320	\$2,106.55	\$1,474.67	\$1,530.70
10	140.00	2	280	\$3,157.94	\$3,871.00	\$4,018.10
12	176.67	0	0	N/A	\$4,884.83	\$5,070.46

Meter Installation Charge

Each year, the District reviews the current meter installation charge and performs a cost service analysis to determine the true costs of a meter installation. The meter installation charge is then adjusted as necessary to offset expenses incurred by the District. Current and proposed rates are shown in the table below (Figure 21).

Figure 21

Water Division Meter Installation Charges						
Meter Size (inches)	Current		Proposed 9/1/2019		Proposed 7/1/2020	
	Hang Service*	Full Service*	Hang Service*	Full Service*	Hang Service*	Full Service*
3/4	\$525	\$2,445	\$530	\$2,955	\$540	\$3,748
1	565	2,480	570	2,985	580	3,782
1-1/2 - Turbine	1,365	3,630	1,373	4,376	1,420	5,182
1-1/2 - Compound	1,825	4,085	1,871	4,842	1,939	5,666
2 - Turbine	1,605	3,825	1,607	4,581	1,663	5,400
2 - Compound	2,105	4,410	2,154	5,157	2,232	5,973

*See glossary for definition

**STATEMENT OF REVENUES & EXPENDITURES
ELSINORE WATER DIVISION**

	Total Actual FY2018	Approved Budget FY2019	Proposed Budget FY2020	Change From PY Budget	Proposed Budget FY2021	Change From PY Budget	
Revenues							
1.0	Water Sales	\$ 28,861,010	\$ 28,346,494	\$ 31,730,133	\$ 3,383,639	\$ 33,401,889	\$ 1,671,756
1.1	Fixed Meter Charge	14,628,280	16,394,307	17,542,595	1,148,288	18,424,037	881,442
1.2	Energy Charge	2,597,629	2,428,751	2,540,418	111,667	2,574,111	33,693
1.3	New Service Connections	130,264	126,083	128,500	2,417	129,000	500
1.4	Other Service Charges & Penalties	1,870,467	1,466,900	1,526,500	59,600	1,555,900	29,400
1.5	Water Standby Charges	7,491	-	-	-	-	-
1.6	Total Operating Revenues	48,095,141	48,762,535	53,468,146	4,705,611	56,084,937	2,616,791
Expenses							
2.0	Purchased Water	17,969,213	15,311,059	18,307,677	2,996,618	19,190,913	883,236
2.1	Wells	925,414	2,106,538	2,870,853	764,316	2,912,561	41,708
2.2	Pumping And Booster Stations	2,402,462	2,796,514	3,570,428	773,914	3,658,307	87,879
2.3	Canyon Lake Water Treatment Plant	1,297,179	2,543,951	2,053,951	(490,000)	2,084,475	30,524
2.4	Back Basin Treatment Plant	270,944	434,555	415,244	(19,312)	416,111	867
2.5	Laboratory	-	-	-	-	-	-
2.6	Reservoirs	478,763	688,147	633,736	(54,411)	660,348	26,612
2.7	Transmission And Distribution	3,245,464	3,649,605	3,515,210	(134,395)	3,609,068	93,858
2.8	Meter Reading	100,821	319,095	144,513	(174,582)	150,450	5,937
2.9	Meter Testing & Replacement Exp	1,007,757	524,603	1,130,000	605,397	1,155,180	25,179
2.10	New Meter Installation	247,382	333,260	314,821	(18,439)	315,920	1,099
2.11	Billable To Outside Sources	98,596	-	25,000	25,000	25,000	-
2.12	Water Conservation	238,524	615,155	574,998	(40,156)	506,465	(68,533)
2.13	General & Administrative	10,389,646	10,567,841	12,643,336	2,075,495	13,250,169	606,833
2.14	Total Operating Expenses	38,672,166	39,890,323	46,199,768	6,309,445	47,934,966	1,735,199
3.0	Net Operating Income (Loss)	9,422,975	8,872,213	7,268,378	(1,603,835)	8,149,971	881,592
Non-operating Revenues							
4.0	Transfer From Operating Reserves (20%)	912,249	-	-	-	-	-
4.1	Transfer From Rate Stabilization Reserve	-	148,419	-	(148,419)	-	-
4.2	Transfer From Reserves	377,231	752,155	574,998	(177,157)	506,465	(68,533)
4.3	Transfer From Reserves - Power Revenue	-	668,352	916,748	248,396	1,055,313	138,565
4.4	Investment Income	347,291	230,177	196,407	(33,770)	196,407	-
4.5	Other Non-operating Revenue	606,565	-	2,093,327	2,093,327	2,077,782	(15,545)
4.6	Total Non-operating Revenues	2,243,337	1,799,103	3,781,480	1,982,377	3,835,967	54,487

STATEMENT OF REVENUES & EXPENDITURES
ELSINORE WATER DIVISION

	Total Actual FY2018	Approved Budget FY2019	Proposed Budget FY2020	Change From PY Budget	Proposed Budget FY2021	Change From PY Budget	
<u>Non-operating Expenses</u>							
5.0	Transfers To Replacements	6,864,211	7,485,387	8,170,387	685,000	8,765,387	595,000
5.1	Transfer To Rate Stabilization Reserve	1,112,683	-	311,139	311,139	1,491,217	1,180,078
5.2	Transfer To Operating Reserves	-	224,944	1,243,522	1,018,578	347,040	(896,483)
5.3	Transfer To Reserve - Power Revenue	887,986	-	-	-	-	-
5.4	Capital Outlay	50,964	59,460	105,639	46,179	82,939	(22,700)
5.5	Transfers To Capital Improvement Funds	131,951	400,000	100,000	(300,000)	180,000	80,000
5.6	Transfers To Capital Repayment Funds	982,014	1,078,008	296,156	(781,852)	296,339	184
5.7	Transfer To Recycled Water Funds	1,086,516	1,086,516	823,015	(263,501)	823,015	-
5.8	Transfer To Other Funds	549,986	337,000	-	(337,000)	-	-
5.9	Total Non-operating Expenses	11,666,312	10,671,315	11,049,858	378,543	11,985,938	936,079
6.0	Net Income (Loss)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**STATEMENT OF REVENUES & EXPENDITURES
ELSINORE WATER DIVISION**

	Total Actual FY2018	Approved Budget FY2019	Proposed Budget FY2020	Change From PY Budget	Proposed Budget FY2021	Change From PY Budget
<u>Operating Expenses</u>						
1.0 Purchased Water	\$ 17,969,213	\$ 15,311,059	\$ 18,307,677	\$ 2,996,618	\$ 19,190,913	\$ 883,236
1.1 Labor	3,557,731	4,246,000	5,138,658	892,658	5,304,238	165,580
1.2 Electricity	1,710,866	3,051,303	3,457,166	405,863	3,629,424	172,258
1.3 Fringe Benefits	2,803,857	3,463,260	2,839,401	(623,859)	3,039,796	200,395
1.4 Repairs & Maintenance	2,751,368	2,813,900	4,409,475	1,595,575	4,320,375	(89,100)
1.5 Landscape Services	141,200	111,563	119,000	7,437	119,000	-
1.6 Conservation/education Programs	62,356	225,900	235,900	10,000	170,900	(65,000)
1.7 Water Treatment & Testing	686,086	1,939,292	1,616,200	(323,092)	1,628,300	12,100
1.8 Bad Debt Expense	127,727	160,000	145,000	(15,000)	185,000	40,000
1.9 Licenses & Permit Fees	172,203	184,100	209,550	25,450	209,550	-
1.10 Supplies	129,495	71,000	36,100	(34,900)	36,100	-
1.11 Consulting And Other Outside Services	1,053,564	684,700	544,300	(140,400)	767,800	223,500
1.12 Property Insurance	64,469	73,708	67,300	(6,408)	68,300	1,000
1.13 Other Operating Expenses	490,629	437,265	615,723	178,458	645,470	29,747
1.14 Allocated Laboratory Expenses	(193,666)	(226,461)	(140,566)	85,895	(147,351)	(6,785)
1.15 Allocated Division Administrative	-	(35,089)	-	35,089	-	-
1.16 Allocated General Administrative	5,141,974	5,233,188	6,170,593	937,405	6,323,984	153,390
1.17 Allocated Facilities Costs	194,300	203,391	224,965	21,574	219,909	(5,056)
1.18 Allocated Vehicle & Equip Costs	930,003	993,500	1,117,092	123,592	1,120,481	3,389
1.19 Allocated Computer Costs	878,791	948,743	1,086,234	137,491	1,102,779	16,545
1.20 Total Operating Expenses	<u>\$ 38,672,166</u>	<u>\$ 39,890,323</u>	<u>\$ 46,199,768</u>	<u>\$ 6,309,445</u>	<u>\$ 47,934,966</u>	<u>\$ 1,735,199</u>

**STATEMENT OF REVENUES & EXPENDITURES
ELSINORE WATER DIVISION**

<u>Account</u>	<u>Total Actual FY2018</u>	<u>Total Actual FY2019</u>	<u>Proposed Budget FY2020</u>	<u>Change From PY Budget</u>	<u>Proposed Budget FY2020</u>	<u>Change From PY Budget</u>
Water Sales Revenues						
40101 Wtr Sales - Domestic, Block 1	\$ 9,772,041	\$ 10,765,978	\$ 10,498,317	\$ (267,661)	\$ 11,060,712	\$ 562,395
40102 Wtr Sales - Domestic, Block 2	6,446,572	6,269,291	7,341,388	1,072,097	7,734,666	393,278
40103 Wtr Sales - Domestic, Block 3	1,022,186	840,272	1,199,698	359,426	1,263,966	64,268
40104 Wtr Sales - Domestic, Block 4	2,763,595	1,988,451	2,837,797	849,346	2,989,817	152,020
40111 Wtr Sales - Irrigation, Block 1	3,589,651	3,627,212	3,973,912	346,700	4,186,794	212,882
40112 Wtr Sales - Irrigation, Block 2	786,137	682,014	931,836	249,822	981,755	49,919
40113 Wtr Sales - Irrigation, Block 3	2,078,521	1,508,923	2,248,679	739,756	2,369,141	120,462
40120 Wtr Sales - Commercial	1,447,728	1,589,921	1,671,232	81,311	1,760,760	89,528
40121 Wtr Sales - Wholesale	396,086	406,820	342,807	(64,013)	361,171	18,364
40122 Wtr Sales - Agricultural	(9)	-	-	-	-	-
40124 Wtr Sales - Hydrants	416,146	523,179	523,179	-	523,179	-
40125 Wtr Sales - Political Subdivisions	144,460	144,433	161,288	16,855	169,928	8,640
40128 Wtr Sales - Low Income Credit	(281,255)	(230,000)	(270,000)	(40,000)	(275,000)	(5,000)
40129 Wtr Sales - Drought Surcharges	(82)	-	-	-	-	-
40140 Wtr Sales - Fixed Meter Charge	14,634,118	16,394,307	17,542,595	1,148,288	18,424,037	881,442
40150 Wtr Sales - Power Surcharge	2,598,852	2,428,751	2,540,418	111,667	2,574,111	33,693
40601 Rental Income	281,254	230,000	270,000	40,000	275,000	5,000
Sub-total - Water Sales Revenues	46,096,002	47,169,552	51,813,146	4,643,594	54,400,037	2,586,891
Accrued Water Revenues						
40201 Wtr Sales - Domestic (Accrued)	(9,493)	-	-	-	-	-
40220 Wtr Sales - Commercial (Accrued)	(9,761)	-	-	-	-	-
40221 Wtr Sales - Wholesale (Accrued)	(8,681)	-	-	-	-	-
40211 Wtr Sales - Irrigation (Accrued)	(38,836)	-	-	-	-	-
40225 Wtr Sales - Political Subdivisions (Accrued)	86	-	-	-	-	-
40240 Wtr Sales - Fixed Meter Charge (Accrued)	64,662	-	-	-	-	-
40250 Wtr Sales - Power Surcharge (Accrued)	(5,837)	-	-	-	-	-
40228 Wtr Sales - Low Income Credit (Accrued)	(1,223)	-	-	-	-	-
Sub-total - Accrued Water Revenues	(9,083)	-	-	-	-	-
Total Water Revenues	46,086,919	47,169,552	51,813,146	4,643,594	54,400,037	2,586,891

STATEMENT OF REVENUES & EXPENDITURES

ELSINORE WATER DIVISION

<u>Account</u>	<u>Total Actual FY2018</u>	<u>Approved Budget FY2019</u>	<u>Proposed Budget FY2020</u>	<u>Change From PY Budget</u>	<u>Proposed Budget FY2021</u>	<u>Change From PY Budget</u>
<u>Service Revenues</u>						
40130	Wtr Sales -Drought Penalties	(483)	-	-	-	-
40160	Wtr Sales -New Service Meter Connection	253,185	274,400	275,000	600	274,400 (600)
40170	Water Standby Charges	150,000	145,000	-	(145,000)	-
40301	Service Sales (Penalties Etc.)	31,150	30,000	30,000	-	30,000
40302	Illegal Water Use Fine	6,065	2,500	2,500	-	2,500
40303	Delinquent Charges	589,499	550,000	620,000	70,000	650,000 30,000
40304	Reverse Delinquent Charges	(14,346)	(15,000)	(12,000)	3,000	(12,000)
40305	Fire Flow And Other Services	16,050	9,000	13,000	4,000	13,000
40306	Backflow Service Charge	137,334	110,000	138,000	28,000	138,000
40307	Force Account Billable O & M Costs	140,926	-	-	-	-
40308	Account Setup	79,804	85,000	80,000	(5,000)	80,000
40309	Move Hydrant Fee	2,800	4,000	3,000	(1,000)	3,000
40310	Interruption Service Fee	265,440	230,000	250,000	20,000	250,000
40311	Returned Check Charge Water	27,700	25,000	25,000	-	25,000
40312	Credit Collection Charge	5,668	7,000	6,000	(1,000)	6,000
40313	MWD Water Storage Program	36,244	18,083	18,500	417	19,000 500
40314	New Water Service Connection Radio Reads	94,020	108,000	110,000	2,000	110,000
40315	Water Meter Inspection Fees	6,600	10,000	10,000	-	10,000
40316	Damage Meter Charges	7,491	-	-	-	-
40317	Water Transfer Sales Revenue	87,501	-	-	-	-
40318	Delinquent Notice	85,751	-	86,000	86,000	86,000
40319	Reversal Delinquent Notice	(178)	-	-	-	-
Total Service Revenues						
		2,008,221	1,592,983	1,655,000	62,017	1,684,900 29,900
Total Operating Revenues - Charges For Service						
		48,095,141	48,762,535	53,468,146	4,705,611	56,084,937 2,616,791

STATEMENT OF REVENUES & EXPENDITURES
ELSINORE WATER DIVISION

<u>Account</u>	<u>Total Actual FY2018</u>	<u>Approved Budget FY2019</u>	<u>Proposed Budget FY2020</u>	<u>Change From PY Budget</u>	<u>Proposed Budget FY2021</u>	<u>Change From PY Budget</u>	
<u>Purchased Water Expenses</u>							
50100	Auld Valley Pipeline WMWD (WREM17)	11,349,345	6,112,569	9,594,366	3,481,797	10,228,054	633,688
50101	TVP Pipeline Wmwd (WR24D)	5,514,342	7,941,372	7,468,881	(472,491)	7,678,879	209,998
50103	TVP Pipeline Lease Expense	11,916	100,000	100,000	-	100,000	-
50105	San Jacinto River Wmwd (WR18A/B)	900	900	900	-	900	-
50106	Readiness To Serve Charge	579,542	604,594	521,166	(83,428)	542,478	21,312
50107	Capacity Reservation Charge	271,485	330,624	296,664	(33,960)	310,302	13,638
50110	Coldwater Basin	28,232	71,000	110,700	39,700	115,300	4,600
50111	Annual Assessment Meeks & Daley	213,451	150,000	215,000	65,000	215,000	-
	Total Purchased Water Expenses	17,969,213	15,311,059	18,307,677	2,996,618	19,190,913	883,236
<u>Reservoirs Expenses</u>							
52110	Direct Labor	130,983	188,664	178,465	(10,198)	184,613	6,148
52300	Employee Benefit Allocated	103,973	153,884	98,612	(55,272)	105,800	7,187
53100	Electricity	12,857	14,275	30,000	15,725	32,000	2,000
53110	Repairs & Maint - Inventory	15,927	25,000	27,000	2,000	27,500	500
53111	R&M - Outside Services & Materials	134,378	222,000	196,875	(25,125)	206,875	10,000
53113	Landscape	47,123	46,946	50,000	3,054	50,000	-
53120	Chemical & Other Treatment	216	-	-	-	-	-
53122	Water & WW Testing	75	4,000	4,000	-	4,000	-
53140	Consulting And Professional Fees	1,620	-	-	-	-	-
53141	Contractual & Temporary Services	274	-	-	-	-	-
53320	General Liability & Property Insurance	25,593	26,906	30,700	3,794	30,700	-
53322	Licenses, Permit & Fees	1,654	1,800	2,000	200	2,000	-
53330	General Office Supplies	95	-	-	-	-	-
54410	Allocated Laboratory Expense	3,996	4,672	16,083	11,411	16,860	776
	Total Reservoirs Expenses	478,763	688,147	633,736	(54,411)	660,348	26,612

**STATEMENT OF REVENUES & EXPENDITURES
ELSINORE WATER DIVISION**

<u>Account</u>	<u>Total Actual FY2018</u>	<u>Approved Budget FY2019</u>	<u>Proposed Budget FY2020</u>	<u>Change From PY Budget</u>	<u>Proposed Budget FY2021</u>	<u>Change From PY Budget</u>
<u>Wells Expenses</u>						
52110 Direct Labor	136,855	249,148	177,916	(71,232)	184,036	6,121
52300 Employee Benefit Allocated	106,661	203,218	98,308	(104,909)	105,469	7,161
53100 Electricity	399,664	1,167,078	1,447,000	279,922	1,520,000	73,000
53110 Repairs & Maint - Inventory	6,343	15,000	20,000	5,000	22,500	2,500
53111 R&M - Outside Services & Materials	122,972	205,000	815,000	610,000	766,400	(48,600)
53113 Landscape	41,402	13,594	15,000	1,406	15,000	-
53120 Chemical & Other Treatment	65,995	190,000	190,000	-	190,000	-
53122 Water & WW Testing	12,634	40,000	65,000	25,000	65,000	-
53140 Consulting And Professional Fees	4,600	-	-	-	-	-
53141 Contractual & Temporary Services	5,618	-	-	-	-	-
53322 Licenses, Permit & Fees	11,264	10,200	11,000	800	11,000	-
53330 General Office Supplies	31	-	-	-	-	-
54410 Allocated Laboratory Expense	11,374	13,300	31,629	18,329	33,156	1,527
Total Wells Expenses	925,414	2,106,538	2,870,853	764,316	2,912,561	41,708
<u>Pumping And Booster Stations Expenses</u>						
52110 Direct Labor	343,832	370,796	477,875	107,079	493,811	15,935
52300 Employee Benefit Allocated	275,347	302,441	264,053	(38,387)	282,997	18,944
53100 Electricity	1,249,463	1,665,650	1,780,000	114,350	1,868,000	88,000
53110 Repairs & Maint - Inventory	52,434	26,000	50,000	24,000	50,000	-
53111 R&M - Outside Services & Materials	292,933	315,000	839,000	524,000	804,000	(35,000)
53113 Landscape	31,935	20,028	22,000	1,972	22,000	-
53120 Chemical & Other Treatment	75,511	75,000	115,000	40,000	115,000	-
53140 Consulting And Professional Fees	11,630	-	-	-	-	-
53141 Contractual & Temporary Services	51,835	-	-	-	-	-
53322 Licenses, Permit & Fees	15,240	21,600	22,500	900	22,500	-
53330 General Office Supplies	2,300	-	-	-	-	-
Total Pumping And Booster Stations Expenses	2,402,462	2,796,514	3,570,428	773,914	3,658,307	87,879

STATEMENT OF REVENUES & EXPENDITURES
ELSINORE WATER DIVISION

Account	Total Actual FY2018	Approved Budget FY2019	Proposed Budget FY2020	Change From PY Budget	Proposed Budget FY2021	Change From PY Budget
<u>Canyon Lake Water Treatment Plant Expenses</u>						
52110 Direct Labor	303,514	314,947	344,586	29,639	355,176	10,590
52300 Employee Benefit Allocated	250,656	256,888	190,403	(66,484)	203,547	13,144
53100 Electricity	45,797	172,500	174,000	1,500	182,000	8,000
53110 Repairs & Maint - Inventory	7,310	10,000	11,000	1,000	11,000	-
53111 R&M - Outside Services & Materials	114,542	213,500	270,500	57,000	256,500	(14,000)
53113 Landscape	12,598	12,145	13,000	855	13,000	-
53120 Chemical & Other Treatment	247,997	640,600	480,000	(160,600)	480,000	-
53121 Waste Water Treatment Cost	235,624	832,000	488,800	(343,200)	498,100	9,300
53122 Water & WW Testing	18,311	25,000	30,000	5,000	32,000	2,000
53140 Consulting And Professional Fees	(970)	-	-	-	-	-
53141 Contractual & Temporary Services	2,550	-	-	-	-	-
53322 Licenses, Permit & Fees	18,478	20,000	20,800	800	20,800	-
53330 General Office Supplies	1,115	-	-	-	-	-
54410 Allocated Laboratory Expense	39,655	46,371	30,862	(15,509)	32,351	1,490
Total Water Treatment Plant Expenses	1,297,179	2,543,951	2,053,951	(490,000)	2,084,475	30,524
<u>Transmission And Distribution Expenses</u>						
52110 Direct Labor	874,182	1,236,798	1,196,787	(40,011)	1,236,101	39,314
52300 Employee Benefit Allocated	688,988	1,008,797	661,293	(347,505)	708,395	47,102
53100 Electricity	22	-	1,166	1,166	1,224	58
53110 Repairs & Maint - Inventory	345,182	376,500	400,000	23,500	400,000	-
53111 R&M - Outside Services & Materials	676,360	668,000	790,000	122,000	790,000	-
53113 Landscape	8,142	18,850	19,000	150	19,000	-
53121 Waste Water Treatment Cost	3,234	-	-	-	-	-
53122 Water & WW Testing	20,352	35,000	35,000	-	35,000	-
53140 Consulting And Professional Fees	202,956	-	15,000	15,000	15,000	-
53141 Contractual & Temporary Services	138,426	-	-	-	-	-
53142 Rent / Lease Expense	1,136	-	-	-	-	-
53143 Carrying Rights Gage Canal	198,186	200,000	200,000	-	200,000	-
53306 Emergency Meals	309	-	500	500	500	-
53322 Licenses, Permit & Fees	29,383	37,300	42,500	5,200	42,500	-
53330 General Office Supplies	57	1,500	1,000	(500)	1,000	-
53333 Dues & Subscriptions	1,370	-	-	-	-	-
54410 Allocated Laboratory Expense	57,178	66,860	152,964	86,104	160,348	7,384
Total Transmission And Distribution Expenses	3,245,464	3,649,605	3,515,210	(134,395)	3,609,068	93,858

**STATEMENT OF REVENUES & EXPENDITURES
ELSINORE WATER DIVISION**

<u>Account</u>	Total Actual FY2018	Approved Budget FY2019	Proposed Budget FY2020	Change From PY Budget	Proposed Budget FY2021	Change From PY Budget
<u>Meter Reading Expenses</u>						
52110 Direct Labor	55,291	173,544	91,793	(81,751)	94,368	2,576
52300 Employee Benefit Allocated	45,334	141,551	50,721	(90,831)	54,081	3,361
53110 Repairs & Maint - Inventory		1,000	-	(1,000)	-	-
53111 R&M - Outside Services & Materials	196	3,000	2,000	(1,000)	2,000	-
Total Meter Reading Expenses	100,821	319,095	144,513	(174,582)	150,450	5,937
<u>Meter Testing & Replacement Expenses</u>						
52110 Direct Labor	248,916	120,950	389,036	268,086	399,965	10,929
52300 Employee Benefit Allocated	193,013	98,653	214,965	116,311	229,215	14,250
53110 Repairs & Maint - Inventory	461,210	275,000	400,000	125,000	400,000	-
53111 R&M - Outside Services & Materials	59,686	30,000	126,000	96,000	126,000	-
53141 Contractual & Temporary Services	44,932	-	-	-	-	-
Total Meter Testing & Replacement Exp	1,007,757	524,603	1,130,000	605,397	1,155,180	25,179
<u>New Meter Installation Expenses</u>						
52110 Direct Labor	15,177	3,448	17,275	13,828	17,748	473
52300 Employee Benefit Allocated	12,296	2,812	9,546	6,734	10,171	626
53110 Repairs & Maint - Inventory	219,909	327,000	288,000	(39,000)	288,000	-
Total New Meter Installation Expenses	247,382	333,260	314,821	(18,439)	315,920	1,099
<u>Laboratory Expenses</u>						
52110 Direct Labor	99,298	117,567	211,973	94,406	218,760	6,787
52300 Employee Benefit Allocated	77,530	95,894	117,127	21,233	125,369	8,242
53110 Repairs & Maint - Inventory	301	1,000	5,000	4,000	5,000	-
53111 R&M - Outside Services & Materials	3,514	5,000	5,000	-	5,000	-
53120 Chemical & Other Treatment	625	-	1,000	1,000	1,000	-
53122 Water & WW Testing	198	8,000	5,000	(3,000)	5,000	-
53140 Consulting And Professional Fees	26,965	81,000	15,000	(66,000)	18,500	3,500
53141 Contractual & Temporary Services	4,081	-	5,000	5,000	5,000	-
53200 Contra -Allocated Laboratory Expenses	(307,406)	(359,461)	(383,851)	(24,389)	(402,379)	(18,529)
53322 Licenses, Permit & Fees	5,294	5,000	8,000	3,000	8,000	-
53330 General Office Supplies	89,602	46,000	9,000	(37,000)	9,000	-
53331 Postage	-	-	1,750	1,750	1,750	-
Total Laboratory Expenses	-	-	-	-	-	-

STATEMENT OF REVENUES & EXPENDITURES
ELSINORE WATER DIVISION

<u>Account</u>	<u>Total Actual FY2018</u>	<u>Approved Budget FY2019</u>	<u>Proposed Budget FY2020</u>	<u>Change From PY Budget</u>	<u>Proposed Budget FY2021</u>	<u>Change From PY Budget</u>
<u>Billable To Outside Sources Expenses</u>						
52110	16,002	-	-	-	-	-
52300	12,663	-	-	-	-	-
53110	6,056	-	-	-	-	-
53111	541	-	-	-	-	-
53141	310	-	-	-	-	-
53390	63,025	-	25,000	25,000	25,000	-
Total Billable To Outside Sources Expenses	98,596	-	25,000	25,000	25,000	-
<u>Water Conservation Expenses</u>						
52110	54,583	87,161	120,510	33,349	124,319	3,809
52300	40,700	71,093	66,589	(4,505)	71,246	4,657
53140	45,418	176,000	99,000	(77,000)	87,000	(12,000)
53144	20,760	213,000	215,000	2,000	150,000	(65,000)
53146	41,596	12,900	20,900	8,000	20,900	-
53300	540	-	1,000	1,000	1,000	-
53310	981	-	-	-	-	-
53323	361	-	-	-	-	-
53324	11,819	35,000	20,000	(15,000)	20,000	-
53330	2,306	5,000	2,000	(3,000)	2,000	-
53331	7,455	-	7,500	7,500	7,500	-
53332	12,007	15,000	22,500	7,500	22,500	-
Total Water Conservation Expenses	238,524	615,155	574,998	(40,156)	506,465	(68,533)
<u>Back Basin Water Treatment Plant Expenses</u>						
52110	37,388	121,205	39,836	(81,369)	41,096	1,260
52300	25,639	98,861	22,012	(76,849)	23,552	1,540
53100	3,062	31,800	25,000	(6,800)	26,200	1,200
53110	38	10,000	10,000	-	10,000	-
53111	188,570	80,000	103,000	23,000	98,500	(4,500)
53120	5,269	50,000	160,000	110,000	160,000	-
53121	-	35,692	38,400	2,708	39,200	800
53122	47	4,000	4,000	-	4,000	-
53140	8,383	-	-	-	-	-
53310	106	-	-	-	-	-
53322	50	1,200	1,250	50	1,250	-
53332	856	-	-	-	-	-
54410	1,537	1,797	11,746	9,949	12,313	567
Total Back Basin Expenses	270,944	434,555	415,244	(19,312)	416,111	867

**STATEMENT OF REVENUES & EXPENDITURES
ELSINORE WATER DIVISION**

<u>Account</u>	<u>Total Actual FY2018</u>	<u>Approved Budget FY2019</u>	<u>Proposed Budget FY2020</u>	<u>Change From PY Budget</u>	<u>Proposed Budget FY2021</u>	<u>Change From PY Budget</u>
<u>Division Administrative Expenses (Allocated)</u>						
52110 Direct Labor	1,241,711	1,261,773	1,892,606	630,834	1,954,243	61,637
52300 Employee Benefit Allocated	971,055	1,029,168	1,045,773	16,605	1,119,954	74,181
52400 Auto Allowances	7,200	7,200	7,200	-	7,200	-
52402 Uniforms	35,369	65,100	55,500	(9,600)	56,000	500
53110 Repairs & Maint - Inventory	1,209	1,500	1,100	(400)	1,100	-
53111 R&M - Outside Services & Materials	41,757	4,400	50,000	45,600	50,000	-
53126 BCGSA Related Expenses	123,000	-	121,715	121,715	151,167	29,452
53140 Consulting And Professional Fees	262,457	255,000	158,000	(97,000)	390,000	232,000
53141 Contractual & Temporary Services	21,473	-	-	-	-	-
53300 Travel And Training	40,678	46,750	86,100	39,350	84,100	(2,000)
53301 Employee Certifications	8,386	19,550	15,190	(4,360)	15,265	75
53306 Emergency Meals	11	-	-	-	-	-
53310 Legal Costs	219,919	172,700	252,300	79,600	252,300	-
53320 General Liability & Property Insurance	38,876	46,802	36,600	(10,202)	37,600	1,000
53321 Property Taxes	2,102	2,800	5,000	2,200	5,300	300
53322 Licenses, Permit & Fees	90,840	87,000	101,500	14,500	101,500	-
53330 General Office Supplies	33,990	18,500	24,100	5,600	24,100	-
53331 Postage	660	-	1,700	1,700	1,700	-
53332 Forms, Printing & Duplicating Costs	-	-	30,000	30,000	30,000	-
53333 Dues & Subscriptions	39,186	45,865	40,068	(5,797)	41,488	1,420
53390 Bad Debt Expense	64,702	160,000	120,000	(40,000)	160,000	40,000
54400 Facilities Charges	194,300	203,391	224,965	21,574	219,909	(5,056)
54401 Computer Charges	878,791	948,743	1,086,234	137,491	1,102,779	16,545
54402 Division Administrative Applied To Wtr Div	-	(5,003,263)	-	5,003,263	-	-
54405 Allocated G & A Expense	5,141,974	5,233,188	6,170,593	937,405	6,323,984	153,390
54406 Allocated Vehicle & Equip O&M Costs	874,546	920,823	952,582	31,759	955,971	3,389
54408 Allocated Vehicle & Equip Outlay	55,457	72,677	164,510	91,833	164,510	-
54409 Allocated Wtr Division Administrative Expense	-	4,968,174	-	(4,968,174)	-	-
Total Division Admin Expenses	10,389,646	10,567,841	12,643,336	2,075,495	13,250,169	606,833
Total Operating Expenses	38,672,166	39,890,323	46,199,768	6,309,445	47,934,966	1,735,199
Net Operating Income (Loss)	9,422,975	8,872,213	7,268,378	(1,603,835)	8,149,971	881,592

**STATEMENT OF REVENUES & EXPENDITURES
ELSINORE WATER DIVISION**

<u>Account</u>	Total Actual FY2018	Approved Budget FY2019	Proposed Budget FY2020	Change From PY Budget	Proposed Budget FY2021	Change From PY Budget
<u>Non-operating Revenues</u>						
71400 Standby Charges Current Year	-	-	293,327	293,327	277,782	(15,545)
72110 Allocated Investment Income	347,291	230,177	196,407	(33,770)	196,407	-
74113 Loss (Gain) On Disposal Of Assets	10,000	-	-	-	-	-
74199 Other Non-operating Revenue	1,450	-	-	-	-	-
84100 Federal Grant	39,426	-	-	-	-	-
Total Non-operating Revenues	398,168	230,177	489,734	259,557	474,189	(15,545)
<u>Capital Expenditures</u>						
82511 Capital Outlay Charges	-	-	37,975	37,975	15,275	(22,700)
82521 Computer Outlay Charges	50,964	59,460	67,664	8,204	67,664	-
Total Capital Expenditures	50,964	59,460	105,639	46,179	82,939	(22,700)
<u>Transfers From Reserves</u>						
76100 Transfer In From Reserves	377,231	752,155	574,998	(177,157)	506,465	(68,533)
76101 Transfer In From Operating Reserve (20%)	912,249	-	-	-	-	-
76102 Transfer In From Rate Stabilization Reserve	-	148,419	-	(148,419)	-	-
76103 Transfer In From Reserves Excess Power Surcharge	-	668,352	916,748	248,396	1,055,313	138,565
76105 Transfer In From Turf Replacement Reserve	346,993	-	-	-	-	-
Total Transfers From Reserves	1,636,474	1,568,926	1,491,746	(77,180)	1,561,778	70,032
<u>Transfers To Reserves</u>						
77101 Transfer Out To Operating Reserve (20%)	-	224,944	1,243,522	1,018,578	347,040	(896,483)
77102 Transfer Out To Rate Stabilization Reserve	1,112,683	-	311,139	311,139	1,491,217	1,180,078
77103 Transfer Out To Reserves Excess Power Surcharge	887,986	-	-	-	-	-
Total Transfers To Reserves	2,000,670	224,944	1,554,661	1,329,717	1,838,257	283,596

**STATEMENT OF REVENUES & EXPENDITURES
ELSINORE WATER DIVISION**

<u>Account</u>	Total Actual FY2018	Approved Budget FY2019	Proposed Budget FY2020	Change From PY Budget	Proposed Budget FY2021	Change From PY Budget
<u>Transfers In</u>						
78115 Transfer In From General Fund	-	-	760,041	760,041	910,720	150,679
78320 Transfer In From Rate Stabilization	208,695	-	-	-	-	-
78530 Transfer In From Gen Purpose Prop Tax	-	-	1,039,959	1,039,959	889,280	(150,679)
Total Transfers In	208,695	-	1,800,000	1,800,000	1,800,000	-
<u>Transfers Out</u>						
79121 Transfer Out To Information Tech Fund	325,742	137,000	-	(137,000)	-	-
79135 Transfer Out To Reclamation Fund	564,800	564,800	301,299	(263,501)	301,299	-
79140 Transfer Out To Lake Elsinore Maintenance Fund	24,244	-	-	-	-	-
79228 Transfer Out To Ami Loan Phase 3	95,995	191,991	138,920	(53,071)	138,920	-
79248 Transfer Out To 2002 COP Fund # 248	811,974	811,629	-	(811,629)	-	-
79263 Transfer Out To Revenue Bond	74,045	74,388	157,236	82,848	157,420	184
79310 Transfer Out To Capital Outlay Fund	43,916	-	-	-	-	-
79318 Transfer Out To Elsinore Water Replacement Fund	6,864,211	7,485,387	8,170,387	685,000	8,765,387	595,000
79320 Transfer Out To Rate Stabilization Fund 320	200,000	200,000	-	(200,000)	-	-
79490 Transfer Out To Construction Fund	88,034	400,000	100,000	(300,000)	180,000	80,000
79561 Transfer Out To Reclamation Capacity Fees	521,716	521,716	521,716	-	521,716	-
Total Transfers Out	9,614,678	10,386,911	9,389,558	(997,353)	10,064,741	675,184
Net Income (Loss) - Water Division	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

WATER OPERATIONS

Temescal Water Division

The Temescal Water Division was acquired through the purchase of the Temescal Water Company in August 1989. With this purchase, the District also acquired controlling interest in three mutual water companies: Meeks & Daley, Agua Mansa, and Alta Mesa. These three companies were consolidated in 1998 and are now collectively called the Meeks & Daley Water Company.

Customers

The Temescal division is comprised of domestic customers (96%), agricultural customers (2%), and commercial and industrial customers (2%). Per an agreement with the City of Corona, the City will be responsible for providing domestic water service to any new developments. Therefore, no growth in domestic water services is assumed for the proposed budget years.

Water Sources

Domestic customers generally receive potable water from groundwater wells in the Coldwater Basin of Temescal Canyon. Although this is generally the case, the proposed budgets do include some amounts of imported water purchases for both budget years, as the wells have experienced some down time in the past couple of years due to repair requirements.

Industrial customers receive non-potable water supplies from the Temescal Valley groundwater basins, water stored in Lee Lake, and surface water, a portion of which is from the recycled water flows from the Regional Water Reclamation Facility. Recharge to the Temescal Valley groundwater basins is a result of precipitation and runoff from the local mountains. Stream flows in the Temescal Wash also contribute to some groundwater recharge in the Temescal Valley area.

Distribution System & Production

Water deliveries are accomplished with 2 active wells, 1 active booster pump, 2 connections to MWD transmission lines, 12.5 miles of pipeline 6" to 36" in diameter, and 2 domestic storage tanks, with a total capacity of 320,000 gallons.

The District's interest in the Meeks & Daley Water Company allows the District to transport water through the Gage Canal in Riverside. This entitlement allows the District to transport non-potable water supplies from the Palm Avenue Well, (owned by the District) which is located in the Colton area, to customers in the Temescal Valley.

The Meeks & Daley Water Company has a separate distribution system which includes 5 wells in the areas of Colton, San Bernardino, and Rialto. These wells have the combined rights to pump up to 7,833 AF annually from the San Bernardino Bunker Hill Basin and 2,300 AF annually in the Rialto-Colton Basin. The District's annual allotment (through shareholder ownership) is 4,500 AF from the Bunker Hill Basin, and up to 2,300 AF from the Rialto-Colton Basin.

Total potable water production for the Temescal Water Division is expected to be 630 AF for both budget years. To better utilize the District's water rights within the Coldwater Basin and to help mitigate the rising cost of MWD imported water, 255 AF of the total production will be exported from the basin to the Elsinore Water Division in each of the proposed budget years.

The table on the following page (Figures 22) illustrates the source of supply data and water production for the Temescal Division's prior year actual and budgeted fiscal years.

Figure 22

Temescal Water Division Water Sources and Production			
	Actual FY2019	Budgeted FY2020	Budgeted FY2021
Groundwater			
Wells	219	630	630
Imported			
Lee Lake Tie-In	350	-	-
Total Production	569	630	630
Production Loss (%)	9.5%	3.0%	3.0%
Production Loss (AF)	(54)	(19)	(19)
Exported to Elsinore Division	(133)	(255)	(255)
NET PRODUCTION	382	356	356

Rates

**Temescal Water Division
Commodity Charge**

As with the Elsinore Division, the water budget based rate structure was implemented in 2009 for both the Temescal domestic and landscape irrigation customers. The rate study conducted by a third-party financial firm determined that the service charges, discussed in the following pages, should be in line with those of the Elsinore Water Division. The table below (Figure 23) represents the current and proposed commodity rates by rate classification.

Figure 23

Temescal Water Division Water Commodity Rates			
Rate Classification	Current Rate 7/1/2018 per CCF	Proposed 9/1/2019 per CCF	Proposed 7/1/2020 per CCF
Domestic			
Tier 1	\$0.76	\$0.86	\$1.19
Tier 2	1.26	1.71	2.36
Tier 3	1.56	2.50	3.45
Tier 4	5.86	6.54	9.03
Landscape Irrigation			
Tier 1	1.35	1.50	2.07
Tier 2	1.77	2.80	3.86
Tier 3	6.47	7.19	9.92
Commercial	0.96	1.45	2.00
Instituional	0.96	1.45	2.00

Fixed Service and Power Zone Charges

The proposed changes to the fixed service charge reflects the alignment of the Elsinore and Temescal Water divisions rates and charges. The rate study determined that the cost components which make up these charges are the same; therefore, the charges should be the same. The table below (Figure 24) illustrates the proposed monthly fixed service charge by meter size.

Power zone charge revenue is intended to recover the projected electrical expenditures. Current and proposed power charges are illustrated in the table below (Figure 25).

Figure 24

Temescal Water Division Service Charge						
Meter Size (inches)	AWWA Capacity Ratio	Number of Meters	Number of Capacity Units	Current Rate 7/1/2018 per CCF	Proposed Charge 9/1/2019 per CCF	Proposed Charge 7/1/2020 per CCF
3/4	1.0	670	670	\$26.27	\$27.65	\$28.70
1	1.7	34	57	41.29	46.08	47.83
1-1/2	3.3	9	30	78.85	92.17	95.67
2	5.3	24	128	123.91	147.47	153.07
3	10.7	3	32	266.59	294.93	306.14

Figure 25

Temescal Water Division Power Charges		
Current Rate 7/1/2018 per CCF	Proposed 9/1/2019 per CCF	Proposed 7/1/2020 per CCF
\$0.12	No Change	No Change

**STATEMENT OF REVENUES & EXPENDITURES
TEMESCAL WATER DIVISION - POTABLE**

	Total Actual FY2018	Approved Budget FY2019	Proposed Budget FY2020	Change From PY Budget	Proposed Budget FY2021	Change From PY Budget
<u>Revenues</u>						
1.0 Water Sales	\$ 259,335	\$ 262,360	\$ 384,010	\$ 121,650	\$ 492,467	\$ 108,457
1.1 Fixed Meter Charge	244,482	492,153	300,832	(191,321)	312,263	11,431
1.2 Energy Charge	32,918	36,735	19,602	(17,133)	19,602	-
1.3 Other Service Charges & Penalties	15,885	15,850	14,250	(1,600)	14,250	-
1.4 Total Operating Revenues	552,620	807,098	718,694	(88,404)	838,582	119,888
<u>Expenses</u>						
2.0 Purchased Water	67,054	300	29,016	28,716	29,016	-
2.1 Wells	98,075	146,673	532,894	386,221	284,185	(248,708)
2.2 Pumping And Booster Stations	30,402	18,889	35,024	16,136	36,675	1,650
2.3 Reservoirs	32,003	29,584	35,365	5,781	36,608	1,243
2.4 Transmission And Distribution	129,919	106,786	141,946	35,160	146,677	4,732
2.5 Meter Reading	3,029	5,807	3,147	(2,661)	3,276	130
2.6 Meter Installation, Testing & Replacement	16,552	10,203	18,879	8,676	19,256	377
2.7 Water Conservation	573	10,569	7,850	(2,719)	7,850	-
2.8 Division Administrative	302,279	191,355	190,897	(458)	197,444	6,547
2.9 Billable To Outside Sources	2,307	-	-	-	-	-
2.10 Total Operating Expenses	682,191	520,166	995,017	474,852	760,988	(234,030)
3.0 Net Operating Income (Loss)	(129,571)	286,932	(276,323)	(563,256)	77,594	353,918
<u>Non-operating Revenues</u>						
4.0 Transfer From Other Funds	-	-	383,990	383,990	264,385	(119,605)
4.1 Transfer From Rate Stabilization Fund	356,164	-	276,089	276,089	-	(276,089)
4.2 Transfer From Reserves	-	10,569	-	(10,569)	46,806	46,806
4.3 Investment Income	(1,788)	15,942	12,089	(3,853)	12,089	-
4.4 Total Non-operating Revenues	354,376	26,511	672,168	645,657	323,280	(348,888)

**STATEMENT OF REVENUES & EXPENDITURES
TEMESCAL WATER DIVISION - POTABLE**

	Total Actual FY2018	Approved Budget FY2019	Proposed Budget FY2020	Change From PY Budget	Proposed Budget FY2021	Change From PY Budget
<u>Non-operating Expenses</u>						
5.0 Transfer To Replacements	200,000	200,000	300,000	100,000	400,000	100,000
5.1 Transfer To Rate Stabilization Fund	-	108,417	-	(108,417)	-	-
5.2 Transfer To Reserves	21,942	4,511	94,970	90,460	-	(94,970)
5.3 Capital Outlay	444	516	874	358	874	-
5.4 Transfer To Other Funds	2,418	-	-	-	-	-
5.5 Total Non-operating Expenses	224,804	313,444	395,844	82,401	400,874	5,030
6.0 Net Income (Loss)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**STATEMENT OF REVENUES & EXPENDITURES
TEMESCAL WATER DIVISION - POTABLE**

	Total Actual FY2018	Approved Budget FY2019	Proposed Budget FY2020	Change From PY Budget	Proposed Budget FY2021	Change From PY Budget
<u>Operating Expenses</u>						
1.0 Labor	\$ 107,842	\$ 94,261	\$ 141,360	\$ 47,099	\$ 146,131	\$ 4,771
1.1 Fringe Benefits	90,472	76,884	78,109	1,225	83,746	5,637
1.2 Electricity	52,814	103,252	74,100	(29,152)	77,800	3,700
1.3 Repairs & Maintenance	36,695	29,675	440,300	410,625	181,800	(258,500)
1.4 Purchased Water	67,054	300	29,016	28,716	29,016	-
1.5 Chemicals	9,325	5,000	10,000	5,000	14,000	4,000
1.6 Water Treatment & Testing	677	7,500	11,000	3,500	11,000	-
1.7 License, Permits & Fees		1,700	1,800	100	1,800	-
1.8 Consulting And Other Outside Services	(1,489)	12,500	2,500	(10,000)	2,500	-
1.9 Other Operating Expenses	27,292	36,768	34,384	(2,384)	36,269	1,885
1.10 Allocated Costs	291,508	152,325	172,448	20,123	176,926	4,477
1.11 Total Operating Expenses	\$ 682,191	\$ 520,166	\$ 995,017	\$ 474,852	\$ 760,988	\$ (234,030)

**STATEMENT OF REVENUES & EXPENDITURES
TEMESCAL WATER DIVISION - POTABLE**

<u>Account</u>	<u>Total Actual FY2018</u>	<u>Approved Budget FY2019</u>	<u>Proposed Budget FY2020</u>	<u>Change From PY Budget</u>	<u>Proposed Budget FY2021</u>	<u>Change From PY Budget</u>
-						
<u>Water Sales Revenues</u>						
40101 Wtr Sales - Domestic, Block 1	\$ 52,365	\$ 51,169	\$ 54,145	\$ 2,976	\$ 74,720	\$ 20,575
40102 Wtr Sales - Domestic, Block 2	64,084	52,738	77,693	24,955	107,216	29,523
40103 Wtr Sales - Domestic, Block 3	8,274	4,671	10,363	5,692	14,301	3,938
40104 Wtr Sales - Domestic, Block 4	42,266	29,204	46,168	16,964	63,712	17,544
40111 Wtr Sales - Irrigation, Block 1	20,171	17,767	20,624	2,857	28,461	7,837
40112 Wtr Sales - Irrigation, Block 2	3,771	2,721	5,056	2,335	6,978	1,922
40113 Wtr Sales - Irrigation, Block 3	20,419	13,196	23,018	9,822	31,764	8,746
40126 Wtr Sales - Industrial	30,762	19,894	36,243	16,349	50,015	13,772
40140 Wtr Sales - Fixed Meter Charge	239,690	492,153	300,832	(191,321)	312,263	11,431
40150 Wtr Sales - Power Surcharge	32,918	36,735	19,602	(17,133)	19,602	-
40127 Wtr Sales - Coldwater Basin	28,232	71,000	110,700	39,700	115,300	4,600
40128 Wtr Sales - Low Income Credit	(3,817)	-	-	-	-	-
Sub-total - Water Sales Revenues	539,137	791,248	704,444	(86,804)	824,332	119,888
<u>Accrued Water Revenues</u>						
40201 Wtr Sales - Domestic (Accrued)	(5,154)	-	-	-	-	-
40221 Wtr Sales- Wholesale (Accrued)	(128)	-	-	-	-	-
40211 Wtr Sales - Irrigation (Accrued)	(644)	-	-	-	-	-
40240 Wtr Sales - Fixed Meter Charge (Accrued)	4,791	-	-	-	-	-
40250 Wtr Sales - Power Surcharge (Accrued)	(1,271)	-	-	-	-	-
40228 Wtr Sales - Low Income Credit (Accrued)	2	-	-	-	-	-
Sub-total - Accrued Water Revenues	(2,403)	-	-	-	-	-
Total Water Revenues	536,734	791,248	704,444	(86,804)	824,332	119,888

**STATEMENT OF REVENUES & EXPENDITURES
TEMESCAL WATER DIVISION - POTABLE**

<u>Account</u>	Total Actual FY2018	Approved Budget FY2019	Proposed Budget FY2020	Change From PY Budget	Proposed Budget FY2021	Change From PY Budget
<u>Service Revenues</u>						
40301 Service Sales (Penalties Etc.)	300	250	350	100	350	-
40303 Delinquent Charges	8,329	10,000	8,000	(2,000)	8,000	-
40304 Reverse Delinquent Charges	(75)	(400)	(200)	200	(200)	-
40306 Backflow Service Charge	1,527	1,000	1,500	500	1,500	-
40308 Account Setup	1,000	1,400	1,000	(400)	1,000	-
40310 Interruption Service Fee	3,330	3,000	3,000	-	3,000	-
40311 Returned Check Charge Water	400	500	500	-	500	-
40312 Credit Collection Charge	10	100	100	-	100	-
40318 Delinquent Notice	1,068	-	-	-	-	-
40319 Reversal Delinquent Notice	(3)	-	-	-	-	-
Total Service Revenues	15,885	15,850	14,250	(1,600)	14,250	-
Total Operating Revenues - Charges For Services	552,620	807,098	718,694	(88,404)	838,582	119,888
<u>Purchased Water Expenses</u>						
50101 TVP Pipeline Wmwd (WR24D)	66,754	-	28,716	28,716	28,716	-
50104 Purchased Water WR27 (Corona)	300	300	300	-	300	-
Total Purchased Water Expenses	67,054	300	29,016	28,716	29,016	-
<u>Wells Expenses</u>						
52110 Direct Labor	16,068	12,365	24,914	12,549	25,782	869
52300 Employee Benefit Allocated	13,116	10,085	13,766	3,681	14,776	1,010
53100 Electricity	52,470	102,531	73,500	(29,031)	77,200	3,700
53110 Repairs & Maint - Inventory	-	-	3,000	3,000	4,500	1,500
53111 R&M - Outside Services & Materials	3,021	6,300	392,500	386,200	132,500	(260,000)
53113 Landscape	937	816	1,000	184	1,000	-
53120 Chemical & Other Treatment	9,325	5,000	10,000	5,000	14,000	4,000
53122 Water & WW Testing	677	5,000	8,000	3,000	8,000	-
53322 Licenses, Permit & Fees	-	1,700	1,800	100	1,800	-
54410 Allocated Laboratory Expense	2,459	2,876	4,414	1,538	4,627	213
Total Wells Expenses	98,075	146,673	532,894	386,221	284,185	(248,708)

**STATEMENT OF REVENUES & EXPENDITURES
TEMESCAL WATER DIVISION - POTABLE**

Account	Total Actual FY2018	Approved Budget FY2019	Proposed Budget FY2020	Change From PY Budget	Proposed Budget FY2021	Change From PY Budget
<u>Pumping And Booster Stations Expenses</u>						
52110 Direct Labor	15,601	9,457	21,013	11,556	21,788	775
52300 Employee Benefit Allocated	13,043	7,714	11,611	3,897	12,487	876
53110 Repairs & Maint - Inventory	-	-	300	300	300	-
53111 R&M - Outside Services & Materials	537	-	500	500	500	-
53113 Landscape	876	997	1,000	3	1,000	-
53100 Electricity	344	721	600	(121)	600	-
Total Pumping And Booster Stations Expenses	30,402	18,889	35,024	16,136	36,675	1,650
<u>Reservoirs Expenses</u>						
52110 Direct Labor	9,606	12,009	16,016	4,006	16,597	581
52300 Employee Benefit Allocated	7,417	9,795	8,850	(946)	9,511	662
53110 Repairs & Maint - Inventory	5,594	-	1,500	1,500	1,500	-
53111 R&M - Outside Services & Materials	2,406	800	2,000	1,200	2,000	-
53113 Landscape	6,979	6,979	7,000	21	7,000	-
Total Reservoirs Expenses	32,003	29,584	35,365	5,781	36,608	1,243
<u>Transmission And Distribution Expenses</u>						
52110 Direct Labor	57,023	44,463	63,686	19,223	65,753	2,067
52300 Employee Benefit Allocated	49,130	36,266	35,190	(1,076)	37,682	2,492
53110 Repairs & Maint - Inventory	15,051	5,000	22,500	17,500	22,500	-
53111 R&M - Outside Services & Materials	971	10,500	8,000	(2,500)	8,000	-
53113 Landscape	5,900	5,900	6,000	100	6,000	-
53122 Water & WW Testing	-	2,500	3,000	500	3,000	-
54410 Allocated Laboratory Expense	1,844	2,157	3,570	1,413	3,742	172
Total Transmission And Distribution Expenses	129,919	106,786	141,946	35,160	146,677	4,732
<u>Meter Reading Expenses</u>						
52110 Direct Labor	1,575	3,198	2,027	(1,172)	2,083	56
52300 Employee Benefit Allocated	1,454	2,609	1,120	(1,489)	1,194	74
Total Meter Reading Expenses	3,029	5,807	3,147	(2,661)	3,276	130

**STATEMENT OF REVENUES & EXPENDITURES
TEMESCAL WATER DIVISION - POTABLE**

<u>Account</u>	Total Actual FY2018	Approved Budget FY2019	Proposed Budget FY2020	Change From PY Budget	Proposed Budget FY2021	Change From PY Budget
<u>Water Conservation Expenses</u>						
52110 Direct Labor	-	1,498	-	(1,498)	-	-
52300 Employee Benefit Allocated	-	1,221	-	(1,221)	-	-
53140 Consulting And Professional Fees	573	2,500	2,500	-	2,500	-
53144 Water Conservation Programs	-	4,500	4,500	-	4,500	-
53330 General Office Supplies	-	350	350	-	350	-
53332 Forms, Printing & Duplicating Costs	-	500	500	-	500	-
Total Water Conservation Expenses	573	10,569	7,850	(2,719)	7,850	-
<u>Meter Installation, Testing & Replacement Expenses</u>						
52110 Direct Labor	4,077	1,723	5,719	3,996	5,884	165
52300 Employee Benefit Allocated	3,362	1,405	3,160	1,755	3,372	212
53110 Repairs & Maint - Inventory	9,113	3,500	9,000	5,500	9,000	-
53111 R&M - Outside Services & Materials	-	3,575	1,000	(2,575)	1,000	-
Total Meter Installation, Testing & Replacement Exp	16,552	10,203	18,879	8,676	19,256	377
<u>Other Division Admin Expenses</u>						
52110 Direct Labor	2,645	9,549	7,986	(1,563)	8,244	258
52300 Employee Benefit Allocated	1,891	7,788	4,413	(3,376)	4,724	312
53140 Consulting And Professional Fees	(2,061)	10,000	-	(10,000)	-	-
53310 Legal Costs	5,393	-	-	-	-	-
53320 General Liability & Property Insurance	613	693	550	(143)	550	-
53321 Property Taxes	1,415	1,500	3,000	1,500	3,000	-
53330 General Office Supplies	-	6,500	1,000	(5,500)	1,000	-
53390 Bad Debt Expense	875	3,000	1,500	(1,500)	3,000	1,500
54401 Computer Charges	138,195	-	-	-	-	-
54405 Allocated G & A Expense	152,665	116,177	169,747	53,571	174,225	4,477
54409 Allocated Wtr Division Administrative Expense	-	35,089	-	(35,089)	-	-
54408 Allocated Vehicle & Equip Outlay	649	1,059	2,701	1,642	2,701	-
Total Division Administrative Expenses	302,279	191,355	190,897	(458)	197,444	6,547
Total Operating Expenses	682,191	520,166	995,017	474,852	760,988	(234,030)
Net Operating Income (Loss)	(129,571)	286,932	(276,323)	(563,256)	77,594	353,918

**STATEMENT OF REVENUES & EXPENDITURES
TEMESCAL WATER DIVISION - POTABLE**

<u>Account</u>	<u>Total Actual FY2018</u>	<u>Approved Budget FY2019</u>	<u>Proposed Budget FY2020</u>	<u>Change From PY Budget</u>	<u>Proposed Budget FY2021</u>	<u>Change From PY Budget</u>
<u>Transfers To Reserves</u>						
77101 Transfer Out To Operating Reserve (20%)	21,942	4,511	94,970	90,460	-	(94,970)
77102 Transfer Out To Rate Stabilization Reserve	-	108,417	-	(108,417)	-	-
Total Transfers To Reserves	21,942	112,928	94,970	(17,957)	-	(94,970)
<u>Transfers From Reserves</u>						
76100 Transfer In From Reserves	-	10,569	-	(10,569)	-	-
76101 Transfer In From Operating Reserves (20%)	-	-	-	-	46,806	46,806
76102 Transfer In From Rate Stabilization Reserve	356,164	-	276,089	276,089	-	(276,089)
Total Transfers From Reserves	356,164	10,569	276,089	265,520	46,806	(229,283)
<u>Transfers In</u>						
78115 Transfer In From General Fund	-	-	383,990	383,990	264,385	(119,605)
Total Transfers In	-	-	383,990	383,990	264,385	(119,605)
<u>Transfers Out</u>						
79121 Transfer Out To Information Tech Fund	2,418	-	-	-	-	-
79319 Transfer Out To Temescal Water Replacement Fund	200,000	200,000	300,000	100,000	400,000	100,000
Total Transfers Out	202,418	200,000	300,000	100,000	400,000	100,000
<u>Non-oper. & Prior Yr Oper. Revenues</u>						
72110 Allocated Investment Income	(1,788)	15,942	12,089	(3,853)	12,089	-
Total Non-oper. & Prior Yr Oper. Revenues	(1,788)	15,942	12,089	(3,853)	12,089	-
<u>Non-operating Expenses</u>						
82521 Computer Outlay Charges	444	516	874	358	874	-
Total Non-operating Expenses	444	516	874	358	874	-
Net Income (Loss) - Temescal Division	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Wastewater Operations

Fund 30



WASTEWATER OPERATIONS

The District operates three water reclamation facilities which provide service to the Regional, Canyon Lake, and Horsethief service areas; and is a member agency of Santa Rosa Regional Resources Authority, which owns and operates the Santa Rosa Water Reclamation Facility (SRWRF). The SRWRF provides service to the District's Southern Service area customers.

The proposed budget assumes growth in the District's water reclamation services of 1.8% (650 customers) in both FY 2020 and FY 2021.

History

Regional Service Area

Under an agreement with the City of Lake Elsinore dated June 13, 1984, the District acquired and assumed operation of the city's wastewater collection system and facilities, along with the real property for the site where the current Regional Water Reclamation Facility is located. These acquired facilities included a wastewater treatment plant and disposal facilities with two aerated lagoons and two collection systems. One collection system was constructed in 1912 and improved in 1978, and the other system was constructed in 1970.

In 1985, the District constructed new Regional treatment facilities, including a 2 million-gallon-per-day ("MGD") wastewater treatment plant, a regional interceptor system, 10 lift stations, and 25 miles of collection system. This project was financed by Clean Water Grant Funds and bond proceeds from the issuance of the 1984 Certificates of Participation. In 1989, the hydraulic capacity of the Regional treatment facility was expanded from 2 MGD to 3 MGD with proceeds from the issuance of the 1989 Certificates of Participation. In 1990, the District internally financed the additional expansion of the facility from 3 MGD to 4 MGD.

The expansion of the Regional Water Reclamation Facility from 4 MGD to 8 MGD was completed in FY 2005. This expansion was funded by proceeds from Certificates of Participation Bonds issued in the year 2000 as well as Clean Water Division low interest loan funds. Tertiary treated effluent from the facility is discharged into the Temescal Creek, a tributary of the Santa Ana River, as well as into Lake Elsinore to help maintain its water level.

The Regional Water Reclamation Facility operated at approximately 70% of its 8 MGD of capacity at the end of FY 2018. This treatment facility currently provides service to approximately 25,000 accounts (figure 26).

Canyon Lake Service Area

The Railroad Canyon Water Reclamation Facility was built in 1985 and financed by the issuance of special assessment bonds. This facility exclusively serves the City of Canyon Lake. During 1991, the facility was upgraded to tertiary treatment and currently has a capacity of 1.2 MGD. The upgrade was financed by the issuance of Improvement District U-2 general obligation bonds. This facility has sufficient treatment capacity to serve the ultimate build out of the City of Canyon Lake.

During FY 1996, the District completed the replacement of four of the seven lift stations and portions of the force mains. The original facilities were constructed in 1968 when this master planned community was developed. Funding for this replacement project was provided by a State Revolving Fund Loan, Certificates of Participation, local District funds, and monetary participation from the Eastern Municipal Water District.

Replacement of the Longhorn Lift Station, located on Longhorn Drive, was completed in FY 2005-06. The construction of the associated pipelines was completed in FY 2007-08. Flows to the old Longhorn Lift Station have been permanently redirected to the new lift station.

The replacement of the Lighthouse Lift Station was completed in FY 2006-07. The construction of the Continental Lift Station was completed in FY 2009-10. The District funded these replacements primarily with Certificates of Participation issued in 2005, as well as with monetary participation from Eastern Municipal Water District for the Continental Lift Station, with additional funds provided from Certificates of Participation issued in 2007.

The Railroad Canyon Water Reclamation Facility provides wastewater service to approximately 4,500 accounts (figure 26) located within the City of Canyon Lake. This treatment facility operated at approximately 59% of capacity at the end of FY 2017.

Southern Service Area

The Southern Service area provides service to approximately 4,500 accounts (figure 26) located primarily in the California Oaks development, which is located within the City of Murrieta. This area is predominantly residential, which comprises 98% of the customers in this service area. The balance of the Southern Division customers is made up of various commercial businesses, schools, and governmental entities.

These areas are served by a gravity sewer system that drains south to the Santa Rosa Water Reclamation Facility (SRWRF). The SRWRF is owned and operated by the Santa Rosa Regional Resources Authority, a Joint Powers Authority (JPA). The JPA was formed in November 2015 by the District, Rancho California Water District, and Western Municipal Water District. The effluent from the SRWRF is discharged into the Santa Margarita Creek.

Operating costs of the SRWRF are shared proportionately by member agencies and is based on current flows or EDUs as of the January prior to the JPA's Budget year. Non-operating and capital projects costs are shared proportionately based on ultimate capacity in the relevant asset type applicable to each member agency.

Horsethief Canyon Service Area

The Presley Corporation of Southern California constructed and contributed to the District a 0.5 MGD tertiary water reclamation facility within its Horsethief Canyon Development. This development is located north of Lake Elsinore on Interstate 15. This treatment facility is operating at approximately 69% of capacity and currently serves 2,000 accounts (figure 26). Effluent from the plant is distributed through a separate recycled water system to irrigate greenbelt, parkway, and common areas.

In 2001, the District purchased land for the future site of a new treatment facility. It is anticipated that in the future, flows to the Horsethief Water Reclamation Facility will be re-routed to this new facility.

Figure 26

Wastewater Services by Division					
Service Area	Actuals 2018	Actual 2019	Budgeted 2020	Budgeted 2021	% of Total Services
Regional	24,907	25,176	25,816	26,456	70.24%
Southern	4,553	4,562	4,562	4,562	12.11%
Horsethief	2,052	2,052	2,062	2,072	5.50%
Canyon Lake	4,577	4,577	4,577	4,577	12.15%
Total	36,089	36,367	37,017	37,667	100.00%

Rates

The District's wastewater rates will remain unchanged for FY 2020 & FY 2021. This is a result of the District being able to keep current operating costs down while also utilizing current wastewater reserves to offset rate increases.

In FY 2019, the District converted its residential wastewater rate structure from a fixed rate structure to variable rate structure that includes both a fixed and variable component. The variable component is based on the number of people in the household. This rate structure more accurately reflects the impacts that a household may have on the sewer system and in turn spreads the District costs out more equitably to its customers. (Figure 27).

Canyon Lake Service Area Surcharge

Beginning in FY 2006, a Sewer Capital Surcharge was added for customers in this service area. The Sewer Capital Surcharge is necessary to fund the upgrades to the Lighthouse and Continental Lift Stations, as well as the Railroad Canyon Water Reclamation Facility. The surcharge for a single family residence will remain \$12.00 for the next two fiscal years. The single-family residence rates are illustrated in Figure 27 below.

Figure 27

Wastewater Rates			
	Current Rates 7/1/2018	Proposed Rates 9/1/2019	Proposed Rates 7/1/2020
Fixed Charge		<u>*no change*</u>	<u>*no change*</u>
Single Family	\$20.29	\$20.29	\$20.29
Multi-Family	20.29	20.29	20.29
Variable Rate (\$ per person)	6.93	6.93	6.93
Captial Surcharge <i>(application to Canyon Lake service area)</i>	12.00	12.00	12.00

**STATEMENT OF REVENUES & EXPENDITURES
WASTEWATER**

	Total Actual FY2018	Approved Budget FY2019	Proposed Budget FY2020	Change From PY Budget	Proposed Budget FY2021	Change From PY Budget
Revenues						
1.0 Sewer Service Charge	\$ 23,490,509	\$ 24,696,104	\$ 26,232,163	\$ 1,536,060	\$ 26,625,542	\$ 393,379
1.1 Septage Dumping Fees	97,428	130,000	10,000	(120,000)	10,000	-
1.2 Sewer Service - EMWD	247,279	217,152	228,000	10,848	228,000	-
1.3 Sewer Standby Charges	29,004	-	-	-	-	-
1.4 Pre-treatment Program	44,720	66,950	88,000	21,050	91,158	3,158
1.5 Other Sewer Revenue	137,190	110,050	125,000	14,950	125,000	-
1.6 Total Operating Revenues	24,046,130	25,220,256	26,683,163	1,462,908	27,079,700	396,537
Expenses						
2.0 Collection System	854,416	1,124,385	1,761,747	637,361	1,702,725	(59,022)
2.1 Sewage Lift Stations	1,390,721	1,572,408	1,426,257	(146,152)	1,464,157	37,900
2.2 Regional Treatment Plant	4,070,165	4,187,915	4,695,925	508,010	4,863,224	167,298
2.3 Railroad Canyon Treatment Plant	746,362	996,464	1,013,259	16,795	1,037,493	24,234
2.4 Horsethief Treatment Plant	609,588	856,016	756,278	(99,738)	776,197	19,919
2.5 SRRRA Contract - Treatment	1,042,313	2,921,862	1,120,720	(1,801,142)	1,148,738	28,018
2.6 Pretreatment Program	258,530	297,820	460,223	162,403	422,689	(37,534)
2.7 Division Administrative	926,281	1,216,041	1,328,696	112,655	1,386,618	57,922
2.8 Allocated Administrative Costs	4,173,573	4,540,179	5,308,278	768,099	5,426,376	118,098
2.90 Total Operating Expenses	14,071,948	17,713,090	17,871,382	158,292	18,228,216	356,834
3.0 Net Operating Income (Loss)	9,974,182	7,507,166	8,811,781	1,304,616	8,851,484	39,703
Non-operating Revenues						
4.0 Transfer From Other Funds	923,881	666,649	-	(666,649)	-	-
4.1 Transfer From Rate Stabilization Fund	-	-	-	-	264,627	264,627
4.2 Investment Income	75,199	99,664	142,832	43,168	142,832	-
4.3 Sewer Standby Charge	326,496	322,606	346,972	24,366	330,929	(16,043)
4.4 Other Non-operating Revenue	7,293,588	500,000	690,000	190,000	711,000	21,000
4.5 Total Non-operating Revenues	8,619,165	1,588,919	1,179,804	(409,115)	1,449,388	269,584

**STATEMENT OF REVENUES & EXPENDITURES
WASTEWATER**

	Total Actual FY2018	Approved Budget FY2019	Proposed Budget FY2020	Change From PY Budget	Proposed Budget FY2021	Change From PY Budget	
<u>Non-operating Expenses</u>							
5.0	Transfer To Capital Repayment Funds	2,700,610	2,810,438	2,011,904	(798,534)	2,064,543	52,639
5.1	Transfer To Replacement Fund	11,198,183	5,453,080	6,153,080	700,000	6,603,080	450,000
5.2	Transfer To Replacement Fund - SRRRA	244,608	245,088	300,000	54,912	300,000	-
5.3	Transfer To Rate Stabilization Fund	4,095,219	277,864	460,730	182,866	-	(460,730)
5.4	Transfer To Operating Reserves	36,328	156,851	5,353	(151,498)	71,367	66,014
5.5	Transfers To Capital Improvement Funds	133,243	-	100,000	100,000	100,000	-
5.6	Transfer To Other Funds	82,328	-	842,937	842,937	1,040,301	197,364
5.7	Capital Outlay	25,932	30,264	34,581	4,317	34,581	-
5.8	Other Non-operating	76,896	122,500	83,000	(39,500)	87,000	4,000
5.9	Total Non-operating Expenses	18,593,347	9,096,085	9,991,585	895,501	10,300,872	309,287
6.0	Net Income (Loss)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**STATEMENT OF REVENUES & EXPENDITURES
WASTEWATER**

	Total Actual FY2018	Approved Budget FY2019	Proposed Budget FY2020	Change From PY Budget	Proposed Budget FY2021	Change From PY Budget
<u>Operating Expenses</u>						
1.0 Labor	\$ 2,315,709	\$ 2,913,507	\$ 3,430,204	\$ 516,698	\$ 3,546,753	\$ 116,549
1.1 Fringe Benefits	1,840,964	2,376,409	1,895,383	(481,026)	2,032,602	137,219
1.2 Repairs & Maintenance	1,135,857	1,463,470	2,356,550	893,080	2,251,080	(105,470)
1.3 Electricity	1,349,130	1,536,434	1,473,400	(63,034)	1,547,000	73,600
1.4 Disposal Expense	964,037	1,112,000	1,135,000	23,000	1,160,000	25,000
1.5 Contractual Services (SRRRA)	1,042,313	2,921,862	1,120,720	(1,801,142)	1,148,738	28,018
1.6 Consulting And Other Outside Services	204,637	153,850	165,350	11,500	115,350	(50,000)
1.7 Landscape	185,360	165,048	219,695	54,647	219,695	-
1.8 Chemicals & Outside Testing	327,023	324,045	324,550	505	325,100	550
1.9 Licenses & Permit Fees	184,843	188,700	191,900	3,200	192,200	300
1.10 Wastewater Treatment & Testing	172,263	(239,735)	111,020	350,755	115,935	4,915
1.11 Bad Debt Expense	44,480	65,500	50,000	(15,500)	64,000	14,000
1.12 Property Insurance	35,237	41,072	35,000	(6,072)	35,700	700
1.13 Other Operating Expense	61,749	157,321	122,471	(34,850)	114,474	(7,997)
1.14 Allocated General & Administrative	3,355,344	3,590,893	4,119,051	528,159	4,228,620	109,569
1.15 Allocated Laboratory Services	189,362	221,428	129,473	(91,955)	135,723	6,250
1.16 Allocated Vehicle & Equipment Costs	302,522	338,209	485,819	147,609	486,719	900
1.17 Allocated Facilities Costs	66,791	69,916	81,805	11,890	79,967	(1,839)
1.18 Allocated Computer Costs	448,916	541,161	621,602	80,441	631,070	9,468
1.19 Allocated Treatment Costs	(154,590)	(228,000)	(197,612)	30,388	(202,509)	(4,897)
1.20 Total Operating Expense	\$ 14,071,947	\$ 17,713,090	\$ 17,871,381	\$ 158,293	\$ 18,228,217	\$ 356,835

**STATEMENT OF REVENUES & EXPENDITURES
WASTEWATER**

<u>Account</u>	<u>Total Actual FY2018</u>	<u>Approved Budget FY2019</u>	<u>Proposed Budget FY2020</u>	<u>Change From PY Budget</u>	<u>Proposed Budget FY2021</u>	<u>Change From PY Budget</u>
<u>Wastewater Revenues</u>						
41100 Sewer Single Family	\$ 18,804,607	\$ 19,991,643	\$ 21,235,790	\$ 1,244,147	\$ 21,554,327	\$ 318,537
41101 Sewer Multi Family	2,293,743	2,492,140	2,647,234	155,094	2,686,943	39,709
41112 Sewer Group II Commercial	717,668	667,809	709,369	41,560	720,010	10,641
41113 Sewer Group III Commercial	280,188	235,111	249,743	14,632	253,489	3,746
41114 Sewer Group IV Commercial	1,092,721	1,092,688	1,160,690	68,002	1,178,100	17,410
41115 Sewer Group V Commercial	108,225	75,707	80,418	4,711	81,625	1,207
41118 Sewer Group VIII Commercial Schools	146,059	133,596	141,910	8,314	144,039	2,129
41120 Sewer Only On Tax Roll	6,569	7,410	7,009	(401)	7,009	-
Sub-total Wastewater Revenues	23,449,780	24,696,104	26,232,163	1,536,059	26,625,542	393,379
<u>Accrued Wastewater Revenues</u>						
41200 Sewer Single Family (Accrued)	21,407	-	-	-	-	-
41201 Sewer Multi Family (Accrued)	30,719	-	-	-	-	-
41212 Sewer Group II Commercial (Accrued)	95,089	-	-	-	-	-
41213 Sewer Group III Commercial (Accrued)	(19,119)	-	-	-	-	-
41214 Sewer Group IV Commercial (Accrued)	(69,058)	-	-	-	-	-
41215 Sewer Group V Commercial (Accrued)	(7,000)	-	-	-	-	-
41218 Sewer Group VIII Commercial Schools (Accrued)	(11,308)	-	-	-	-	-
Sub-total Accrued Wastewater Revenues	40,730	-	-	-	-	-
Total Wastewater Revenues	23,490,510	24,696,104	26,232,163	1,536,059	26,625,542	393,379
<u>Service Revenues</u>						
41300 Septage Dumping Fees	97,428	130,000	10,000	(120,000)	10,000	-
41310 Sewer Reimbursement Emwd	247,279	217,152	228,000	10,848	228,000	-
41320 Sewer Standby Charges Operating	29,004	-	-	-	-	-
41330 Industrial Waste Permit Fees	28,210	40,000	63,150	23,150	66,308	3,158
41331 Industrial Waste Inspection Fees	5,760	20,000	16,400	(3,600)	16,400	-
41332 Industrial Waste Noncompliance Fees	860	450	450	-	450	-
41333 Industrial Waste Compliance Review Fees	9,890	6,500	8,000	1,500	8,000	-
41400 Delinquent Charges, Sewer	137,155	110,000	125,000	15,000	125,000	-
41401 Credit Collection Charge, Sewer	35	50	-	(50)	-	-
Total Service Revenues	555,621	524,152	451,000	(73,152)	454,158	3,158
Total Operating Revenues - Charges For Service	24,046,131	25,220,256	26,683,163	1,462,907	27,079,700	396,537

**STATEMENT OF REVENUES & EXPENDITURES
WASTEWATER**

<u>Account</u>	<u>Total Actual FY2018</u>	<u>Approved Budget FY2019</u>	<u>Proposed Budget FY2020</u>	<u>Change From PY Budget</u>	<u>Proposed Budget FY2021</u>	<u>Change From PY Budget</u>
<u>Collection System Expenses</u>						
52110 Direct Labor	329,670	439,047	522,832	83,785	542,325	19,493
52300 Employee Benefit Allocated	263,972	358,110	288,894	(69,216)	310,800	21,906
53110 Repairs & Maint - Inventory	7,138	9,500	10,500	1,000	11,000	500
53111 R&M - Outside Services & Materials	177,746	263,970	572,970	309,000	471,500	(101,470)
53113 Landscape	-	4,713	16,000	11,287	16,000	-
53120 Chemical & Other Treatment	33,568	24,045	324,550	300,505	325,100	550
53141 Contractual & Temporary Services	17,844	-	-	-	-	-
53322 Licenses, Permit & Fees	24,478	25,000	26,000	1,000	26,000	-
Total Collection Systems Expenses	854,416	1,124,385	1,761,746	637,361	1,702,725	(59,021)
<u>Sewage Lift Stations Expenses</u>						
52110 Direct Labor	237,039	331,987	290,345	(41,642)	300,604	10,259
52300 Employee Benefit Allocated	187,576	270,786	160,432	(110,354)	172,273	11,841
53100 Electricity	279,042	262,936	309,500	46,564	325,000	15,500
53110 Repairs & Maint - Inventory	3,030	5,000	5,000	-	5,000	-
53111 R&M - Outside Services & Materials	219,730	290,000	546,580	256,580	546,580	-
53113 Landscape	69,151	50,000	50,000	-	50,000	-
53120 Chemical & Other Treatment	293,456	300,000	-	(300,000)	-	-
53140 Consulting And Professional Fees	7,010	-	-	-	-	-
53141 Contractual & Temporary Services	25,238	-	-	-	-	-
53322 Licenses, Permit & Fees	69,409	61,700	64,400	2,700	64,700	300
53330 General Office Supplies	40	-	-	-	-	-
Total Sewage Lift Stations Expenses	1,390,721	1,572,409	1,426,257	(146,152)	1,464,157	37,900
<u>Pre-treatment Program Services</u>						
52110 Direct Labor	144,333	144,201	196,272	52,071	201,634	5,362
52300 Employee Benefit Allocated	112,700	117,618	108,451	(9,167)	115,554	7,103
53110 Repairs & Maint - Inventory	188	1,000	1,500	500	1,500	-
53111 R&M - Outside Services & Materials	1,265	3,000	15,000	12,000	15,000	-
53122 Water & WW Testing	-	10,000	7,000	(3,000)	7,000	-
53140 Consulting And Professional Fees	-	20,000	131,000	111,000	81,000	(50,000)
53324 Advertising	-	1,000	1,000	-	1,000	-
53330 General Office Supplies	43	1,000	-	(1,000)	-	-
Total Pre-treatment Program Services	258,529	297,819	460,223	162,404	422,688	(37,535)

**STATEMENT OF REVENUES & EXPENDITURES
WASTEWATER**

Account	Total Actual FY2018	Approved Budget FY2019	Proposed Budget FY2020	Change From PY Budget	Proposed Budget FY2021	Change From PY Budget
<u>Regional Treatment Plant Expenses</u>						
52110 Direct Labor	846,418	1,016,832	1,281,148	264,316	1,325,021	43,873
52300 Employee Benefit Allocated	679,555	829,381	707,907	(121,474)	759,354	51,447
53100 Electricity	830,084	1,009,730	896,200	(113,530)	941,000	44,800
53110 Repairs & Maint - Inventory	82,064	125,000	125,000	-	125,000	-
53111 R&M - Outside Services & Materials	444,284	590,000	808,000	218,000	817,000	9,000
53113 Landscape	79,496	35,795	79,000	43,205	79,000	-
53120 Chemical & Other Treatment	233,766	360,000	350,000	(10,000)	360,000	10,000
53122 Water & WW Testing	72,496	99,000	120,000	21,000	120,000	-
53124 Disposal Expense	844,507	938,000	955,000	17,000	980,000	25,000
53140 Consulting And Professional Fees	43,834	19,000	10,000	(9,000)	10,000	-
53141 Contractual & Temporary Services	68,150	-	5,000	5,000	5,000	-
53210 Contra - Allocated Regional Treatment Costs	(354,309)	(1,102,970)	(787,080)	315,890	(808,065)	(20,985)
53322 Licenses, Permit & Fees	56,679	55,500	58,000	2,500	58,000	-
53330 General Office Supplies	9,838	57,000	1,000	(56,000)	1,000	-
53331 Postage	196	-	500	500	500	-
54410 Allocated Laboratory Expense	133,107	155,647	86,251	(69,396)	90,415	4,164
Total Regional Treatment Costs	4,070,165	4,187,915	4,695,926	508,011	4,863,225	167,299
<u>Railroad Canyon Treatment Plant</u>						
52110 Direct Labor	185,372	257,420	245,199	(12,221)	253,287	8,088
52300 Employee Benefit Allocated	148,942	209,966	135,487	(74,479)	145,156	9,669
53100 Electricity	148,667	178,489	197,700	19,211	207,600	9,900
53110 Repairs & Maint - Inventory	861	1,000	2,000	1,000	2,000	-
53111 R&M - Outside Services & Materials	121,654	94,000	152,000	58,000	134,500	(17,500)
53113 Landscape	29,000	32,845	33,000	155	33,000	-
53120 Chemical & Other Treatment	33,418	55,000	50,000	(5,000)	55,000	5,000
53121 Waste Water Treatment Cost	113,018	228,271	253,100	24,829	263,900	10,800
53122 Water & WW Testing	5,568	13,000	13,000	-	13,000	-
53140 Consulting And Professional Fees	970	-	-	-	-	-
53220 Contra - Allocated Recycled Water Treatment Costs	(84,882)	(131,000)	(113,149)	17,851	(115,834)	(2,685)
53322 Licenses, Permit & Fees	16,918	24,200	25,000	800	25,000	-
53330 General Office Supplies	110	2,000	-	(2,000)	-	-
54410 Allocated Laboratory Expense	26,744	31,273	19,922	(11,351)	20,883	961
Total Railroad Canyon Treatment Plant	746,360	996,464	1,013,259	16,795	1,037,492	24,233

**STATEMENT OF REVENUES & EXPENDITURES
WASTEWATER**

<u>Account</u>	Total Actual FY2018	Approved Budget FY2019	Proposed Budget FY2020	Change From PY Budget	Proposed Budget FY2021	Change From PY Budget
<u>Horsethief Treatment Plant</u>						
52110 Direct Labor	149,869	231,470	183,082	(48,388)	189,279	6,197
52300 Employee Benefit Allocated	120,630	188,799	101,163	(87,636)	108,474	7,311
53100 Electricity	91,337	85,279	70,000	(15,279)	73,400	3,400
53110 Repairs & Maint - Inventory	1,010	1,000	2,000	1,000	2,000	-
53111 R&M - Outside Services & Materials	76,636	80,000	116,000	36,000	120,000	4,000
53113 Landscape	7,713	41,695	41,695	-	41,695	-
53120 Chemical & Other Treatment	58,454	78,000	85,000	7,000	85,000	-
53121 Waste Water Treatment Cost	5,667	6,964	7,000	36	7,100	100
53122 Water & WW Testing	4,185	13,000	13,000	-	13,000	-
53124 Disposal Expense	119,530	174,000	180,000	6,000	180,000	-
53140 Consulting And Professional Fees	(570)	-	-	-	-	-
53141 Contractual & Temporary Services	267	-	-	-	-	-
53220 Contra - Allocated Recycled Water Treatment Costs	(69,708)	(97,000)	(84,463)	12,537	(86,675)	(2,212)
53322 Licenses, Permit & Fees	15,058	17,800	18,500	700	18,500	-
53330 General Office Supplies	-	500	-	(500)	-	-
54410 Allocated Laboratory Expense	29,511	34,508	23,300	(11,208)	24,424	1,124
Total Horsethief Treatment Plant	609,589	856,015	756,277	(99,738)	776,197	19,920
<u>SRRRA Contractual Services</u>						
53123 SRRRA -Treatment Expenses	3,366,388	2,921,862	3,166,617	244,755	3,533,524	366,907
53125 Contra -SRRRA Contractual Svc	(2,324,507)	-	(2,107,343)	(2,107,343)	(2,447,768)	(340,425)
53127 SRRRA -Treatment Expenses	-	-	61,446	61,446	62,982	1,536
53140 Consulting And Professional Fees	432	-	-	-	-	-
Total SRRRA Contractual Services	1,042,313	2,921,862	1,120,720	(1,801,142)	1,148,738	28,018

**STATEMENT OF REVENUES & EXPENDITURES
WASTEWATER**

<u>Account</u>	<u>Total Actual FY2018</u>	<u>Approved Budget FY2019</u>	<u>Proposed Budget FY2020</u>	<u>Change From PY Budget</u>	<u>Proposed Budget FY2021</u>	<u>Change From PY Budget</u>
<u>Division Administrative Expenses (Allocated)</u>						
52110 Direct Labor	423,007	492,549	711,327	218,778	734,602	23,276
52300 Employee Benefit Allocated	327,589	401,749	393,048	(8,700)	420,992	27,943
52402 Uniforms	8,636	15,500	16,000	500	16,500	500
53110 Repairs & Maint - Inventory	172	-	-	-	-	-
53111 R&M - Outside Services & Materials	80	-	-	-	-	-
53140 Consulting and Professional Fees	30,834	50,000	8,000	(42,000)	8,000	-
53141 Contractual & Temporary Services	750	-	-	-	-	-
53300 Travel And Training	14,158	28,350	40,100	11,750	42,100	2,000
53301 Employee Certifications	6,512	17,185	23,466	6,281	12,035	(11,431)
53310 Legal Costs	10,309	64,850	11,350	(53,500)	11,350	-
53320 General Liability & Property Insurance	35,237	41,072	35,000	(6,072)	35,700	700
53321 Property Taxes	1,037	400	2,200	1,800	2,300	100
53322 Licenses, Permit & Fees	2,301	4,500	-	(4,500)	-	-
53330 General Office Supplies	1,316	2,900	1,000	(1,900)	1,000	-
53331 Postage	16	-	-	-	-	-
53333 Dues & Subscriptions	19,847	31,486	37,205	5,719	38,039	834
53390 Bad Debt Expense	44,480	65,500	50,000	(15,500)	64,000	14,000
54400 Facilities Charges	66,791	69,916	81,805	11,890	79,967	(1,839)
54401 Computer Charges	448,916	541,161	621,602	80,441	631,070	9,468
54405 Allocated G & A Expense	3,355,344	3,590,893	4,119,051	528,159	4,228,620	109,569
54408 Allocated Vehicle & Equip Outlay	77,484	101,264	232,789	131,525	232,789	-
54406 Allocated Vehicle & Equip O&M Costs	225,038	236,945	253,030	16,084	253,930	900
Total - Division Administrative	5,099,854	5,756,220	6,636,974	880,754	6,812,994	176,020
Total Operating Expenses	14,071,948	17,713,090	17,871,382	158,292	18,228,216	356,834
Net Operating Income (Loss)	9,974,182	7,507,166	8,811,781	1,304,616	8,851,484	39,703

**STATEMENT OF REVENUES & EXPENDITURES
WASTEWATER**

<u>Account</u>	Total Actual FY2018	Approved Budget FY2019	Proposed Budget FY2020	Change From PY Budget	Proposed Budget FY2021	Change From PY Budget
<u>Transfers To Reserves</u>						
77101 Transfer Out To Operating Reserve (20%)	36,328	156,851	5,353	(151,498)	71,367	66,014
77102 Transfer Out To Rate Stabilization Reserve	4,095,219	277,864	460,730	182,866	-	(460,730)
Total Transfers To Reserves	4,131,547	434,715	466,083	31,369	71,367	(394,717)
<u>Transfers From Reserves</u>						
76102 Transfer In From Rate Stabilization Reserve	-	-	-	-	264,627	264,627
Total Transfers From Reserves	-	-	-	-	264,627	264,627
<u>Transfers From Other Funds</u>						
78310 Transfer In From Capital Outlay	31,525	-	-	-	-	-
78530 Transfer In From Gen Purpose Prop Tax	530,000	-	-	-	-	-
78550 Transfer In From Reg Sewer Plant Capacity	362,356	377,225	-	(377,225)	-	-
78560 Transfer In From Sewer Collections Capacity	-	289,424	-	(289,424)	-	-
Total Transfers From Other Funds	923,881	666,649	-	(666,649)	-	-
<u>Transfers To Other Funds</u>						
79115 Transfer Out To General Fund	-	-	842,937	842,937	1,040,301	197,364
79121 Transfer Out To Information Tech Fund	82,328	-	-	-	-	-
79226 Transfer Out To State Revolving Loan Fund 226	86,032	93,338	117,892	24,554	124,132	6,240
79229 Transfer Out To RWRf Upgrade Loan Fund 229	-	-	400,000	400,000	400,000	-
79248 Transfer Out To 2002 COP Fund # 248	1,749,523	1,748,780	-	(1,748,780)	-	-
79249 Transfer Out To 2005 COP Fund # 249	505,061	637,548	616,527	(21,022)	616,527	-
79256 Transfer Out To Replacement Rcwd	244,608	245,088	300,000	54,912	300,000	-
79263 Transfer Out To Revenue Bond	304,258	330,772	877,486	546,714	923,885	46,399
79310 Transfer Out To Capital Outlay Fund	55,737	-	-	-	-	-
79333 Transfer Out To Sewer Replacement Fund	11,198,183	5,453,080	6,153,080	700,000	6,603,080	450,000
79490 Transfer Out To Construction Fund	-	-	100,000	100,000	100,000	-
79823 Transfer Out To Reserve Capital Surcharge	133,243	-	-	-	-	-
Total Transfers To Other Funds	14,358,972	8,508,606	9,407,921	899,315	10,107,924	700,003

**STATEMENT OF REVENUES & EXPENDITURES
WASTEWATER**

<u>Account</u>	<u>Total Actual FY2018</u>	<u>Approved Budget FY2019</u>	<u>Proposed Budget FY2020</u>	<u>Change From PY Budget</u>	<u>Proposed Budget FY2021</u>	<u>Change From PY Budget</u>
<u>Non-operating Revenues</u>						
71400 Standby Charges Current Year	277,687	278,726	295,569	16,843	279,643	(15,926)
71414 Standby Charges - Canyon Lake	48,810	43,880	51,403	7,523	51,286	(117)
72110 Allocated Investment Income	75,199	99,664	142,832	43,168	142,832	-
74101 Lake Elsinore Replenishment Revenue	645,697	500,000	690,000	190,000	711,000	21,000
74199 Other Non-operating Revenue	6,647,891	-	-	-	-	-
Total Non-operating Revenues	7,695,284	922,270	1,179,804	257,534	1,184,761	4,957
<u>Non-operating Expenses</u>						
81119 Other Non-operating Expenses	76,896	112,500	83,000	(29,500)	87,000	4,000
81200 Tax Collection Expenses	-	10,000	-	(10,000)	-	-
82521 Computer Outlay Charges	25,932	30,264	34,581	4,317	34,581	-
Total Non-operating Expenses	102,828	152,764	117,581	(35,183)	121,581	4,000
Net Income (Loss)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Recycled Water Operations



Fund 35



RECYCLED WATER OPERATIONS

The District utilizes recycled water in an effort to extend its potable water portfolio and to ensure reliable water sources for the future. The District is providing recycled water to a customer base that includes public and private irrigation customers such as parks, schools, and golf courses.

Customers

The District provides recycled water to areas within Horsethief Canyon, Canyon Lake, Wildomar and Lake Elsinore. Currently, the District provides recycled water to 150 connections. In FY 2019, the District sold/utilized approximately 918 acre-feet of recycled water for landscape irrigation use. The table below (Figure 28) is a summary of the current connections serviced by recycled water.

Figure 28

Landscape Irrigation (by site type)	
Residential (HOA) Green Belts	82
EVMWD Facilities	25
Commercial Green Belts	17
Park/Rec	13
Schools	10
Golf Courses	2
Cemeteries	1
Total	150

Distribution System

The District receives its recycled water from the following sources: tertiary treated wastewater effluent from the District's three Water Reclamation Facilities (WRF), advanced treated effluent from Rancho California Water District's (RCWD) Santa Rosa WRF, and purchase of recycled water from Eastern Municipal Water District (EMWD).

Each location is served by the following sources:

- Horsethief WRF serves the Horsethief area.
- Railroad Canyon WRF serves the Canyon Hills/Cottonwood and the Canyon Lake service areas which is also supplemented with recycled water supply obtained from EMWD.
- Regional WRF serves a small area around the District's main office building and Regional WRF.
- The wastewater from a portion of the District's Southern area is treated at the RCWD's Santa Rosa WRF. The recycled water from RCWD is provided back to EVMWD through EMWD's facilities. This supply of recycled water serves the Wildomar service area.

Rates

Commodity Charge

As with the potable water commodity charges, the District has implemented a tiered rate structure for its recycled water customers. The outdoor water budget (OWB) for recycled water customers is determined by three main variables: irrigable landscape area, weather data and an evapotranspiration (ET) adjustment factor. Individual water budgets are based on irrigated square footage. The rate structure is designed to incentivize conservation and use water efficiently. The current and proposed rates are shown below (Figure 29).

The current rate structure is as follows:

Tier 1: The OWB is calculated using a formula accounting for the type of plants, local weather, irrigation efficiency, and square footage of irrigated landscape area. Since watering requirements are different throughout the year, the outdoor budgets are determined daily based on the Winchester weather station’s previous 10 year ET averages.

Tier 2: The water budget amount allocated to block 2 is 30% of the OWB in block 1.

Tier 3: Any use above block 2.

Figure 29

Recycled Water Commodity Rates						
Rate Classification	Current Rate		Proposed Rates		Proposed Rates	
	7/1/2018		9/1/2019		7/1/2020	
	per CCF	per AF	per CCF	per AF	per CCF	per AF
Tier 1	\$2.29	\$998	\$2.35	\$1,024	\$2.44	\$1,063
Tier 2	4.14	1,804	4.07	1,773	4.22	1,838
Tier 3	4.70	2,047	5.20	2,265	5.40	2,352

The District’s reserve policy requires a transfer for replacement funding from the recycled water division to be utilized for the replacement or major refurbishment of aging infrastructure. This contribution is based on depreciation expense for recycled water assets consistent with the level of depreciation currently funded by the water operating funds.

**STATEMENT OF REVENUES & EXPENDITURES
RECYCLED WATER**

	Total Actual FY2018	Approved Budget FY2019	Proposed Budget FY2020	Change From PY Budget	Proposed Budget FY2021	Change From PY Budget
Revenues						
1.0 Reclaimed Water Sales	\$ 1,146,853	\$ 1,141,469	\$ 1,041,065	\$ (100,404)	\$ 1,095,555	\$ 54,490
1.1 Total Operating Revenues	1,146,853	1,141,469	1,041,065	(100,404)	1,095,555	54,490
Expenses						
2.0 Purchased Water	57,589	155,000	105,000	(50,000)	105,000	-
2.1 Railroad Canyon Treatment Plant	84,882	131,000	113,149	(17,851)	115,834	2,685
2.2 Horsethief Treatment Plant	69,708	97,000	84,463	(12,537)	86,675	2,212
2.3 SRRRA Contractual Services	522,801	711,276	398,525	(312,751)	408,488	9,963
2.4 Reservoirs	7,827	12,973	17,293	4,320	18,042	750
2.5 Pumping And Booster Stations	24,529	33,160	38,320	5,160	38,670	350
2.6 Transmission And Distribution	109,304	280,953	156,546	(124,407)	194,958	38,412
2.7 General & Administrative	295,463	282,816	447,951	165,135	461,199	13,248
2.8 Total Operating Expenses	1,172,102	1,704,177	1,361,247	(342,931)	1,428,866	67,620
3.0 Net Operating Income (Loss)	(25,250)	(562,708)	(320,182)	242,527	(333,311)	(13,130)
Non-operating Revenues						
4.0 Transfer From Reserves	-	48,841	327,155	278,314	548,150	220,996
4.1 Transfer From Other Funds	710,109	783,876	301,299	(482,577)	301,299	-
4.2 Investment Income	4,137	5,211	12,138	6,927	12,138	-
4.3 Total Non-operating Revenues	714,246	837,928	640,592	(197,336)	861,587	220,996
Non-operating Expenses						
5.0 Transfer To Reserves	7,449	10,609	-	(10,609)	13,524	13,524
5.1 Transfer To Rate Stabilization Reserve	433,865	-	-	-	-	-
5.2 Transfer To Replacement Fund	105,072	122,000	320,410	198,410	514,752	194,342
5.3 Transfer To Other Funds	142,611	142,611	-	(142,611)	-	-
5.4 Total Non-operating Expenses	688,996	275,220	320,410	45,190	528,276	207,866
6.0 Net Income (Loss)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

STATEMENT OF REVENUES & EXPENDITURES
RECYCLED WATER

	Total Actual FY2018	Approved Budget FY2019	Proposed Budget FY2020	Change From PY Budget	Proposed Budget FY2021	Change From PY Budget
<u>Operating Expenses</u>						
1.0 Reclaimed Water Expense	\$ 677,390	\$ 939,276	\$ 596,137	\$ (343,139)	\$ 610,997	\$ 14,860
1.1 Labor	56,104	135,030	157,911	22,881	163,432	5,520
1.2 Fringe Benefits	44,437	110,138	87,255	(22,883)	93,661	6,406
1.3 Purchased Water	57,589	155,000	105,000	(50,000)	105,000	-
1.4 Repairs & Maintenance	49,347	104,250	105,000	750	140,000	35,000
1.5 Other Expenses	22,897	12,850	30,909	18,059	31,059	150
1.6 Computer Charges	135,598	29,563	34,533	4,970	35,059	526
1.7 Facilities Charges	8,675	9,080	10,226	1,146	9,996	(230)
1.8 Allocated Vehicle & Equip Costs	40,426	42,565	44,652	2,087	44,811	159
1.9 Allocated General & Administrative	79,639	166,425	189,623	23,198	194,851	5,229
1.10 Total Operating Expense	\$ 1,172,102	\$ 1,704,177	\$ 1,361,247	\$ (342,931)	\$ 1,428,866	\$ 67,620

**STATEMENT OF REVENUES & EXPENDITURES
RECYCLED WATER**

<u>Account</u>	<u>Total Actual FY2018</u>	<u>Approved Budget FY2019</u>	<u>Proposed Budget FY2020</u>	<u>Change From PY Budget</u>	<u>Proposed Budget FY2021</u>	<u>Change From PY Budget</u>
<u>Reclaimed Water Revenues</u>						
42101 Recycled Water Sales, Block 1	\$ 849,358	\$ 956,869	\$ 745,925	\$ (210,944)	\$ 784,724	\$ 38,799
42102 Recycled Water Sales, Block 2	112,754	70,791	111,978	41,187	117,919	5,941
42103 Recycled Water Sales, Block 3	171,983	113,809	183,162	69,353	192,912	9,750
Sub-total Reclaimed Water Revenues	1,134,095	1,141,469	1,041,065	(100,404)	1,095,555	54,490
<u>Accrued Reclaimed Water Revenues</u>						
42201 Recycled Water Sales, Block 1 (Accrued)	27,930	-	-	-	-	-
42202 Recycled Water Sales, Block 2 (Accrued)	(7,132)	-	-	-	-	-
42203 Recycled Water Sales, Block 3 (Accrued)	(8,041)	-	-	-	-	-
Sub-total Accrued Reclaimed Water Revenues	12,757	-	-	-	-	-
Total Operating Revenues - Charges For Service	1,146,853	1,141,469	1,041,065	(100,404)	1,095,555	54,490
<u>Purchased Water Expenses</u>						
50100 Auld Valley Pipeline WMWD (WREM17)	9,537	100,000	50,000	(50,000)	50,000	-
50112 EMWD Recycled Water	48,052	55,000	55,000	-	55,000	-
Total Purchased Water Expenses	57,589	155,000	105,000	(50,000)	105,000	-
<u>Reservoirs Expenses</u>						
52110 Direct Labor	4,513	1,362	10,172	8,810	10,516	344
52300 Employee Benefit Allocated	3,314	1,111	5,621	4,510	6,026	406
53110 Repairs & Maint - Inventory	-	500	500	-	500	-
53111 R&M - Outside Services & Materials	-	10,000	1,000	(9,000)	1,000	-
Total Reservoirs Expenses	7,827	12,973	17,293	4,320	18,042	750

**STATEMENT OF REVENUES & EXPENDITURES
RECYCLED WATER**

<u>Account</u>	Total Actual FY2018	Approved Budget FY2019	Proposed Budget FY2020	Change From PY Budget	Proposed Budget FY2021	Change From PY Budget
<u>Pumping And Booster Stations Expenses</u>						
52110 Direct Labor	2,837	9,726	4,393	(5,334)	4,558	165
52300 Employee Benefit Allocated	2,219	7,933	2,427	(5,506)	2,612	185
53110 Repairs & Maint - Inventory	-	500	500	-	500	-
53111 R&M - Outside Services & Materials	-	15,000	31,000	16,000	31,000	-
53100 Electricity	19,474	-	-	-	-	-
Total Pumping And Booster Stations Expenses	24,529	33,160	38,320	5,160	38,670	350
<u>Transmission And Distribution Expenses</u>						
52110 Direct Labor	33,221	111,201	42,792	(68,409)	44,307	1,515
52300 Employee Benefit Allocated	26,073	90,702	23,645	(67,057)	25,392	1,747
53110 Repairs & Maint - Inventory	128	6,250	5,000	(1,250)	5,000	-
53111 R&M - Outside Services & Materials	49,219	72,000	67,000	(5,000)	102,000	35,000
53140 Consulting And Professional Fees	120	-	15,000	15,000	15,000	-
53100 Electricity	543	800	-	(800)	-	-
54410 Allocated Laboratory Expense	-	-	3,109	3,109	3,259	150
Total Transmission And Distribution Expenses	109,304	280,953	156,546	(124,407)	194,958	38,412
<u>Railroad Canyon Treatment Plant Expenses</u>						
53121 Wastewater Treatment Cost	84,882	131,000	113,149	(17,851)	115,834	2,685
Total Railroad Canyon TP Expenses	84,882	131,000	113,149	(17,851)	115,834	2,685

**STATEMENT OF REVENUES & EXPENDITURES
RECYCLED WATER**

<u>Account</u>	<u>Total Actual FY2018</u>	<u>Approved Budget FY2019</u>	<u>Proposed Budget FY2020</u>	<u>Change From PY Budget</u>	<u>Proposed Budget FY2021</u>	<u>Change From PY Budget</u>
<u>Horsethief Treatment Plant Expenses</u>						
53121 Wastewater Treatment Cost	69,708	97,000	84,463	(12,537)	86,675	2,212
Total Horsethief TP Expenses	69,708	97,000	84,463	(12,537)	86,675	2,212
<u>SRRRA Contractual Services Expenses</u>						
53123 SRRRA -Treatment Expenses	874,129	711,276	579,550	(131,726)	619,670	40,120
53125 Contra -SRRRA Contractual Svc	(351,328)	-	(181,025)	(181,025)	(211,182)	(30,157)
Total SRRRA Contractual Services Expenses	522,801	711,276	398,525	(312,751)	408,488	9,963
<u>Other Division Admin Expenses</u>						
52110 Direct Labor	15,533	12,741	100,555	87,814	104,051	3,496
52300 Employee Benefit Allocated	12,831	10,392	55,562	45,170	59,630	4,068
53300 Travel And Training	253	11,500	2,000	(9,500)	2,000	-
53320 General Liability & Property Insurance	570	-	2,300	2,300	2,300	-
53324 Advertising	-	-	2,500	2,500	2,500	-
53322 Licenses, Permit & Fees	1,937	550	5,000	4,450	5,000	-
53330 General Office Supplies	-	-	1,000	1,000	1,000	-
54400 Facilities Charges	8,675	9,080	10,226	1,146	9,996	(230)
54401 Computer Charges	135,598	29,563	34,533	4,970	35,059	526
54406 Allocated Vehicle & Equip O&m Costs	40,426	42,565	44,652	2,087	44,811	159
54405 Allocated G & A Expense	79,639	166,425	189,623	23,198	194,851	5,229
Total - Other Division Administrative	295,463	282,816	447,951	165,135	461,199	13,248
Total Operating Expenses	1,172,102	1,704,177	1,361,247	(342,931)	1,428,866	67,620
Net Operating Income (Loss)	(25,250)	(562,708)	(320,182)	242,527	(333,311)	(13,130)

STATEMENT OF REVENUES & EXPENDITURES
RECYCLED WATER

<u>Account</u>	<u>Total Actual FY2018</u>	<u>Approved Budget FY2019</u>	<u>Proposed Budget FY2020</u>	<u>Change From PY Budget</u>	<u>Proposed Budget FY2021</u>	<u>Change From PY Budget</u>
<u>Transfers To Reserves</u>						
77101 Transfer Out To Operating Reserve (20%)	7,449	10,609	-	(10,609)	13,524	13,524
77102 Transfer Out To Rate Stabilization Reserve	433,865	-	-	-	-	-
Total Transfers To Reserves	441,313	10,609	-	(10,609)	13,524	13,524
<u>Transfers From Reserves</u>						
76100 Transfer In From Reserves	-	48,841	-	(48,841)	-	-
76101 Transfer In From Operating Reserve (20%)	-	-	68,586	68,586	-	(68,586)
76102 Transfer In From Rate Stabilization Reserve	-	-	258,569	258,569	548,150	289,582
Total Transfers From Reserves	-	48,841	327,155	278,314	548,150	220,996
<u>Transfers In</u>						
78120 Transfer In From Elsinore Water Fund	564,800	564,800	301,299	(263,501)	301,299	-
78530 Transfer In From Gen Purpose Prop Tax	145,309	140,694	-	(140,694)	-	-
78561 Transfer In From Reclamation Capacity Fees	-	78,382	-	(78,382)	-	-
Total Transfers In	710,109	783,876	301,299	(482,577)	301,299	-
<u>Transfers Out</u>						
79115 Transfer Out To General Fund	-	-	172,410	172,410	189,752	17,342
79121 Transfer Out To Information Tech Fund	8,072	-	-	-	-	-
79330 Transfer Out To Recycled Water Replacement	97,000	122,000	148,000	26,000	175,000	27,000
79490 Transfer Out To Construction Fund	-	-	-	-	150,000	150,000
79561 Transfer Out To Reclamation Capacity Fees	142,611	142,611	-	(142,611)	-	-
Total Transfers Out	247,683	264,611	320,410	55,799	514,752	194,342
<u>Non-operating Revenues</u>						
72110 Allocated Investment Income	2,875	5,211	12,138	6,927	12,138	-
74199 Other Non-operating Revenue	1,261	-	-	-	-	-
Total Non-operating Revenues	4,137	5,211	12,138	6,927	12,138	-
Net Income (Loss)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

General Fund

(WITH PROGRAM DETAIL)

General & Administrative



Vehicles & Equipment



Engineering



Information Technology



Facilities



Capital Outlay



General & Administrative

Program 110



**STATEMENT OF REVENUES & EXPENDITURES
GENERAL & ADMINISTRATIVE SUPPORT**

	Total Actual FY2018	Approved Budget FY2019	Proposed Budget FY2020	Change From PY Budget	Proposed Budget FY2021	Change From PY Budget
<u>Sources Of Funds</u>						
1.0 Assessment District Charges	\$ 45,500	\$ 39,000	\$ 45,500	\$ 6,500	\$ 52,000	\$ 6,500
1.1 Material Handling Charges	-	100,000	-	(100,000)	-	-
1.2 Allocation Of G&A Overhead To Operations:						
1.3 Elsinore Water	5,141,974	5,233,188	6,170,593	937,405	6,323,984	153,390
1.4 Temescal Water -Potable	152,665	116,177	169,747	53,571	174,225	4,477
1.5 Wastewater	3,355,344	3,590,893	4,119,051	528,159	4,228,620	109,569
1.6 Engineering	1,146,968	1,281,772	1,550,728	268,956	1,738,867	188,139
1.7 Recycled Water	79,639	166,425	189,623	23,198	194,851	5,229
1.8 Allocation Of G&A O/H To Capital Projects	704,816	400,000	500,000	100,000	500,000	-
1.9 Total Sources Of Funds	10,626,904	10,927,455	12,745,243	1,817,788	13,212,547	467,304
<u>G & A Departmental Expenditures</u>						
2.0 General Management	1,439,247	1,303,069	903,905	(399,165)	928,944	25,039
2.1 Administration Services	513,292	581,273	714,668	133,396	741,629	26,960
2.2 Government Relations	421,279	417,668	503,836	86,168	515,196	11,360
2.3 Human Resources	914,319	883,763	1,015,329	131,567	1,021,960	6,631
2.4 Safety	227,733	293,646	375,695	82,049	386,389	10,694
2.5 Business Services	165,696	182,232	577,282	395,050	602,751	25,469
2.6 Finance & Accounting	1,627,146	1,642,685	1,783,062	140,377	1,890,393	107,332
2.7 Grant Administration	128,977	195,785	329,436	133,651	334,489	5,053
2.8 Community Relations	129,927	185,979	224,300	38,321	234,771	10,471
2.9 Customer Service	1,519,990	1,528,084	1,661,052	132,968	1,729,467	68,415
2.10 Community Affairs	510,424	491,217	549,801	58,584	565,609	15,809
2.11 Purchasing	555,030	538,546	690,477	151,931	723,446	32,969
2.12 Engineering & Ops Admin	16,358	-	598,365	598,365	626,489	28,124
2.13 Strategic Programs	477,551	504,474	518,977	14,503	537,882	18,905
2.14 Total G & A Departmental Expenditures	8,646,969	8,748,421	10,446,186	1,697,765	10,839,416	393,230
<u>G & A Indirect Expenditures</u>						
3.0 Directors Fees & Related Expenditures	312,962	517,000	422,950	(94,050)	490,100	67,150
3.1 Legal & Insurance	8,257	36,600	22,800	(13,800)	22,800	-
3.2 Allocated Facility, Computer & Vehicle Charges	1,658,715	1,625,434	1,853,307	227,873	1,860,231	6,925
3.3 Total G & A Indirect Expenditures	1,979,935	2,179,034	2,299,057	120,023	2,373,131	74,075
4.0 Total G & A Expenditures	10,626,904	10,927,455	12,745,243	1,817,788	13,212,547	467,304

**STATEMENT OF REVENUES & EXPENDITURES
GENERAL & ADMINISTRATIVE SUPPORT**

	Total Actual FY2018	Approved Budget FY2019	Proposed Budget FY2020	Change From PY Budget	Proposed Budget FY2021	Change From PY Budget	
<u>Fringe Benefits</u>							
Fringe Benefits Allocations:							
5.0	Elsinore Water	(2,803,857)	(3,463,260)	(2,839,401)	623,859	(3,039,796)	(200,395)
5.1	Temescal Water - Potable	(90,472)	(76,884)	(78,109)	(1,225)	(83,746)	(5,637)
5.2	Wastewater	(1,840,964)	(2,376,409)	(1,895,383)	481,026	(2,032,602)	(137,219)
5.3	Recycled Water	(44,437)	(110,138)	(87,255)	22,883	(93,661)	(6,406)
5.4	Engineering	(628,457)	(848,261)	(713,568)	134,693	(835,834)	(122,266)
5.5	Vehicle & Equipment	(46,419)	(27,052)	(42,007)	(14,954)	(44,748)	(2,741)
5.6	Lake Elsinore Maintenance	(12,092)	(17,301)	(14,906)	2,395	(15,947)	(1,041)
5.7	Information Technology	(429,737)	(503,252)	(398,085)	105,166	(424,908)	(26,823)
5.8	Facilities	(143,608)	(138,247)	(105,359)	32,888	(112,735)	(7,376)
5.9	G & A Departments	(2,727,177)	(2,980,540)	(2,732,067)	248,473	(2,927,409)	(195,341)
5.10	Capital Improvements	(220,621)	-	-	-	-	-
5.11	Total Fringe Benefits Allocations	(8,987,840)	(10,541,344)	(8,906,140)	1,635,204	(9,611,385)	(705,245)
5.12	Fringe Benefits Costs	8,987,840	10,541,344	8,906,140	(1,635,204)	9,611,385	705,245
6.0	Net (Under) Over Applied Fringe Benefits	-	-	-	-	-	-
7.0	Net (Under) Over Applied G & A Expenditures	-	-	-	-	-	-
<u>Lake Lease</u>							
8.0	CLPOA Lease Income	1,433,523	1,517,238	1,525,374	8,136	1,566,807	41,433
8.1	RR Canyon Dam Insurance Expense	(17,589)	(18,492)	(21,900)	(3,408)	(21,900)	-
8.2	Total Lake Lease	1,415,934	1,498,746	1,503,474	4,728	1,544,907	41,433
<u>Non-operating Revenues</u>							
9.0	Interest Income Allocable	711,330	2,205,186	3,116,694	911,508	3,116,694	-
9.1	Net Increase/(decrease) In Fair Value Of Investments	(934,564)	(2,100,000)	(2,766,377)	(666,377)	(2,766,377)	-
9.2	Interest Income Allocated	385,613	159,945	-	(159,945)	-	-
9.3	Other Revenue	495,645	143,268	512,000	368,732	637,000	125,000
9.4	Transfers From Reserves	3,163,012	-	2,778,367	2,778,367	3,148,949	370,582
9.5	Transfers In From Other Funds	6,275,136	-	-	-	-	-
9.6	Total Non-operating Revenues	10,096,174	408,399	3,640,684	3,232,285	4,136,266	495,582

**STATEMENT OF REVENUES & EXPENDITURES
GENERAL & ADMINISTRATIVE SUPPORT**

	Total Actual FY2018	Approved Budget FY2019	Proposed Budget FY2020	Change From PY Budget	Proposed Budget FY2021	Change From PY Budget
<u>Non-operating Expenses</u>						
10.0 Transfers To Construction Fund	687,147	379,310	-	(379,310)	-	-
10.1 Transfers To Reserves	658,268	758,619	350,000	(408,619)	450,000	100,000
10.2 Transfers To Other Funds	6,205,672	692,700	4,706,702	4,014,002	4,643,717	(62,985)
10.3 Other Non-operating Expenses	3,895,429	-	-	-	-	-
10.4 Capital Outlay	65,592	76,516	87,456	10,940	587,456	500,000
10.5 Total Non-operating Expenses	11,512,108	1,907,145	5,144,158	3,237,013	5,681,173	537,015
Surplus (Deficiency) Of Sources						
11.0 Over Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**STATEMENT OF REVENUES & EXPENDITURES
GENERAL & ADMINISTRATIVE SUPPORT**

		Total Actual FY2018	Approved Budget FY2019	Proposed Budget FY2020	Change From PY Budget	Proposed Budget FY2021	Change From PY Budget
<u>G & A Expenditures</u>							
1.0	Labor	\$ 3,456,492	\$ 3,654,179	\$ 4,944,409	\$ 1,290,230	\$ 5,108,130	\$ 163,722
1.1	Fringe Benefits	2,727,177	2,980,540	2,732,067	(248,473)	2,927,409	195,341
1.2	Legal Services	515,755	321,100	523,640	202,540	524,020	380
1.3	Consulting And Other Outside Services	613,647	541,450	674,300	132,850	649,300	(25,000)
1.4	General Office Supplies	537,268	52,960	647,791	594,831	655,285	7,494
1.5	Directors' Related Expenses	312,962	517,000	422,950	(94,050)	490,100	67,150
1.6	Forms, Duplicating, & Postage Costs	229,388	527,312	261,786	(265,526)	274,761	12,975
1.7	Other Expenses	183,539	485,701	271,500	(214,201)	272,918	1,418
1.8	Advertising	140,135	30,890	140,585	109,695	145,585	5,000
1.9	Seminars & Conferences	251,826	190,889	272,908	82,019	304,808	31,900
1.10	Allocated Facilities Costs	457,124	478,514	541,961	63,447	529,781	(12,180)
1.11	Allocated Computer Costs	1,135,562	1,077,396	1,236,925	159,529	1,255,765	18,840
1.12	Allocated Vehicle & Equipment Costs	66,029	69,523	74,420	4,898	74,685	265
1.13	Total G & A Expenditures	\$ 10,626,904	\$ 10,927,455	\$ 12,745,243	\$ 1,817,788	\$ 13,212,547	\$ 467,304

**STATEMENT OF REVENUES & EXPENDITURES
GENERAL & ADMINISTRATIVE SUPPORT**

<u>Account</u>	<u>Total Actual FY2018</u>	<u>Approved Budget FY2019</u>	<u>Proposed Budget FY2020</u>	<u>Change From PY Budget</u>	<u>Proposed Budget FY2021</u>	<u>Change From PY Budget</u>	
Sources Of Funds							
53391	CFD Administration Costs Applied	\$ 45,500	\$ 39,000	\$ 45,500	\$ 6,500	\$ 52,000	\$ 6,500
53350	Warehouse Material Handling Fee (Credit)	-	100,000	-	(100,000)	-	-
54405	Allocated G & A Expense	9,876,588	10,388,455	12,199,743	1,811,288	12,660,547	460,804
54403	Overhead Applied	704,816	400,000	500,000	100,000	500,000	-
Total Sources Of Funds		10,626,904	10,927,455	12,745,243	1,817,788	13,212,547	467,304
Directors' Fees & Related Expenditures							
51100	Directors' Fees	124,179	150,000	139,000	(11,000)	144,000	5,000
51101	Directors' General Election	-	90,000	-	(90,000)	60,000	60,000
51102	Directors' Life & Medical Insurance	88,155	119,000	110,000	(9,000)	113,000	3,000
51103	Directors' Workers Compensation	1,017	1,400	1,250	(150)	1,400	150
51104	Directors' SUI and FICA	11,469	16,100	16,100	-	16,100	-
51105	Directors' Conferences & Related Expenses	43,335	88,400	90,000	1,600	90,000	-
51106	Directors' Misc. Expenses	2,834	2,000	2,000	-	2,000	-
51107	Directors' EA Program Expenses	141	-	-	-	-	-
53310	Legal Costs	41,832	50,000	50,000	-	50,000	-
53320	General Liability & Property Insurance	-	-	12,000	12,000	11,000	(1,000)
53330	General Office Supplies	-	100	100	-	100	-
53333	Dues & Subscriptions	-	-	2,500	2,500	2,500	-
Total Directors Fees & Related Expenditures		312,962	517,000	422,950	(94,050)	490,100	67,150
General Management							
52110	Direct Labor	547,743	540,877	284,521	(256,356)	296,380	11,859
52300	Employee Benefit Allocated	433,894	441,168	157,214	(283,954)	169,852	12,638
52400	Auto Allowances	23,077	22,800	8,400	(14,400)	8,400	-
53140	Consulting And Professional Fees	12,249	50,000	60,000	10,000	60,000	-
53300	Travel And Training	10,802	29,500	22,500	(7,000)	22,500	-
53301	Employee Certifications	-	625	-	(625)	-	-
53304	Employee Events Relations	28,683	25,000	30,000	5,000	30,000	-
53305	Contra-employee Relations Revenue	(38,260)	(20,000)	(30,000)	(10,000)	(30,000)	-
53310	Legal Costs	391,478	180,000	350,000	170,000	350,000	-
53330	General Office Supplies	365	200	400	200	400	-
53331	Postage	130	300	150	(150)	150	-
53333	Dues & Subscriptions	28,872	32,600	20,720	(11,880)	21,263	543
53399	Miscellaneous Expenses	215	-	-	-	-	-
Total General Management		1,439,247	1,303,069	903,905	(399,165)	928,944	25,039

**STATEMENT OF REVENUES & EXPENDITURES
GENERAL & ADMINISTRATIVE SUPPORT**

<u>Account</u>	<u>Total Actual FY2018</u>	<u>Approved Budget FY2019</u>	<u>Proposed Budget FY2020</u>	<u>Change From PY Budget</u>	<u>Proposed Budget FY2021</u>	<u>Change From PY Budget</u>
<u>Administration Services</u>						
52110 Direct Labor	216,193	252,774	330,974	78,200	342,330	11,357
52300 Employee Benefit Allocated	163,915	206,175	182,882	(23,294)	196,185	13,304
52400 Auto Allowances	7,200	7,200	7,200	-	7,200	-
53140 Consulting And Professional Fees	-	12,000	12,000	-	12,000	-
53141 Contractual & Temporary Services	52,425	42,000	79,100	37,100	79,100	-
53300 Travel And Training	1,301	16,939	19,408	2,469	26,208	6,800
53310 Legal Costs	47,576	20,000	50,000	30,000	50,000	-
53330 General Office Supplies	2,505	3,500	9,000	5,500	3,500	(5,500)
53331 Postage	-	-	855	855	855	-
53333 Dues & Subscriptions	100	685	250	-435	250	0
53398 Annexation Expenses	22,078	20,000	23,000	3,000	24,000	1,000
Total Administration Services	513,292	581,273	714,668	133,396	741,629	26,960
<u>Government Relations</u>						
52110 Direct Labor	132,967	133,764	148,553	14,789	152,564	4,011
52300 Employee Benefit Allocated	104,658	109,105	82,084	(27,021)	87,432	5,349
52400 Auto Allowances	7,200	7,200	7,200	-	7,200	-
53140 Consulting And Professional Fees	119,470	120,000	188,000	68,000	188,000	-
53300 Travel And Training	43,916	34,000	45,000	11,000	45,000	-
53310 Legal Costs	5,550	4,000	12,800	8,800	14,800	2,000
53324 Advertising	2,647	-	5,000	5,000	5,000	-
53325 Sponsorships Public Information	-	8,500	-	(8,500)	-	-
53330 General Office Supplies	6,048	500	15,000	14,500	15,000	-
53331 Postage	1,287	-	200	200	200	-
53333 Dues & Subscriptions	111	600	-	(600)	-	-
Total Government Relations	423,853	417,668	503,836	86,168	515,196	11,360
<u>Human Resources</u>						
52110 Direct Labor	219,307	223,887	282,891	59,004	292,504	9,614
52300 Employee Benefit Allocated	173,478	182,614	156,313	(26,301)	167,631	11,318
52400 Auto Allowances	-	-	7,200	7,200	7,200	-
52406 Wellness Program	(611)	-	1,000	1,000	1,000	-
53140 Consulting And Professional Fees	66,084	55,000	73,100	18,100	68,600	(4,500)
53141 Contractual & Temporary Services	35,429	8,000	-	(8,000)	-	-
53142 Rent / Lease Expense	6,384	6,400	6,400	-	6,400	-
53300 Travel And Training	8,339	15,500	40,000	24,500	23,000	(17,000)
53302 Annual & Pre-employment Testing	15,647	17,000	20,000	3,000	20,000	-
53303 HR Employee Relations	14,864	-	14,000	14,000	14,000	-
53304 Employee Events Relations	-	14,000	-	(14,000)	-	-
53310 Legal Costs	-	55,000	225	(54,775)	225	-
53320 General Liability & Property Insurance	3,264	289,536	4,100	(285,436)	4,100	-
53324 Advertising	42,658	10,000	55,000	45,000	55,000	-
53330 General Office Supplies	291,206	2,500	316,100	313,600	323,300	7,200
53331 Postage	35,529	225	35,000	34,775	35,000	-
53333 Dues & Subscriptions	2,741	4,100	4,000	(100)	4,000	-
Total Human Resources	914,319	883,763	1,015,329	131,567	1,021,960	6,631

**STATEMENT OF REVENUES & EXPENDITURES
GENERAL & ADMINISTRATIVE SUPPORT**

<u>Account</u>	<u>Total Actual FY2018</u>	<u>Approved Budget FY2019</u>	<u>Proposed Budget FY2020</u>	<u>Change From PY Budget</u>	<u>Proposed Budget FY2021</u>	<u>Change From PY Budget</u>
Safety						
52110 Direct Labor	78,816	83,797	168,300	84,503	172,901	4,602
52300 Employee Benefit Allocated	61,319	68,349	92,995	24,646	99,088	6,093
52402 Uniforms	-	500	-	(500)	-	-
53110 Repairs & Maint - Inventory	5,790	-	400	400	400	-
53111 R&M - Outside Services & Materials	48,569	-	61,000	61,000	61,000	-
53140 Consulting And Professional Fees	116	8,600	-	(8,600)	-	-
53141 Contractual & Temporary Services	2	80,000	-	(80,000)	-	-
53300 Travel And Training	13,172	36,000	-	(36,000)	-	-
53302 Annual & Pre-employment Testing	1,600	6,000	36,000	30,000	36,000	-
53303 HR Employee Relations	327	-	-	-	-	-
53330 General Office Supplies	-	10,000	6,000	(4,000)	6,000	-
53331 Postage	18,004	-	11,000	11,000	11,000	-
53333 Dues & Subscriptions	20	400	-	(400)	-	-
Total Safety	227,733	293,646	375,695	82,049	386,389	10,694
Business Services						
52110 Direct Labor	42,514	78,992	338,904	259,912	351,701	12,797
52300 Employee Benefit Allocated	35,857	64,430	187,264	122,833	201,555	14,292
52400 Auto Allowances	-	-	7,200	7,200	7,200	-
53141 Contractual & Temporary Services	32	-	100	100	100	-
53300 Travel And Training	76,785	1,000	-	(1,000)	-	-
53310 Legal Costs	1,084	1,500	2,315	815	2,195	(120)
53330 General Office Supplies	2,163	36,000	10,000	(26,000)	10,000	-
53331 Postage	84	100	-	(100)	-	-
53333 Dues & Subscriptions	7,175	210	31,500	31,290	30,000	(1,500)
Total Business Services	165,696	182,232	577,282	395,050	602,751	25,469
Finance & Accounting						
52110 Direct Labor	820,196	827,653	1,057,457	229,804	1,087,030	29,573
52300 Employee Benefit Allocated	645,068	675,077	584,305	(90,772)	622,964	38,659
53140 Consulting And Professional Fees	58,586	45,850	17,000	(28,850)	-	(17,000)
53141 Contractual & Temporary Services	17,922	-	25,000	25,000	25,000	-
53300 Travel And Training	45,630	20,000	63,000	43,000	106,100	43,100
53310 Legal Costs	3,343	1,000	4,000	3,000	4,000	-
53322 Licenses, Permit & Fees	10	-	-	-	-	-
53324 Advertising	6,696	-	7,000	7,000	7,000	-
53326 Collection Expense	1,125	2,000	2,000	-	2,000	-
53330 General Office Supplies	2,537	-	-	-	-	-
53331 Postage	190	11,200	1,000	(10,200)	1,000	-
53332 Forms, Printing & Duplicating Costs	5,886	22,800	5,000	(17,800)	17,000	12,000
53333 Dues & Subscriptions	4,389	4,105	5,300	1,195	5,300	-
53335 Bank Service Charges (WESA)	13,997	18,000	12,000	(6,000)	13,000	1,000
53352 System Matching Variance	(347)	-	-	-	-	-
53390 Bad Debt Expense	1,125	15,000	-	(15,000)	-	-
53399 Miscellaneous Expenses	794	-	-	-	-	-
Total Finance & Accounting	1,627,146	1,642,685	1,783,062	140,377	1,890,393	107,332

**STATEMENT OF REVENUES & EXPENDITURES
GENERAL & ADMINISTRATIVE SUPPORT**

<u>Account</u>	Total Actual FY2018	Approved Budget FY2019	Proposed Budget FY2020	Change From PY Budget	Proposed Budget FY2021	Change From PY Budget
<u>Grant Administration</u>						
52110 Direct Labor	53,090	92,438	180,951	88,513	187,204	6,254
52300 Employee Benefit Allocated	41,332	75,397	99,985	24,588	107,285	7,299
53140 Consulting And Professional Fees	21,766	20,000	30,000	10,000	21,500	(8,500)
53300 Travel And Training	11,679	7,500	15,000	7,500	15,000	-
53310 Legal Costs	496	-	1,000	1,000	1,000	-
53330 General Office Supplies	-	-	1,500	1,500	1,500	-
53333 Dues & Subscriptions	614	450	1,000	550	1,000	-
Total Grant Administration	128,977	195,785	329,436	133,651	334,489	5,053
<u>Community Relations</u>						
52110 Direct Labor	109,135	99,677	138,159	38,482	143,012	4,853
52300 Employee Benefit Allocated	82,512	81,302	76,341	(4,961)	81,959	5,618
53140 Consulting And Professional Fees	100	-	-	-	-	-
53141 Contractual & Temporary Services	607	-	-	-	-	-
53300 Travel And Training	924	5,000	8,000	3,000	8,000	-
53310 Legal Costs	-	-	1,000	1,000	1,000	-
53326 Collection Expense	3,051	-	-	-	-	-
53330 General Office Supplies	220	-	300	300	300	-
53331 Postage	2,930	-	-	-	-	-
53332 Forms, Printing & Duplicating Costs	4,144	-	-	-	-	-
53333 Dues & Subscriptions	(74,184)	-	-	-	-	-
74112 Collection Revenue (Previous Offset To Expense)	488	-	500	500	500	-
Total Community Relations	129,927	185,979	224,300	38,321	234,771	10,471
<u>Customer Service</u>						
52110 Direct Labor	604,210	679,341	842,063	162,722	869,943	27,880
52300 Employee Benefit Allocated	481,365	554,106	465,288	(88,819)	498,554	33,266
53140 Consulting And Professional Fees	2,736	-	-	-	-	-
53141 Contractual & Temporary Services	85,777	-	-	-	-	-
53300 Travel And Training	301	7,000	4,000	(3,000)	4,000	-
53310 Legal Costs	380	-	2,000	2,000	500	(1,500)
53326 Collection Expense	7,034	20,000	10,000	(10,000)	10,000	-
53330 General Office Supplies	205,211	6,050	-	(6,050)	-	-
53331 Postage	120,359	259,339	283,771	24,432	289,565	5,794
53332 Forms, Printing & Duplicating Costs	9,041	102,248	139,216	36,968	141,969	2,753
53336 IVR & Web Payment Fees	-	-	14,715	14,715	14,937	222
74112 Collection Revenue (Previous Offset To Expense)	3,577	(100,000)	(100,000)	-	(100,000)	-
Total Customer Service	1,519,990	1,528,084	1,661,052	132,968	1,729,467	68,415

**STATEMENT OF REVENUES & EXPENDITURES
GENERAL & ADMINISTRATIVE SUPPORT**

<u>Account</u>	<u>Total Actual FY2018</u>	<u>Approved Budget FY2019</u>	<u>Proposed Budget FY2020</u>	<u>Change From PY Budget</u>	<u>Proposed Budget FY2021</u>	<u>Change From PY Budget</u>
<u>Community Affairs</u>						
52110 Direct Labor	157,019	130,505	186,271	55,766	191,982	5,711
52300 Employee Benefit Allocated	127,462	106,447	102,925	(3,522)	110,022	7,097
53140 Consulting And Professional Fees	67,605	50,000	85,000	35,000	90,000	5,000
53141 Contractual & Temporary Services	7,732	-	-	-	-	-
53300 Travel And Training	29,825	6,450	38,000	31,550	38,000	-
53310 Legal Costs	49,404	-	58,000	58,000	58,000	-
53320 General Liability & Property Insurance	4,351	-	6,950	6,950	6,950	-
53324 Advertising	5,512	12,390	3,585	(8,805)	3,585	-
53325 Sponsorships Public Information	211	37,050	500	(36,550)	500	-
53327 Special Events	-	-	2,000	2,000	2,000	-
53330 General Office Supplies	10,084	14,210	6,720	(7,490)	6,720	-
53331 Postage	34,212	50,000	41,000	(9,000)	41,000	-
53332 Forms, Printing & Duplicating Costs	-	81,000	13,500	(67,500)	11,500	(2,000)
53333 Dues & Subscriptions	17,008	3,165	5,350	2,185	5,350	-
Total Community Affairs	510,424	491,217	549,801	58,584	565,609	15,809
<u>Purchasing</u>						
52110 Direct Labor	235,842	271,939	343,612	71,673	357,447	13,836
52300 Employee Benefit Allocated	187,005	221,807	189,865	(31,942)	204,849	14,984
52402 Uniforms	1,326	1,500	1,500	-	1,600	100
53110 Repairs & Maint - Inventory	3	-	-	-	-	-
53141 Contractual & Temporary Services	20,518	-	55,000	55,000	55,000	-
53300 Travel And Training	1,758	2,000	8,000	6,000	7,000	(1,000)
53310 Legal Costs	3,244	21,000	14,000	(7,000)	14,000	-
53324 Advertising	82,622	-	70,000	70,000	75,000	5,000
53330 General Office Supplies	18,442	15,000	4,000	(11,000)	4,000	-
53333 Dues & Subscriptions	388	300	500	200	500	50
53351 Cycle Count Variations	(1,134)	-	500	500	500	-
53353 Purchase Price Variance	352	-	2,500	2,500	2,500	-
53399 Miscellaneous Expenses	4,665	5,000	1,000	(4,000)	1,000	-
Totals Purchasing	555,030	538,546	690,477	151,931	723,446	32,969
<u>Engineering & Ops Administration</u>						
52110 Direct Labor	10,579	-	355,823	355,823	368,914	13,091
52300 Employee Benefit Allocated	5,780	-	196,612	196,612	211,420	14,808
52400 Auto Allowances	-	-	7,200	7,200	7,200	-
53301 Employee Certifications	-	-	25,740	25,740	25,965	225
53330 General Office Supplies	-	-	4,000	4,000	4,000	-
53333 Dues & Subscriptions	-	-	8,990	8,990	8,990	-
Total Engineering & Ops Administration	16,358	-	598,365	598,365	626,489	28,124

**STATEMENT OF REVENUES & EXPENDITURES
GENERAL & ADMINISTRATIVE SUPPORT**

<u>Account</u>	<u>Total Actual FY2018</u>	<u>Approved Budget FY2019</u>	<u>Proposed Budget FY2020</u>	<u>Change From PY Budget</u>	<u>Proposed Budget FY2021</u>	<u>Change From PY Budget</u>
<u>Strategic Programs</u>						
52110 Direct Labor	228,882	238,536	285,933	47,397	294,218	8,286
52300 Employee Benefit Allocated	183,533	194,562	157,994	(36,568)	168,613	10,619
52400 Auto Allowances	7,200	7,200	7,200	-	7,200	-
53140 Consulting And Professional Fees	23,488	50,000	50,000	-	50,000	-
53141 Contractual & Temporary Services	21,003	-	-	-	-	-
53300 Travel And Training	7,393	10,000	10,000	-	10,000	-
53310 Legal Costs	4,944	2,000	5,500	3,500	5,500	-
53330 General Office Supplies	652	1,000	1,000	-	1,000	-
53331 Postage	166	100	150	50	150	-
53333 Dues & Subscriptions	290	1,075	1,200	125	1,200	-
Total Strategic Programs	477,551	504,474	518,977	14,503	537,882	18,905
<u>Legal Expenses</u>						
53310 Legal Costs	8,257	36,600	22,800	(13,800)	22,800	-
53311 Legal Costs (Charged Out)	(888,229)	-	-	-	-	-
53312 Legal Services (Total)	888,229	-	-	-	-	-
Total Legal Expenses	8,257	36,600	22,800	(13,800)	22,800	-
<u>Allocated Facility, Computer, & Vehicle Charges</u>						
54406 Allocated Vehicle & Equip O&M Costs	66,029	69,523	74,420	4,898	74,685	265
54401 Computer Charges	1,135,562	1,077,396	1,236,925	159,529	1,255,765	18,840
54400 Facilities Charges	457,124	478,514	541,961	63,447	529,781	(12,180)
Total Allocated Facility, Computer, & Vehicle Charges	1,658,715	1,625,434	1,853,307	227,873	1,860,231	6,925

**STATEMENT OF REVENUES & EXPENDITURES
GENERAL & ADMINISTRATIVE SUPPORT**

Account	Total Actual FY2018	Approved Budget FY2019	Proposed Budget FY2020	Change From PY Budget	Proposed Budget FY2021	Change From PY Budget
<u>District Labor</u>						
52100	13,539,117	14,876,364	16,118,050	1,241,686	16,771,218	653,167
52101	(13,539,117)	(14,876,364)	(16,118,050)	(1,241,686)	(16,771,218)	(653,167)
Net Undistributed District Labor						
	-	-	-	-	-	-
<u>Employee Fringe Benefits Expenses</u>						
52200	726,029	564,997	-	(564,997)	-	-
52201	531,344	374,512	-	(374,512)	-	-
52202	110,381	112,436	-	(112,436)	-	-
52203	696,899	781,801	-	(781,801)	-	-
52204	34,149	-	-	-	-	-
52205	24,992	-	-	-	-	-
52206	17,858	-	-	-	-	-
52301	116,546	315,558	325,029	9,471	368,316	43,287
52302	131,393	269,268	411,600	142,332	432,309	20,709
52303	422,951	-	-	-	-	-
52304	(260,935)	126,010	111,253	(14,757)	110,717	(537)
52305	2,908,487	3,369,908	3,866,444	496,536	4,318,006	451,562
52306	9,875	10,790	11,115	325	11,180	65
52307	25,000	-	-	-	-	-
52308	199,735	201,834	220,887	19,053	232,001	11,114
52309	60,554	55,100	72,000	16,900	72,000	-
52310	2,636,084	3,737,724	3,271,221	(466,503)	3,430,551	159,329
52311	38,774	44,772	44,940	168	47,006	2,066
52312	113,261	111,396	125,407	14,011	129,021	3,614
52313	38,778	60,000	45,000	(15,000)	45,000	-
52314	(38,778)	(60,000)	(45,000)	15,000	(45,000)	-
52315	56,096	47,642	41,895	(5,747)	42,140	245
52316	302,292	315,296	308,232	(7,064)	322,323	14,091
52317	247	-	-	-	-	-
52318	-	1,000	1,000	-	1,000	-
52319	35,772	43,000	41,016	(1,984)	41,016	-
52320	4,155	6,000	5,000	(1,000)	5,000	-
52321	-	1,000	-	(1,000)	-	-
52324	4,797	-	-	-	-	-
52325	(4,797)	-	-	-	-	-
52401	18,448	28,800	26,600	(2,200)	26,300	(300)
52403	14,449	22,500	22,500	-	22,500	-
52404	13,005	-	-	-	-	-
52322	1,892,877	-	-	-	-	-
Total Employee Fringe Benefits Expenses						
	10,880,717	10,541,344	8,906,140	(1,635,204)	9,611,385	705,245
52399	(8,987,840)	(10,541,344)	(8,906,140)	1,635,204	(9,611,385)	(705,245)
Net Under (Over) Allocated Fringe Benefits						
	1,892,877	-	-	-	-	-

**STATEMENT OF REVENUES & EXPENDITURES
GENERAL & ADMINISTRATIVE SUPPORT**

<u>Account</u>	Total Actual FY2018	Approved Budget FY2019	Proposed Budget FY2020	Change From PY Budget	Proposed Budget FY2021	Change From PY Budget
Total G & A Support Costs	13,125,668	10,788,455	12,699,743	1,911,288	13,160,547	460,804
Total G & A Overhead Applied	(10,581,404)	(10,788,455)	(12,699,743)	(1,911,288)	(13,160,547)	(460,804)
Net Under (Over) Applied Overhead	2,544,264	-	-	-	-	-
Lake Lease						
73500 CLPOA Lake Lease Revenues	1,433,523	1,517,238	1,525,374	8,136	1,566,807	41,433
53355 Railroad Canyon Dam Insurance	(17,589)	(18,492)	(21,900)	(3,408)	(21,900)	-
Total Lake Lease	1,415,934	1,498,746	1,503,474	4,728	1,544,907	41,433
Non-operating Revenues						
40600 Reimbursement Processing Fees	80	2,000	-	(2,000)	-	-
40601 Rental Income	112,169	141,268	121,000	(20,268)	181,000	60,000
40602 Cash Over/short	(79)	-	-	-	-	-
40603 Unclaimed Customer Refunds	451	-	-	-	-	-
40610 Other Operating Revenue	105,015	-	-	-	-	-
72100 Accrued Interest Income (Allocable)	373,212	159,945	-	(159,945)	-	-
72101 Interest Income (Allocable)	2,578,698	2,395,055	3,358,377	963,322	3,358,377	-
72105 Realization Of Gain (Loss) On Sale Of Investment	(64,611)	-	-	-	-	-
72106 Net Inc/(Dec) In The Fair Value Of Investments	(1,531,529)	-	-	-	-	-
72107 Bank Analysis Fees	(363,497)	(220,000)	(432,000)	(212,000)	(432,000)	-
72109 Investment Broker Fees	(97,077)	(235,000)	(160,000)	75,000	(160,000)	-
72110 Allocated Investment Income	189,346	265,131	350,317	85,186	350,317	-
72111 Contra - Interest Income Allocated To Funds	(934,564)	(2,100,000)	(2,766,377)	(666,377)	(2,766,377)	-
74110 P-card Rebate	12,401	-	-	-	-	-
74111 Annexation Fees	(22,717)	-	-	-	-	-
74113 Loss (Gain) On Disposal Of Assets	360	-	-	-	-	-
74191 BCGSA - Administrative Fees	13,000	-	-	-	-	-
74199 Other Non-operating Revenue	287,366	-	-	-	-	-
Total Non-operating Revenues	658,025	408,399	471,317	62,918	531,317	60,000

**STATEMENT OF REVENUES & EXPENDITURES
GENERAL & ADMINISTRATIVE SUPPORT**

Account	Total Actual FY2018	Approved Budget FY2019	Proposed Budget FY2020	Change From PY Budget	Proposed Budget FY2021	Change From PY Budget
<u>Non-operating Expenses</u>						
81119 Other Non-operating Expenses	1,552	-	-	-	-	-
81121 Legal Settlement Expense	2,001,000	-	-	-	-	-
Total Non-operating Expenses	2,002,552	-	-	-	-	-
<u>Transfers In</u>						
76100 Transfer In From Reserves	6,275,136	-	-	-	-	-
76109 Transfer In From Wellness Program Reserve	108	-	-	-	-	-
78130 Transfer In From Wastewater Fund	1,162,253	-	842,937	842,937	1,040,301	197,364
78135 Transfer In From Recycled Water	208,318	-	172,410	172,410	189,752	17,342
78490 Transfer In From CIP	72,240	-	-	-	-	-
78333 Transfer In From Reg Sewer Repl Fund	382,175	-	390,000	390,000	390,000	-
78550 Transfer In From Reg Sewer Plant Capacity	1,162,253	-	756,414	756,414	935,054	178,640
78560 Transfer In From Sewer Collections Capacity	-	-	507,991	507,991	472,412	(35,579)
78561 Transfer In From Reclamation Capacity Fees	175,664	-	108,615	108,615	121,430	12,815
Total Transfers In	9,438,149	-	2,778,367	2,778,367	3,148,949	370,582
<u>Transfers Out</u>						
77100 Transfer Out To Reserves	5,903,687	685,450	3,164,761	2,479,311	3,005,694	(159,067)
77107 Transfer Out To Employee Relations Reserve	5,283	-	-	-	-	-
77109 Transfer Out To Wellness Program Reserve	287,238	-	-	-	-	-
79120 Transfer Out To Elsinore Water Operating	-	-	760,041	760,041	910,720	150,679
79121 Transfer Out To Information Tech Fund	2,228	-	-	-	-	-
79125 Transfer Out To Temescal Water Operating	-	-	383,990	383,990	264,385	(119,605)
79263 Transfer Out To Revenue Bond	7,235	7,250	6,910	(340)	6,918	8
79318 Transfer Out To Elsinore Water Replacement Fund	687,147	379,310	-	(379,310)	-	-
79490 Transfer Out To Construction Fund	658,268	758,619	350,000	(408,619)	450,000	100,000
Total Transfers Out	7,551,086	1,830,629	4,665,702	2,835,073	4,637,717	(27,985)
<u>Capital Charges</u>						
82521 Computer Outlay Charges	65,592	76,516	87,456	10,940	587,456	500,000
Total Capital Charges	65,592	76,516	87,456	10,940	587,456	500,000
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Vehicles & Equipment

Program 116



STATEMENT OF REVENUES & EXPENDITURES
VEHICLE & EQUIPMENT INTERNAL SERVICE PROGRAM

<u>Account</u>	<u>Total Actual FY2018</u>	<u>Approved Budget FY2019</u>	<u>Proposed Budget FY2020</u>	<u>Change From PY Budget</u>	<u>Proposed Budget FY2021</u>	<u>Change From PY Budget</u>
<u>Sources Of Funds</u>						
44100 Internal Service Fees	\$ 1,347,531	\$ 1,418,834	\$ 1,488,410	\$ 69,576	\$ 1,493,704	\$ 5,295
44120 Allocation Vehicle/equip Outlays Fund 20	55,457	72,677	164,510	91,833	164,510	-
44125 Allocation Vehicle/equip Outlays Fund 25	649	1,059	2,701	1,642	2,701	-
44130 Allocation Vehicle/equip Outlays Fund 30	77,484	101,264	232,789	131,525	232,789	-
72110 Allocated Investment Income	17,038	17,378	23,534	6,156	23,534	-
74113 Loss (Gain) On Disposal Of Assets	148,096	-	-	-	-	-
Total Sources Of Funds	1,646,255	1,611,212	1,911,944	300,732	1,917,238	5,295
<u>Operating Expenditures</u>						
52110 Direct Labor	58,726	33,167	76,023	42,856	78,083	2,060
52300 Employee Benefit Allocated	46,419	27,052	42,007	14,954	44,748	2,741
53110 Repairs & Maint - Inventory	6,532	20,000	20,000	-	20,000	-
53111 R&M - Outside Services & Materials	409,228	382,000	400,000	18,000	400,000	-
53142 Rent / Lease Expense	346,987	458,000	460,000	2,000	460,000	-
53310 Legal Costs	148	-	-	-	-	-
53320 General Liability & Property Insurance	148,942	144,318	165,100	20,782	167,700	2,600
53322 Licenses, Permit & Fees	1,150	-	2,000	2,000	2,000	-
53330 General Office Supplies	-	2,000	2,000	-	2,000	-
53102 Fuel Usage	173,832	250,000	230,000	(20,000)	230,000	-
53141 Contractual & Temporary Services	17,419	-	-	-	-	-
54400 Facilities Charges	86,741	90,800	102,257	11,457	99,959	(2,298)
54401 Computer Charges	12,117	11,497	12,558	1,061	12,749	191
Total Operating Expenditures	1,308,241	1,418,834	1,511,944	93,110	1,517,238	5,295
Surplus (Deficiency) Of Sources Of Funds Over Expenditures	338,014	192,378	400,000	207,622	400,000	-

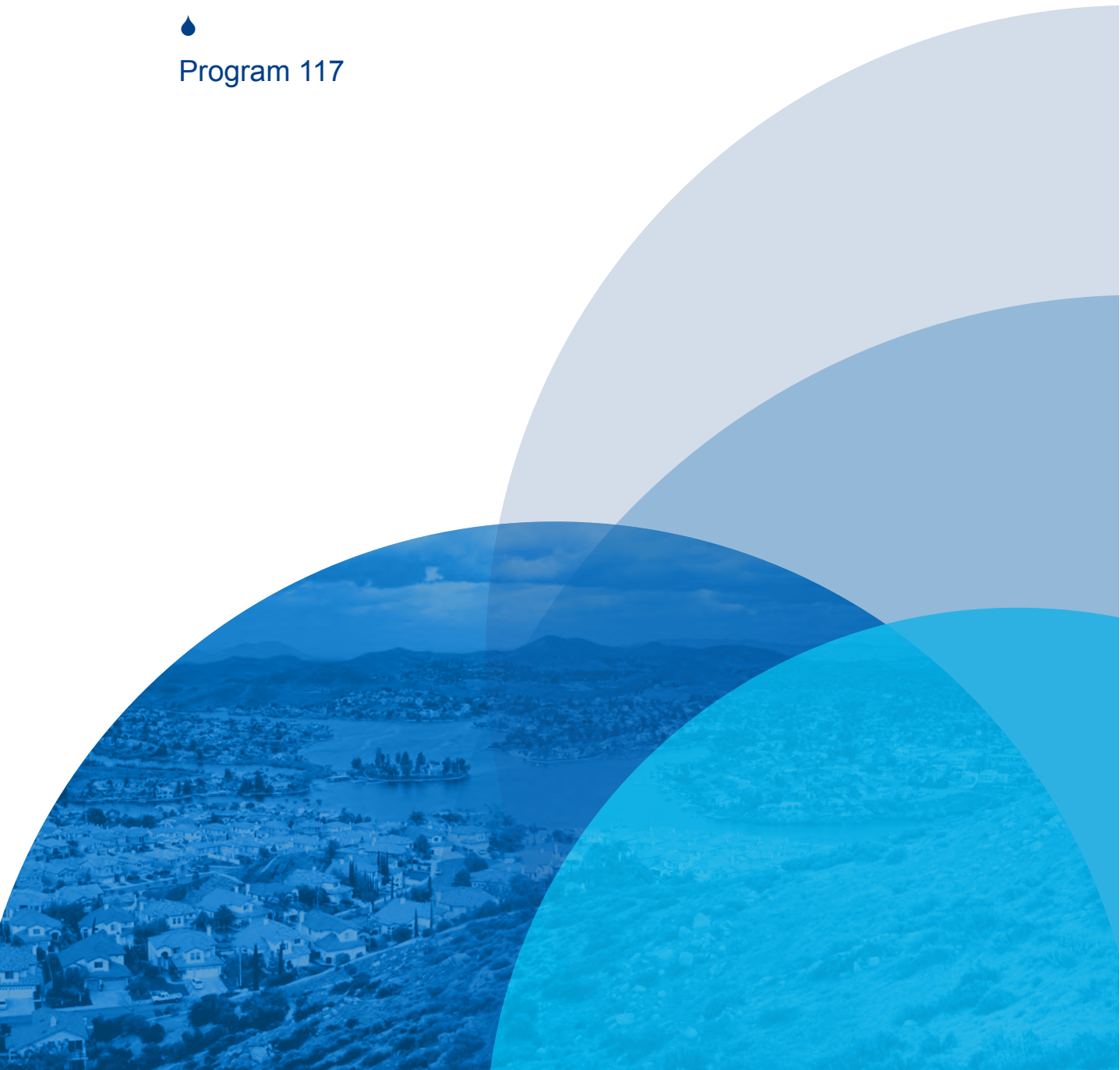
**STATEMENT OF REVENUES & EXPENDITURES
VEHICLE & EQUIPMENT INTERNAL SERVICE PROGRAM**

<u>Account</u>	<u>Total Actual FY2018</u>	<u>Approved Budget FY2019</u>	<u>Proposed Budget FY2020</u>	<u>Change From PY Budget</u>	<u>Proposed Budget FY2021</u>	<u>Change From PY Budget</u>
<u>Non-Operating (Revenue) Expenditures</u>						
82500 Capital Expenditures	\$ 181,366	\$ 132,501	\$ 1,302,336	\$ 1,169,835	\$ 955,197	\$ (347,139)
76100 Transfer In From Reserves	(53,220)	-	(902,336)	(902,336)	(555,197)	347,139
77100 Transfer Out to Reserves	209,869	59,877	-	(59,877)	-	-
Total Non-Operating Expenditures	338,014	192,378	400,000	207,622	400,000	-
Net Increase/(Decrease) In Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Engineering



Program 117



**STATEMENT OF REVENUES & EXPENDITURES
ENGINEERING DIVISION**

	Total Actual FY2018	Approved Budget FY2019	Proposed Budget FY2020	Change From PY Budget	Proposed Budget FY2020	Change From PY Budget
<u>Schedule Of Income (Loss) By Activity</u>						
<u>Engineering Service Revenues</u>						
1.0	\$ 22,332	\$ 19,035	\$ 23,489	\$ 4,454	\$ 23,489	\$ -
1.1	44,993	70,000	70,000	-	70,000	-
1.2	134,006	18,000	38,500	20,500	38,500	-
1.3	1,173,183	358,784	482,747	123,963	568,047	85,300
1.4	5,615	-	-	-	-	-
1.5	162,954	-	450,000	450,000	450,000	-
1.6	1,543,083	465,819	1,064,736	598,917	1,150,036	85,300
<u>Engineering Service Expenditures</u>						
2.0	2,629,443	2,097,705	3,526,967	1,429,263	3,836,575	309,607
2.1	(2,629,443)	(2,097,705)	(3,526,967)	(1,429,263)	(3,836,575)	(309,607)
2.2	7,068	8,244	9,425	1,181	9,425	-
2.3	955,779	457,575	1,055,311	597,736	1,140,611	85,300
2.4	962,847	465,819	1,064,736	598,917	1,150,036	85,300
3.0	580,236	-	-	-	-	-
<u>Planning & Plan Check</u>						
4.0	143,027	623,375	282,220	(341,156)	308,278	26,058
4.1	(268,668)	(623,375)	(282,220)	341,156	(308,278)	(26,058)
4.2	(125,641)	-	-	-	-	-
<u>Developer Inspection Services</u>						
5.0	616,334	1,594,627	1,287,810	(306,817)	1,359,184	71,374
5.1	(1,070,929)	(1,594,627)	(1,287,810)	306,817	(1,359,184)	(71,374)
5.2	(454,595)	-	-	-	-	-
<u>District Project Engineering & Inspection</u>						
6.0	1,251,371	1,392,643	2,175,536	782,893	2,345,801	170,265
6.1	5,930	2,000	3,000	1,000	3,000	-
6.2	(1,257,301)	(1,394,643)	(2,178,536)	(783,893)	(2,348,801)	(170,265)
6.3	-	-	-	-	-	-
7.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**STATEMENT OF REVENUES & EXPENDITURES
ENGINEERING DIVISION**

	Total Actual FY2018	Approved Budget FY2019	Proposed Budget FY2020	Change From PY Budget	Proposed Budget FY2020	Change From PY Budget
<u>Operating Expenses</u>						
1.0 Labor	\$ 797,953	\$ 1,039,978	\$ 1,291,393	\$ 251,415	\$ 1,458,474	\$ 167,081
1.1 Fringe Benefits	628,457	848,261	713,568	(134,693)	835,834	122,266
1.2 Other Direct Costs	369,572	425,000	400,000	(25,000)	400,000	-
1.3 Consulting Services	158,124	64,160	291,000	226,840	254,500	(36,500)
1.4 Seminars/conferences	3,410	18,480	67,900	49,420	44,000	(23,900)
1.5 Supplies	18,308	22,570	35,130	12,560	18,993	(16,137)
1.6 Legal	11,364	24,000	24,000	-	24,000	-
1.7 Other Operating Expenses	105,212	31,394	81,835	50,441	32,485	(49,350)
1.8 Allocated Facilities Charges	53,780	56,296	61,354	5,058	59,975	(1,379)
1.9 Allocated Computer Costs	135,887	128,926	147,552	18,626	149,799	2,247
1.10 Allocated Vehicle & Equipment Costs	130,711	137,627	148,841	11,214	149,370	529
1.11 Allocated General & Administrative	1,146,968	1,281,772	1,550,728	268,956	1,738,867	188,139
1.12 Total Operating Expenses	<u>\$ 3,559,745</u>	<u>\$ 4,078,464</u>	<u>\$ 4,813,301</u>	<u>\$ 734,838</u>	<u>\$ 5,166,299</u>	<u>\$ 352,997</u>

**STATEMENT OF REVENUES & EXPENDITURES
ENGINEERING DIVISION**

<u>Account</u>	Total Actual FY2018	Approved Budget FY2019	Proposed Budget FY2020	Change From PY Budget	Proposed Budget FY2021	Change From PY Budget
Engineering Service Revenues						
40502 Master Plan & Atlas Update Fees	\$ 44,993	\$ 70,000	\$ 70,000	\$ -	\$ 70,000	\$ -
40503 Miscellaneous Fees	96,776	500	500	-	500	-
40504 Service Availability Letters	37,230	15,000	38,000	23,000	38,000	-
40505 Standards	-	2,500	-	(2,500)	-	-
40610 Other Operating Revenue	5,615	-	-	-	-	-
72110 Allocated Investment Income	22,332	19,035	23,489	4,454	23,489	-
76100 Transfer In From Reserves	1,272,701	358,784	482,747	123,963	568,047	85,300
77100 Transfer Out To Reserves	(99,518)	-	-	-	-	-
78530 Transfer In From Gen Purpose Prop Tax	162,954	-	450,000	450,000	450,000	-
Total Engineering Service Fees Revenues	1,543,083	465,819	1,064,736	598,917	1,150,036	85,300
Engineering Administration Expenses						
52110-210 Direct Labor	491,883	187,659	726,577	538,918	873,447	146,870
52300-210 Employee Benefit Allocated	379,892	153,065	401,475	248,410	500,562	99,087
52400-210 Auto Allowances	6,367	-	7,200	7,200	7,200	-
53110-210 Repairs & Maint - Inventory	1,704	880	2,500	1,620	2,500	-
53140-210 Consulting And Professional Fees	158,124	64,160	291,000	226,840	254,500	(36,500)
53141-210 Contractual & Temporary Services	80,068	8,250	50,000	41,750	-	(50,000)
53300-210 Travel And Training	3,410	18,480	67,900	49,420	44,000	(23,900)
53301-210 Employee Certifications	661	3,960	1,900	(2,060)	2,550	650
53310-210 Legal Costs	11,364	24,000	24,000	-	24,000	-
53324-210 Advertising	1,070	-	1,000	1,000	1,000	-
53330-210 General Office Supplies	18,308	22,570	35,130	12,560	18,993	(16,137)
53331-210 Postage	-	710	660	(50)	660	-
53332-210 Forms, Printing & Duplicating Costs	8,464	5,830	6,000	170	6,000	-
53333-210 Dues & Subscriptions	783	3,520	3,150	(370)	3,150	-
54400-210 Facilities Charges	53,780	56,296	61,354	5,058	59,975	(1,379)
54401-210 Computer Charges	135,887	128,926	147,552	18,626	149,799	2,247
54403-210 Overhead Applied	(2,629,443)	(2,097,705)	(3,526,967)	(1,429,263)	(3,836,575)	(309,607)
54405-210 Allocated G & A Expense	1,146,968	1,281,772	1,550,728	268,956	1,738,867	188,139
54406-210 Allocated Vehicle & Equip O&M Costs	130,711	137,627	148,841	11,214	149,370	529
Subtotal Engineering Administrative Expenses	-	-	-	-	-	-
Service Availability, Maps & Records						
52110-233 Direct Labor	95,689	101,144	132,142	30,998	137,204	5,062
52300-233 Employee Benefit Allocated	78,463	82,498	73,016	(9,482)	78,630	5,614
53145-233 Other Direct Costs	13,024	25,000	25,000	-	25,000	-
54407-233 Allocated Engineering Overhead	768,603	248,933	825,153	576,220	899,777	74,624
82521 Computer Outlay Charges	7,068	8,244	9,425	1,181	9,425	-
Sub-total Service Availability, Maps & Records Expens	962,847	465,819	1,064,736	598,917	1,150,036	85,300
Net Engineering Service Revenues (Expenditures)	580,236	-	-	-	-	-

**STATEMENT OF REVENUES & EXPENDITURES
ENGINEERING DIVISION**

<u>Account</u>	<u>Total Actual FY2018</u>	<u>Approved Budget FY2019</u>	<u>Proposed Budget FY2020</u>	<u>Change From PY Budget</u>	<u>Proposed Budget FY2021</u>	<u>Change From PY Budget</u>
<u>Planning & Plan Check Services</u>						
40500 Plan Check Fees	131,691	623,375	282,220	(341,156)	308,278	26,058
40501 Research & Design Engineering Fees	11,335	-	-	-	-	-
Sub-total Planning & Plan Check Fees	143,027	623,375	282,220	(341,156)	308,278	26,058
52110-232 Direct Labor	12,523	122,375	26,577	(95,798)	28,690	2,113
52300-232 Employee Benefit Allocated	9,504	99,815	14,685	(85,130)	16,442	1,757
53141-232 Contractual & Temporary Services	(973)	-	-	-	-	-
53145-232 Other Direct Costs	63,147	100,000	75,000	(25,000)	75,000	-
54407-232 Allocated Engineering Overhead	184,466	301,185	165,958	(135,228)	188,146	22,189
Sub-total Planning & Plan Check Expenses	268,668	623,375	282,220	(341,156)	308,278	26,058
Total Planning & Plan Check Services	(125,641)	-	-	-	-	-
<u>Developer Project Inspection</u>						
40510 Inspection Fees	617,251	1,594,627	1,287,810	(306,817)	1,359,184	71,374
40512 Refunded Inspection Fees	(917)	-	-	-	-	-
Sub-total Developer Project Inspection Fees	616,334	1,594,627	1,287,810	(306,817)	1,359,184	71,374
52110-231 Direct Labor	76,335	302,707	126,691	(176,017)	130,264	3,574
52300-231 Employee Benefit Allocated	62,417	246,904	70,004	(176,900)	74,653	4,649
53145-231 Other Direct Costs	293,400	300,000	300,000	-	300,000	-
54407-231 Allocated Engineering Overhead	638,776	745,016	791,115	46,100	854,266	63,151
Sub-total Developer Project Inspection Expenses	1,070,929	1,594,627	1,287,810	(306,817)	1,359,184	71,374
Total Developer Project Inspection	(454,595)	-	-	-	-	-
<u>District Project Eng. & Insp.</u>						
78400 Transfer In From Eng Capital Proj Funds	1,251,371	1,392,643	2,175,536	782,893	2,345,801	170,265
40506 Sewer Lateral Inspection Fees	5,930	2,000	3,000	1,000	3,000	-
Sub-total District Project Eng. & Insp. Fees	1,257,301	1,394,643	2,178,536	783,893	2,348,801	170,265
52110-230 Direct Labor	121,523	326,093	279,407	(46,686)	288,869	9,462
52300-230 Employee Benefit Allocated	98,180	265,978	154,388	(111,590)	165,547	11,159
54407-230 Allocated Engineering Overhead	1,037,598	802,571	1,744,741	942,170	1,894,385	149,644
Sub-total District Project Eng. & Insp. Expenses	1,257,301	1,394,643	2,178,536	783,893	2,348,801	170,265
Total District Project Eng. & Insp.	-	-	-	-	-	-
NET INCOME (LOSS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Information Technology

Program 121



**INFORMATION TECHNOLOGY PROGRAM
STATEMENT OF REVENUES & EXPENDITURES**

<u>Accounts</u>	<u>Total Actual FY2018</u>	<u>Approved Budget FY2019</u>	<u>Proposed Budget FY2020</u>	<u>Change From PY Budget</u>	<u>Proposed Budget FY2021</u>	<u>Change From PY Budget</u>
<u>Sources Of Funds</u>						
44100 Internal Service Fees	\$ 2,885,066	\$ 2,737,286	\$ 3,139,404	\$ 402,118	\$ 3,187,222	\$ 47,818
44102 Computer Purchases Revenue	150,000	175,000	200,000	25,000	700,000	500,000
72110 Allocated Investment Income	26,856	11,847	16,839	4,992	16,839	-
Total Sources Of Funds	3,061,921	2,924,133	3,356,243	432,110	3,904,061	547,818
<u>Operating Expenditures</u>						
52110 Direct Labor	546,356	616,993	720,442	103,449	741,437	20,995
52300 Employee Benefit Allocated	429,737	503,252	398,085	(105,166)	424,908	26,823
52400 Auto Allowances	7,200	7,200	7,200	-	7,200	-
52402 Uniforms	3,542	2,800	2,800	-	2,800	-
53110 Repairs & Maint - Inventory	467	-	-	-	-	-
53111 R&M - Outside Services & Materials	39,661	5,000	25,000	20,000	25,000	-
53140 Consulting And Professional Fees	69,550	85,000	85,000	-	85,000	-
53142 Rent / Lease Expense	168,966	200,000	206,000	6,000	206,000	-
53300 Travel And Training	20,058	28,900	29,000	100	29,000	-
53310 Legal Costs	1,205	-	-	-	-	-
53323 Maintenance Agreements	1,234,406	1,108,942	1,331,616	222,674	1,331,616	-
53330 General Office Supplies	106,227	105,000	100,000	(5,000)	100,000	-
53331 Postage	74	-	-	-	-	-
53333 Dues & Subscriptions	8,070	20,400	400	(20,000)	400	-
53334 Phones And Cellphones	249,546	190,800	250,700	59,900	250,700	-
Total Operating Expenditures	2,885,066	2,874,286	3,156,243	281,957	3,204,061	47,818
Surplus (Deficiency) Of Sources Of Funds Over Expenditures	176,856	49,847	200,000	150,153	700,000	500,000

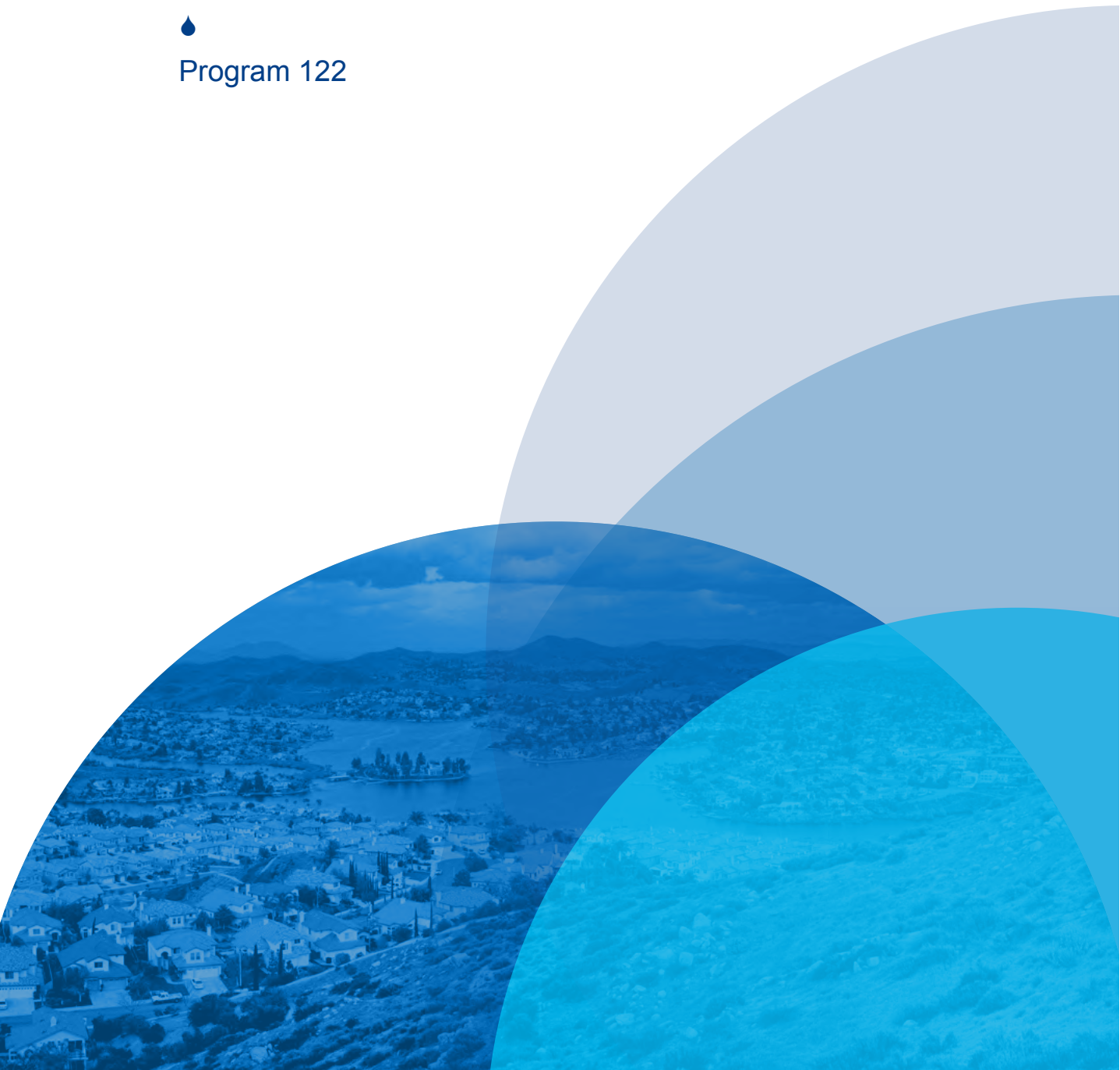
**INFORMATION TECHNOLOGY PROGRAM
STATEMENT OF REVENUES & EXPENDITURES**

<u>Accounts</u>	<u>Total Actual FY2018</u>	<u>Approved Budget FY2019</u>	<u>Proposed Budget FY2020</u>	<u>Change From PY Budget</u>	<u>Proposed Budget FY2021</u>	<u>Change From PY Budget</u>
<u>Non-operating (Revenue) Expenditures</u>						
76100 Transfer In From Reserves	(113,233)	-	(422,000)	(422,000)	-	422,000
77100 Transfer Out To Reserves	694,885	186,847	-	(186,847)	50,000	50,000
78115 Transfer In From General Fund	(2,228)	-	-	-	-	-
78120 Transfer In From Elsinore Water Fund	(325,742)	(137,000)	-	137,000	-	-
78125 Transfer In From Temescal Potable	(2,418)	-	-	-	-	-
78130 Transfer In From Wastewater Fund	(82,328)	-	-	-	-	-
78135 Transfer In From Recycled Water	(8,072)	-	-	-	-	-
79530 Transfer Out To General Purpose Property Taxes	2,290	-	-	-	-	-
82500 Capital Expenditures	13,703	-	622,000	622,000	650,000	28,000
Total Non-operating Expenditures	176,856	49,847	200,000	150,153	700,000	500,000
Net Increase (Decrease) In Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Facilities



Program 122



**FACILITIES INTERNAL SERVICE PROGRAM
STATEMENT OF REVENUES & EXPENDITURES**

<u>Account</u>	Total Actual FY2018	Approved Budget FY2019	Proposed Budget FY2020	Change From PY Budget	Proposed Budget FY2021	Change From PY Budget
Sources Of Funds						
44100 Internal Service Fees	\$ 867,411	\$ 907,997	\$ 1,022,568	\$ 114,571	\$ 999,586	\$ (22,982)
72110 Allocated Investment Income	3,628	1,883	-	(1,883)	-	-
Total Sources Of Funds	871,039	909,880	1,022,568	112,688	999,586	(22,982)
Operating Expenditures						
52110 Direct Labor	184,399	169,493	190,675	21,183	196,714	6,039
52300 Employee Benefit Allocated	143,608	138,247	105,359	(32,888)	112,735	7,376
52402 Uniforms	814	-	-	-	-	-
53100 Electricity	131,476	168,525	142,200	(26,325)	149,300	7,100
53101 Utilities Natural Gas & Cable TV	14,950	40,000	20,000	(20,000)	20,000	-
53110 Repairs & Maint - Inventory	14,790	10,000	18,000	8,000	18,000	-
53111 R&M - Outside Services & Materials	216,471	280,000	344,850	64,850	311,300	(33,550)
53113 Landscape	14,750	3,623	15,000	11,377	15,000	-
53114 Janitorial Services	52,548	-	75,000	75,000	75,000	-
53140 Consulting And Professional Fees	904	-	10,000	10,000	-	(10,000)
53141 Contractual & Temporary Services	148,048	57,000	60,000	3,000	60,000	-
53142 Rent / Lease Expense	53	-	3,000	3,000	3,000	-
53301 Employee Certifications	-	1,000	-	(1,000)	-	-
53306 Emergency Meals	18	-	-	-	-	-
53310 Legal Costs	1,256	700	1,500	800	1,500	-
53311 Legal Costs (Charged Out)	696	-	-	-	-	-
53320 General Liability & Property Insurance	20,399	22,542	18,600	(3,942)	18,600	-
53322 Licenses, Permit & Fees	3,624	3,400	3,500	100	3,500	-
53323 Maintenance Agreements	17,162	-	-	-	-	-
53330 General Office Supplies	7,648	4,000	-	(4,000)	-	-
53333 Dues & Subscriptions	255	-	-	-	-	-
54406 Allocated Vehicle & Equip O&m Costs	10,781	11,351	14,884	3,533	14,937	53
Total Operating Expenditures	984,651	909,880	1,022,568	112,688	999,586	(22,982)
Surplus (Deficiency) Of Sources Of Funds Over Expenditures	(113,611)	-	-	-	-	-

**FACILITIES INTERNAL SERVICE PROGRAM
STATEMENT OF REVENUES & EXPENDITURES**

<u>Account</u>	Total Actual FY2018	Approved Budget FY2019	Proposed Budget FY2020	Change From PY Budget	Proposed Budget FY2021	Change From PY Budget
<u>Non-operating Expenditures</u>						
76100 Transfer In From Reserves	(180,000)	-	-	-	-	-
77100 Transfer Out To Reserves	66,389	-	-	-	-	-
Total Non-operating Expenditures	(113,611)	-	-	-	-	-
Net Increase (Decrease) In Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Capital Outlay

Program 310



**CAPITAL OUTLAY PROGRAM
STATEMENT OF REVENUES & EXPENDITURES**

<u>Account</u>	Total Actual FY2018	Approved Budget FY2019	Proposed Budget FY2020	Change From PY Budget	Proposed Budget FY2021	Change From PY Budget
<u>Sources Of Funds</u>						
44100 Internal Service Fees	\$ 1,130,619	\$ -	\$ -	\$ -	\$ -	\$ -
44101 Internal Service Fees Capital Outlay Revenue	-	-	509,650	509,650	43,125	(466,525)
72110 Allocated Investment Income	3,329	6,284	9,321	3,037	9,321	-
76100 Transfer In From Reserves	655,249	-	-	-	-	-
78120 Transfer In From Elsinore Water Fund	43,916	-	-	-	-	-
78130 Transfer In From Wastewater Fund	55,737	-	-	-	-	-
78333 Transfer In From Reg Sewer Repl Fund	8,805	-	-	-	-	-
78530 Transfer In From Gen Purpose Prop Tax	147,813	-	-	-	-	-
Total Sources Of Funds	2,045,467	6,284	518,971	512,687	52,446	(466,525)
<u>Capital Expenditures</u>						
82500 Capital Expenditures	991,356	-	509,650	509,650	43,125	(466,525)
Total Capital Expenditures	991,356	-	509,650	509,650	43,125	(466,525)
<u>Other Expenditures</u>						
77100 Transfer Out To Reserves	993,608	6,284	9,321	3,037	9,321	-
79130 Transfer Out To Wastewater Operating Fund	31,525	-	-	-	-	-
79318 Transfer Out To Elsinore Water Replacement Fund	22,439	-	-	-	-	-
79530 Transfer Out To General Purpose Property Taxes	6,540	-	-	-	-	-
Total Other Expenditures	1,054,111	6,284	9,321	3,037	9,321	-
Net Increase (Decrease) In Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Lake Management

●
Fund 40



**LAKE ELSINORE MAINTENANCE FUND
STATEMENT OF REVENUES & EXPENDITURES**

<u>Accounts</u>	Total Actual FY2018	Approved Budget FY2019	Proposed Budget FY2020	Change From PY Budget	Proposed Budget FY2021	Change From PY Budget
<u>Lake Aeration Project</u>						
52110 Direct Labor	\$ 9,541	\$ 20,436	\$ 13,330	\$ (7,106)	\$ 13,753	\$ 422
52300 Employee Benefit Allocated	6,888	16,669	7,366	(9,303)	7,881	516
53100 Electricity	108,894	119,551	124,200	4,649	130,400	6,200
53111 R&M - Outside Services & Materials	28,535	99,000	80,000	(19,000)	80,000	-
53140 Consulting And Professional Fees	(240)	-	-	-	-	-
53320 General Liability & Property Insurance	374	414	400	(14)	400	-
53331 Postage	196	-	-	-	-	-
Sub- Total Lake Aeration Project	154,188	256,069	225,296	(30,773)	232,434	7,138
81105 Contra - Cost Sharing - Lake Aeration Project	(100,716)	(170,713)	(148,870)	21,843	(153,562)	(4,692)
Total Lake Aeration Project	53,473	85,356	76,426	(8,930)	78,872	2,446
<u>Lake Aeration Replacement Reserve</u>						
74100 Unearned Lake Aeration Reserve	58,668	58,667	58,667	-	58,667	-
77106 Transfer Out To Replacement Resv-lake Aeration	(88,000)	(88,000)	(176,000)	(88,000)	(176,000)	-
Total Lake Aeration Replacement Reserve	(29,332)	(29,333)	(117,333)	(88,000)	(117,333)	-
<u>Lake Elsinore Replenishment</u>						
74101 Lake Elsinore Replenishment Revenue	66,016	102,863	140,000	37,137	140,000	-
79120 Transfer Out To Elsinore Water Operating	24,244	-	-	-	-	-
79530 Transfer Out To General Purpose Property Taxes	24,244	-	-	-	-	-
Total Lake Elsinore Replenishment	114,504	102,863	140,000	37,137	140,000	-
<u>Island Well Project</u>						
52110 Direct Labor	6,406	543	8,553	8,011	8,823	270
52300 Employee Benefit Allocated	5,204	443	4,726	4,284	5,056	330
53111 R&M - Outside Services & Materials	70,330	5,000	5,000	-	5,000	-
53141 Contractual & Temporary Services	350	-	-	-	-	-
53100 Electricity	32,214	96,878	34,000	(62,878)	36,000	2,000
Total Island Well Project	114,504	102,863	52,280	(50,584)	54,880	2,600
<u>Administrative Expenses</u>						
52110 Direct Labor	-	233	5,092	4,859	5,251	159
52300 Employee Benefit Allocated	-	190	2,814	2,624	3,009	195
Total Administrative Expenses	-	422	7,905	7,483	8,260	354

**LAKE ELSINORE MAINTENANCE FUND
STATEMENT OF REVENUES & EXPENDITURES**

<u>Accounts</u>	Total Actual FY2018	Approved Budget FY2019	Proposed Budget FY2020	Change From PY Budget	Proposed Budget FY2021	Change From PY Budget
Lake Elsinore Maintenance Fund						
81104 Lake Maintenance Fund Contribution	59,984	750,000	750,000	-	750,000	-
Total Lake Elsinore Maintenance Fund	59,984	750,000	750,000	-	750,000	-
Other Expenses						
81101 Lake Elsinore Monitoring	74,104	15,000	125,000	110,000	125,000	-
81102 Lake Elsinore Axial Flow	-	50,000	50,000	-	50,000	-
81103 Other Lake Elsinore Related Costs	44,185	38,770	54,000	15,230	54,000	-
Total Other Expenses	118,289	103,770	229,000	125,230	229,000	-
Other Revenues						
72110 Allocated Investment Income	2,225	-	8,503	8,503	8,503	-
74103 Sale Of Water Quality Benefits	35,941	-	-	-	-	-
76100 Transfer In From Reserves	16,396	-	-	-	-	-
77100 Transfer Out To Reserves	(16,396)	-	-	-	-	-
78530 Transfer In From Gen Purpose Prop Tax	222,911	968,882	1,084,441	115,559	1,089,841	5,400
Total Other Revenues	261,077	968,882	1,092,944	124,062	1,098,344	5,400
Net Increase (Decrease) In Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



Policies

Purchasing Policy



Investment Policy



Debt Management Policy



Reserves Policy



Capital Asset Policy



Purchasing Policy
Section 1500, Adopted 1/26/2017

Policy

The purpose of this policy is to establish uniform procedures for acquiring services, supplies, equipment, and materials for the District, in accordance with Government Code section 54201 et seq., to assure purchases are accomplished in a manner providing maximum benefits and minimum cost to the taxpayers and customers of the District. Whenever practical, competitive prices shall be obtained. No purchase shall be made that is not authorized in the manner set forth herein.

California Government Code section 54202 requires that every local agency shall adopt policies and procedures, including bidding regulations, governing purchases of supplies, materials and equipment and that said purchases shall be in accordance with said duly adopted policies.

California Government Code section 54204 requires that if the local agency is other than a city or county, policies provided for in Section 54202 of said code shall be adopted by means of a written rule or regulation; copies of which shall be available for public distribution.

The District shall strive to solicit all local firms potentially qualified to bid for any given project, purchase, or programs for which the District will be requesting bids or proposals. The District will consider the local economic impacts of its various projects, purchases and programs as part of the request for proposed process.

District Purchases Approval Levels

- A. To expedite the purchasing function and ensure an uninterrupted flow of materials, equipment, and services, the authority to approve purchases or rental of supplies, equipment and services has been delegated to District employees in accordance with the limitations set forth below.

Purchase Amount	Approval Level
\$0-\$3,000	District-wide Staff
\$3,001-\$50,000	General Manager
Over \$50,000	Board of Directors

- B. Purchases of Inventory Materials exceeding \$50,000 may be initially approved by the General Manager or his or her designee in order to expedite inventory fulfillment followed by the ratification of the purchase by the Board of Directors at the next regular Board Meeting.

Procurement Requirements

- A. Public Works: As defined by Public Contract Code section 1101, public works includes the erection, construction, alteration, repair, or improvement of any public structure, building, road or other public improvement of any kind.
 1. Purchases of less than \$1,000: No bid or purchase requisition required.
 2. Purchases of \$1,000 up to \$3,000: No bid or purchase requisition required. Prevailing wage and Insurance notification required.
 3. Purchases in excess of \$3,000 but less than \$35,000: Shall be procured by an informal bid process sent to no less than three contractors. If the bid solicitation results in only one written bid, then the single bid may be accepted.
 4. Purchases of \$35,000 or more: Shall be procured by a formal bid process that is publicly advertised in the manner prescribed by the Board of Directors and awarded to the lowest responsible, responsive bidder.
 - Maximum competitive bids must be sought by the sealed bid method. Use of an electronic bid management system satisfies the sealed bid requirement.
 - The Board of Directors may reject any and all bids.

- B. All Other Purchases: Including Professional Services for any type of special service or advice to include but not limited to financial, economic, accounting, engineering, legal or administrative matters by persons that are specially trained to perform such services. Other types of purchases include purchases for materials, goods, maintenance work, landscape maintenance, inventory materials, and other purchases that are not classified as public works projects.
1. Purchases of less than \$1,000: No bid or purchase requisition required.
 2. Purchases of \$1,000 up to \$3,000: No bid or purchase requisition required. Prevailing wage and Insurance notification required.
 3. Purchases in excess of \$3,000 but less than \$50,000: Shall be procured by a request for quotation, an informal request for proposal, or an informal invitation for bid sent to no less than three firms.
 4. Purchases of \$50,000 or more: Shall be procured by a formal request for proposal that is publicly advertised in the manner prescribed by the Board of Directors.
 5. Notwithstanding the requirements above, pursuant to Government Code section 4525 et seq., the procurement of Professional Services such as architect, landscape architect, engineering, and construction management professional services will be on the basis of demonstrated competence and professional qualifications at a fair and reasonable price.
 6. All other Purchases, excluding Professional Services, if a vendor is selected to provide a service or item where bids or proposals have been obtained in the last twelve months, and the District is unable to negotiate an Agreement with said vendor, then the next lowest responsive, responsible bidder for invitation to bid procurements or the best qualified and competent for request for proposal procurements may be utilized without conducting another solicitation.
 7. If any solicitation results in the receipt of only one written proposal, that proposal may be accepted.
 8. All procurement documents must form a permanent part of the purchase record.
- C. Before work commences or series are rendered, evidence of insurance as required by the District must be obtained, reviewed and accepted by General Manager or his/her designee.

Purchase Requisitions

- A. A purchase requisition is the form used to request the Purchasing Manager to act to acquire supplies, equipment, materials or services. Upon determining that sufficient budget funds are available, the department head or authorized representative will prepare a requisition for material, supplies or services and forward same to the Purchasing Manager for acquisition.
- B. Purchase requisitions submitted must have complete descriptions of the items desired (size, color, stock number, brand name, model number, expected delivery date, etc.) When prices are obtained by the originating department, the purchase requisition must indicate whether or not the prices quoted include delivery or freight costs, the name of the sales person quoting the prices, or otherwise from what source the price information was obtained.
- C. The appropriate account number for the purchase must be indicated on the purchase requisition. Explanations regarding the need or reason for the purchase along with other related information should be noted in this section of the form. If the item requested is a capital outlay purchase, the amount budgeted should be noted in this section of the form.
- D. The appropriate level of approval is required on all purchase requisitions. Once final approved, the purchase requisition is processed into a purchase order.

Purchase Orders

- A. A purchase order is the form used by the Purchasing Manager to set the legal and contractual terms involved in each purchase that does not have an executed contract. If a contract is executed, the contract terms will take precedence over the purchase order terms. The purchase order or executed contract binds the District and the vendor to fulfill the specified obligations.
- B. All purchases exceeding \$3,000 require a purchase order except as stated in Section 1508(E) and 1508(F). The Purchasing Manager will issue all purchase orders on the basis of competitive prices obtained by formal bid or informal quotations pursuant to legal requirements and Board policy, taking into consideration quality, price, and delivery.

Change Orders

- A. Change orders are issued to correct, change, or supplement a purchase order and are only issued by the Purchasing Manager and approved by the General Manager. To process a change order, the originating department will submit a purchase requisition to the Purchasing Manager referencing the purchase order number, which is being changed, along with the reason and nature of the change.
- B. Change orders issued to correct or supplement an order which results in additional costs, where the total revised purchase amount is in excess of the General Manager's authorized approval level, are subject to the Board of Directors approval, with the following exceptions:
 1. Changes for tax and/or freight.
 2. Less than or equal to 10% of the original order or \$50,000 per occurrence, whichever is less. A listing of change orders in excess of \$10,000 will be provided to Board of Directors.

Purchase Order / Invoice Discrepancies

If a discrepancy exists between the original purchase order and the invoice, the following will apply: if the discrepancy is less than \$1,000, the Purchasing Manager's approval to pay will be sufficient for payment processing; if the discrepancy is greater than \$1,000, the originator will process a change order as outlined in Purchase Orders (Change Orders) Section above.

Procurement Method Exceptions

- A. Emergency Purchases and Repairs:
 1. Emergency purchases are an exception to the procedures noted herein and are those purchases requiring immediate action as a result of unforeseen circumstances. Such purchases should be held to an absolute minimum. An emergency is defined as an unforeseen crisis or incident which requires immediate action and the acquisition of goods or services to forestall a shutdown of essential services; to avoid a threat to public health, safety, or welfare; or to avoid serious damage to property.
 2. Emergency repairs are defined as those repairs or rehabilitation where, in the opinion of the General Manager, a delay would adversely affect water or sewer service, threaten the health and safety of the public, or compromise the integrity or security of District facilities, or is likely to result in fines, penalties or other regulatory actions or sanctions.
 3. Emergency purchases over \$50,000 must be ratified by the Board of Directors at the next regular Board Meeting.
- B. Sole Source Procurement: Purchases shall be awarded following the guidelines outlined in Section 1503 unless one or more of the following conditions are met:
 1. The product or service is only available from one source. The item(s) or service(s) has unique design and/or performance specifications that have not been found in similar products and therefore only available from one single supplier and competitive bids are not available or applicable;
 2. Non-competitive product or service is available only from the manufacturer or designated sales/service representative;
 3. This product is requested in order that a field test or experiment may be made to determine the product's suitability for future use;
 4. The requested product is required in order to match other products in use;
 5. Proprietary software maintenance, annual license renewals, and/or upgrade contracts;
 6. Information/experience possessed by one consultant/contractor justifies a sole source procurement (i.e., a new learning curve can be avoided by using the same consultant on the same project or a project that is highly similar to one that they have already successfully performed);
 7. Time constraints, special reason, circumstances, or conditions that make a competitive purchase unfeasible; or
 8. The product or service cannot be described with enough detail to enable competitive practices.
 9. These type of purchases are deemed to be Sole Source purchases. A written justification explaining why the sole source is necessary to satisfy the needs of the requester is required and will include:
 - The unique performance factors required;
 - Why these factors are required; and
 - What other sources have been considered, rejected, and why.

C. No Substitute Items

“No substitute” means there is only one acceptable product to perform the function required by the using department. “No substitute” situations tend to reduce competition and increase cost and should be used judiciously. A “no substitute” requirement must be justified by the using department, and a statement explaining the need and situation should be attached to the purchase requisition. Vendors may not be listed as “no substitutes.”

A. Purchases of Non-Competitive Items or Services

1. Purchases or contracts that are for items or services, which are not available on a competitive basis due to territorial distributorships between manufacturers and their agents, shall be identified and fully established as exceptions to the policy of competitive bidding. Such arrangements may be for items of high technology or other products of limited application that often require considerable post sales or post installation support, staff education and performance verification.
2. In instances where a non-competitive sales arrangement can be documented, the implementation of procurement procedures such as direct negotiations with the distributor or District vendor shall be deemed appropriate when it is anticipated that competitive bidding will not provide the best advantage to the District. Such procurement activity shall be reported to the General Manager and all such activity must comply with appropriate policies and procedures as set forth in this Code.
3. The final determination regarding whether competitive bidding is or is not advantageous rests with the Purchasing Manager.

B. Centralized Purchasing Exceptions: All purchases of materials, goods and services on behalf of the District are only valid if procured with an authorized purchase order pursuant to the procedures and policies set forth herein. Purchases of the item types below do not require purchase order authorization are limited to the following:

1. Travel Advances/reimbursements.
2. Prepaid travel expenses, such as airfares, hotel registration, etc.
3. Temporary labor employment services.
4. Utility services (e.g. gas, electric, water phone, solid waste disposal).
5. Meal reimbursements.
6. Petty cash purchases/replenishment.
7. Purchases for items valued at under \$3,000.
8. Investment and debt services.
9. Health benefits.
10. Dues and subscriptions, claims, permits, and fees.
11. Interagency agreements.
12. Employee reimbursements (e.g. seminars, training, boots, education, etc.).
13. Insurance payments.
14. Postage.
15. Classified, legal and display advertisement.
16. Mandatory governmental agency tax, fee, charge, etc.
17. Board of Directors Election filing costs.

All of the exceptions listed above, however, are subject to approval by the General Manager or designee.

C. Petty Cash Purchases: The basic premise for petty cash purchases is that it can be less expensive to pay for small non-repetitive purchases with cash rather than by check. The maximum petty cash expenditure allowed by District policy is \$100.00. Splitting purchases in order to utilize petty cash rather than standard purchasing procedures is not permitted.

- D. **Documentation for Procurement Method Exceptions:** This following requirement applies to B, C and D above within this section. Documentation for procurement method exceptions, must be furnished by the originating department. The reason for a procurement method exception should be based on qualitative facts and not on personal preferences. The Purchasing Manager is responsible for making the final determination for the procurement method exceptions. The written documentation will become a part of the permanent purchasing record.

Receiving Location

- A. The warehouse at District headquarters is the central receiving location for incoming shipments, and all incoming inventory and other items must be directed for unloading at that designated location.
- B. From time to time, in special or extraordinary circumstances, and in order to minimize unnecessary handling of large or bulky items, other District-owned facilities may be designated for receiving materials and equipment. Alternate receiving locations are at the discretion of the purchasing supervisor on a case-by-case basis.
- C. Personnel receiving shipments at District facilities other than the central receiving location are required to follow the District's standard procedure for receiving documentation.

Surplus Property

- A. Surplus property is defined as any unnecessary, obsolete or excess supplies, materials, tools, vehicles, equipment, or furniture which has been replaced or retired due to damage, age, or change in District's standards and/or specifications.
- B. Items with an estimated current value of \$10,000 or more must be declared surplus by the Board of Directors and disposed of by means of:
 1. Formal or informal sale or auction;
 2. Exchange or trade; or
 3. Scrapping if appropriate based on circumstances.
- C. The method used will take into consideration market trends, demand, economics and convenience. Items under \$10,000 must be declared surplus by the General Manager prior to disposal, using the same means discussed above.

Procurement Cards (P-cards)

Procurement Cards, referred to as P-cards, are credit cards that the District utilizes as a procurement methods for low dollar purchases subject to the following conditions:

1. Purchases are limited to a maximum transactional value of \$3,000 unless exempted under Section 1508.
2. Splitting purchases to circumvent the cardholder's dollar limitation is not permitted.
3. Purchases cannot include services that are subject to prevailing wages.
4. Purchases and use of the P-cards are subject to the guidelines set forth in the "P-Card Program Procedures Manual".

Publication

A notice inviting bids required to be published in accordance with Public Contract Code section 20642 shall be published on an established e-procurement/electronic bidding system or pursuant to Government Code section 6061, at the discretion of the General Manager or his designee. All other public advertisements shall also comply with this section.

Cooperative Purchases

The District may utilize cooperative bidding/ "piggybacking" contracting to utilize contracts awarded by the United States of America, any state, municipality, or public agency where it is in the District's best interest to do so. Evidence of the competitive bidding process conducted by the other political jurisdiction must be obtained and kept on file to support the requisition or purchase order. Cooperative purchasing examples are purchase of fuel, office supplies, vehicles and auto parts. Cooperative purchases with other governmental entities is encouraged.

Unauthorized Purchases

- A. Purchase documents shall be issued prior to ordering supplies, equipment and services and no “after the fact” for work already done or materials already ordered.
- B. Except for emergencies, department purchases, or authorized exemptions stated in these guidelines, no purchase or supplies, services, or equipment shall be made without an authorized purchase order. Otherwise:
 - 1. Such purchases may be void and not considered an obligation of the District;
 - 2. Invoices without an authorized purchase order may be returned to the vendor unpaid;
 - 3. The person ordering the unauthorized purchase may be held personally liable for the cost of the purchase or contract and may be subject to disciplinary actions.

Conflicts of Interest

No officer, employee or agent (including consultants) of the District, engaged in the award and administration of contracts shall participate in the preparation of specifications, selection, or in the award or administration of a contract if he or she has any potential or actual financial interest in such contract. District officers, employers or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors or parties to sub agreements.

Review Audits

Compliance with this policy is subject to review at any time by internal or external auditors. It is the responsibility of the District staff member (and their department head or authorized representative) initiating the purchase to maintain records of bids, bid procedures followed, contracts, sole source forms, change orders, and authorized signatures.

Investment Policy

Section 2850, Adopted 6/28/2018

Scope

EVMWD pools all cash for investment purposes. This policy is applicable to all EVMWD funds.

Objective

The primary objectives, in priority order, of investment activities shall be:

- A. Safety: Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in overall portfolio. The objective will be to mitigate credit risk and interest rate risk.
 1. Credit Risk: Credit Risk is the risk of loss due to the failure of the security issuer or backer. Credit Risk may be mitigated by:
 - Limiting investments to the safest types of securities;
 - Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which an entity will do business; and
 - Diversifying the investment portfolio so that potential losses on individual securities will be minimized.
 2. Interest Rate Risk: Interest Rate Risk is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. Interest Rate Risk may be mitigated by:
 - Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and
 - By investing operating funds primarily in shorter-term securities.
- B. Liquidity: The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity).
- C. Yield: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of least importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

Standards of Care

- A. Prudence: The standard of prudence to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.
- B. Ethics and Conflicts of Interest: Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the District.
- C. Delegation of Authority: Authority to manage the investment program is granted to the General Manager. Responsibility for the operation of the investment program is hereby delegated to the Assistant General Manager - Business Services or his/her designee, who shall carry out established written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, collateral/depository agreements and banking services contracts. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Assistant General Manager - Business Services or his/her designee.

The General Manager and Assistant General Manager - Business Services or his/her designee are responsible for qualifying and establishing relationships with investment managers. The investment manager is expected to respect and observe the specific limitations, investment guidelines, attitudes and philosophies stated within this Investment Policy or expressed in any written amendments or instructions.

Safekeeping and Custody

A. **Internal Controls:** The Assistant General Manager - Business Services or his/her designee is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the Assistant General Manager - Business Services or his/her designee shall establish a process for annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

1. **Control of collusion:** Collusion is a situation where two or more employees are working in conjunction to defraud their employer.
 2. **Separation of transaction authority from accounting and record keeping:** By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved.
 3. **Custodial safekeeping:** Securities purchased from any bank or dealer including appropriate collateral (as defined by State Law) shall be placed with an independent third party for custodial safekeeping.
 4. **Avoidance of physical delivery securities:** Book entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.
 5. **Clear delegation of authority to subordinate staff members:** Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.
 6. **Written confirmation or telephone transactions for investments and wire transfers:** Due to the potential for error and improprieties arising from telephone transactions, all telephone transactions should be supported by written communications and approved by the appropriate person, unless other internal controls are in place that will preclude the occurrence of improprieties or misuse of funds. Written communications may be via fax if on letterhead and the safekeeping institution has a list of authorized signatures.
 7. **Development of a wire transfer agreement with the lead bank or their party custodian:** This agreement should outline the various controls, security provisions, and delineate responsibilities of each party making and receiving wire transfers.
- B. **Delivery vs. Payment:** All trades where applicable will be executed by Delivery vs. Payment (DVP). This ensures that securities are deposited in the eligible financial institution prior to the release of funds. Securities will be held by a third party custodian as evidenced by safekeeping receipts.

Suitable and Authorized Investments

A. **Investment Types Allowed by State Law:**

1. State and Local Agencies

Introduction: These bonds, notes, warrants or other evidences of indebtedness of any local or State Agency, including a District's own bonds, within the State of California. This includes bonds payable solely out of the revenues from a revenue producing property owned, controlled or operated by the local or state agency, or by a department, board, agency, or authority of the local agency or state.

Definition: These are generally made up of Improvement Act bonds and each issue has various fixed maturities and interest rates.

Legal Authority: Section 53601 (a, c, d, e) of the Government Code authorizes local and state agencies to purchase these bonds with no limitations as to the amount that can be owned.

Characteristics: Bonds issued are registered and generally have interest paid twice a year. Each issue will have bonds of varying maturities. Each maturity has a fixed interest rate that tends to increase as the maturities become longer. These types of issues are generally at a lower interest rate than other instruments due to their low risk and tax free interest status. These securities shall have a maximum term of 5 years unless expressly authorized by the Board of Directors or as part of an investment program approved by the Board of Directors at least three months prior to the investment.

2. U.S. Treasuries

Introduction: These are instruments in which the full faith and credit of the United States Government is pledged.

Definition: U.S. Treasuries include Treasury Bills, Treasury Bonds, and Treasury Notes.

Legal Authority: Section 53601 (b) of the Government Code authorizes local agencies to purchase U.S. Treasuries with no limitations as to the amount that can be owned of each.

Characteristics: Treasuries can be issued in discount form for securities with maturities of one year or less. Maturities on these issues can be from just a few days to thirty years. These securities have perceived differences in quality and consequently each can trade at a different yield from the other.

3. Specified Federal Agencies

Introduction: This category includes securities issued by federally owned or sponsored agencies that have the backing of the full faith and credit of the Federal Government. These securities are very liquid and marketable and they offer a wide range of available maturities. These securities are considered to be the safest investment next to Treasury Instruments.

Definition: Bank obligations in this category are limited to certain federally owned or sponsored agencies such as Banks of Cooperatives, Federal Land Banks, Federal Intermediate Credit Banks, and Federal Home Loan Banks (FHLB). Also included are obligations, participations, or other instruments of, issued by, or fully guaranteed by the Federal National Mortgage Assoc. (FNMA), guaranteed portions of Small Business Administration notes, and obligations, participations, or other instruments of, or issued by, a federal agency or a United States government-sponsored enterprise.

Legal Authority: Section 53601 (f) of the Government Code allows public agencies to invest in obligations issued by banks.

Characteristics: Securities issued by the Government National Mortgage Association GNMA are guaranteed by the Federal government and it is a general belief that the other agencies carry an "implied" guarantee. As with treasuries, agencies securities can be issued in discount form for securities with Maturities of one year or less. Maturities on these issues can be from just a few days to thirty years. While all of these securities are classified as agencies, there are perceived differences in quality and consequently each will trade at a different yield from each other and treasuries. Issues of the GNMA, because of the government guarantee, are considered the safest of the agencies, typically followed by issues of the Federal Farm Credit System, the FHLB, and finally the FNMA.

4. Bankers' Acceptances

Introduction: Bankers' acceptances (BA's) are a suitable short-term investment because they provide an attractive yield and they are considered a relatively safe and liquid investment.

Definition: A BA is a time draft drawn on and accepted by a bank for payment of the shipment or storage of merchandise. The initial obligation of payment rests with the drawer, but the bank substitutes its credit standing for that of the borrower and assumes the obligation to pay face value at maturity.

Legal Authority: Section 53601 (g) limits investments in this category to those Bankers' Acceptances which are eligible for purchase by the Federal Reserve System and not exceeding 180 days maturity. In addition, no more than 40% of the District's surplus funds may be invested in BA's and no more than 30% may be invested in any one bank.

Characteristics: BA's are issued in bearer form and are a discount instrument. Normal trading blocks are \$5 million, but the odd lot market is active. The majority of BA's are created with a 90-day maturity and rarely extend over 180 days. Since BA's are a "two-name paper" they are perceived to be the safest of bank obligations. During the past 70 years in which BA's have been actively traded in U.S., no loss of principal has been documented. For the most part, banks include a service charge for BA's which generally reduces the yield to a level too low for the District to benefit.

5. Commercial Paper

Introduction: Commercial paper consists of promissory notes of large business concerns of high credit standing, usually maturing in four to six months. These Corporate I.O.U.'s are bought and sold in the open market. Large companies raise short term capital needs with this type of instrument.

Definition: Commercial Paper is a short term I.O.U. issued by large corporations for a fixed short period of time. It is unsecured and issued on a continuous basis.

Legal Authority: Section 53601 (h) of the Government Code allows public agencies to invest in only "prime" quality commercial paper issued with the highest rating provided by Moody's Investors' Service, Inc. (Moody's), or Standard and Poor's Corporation (S&P), or Fitch Financial Services (Fitch). Eligible paper is further limited to issuing corporations: (1) organized and operating within the United States; (2) having total assets in excess of \$500 million dollars and (3) having an "A" or higher rating for the issuers debt, other than commercial paper, if any, as provided for by Moody's, S&P or Fitch. Commercial paper may not exceed 270 days maturity and must not represent more than 10% of the outstanding paper of the issuing corporation. In addition, the amount invested in this type of instrument cannot exceed 25% of the total funds available to the District.

Characteristics: Commercial paper is normally issued in multiples of \$100,000. About one-half of the outstanding commercial paper is sold directly by the borrowers and one-half is sold through dealers. Maturities can extend as far as 270 days, but are generally kept at 90 days or less. Commercial paper can be issued on a discount or an interest bearing basis.

6. Non-negotiable Certificates of Deposit

Introduction: Non-negotiable Certificates of Deposit (CD's) can be attractive investments because they offer competitive yields, a wide range of Maturities, and a relatively high degree of safety if they are collateralized, insured, and/or issued by a financial institution of high quality.

Definition: A non-negotiable CD is an instrument evidencing a deposit with a financial institution for a fixed period of time and normally for a fixed rate of interest. They can be collateralized with securities or mortgages or, if issued in denominations of \$100,000 or less, they can be insured by the Federal Deposit Insurance Corporation if issued by a bank, or the Federal Savings and Loan Insurance Corporation if issued by a savings and loan association.

Characteristics: Non-negotiable CD's purchased pay interest at least quarterly. Maturities are typically one year or less. Because they are non-negotiable, they are not liquid and cannot be sold or redeemed prior to maturity without suffering a loss of interest. They can be written for any amount but must be deposited for at least 7 days.

7. Negotiable Certificates of Deposit

Introduction: New York Bank began issuing CD's in 1961 in an attempt to attract deposits from the national market. Immediately, a secondary market developed for buying and selling these instruments.

Definition: A CD is a negotiable instrument evidencing a time deposit with a bank at a fixed rate of interest for a fixed period. CD's of this type are not collateralized and should be considered an unsecured deposit.

Legal Authority: Section 53601 (i) of the Government Code allows public agencies to invest a maximum of 30% of surplus funds in the CD's of state or federal associations or state licensed foreign banks. Section 53638 stipulates that negotiable CD's may not exceed the shareholder's equity of the bank, and that the amount of CD's purchased from a state or federal association may not exceed the total of the net worth of that association unless the purchase amount is less than \$500,000.00 and the deposits are insured or secured as required by law.

Characteristics: CD's are coupon bearing, which pay interest at maturity if less than a year; if not, they generally will pay interest semi-annually. The majority of CD's are issued in the 30 to 90 day range. Negotiable CD's normally are issued in blocks of \$5 million but can be bought in pieces of \$1 million.

8. Repurchase Agreements

Introduction: Repurchase Agreements (Repos) are one of the most flexible investments available to invest short-term funds and when proper guidelines are followed, are relatively safe.

Definition: A Repo involves two simultaneous transactions. One transaction involves the sale of securities (collateral) by a borrower of funds, typically a bank or broker/dealer in governments or agencies, to a lender of funds. The lender can be any investor with cash to invest. The second transaction is the commitment by the borrower to repurchase the securities at the same price plus a predetermined amount of interest on an agreed future date.

Legal Authority: Section 53601 (j) of the Government Code permits Repos in any security that is allowed for purchase as defined in that same section of the Code and for a term that does not exceed one year, and with collateralization of 102 percent.

Characteristics: Repos can be entered into with any amount of dollars, including odd amounts. They are typically for very short periods, often one day, but it is not unusual for Repos to be for periods of up to 180 days, and occasionally longer. Any type of security can be used as collateral but most often government or agency's securities are utilized. There are minimal risks involved in a Repo transaction if the collateral is priced properly. Caution should be used for Repos of greater than 30 days so that market changes do not substantially change the value of the collateral.

9. Medium Term Corporate or Bank Notes

Introduction: Medium term Notes (MTN's) were initially issued by General Motors Acceptance Corporation (GMAC) in 1972. They have become a more prevalent investment since 1982 when the SEC removed some restrictions that had previously hindered their sale. Currently, there are hundreds of MTN's which represent well over 40 billion dollars of outstanding notes.

Definition: A medium Term Note is a promise to pay issued by a corporation or a bank at a fixed interest rate for a fixed period of nine months to fifteen years. Most are unsecured although some are collateralized or carry other credit enhancements such as letters of credit.

Legal Authority: Section 53601 (k) of the Government Code allows public agencies to invest a maximum of 30% of surplus funds in the MTN's for a maximum of five years maturity. The notes must be issued by a U.S. corporation or by a depository institution licensed by the United States or any state. To minimize risk, the notes must be rated in a rating category of "A" or better by a nationally recognized rating service, like Moody's. or S&P, etc.

Characteristics: MTN's are generally issued in minimum amounts of \$25,000 or \$100,000 and integral amounts of \$1,000. Interest is calculated on a 30 day month, 360-day year basis and paid semi-annually on two pre-established dates. Floating rate MTN's can pay interest monthly, quarterly or semi-annually. Yields on MTN's will normally exceed those on treasuries with comparable maturities by about 10 to 75 basis points. Levels of interest rates, maturities, the quality of each issue, and supply and demand factors will affect available yields.

10. Designated Mutual Funds

Introduction: Mutual Funds were set up in order to combine funds from many sources in order to purchase “blocks” of funds or shares in the stock market. This allows small investors to take advantage of the rates and prices in the larger offerings.

Definition: These are companies that are defined under IRS Code, 26 U.S.C. 851, which are typically mutual funds that make diversified investments for their shareholders.

Legal Authority: Section 53601 (l) of the Government Code authorizes investments in mutual funds as long as the mutual companies are investing only in those securities and obligations otherwise authorized for direct investment by public agencies, including the securities and obligations as authorized by Section 53601 subdivisions (a) through (k) and subdivisions (m) through (o). Additionally, these companies must have attained the highest rating provided by at least two of the three largest nationally recognized rating services, or have an investment advisor registered with the SEC with assets under management in excess of \$500 million and with at least five (5) years’ experience investing in statutorily permitted securities. Investments in this category are also limited to 20% of total funds available and no more than 10% may be invested in any one mutual fund with the following exceptions.

Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

11. Mortgage Backed Securities

Introduction: Congress created three agencies of the U.S. Government to increase liquidity in the secondary mortgage markets and thus increase the supply of capital available for residential housing loans. Those agencies are the Federal National Mortgage Association (FNMA), the Government National Mortgage Association (GNMA) and the Federal Home Loan Mortgage Corporation (FHLMC). In June 1983 they initiated collateralized mortgage obligation (CMO) securities in order to reduce the terms on mortgage securities.

Definition: Mortgage Backed Securities are guaranteed by the issuing U.S. Government agency and are collateralized by the home loans which create the mortgage pool.

Legal Authority: As of January 1, 1993, Section 53601 (o) of the Government Code allows public agencies to invest in mortgage pass-through and mortgage backed securities issued by an issuer having an “A” or higher rating for the issuer’s debt as provided by a nationally recognized rating service and rated in a rating category of “AA” or better by a nationally recognized rating service.

Characteristics: Collateralized Mortgage Obligations (CMO’s) are issued in amounts of \$100,000 or more and for a term of up to five years. Interest is paid on the fifteenth day of each month. They generally have a pay-down window the last 4-6 months when large blocks of principal are paid each month along with the interest until maturity.

12. Supranational Obligations

Introduction: A supranational organization is formed by a group of countries through an international treaty with specific objectives, such as promoting economic development. Supranational organizations also issue debt in the United States. The most commonly recognized supranational debt is issued by the International Bank for Reconstruction and Development (IBRD or World Bank).

Definition: Securities issued by supranational organizations include benchmark bonds, global bonds, structured notes, plain fixed and floating rate notes, discount notes as well as green bonds

Legal Authority: Section 53601 (q) allows local agencies to invest in bonds issued by one of three supranationals: World Bank, International Finance Corporation (IFC) and InterAmerican Development Bank (IADB), which were established by international treaties, incorporated into U.S. Federal law by Congressional Acts and headquartered in Washington, D.C. Currently, these entities carry the highest

credit ratings (AAA) based on their financial structure, policies, performance and capital support from shareholders.

13. Local Government Investment Pools

Introduction: Local Government Investment Pools (LGIPs) allow local governments to pool funds for investment purposes. By pooling funds, participating governments benefit from economies of scale, full-time portfolio management, diversification, and liquidity (especially in the case of pools that seek a constant net asset value of \$1.00).

Definition: Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests on the securities and obligations authorized in subdivisions (a) to (q), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority.

Legal Authority: Per section 53601 (p), to be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

- ii. The adviser is registered or exempt from registration with the Securities and Exchange Commission.
- iii. The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive.
- iv. The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

14. Local Agency Investment Fund

Introduction: The Local Agency Investment Fund allows local government agencies to obtain higher yields through pooling surplus cash with State surplus cash balances creating a multi-billion dollar money pool and enabling investment in diversified instruments.

Definition: The Local Agency Investment Fund (LAIF) is a special fund in the State of California Treasury created by law. The law permits local government agencies (cities, counties, and special districts) to pool idle monies in this fund and utilize the trained personnel in the State Treasurer's Office for its investment.

Legal Authority: Section 16429.1 of the Government Code authorizes local agencies to invest through LAIF. The LAIF Governing Board has set a maximum limit of Sixty-five Million Dollars (\$65,000,000) per agency.

Characteristics: Local agencies can transfer monies to LAIF using their own established bank accounts at Bank of America, Wells Fargo Bank, First Interstate Bank, Bank of California, Sanwa Bank, and Union Bank. Deposits in LAIF can be converted to cash within twenty-four hours or less with no penalty. There can be no more than fifteen transactions (transfers in or out) per month.

15. Passbook Savings Account

Introduction: Passbook Savings Accounts allow an agency to earn interest on idle funds until such time as they can be invested.

Definition: A Passbook Savings Account is a savings account at a bank which earns a rate of interest set by the bank.

Characteristics: The local agency can arrange to make telephone transfers between their checking account and savings account. Funds in the savings account can earn interest while accumulating to an amount to be invested or until needed for normal cash flow requirements.

16. Prohibited Investments

Government Code 53601, as amended in 1995 by SB 866, Chapter 784 of the 1995 Statutes, prohibits a local agency from investing in any of the following: Inverse floaters, range notes, or mortgage-derived interest only strips. Securities that could result in zero interest accrual if held to maturity. However, this limitation does not apply to shares of beneficial interest issued by diversified management companies registered under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1).

B. Investment Types Allowed by State Law and the District

<u>Investment Type</u>	<u>Code 53601 et seq</u>	<u>District Policy</u>
State & Local Agencies		
District's Own Bonds	(a) No Limits	10% of Funds, based upon revenues with Board approval 30 years
State Instruments	(c) Warrant, Notes/Bonds	10% of Funds, 5 years
Other Local Agency Inst/	(e) Within Calif. Only	40% of Funds, 30 years
U.S. Treasuries	(b) Notes, Bonds, Bills	No Limit
Specified Federal Agencies	(f) No Limit	40% of Funds
Banker's Acceptances	(g) 40% of Total Funds, 180 days max.	10% of Funds, 180 days max
Commercial Paper	(h) 25% of Funds, 270 day term AAA Rated	10% of Funds, 270 days AAA Rated
Certificate of Deposit (CD's)		
Non-Negotiable	(m) No Limit	10% of Funds
Negotiable	(i) 30% of Funds	10% of Funds
Repurchase Agreement	(j) 1 Year or less	5% of Funds, 90 days
Reverse Repurchase Agreement	(j) 20% of Funds, 92 days max.	Not Allowed
Medium Term Corporate or Bank Notes	(k) 30% of Funds, A Rated	20% of Funds, Under 5 years, A rated.
Designated Mutual Funds	(l) 20% of Funds AAA Rated	10% of Funds, AAA rated
Secured Notes, Etc.	(n) Depends on Security	Not Allowed
Mortgage Backed Securities	(o) 20% of Funds, AA rated	Not Allowed
Supernational Obligations	(q) 30% of Funds, AA rated, 5yr max	10% of Funds AA rated, 5yr max
Local Government Investment Pools (LGIPs)	(p) No Limit	No Limit
Local Agency Inv. Fund (LAIF)	\$65,000,000 max	\$65,000,000 max
Passbook Savings	Not Applicable	No Limit
Inverse Floaters, Range Notes, Interest Only Strips	Prohibited as per Code 53601	Not Allowed

C. Collateralization

In accordance with state law, full collateralization will be required on certificates of deposits, and collateralization of 102% will be required on repurchase agreements.

D. Repurchase Agreements

Special caution should be exercised in selecting parties with whom the District will conduct repurchase transactions.

Investment Parameters

A. Diversification

The investments will be diversified by security type and institution.

B. Maximum Maturities

The final stated maturity is limited to five years unless specific authority is given to exceed. To the extent possible, attempts will be made to match investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the District will not directly invest in securities maturing more than (5) years from the date of purchase.

Reserve funds may be invested in securities exceeding five (5) years if the maturities of such investments are made to coincide nearly as practicable with the expected use of funds. The ability of investing these types of funds should be disclosed to the Board of Directors including appropriate time restrictions disclosed, if any apply.

C. Portfolio Percentage Limitations

The District shall ensure that all categories of investments are maintained within the allowable portfolio percentage limitations. Should an investment percentage of portfolio limitation be exceeded due to an incident such as a fluctuation in portfolio size, the affected securities are not required to be sold. In the event a limitation is temporarily exceeded, the Assistant General Manager - Business Services or his/her designee shall take the appropriate action to rebalance the portfolio.

D. Portfolio Adjustments

Should a security held in the portfolio be downgraded below the minimum criteria included in this Policy, the security should be sold in such a manner to minimize losses on the sale of such security. If the security is downgraded to a level that is less than investment grade, the affected security should be sold immediately. However, if immediate liquidation of the security is not in the best interests of the District, security may be disposed of in an orderly and prudent manner considering the circumstances, but not later than 60 days after the occurrence. If the security matures within 60 days of the rating change, the security does not have to be sold. The monthly investment report shall include a description of any securities that have been downgraded below investment grade.

Reporting

A. Methods

The Assistant General Manager - Business Services or his/her designee shall prepare an investment report at least quarterly, including a succinct management summary that provides a clear picture of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner which will allow the Board of Directors to ascertain whether investment activities during the reporting period have conformed to the investment policy, and will be provided to the Board within 45 days after quarter end. The report will include the following:

1. A listing of individual securities held at the end of the reporting period by maturity date.
2. The cost, par, and market value of securities, as well as the market value weighted average.
3. Unrealized gains and losses resulting from fluctuations in market value, and the issuer of the investment.
4. Average weighted yield to maturity of portfolio on existing investments.
5. The percentage of the total portfolio with each type of investment represents.
6. Statement of compliance of investments with the investment policy, or the manner in which the investments are not in compliance.

7. Statement denoting the ability of the District to meet its expenditures requirements for the next six months or an explanation as to why sufficient money will not or may not be available.

B. Performance Standards

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. Portfolio performance should be compared to appropriate benchmarks on a regular basis.

C. Marking to Market

A statement of the market value of the portfolio shall be issued at least quarterly. This will ensure that the minimal amount of review has been performed on the investment portfolio in terms of value and subsequent price volatility.

Policy.

A. Exemption

Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

B. Amendment

This policy shall be reviewed on an annual basis. Any changes must be approved by the Board of Directors.

Debt Management Policy

Section 2860, Adopted 7/9/2015

Introduction

The District's overriding goal in issuing debt is to respond to and to provide for the infrastructure and capital project needs of its customers while ensuring that debt is issued and managed prudently in order to maintain a sound fiscal position and protect credit quality. The District issues debt instruments, administers District-held debt proceeds and makes debt service payments, acting with prudence, diligence, and attention to prevailing economic conditions. This policy documents the District's goals for the use of debt instruments and provides guidelines for the use of debt for financing the District infrastructure and project needs.

Debt will be used to finance projects (i) if it meets the District's goal of equitable treatment of all customers, both current and future, (ii) if it is cost-effective to the District, and (iii) if it is fiscally prudent, responsible, and diligent under the prevailing economic conditions. The District will endeavor to pay for all infrastructure and other projects from an appropriate combination of current revenues, available reserves, and prudently issued debt.

The District's debt management policy is designed to:

- Establish parameters for issuing debt;
- Provide guidance to decisions makers;
- Document the objectives to be achieved by staff both prior and subsequent to issuance;
- Promote objectivity in the decision-making process; and
- Facilitate the financing process by establishing important policy decisions in advance.

The District will adhere to the following legal requirements for the issuance of public debt:

- State law authorizing debt issuance;
- Federal and state laws and regulations governing taxable and tax-exempt debt; and
- Federal and state securities laws and regulations governing disclosure, sale and trading of debt instruments.

General Management Policies

- A. In recognition of periodic changes in the cost of providing service to system users, service costs and fees will be reviewed annually and adjusted as necessary.
- B. Any proposed adjustments to existing rates, fees and charges will be presented at public meetings.
- C. All District debt proceeds will be invested according to the Annual Statement of Investment Policy of the District and according to the issuing debt documents.
- D. Necessary funding requirements for annual debt service requirements will be included in the District's annual budget.
- E. The District will maintain proactive communication with the investment community, including rating agencies, credit enhancers, reporting agencies, and investors, to maximize future capital market access at the lowest possible rates.

Financial Management Policies

- A. The District evaluates each capital project in relation to established levels of reserves, current rate structure, expected asset life/replacement timeline, available revenue sources, and other priorities. The District strives to ensure that adequate financial resources are available to support the District's financial obligations.
- B. The following policies outline the District's approach to debt management.
 1. The District will evaluate financing for each capital project on a case-by-case basis.
 2. The District will seek to pay for all capital projects from current revenues and available reserves prior to or in combination with the use of debt.
 3. The District will issue debt when there is an identified source of repayment. Debts will be issued to the extent that (i) projected future revenues are sufficient to pay for the proposed debt service together with all existing debt service covered by such fixed revenues, or (ii) additional projected revenues have been identified as a source of repayment in an amount sufficient to pay for the proposed debt.

4. User Fees and Water Rates will be set in compliance with State law at adequate fair and nondiscriminatory levels. Fees and rates must generate sufficient revenues to pay all Operating and Maintenance costs, to maintain sufficient operating and rate stabilization reserves, maintain balances in the rate stabilization fund and to pay and debt service costs.
5. Connection Fees will be maintained at a level sufficient to finance a portion of growth-related capital costs and cover related annual debt service requirements.
6. To the extent permitted by law property taxes may be also utilized to finance a portion of annual debt service payments.

Debt and Capital Management Debt Policies

The following policies formally establish parameters for evaluating, issuing, and managing the District's debt. The policies outlined below are not intended to serve as a list of rules, but rather to serve as a set of guidelines to promote sound financial management.

- A. **Standards for Use of Debt Financing:** When appropriate, the District will use long-term debt financing to: achieve an equitable allocation of capital costs/charges between current and future system users; to provide more manageable user rates in the near and medium term; and to minimize user rate volatility.

For growth-related projects, debt financing will be utilized, as needed, to better match the cost of anticipated facility needs with timing of expected new connections to the system and to better spread the costs more evenly between current and future users.

For betterment repair and replacement projects, debt financing may be used to better match the anticipated need and costs with available funds on hand.

Capital projects financed through debt issuance will not be financed for a term longer than the expected useful life of the facility permitted by the Internal Revenue Service. The debt repayment period, as well as the outstanding principle balance, should be less than or equal to the useful life and depreciated value of the related capital improvements.

Lease Agreements, Installment Sale Agreements and Certificates of Participation shall be considered as an alternative forms of long-term debt. Although these forms of alternative financing are subject to annual funding requirements, they shall be treated as long-term debt until maturity.

- B. **Financing Criteria:** Each debt issuance should be evaluated on an individual basis within the framework of the District's long-term financial plan, as well as within the context of the District's overall financing objectives and current market conditions.

The District will evaluate alternative debt structures (and timing considerations), selecting the structure that best meets the District's needs based on prevailing market and infrastructure conditions.

1. **Credit Enhancement:** The District will consider the use of credit enhancement on a case-by-case basis, and use it only when clearly demonstrable savings can be realized.
2. **Cash-Funded Reserve vs. Surety:** The District may purchase a surety policy or replace an existing cash-funded Debt Service Reserve Fund when deemed prudent and advantageous. The District may use guaranteed investment agreements and other investment tools legally available for the investment of reserve funds pledged to the repayment of any District debt. Debt service investments will be reviewed and approved by the Board of Directors.
3. **Call Provisions:** The District securities should evaluate the cost in relation to the benefits associated with issuing debt with optional call provisions. In many cases the District should avoid the sale of non-callable, long-term fixed rate debt, but each new issue should be evaluated based on all market factors.
4. **Additional Bonds Test/Rate Covenants:** The amount and timing of debt will be planned to comply with the additional bonds tests and rate covenants outlined in Resolution 1108 (the Master Resolution), or the appropriate legal and financing documents, and these policies.
5. **Short-Term Debt:** The District may utilize short-term borrowing to serve as a bridge for anticipated revenues, construction financing or future debt capacity.
6. **Use of Variable Rate Debt:** The District should evaluate market factors before using variable rate debt. Variable rate debt should only be issued if it can be converted to a fixed rate. If it is not convertible the District should consider hedging its variable rate position, establishing an interest rate cap, or other appropriate means to limit the maximum interest amount owed by the District.

7. Use of Swaps & Derivatives: The use of any swap agreement in conjunction with the issuance or management of debt instruments will be governed by the District's Swap Policy.
 8. Investment of Debt Proceeds: Debt proceeds will be invested in accordance with the permitted investment language outlined in the debt documents for each transaction, unless further restricted or limited in the District's Investment Policy. The District will seek to maximize investment earnings within the investment parameters set forth in the respective debt financing documentation. The reinvestment of debt proceeds will be incorporated into the evaluation of each financing decision. Arbitrage and potential arbitrage rebates should be considered when making investment decisions. Alternative debt structures should be evaluated. Refunding savings on a "net" debt service basis, should be considered where appropriate.
- C. Refinancing and Outstanding Debt: The District shall have the responsibility to evaluate potential refunding opportunities presented by underwriting and/or financial advisory firms. The District will consider the following issues when analyzing potential refinancing opportunities:
1. Debt Service Savings: The District's minimum target savings level is 3% of the par amount refunded on a net present value (NPV) basis. NPV savings should be evaluated on a case-by-case basis, and should take into consideration:
 - the value of the call option;
 - the time to maturity;
 - size of the issue;
 - current interest rate environment; and
 - annual cash flow savings.

The decision to take all savings upfront or on a deferred basis must be explicitly approved by the Board of Directors.

2. Restructuring: The District may seek to refinance a debt issue on a non-economic basis, in order to restructure debt, to mitigate irregular debt service payments, accommodate revenue shortfalls, release reserve funds, comply with and/or eliminate rate/debt covenants, terminate a swap, or for other reasons as approved by the Board.
 3. Term/Final Maturity: The District may consider the extension of the final maturity of the refunding debt in order to achieve a desired outcome, provided that such extension is legal. The term of the debt should not extend beyond the reasonably expected useful life of the asset being financed. The District may also consider shortening the final maturity of the debt. The remaining useful life of the assets and the concept of inter-generational equity should guide these decisions.
 4. Escrow Structuring: The District shall utilize the most cost effective securities available in structuring each escrow. If purchased from a third party agent who is not acting as a broker-dealer, a certificate is required stating that the securities were purchased through an arms-length, competitive bid process (in the case of open market securities), that such securities were more cost effective than State and Local Government Series Securities (SLGS), and that the price paid was reasonable and within Federal rules and regulations. When evaluating the economic viability of an economic versus legal defeasance, the District shall take into consideration both the financial impact on a net present value basis as well as the rating/credit impact. The District shall take all necessary steps to optimize the yield on its refunding escrows investments, while attempting to avoid negative arbitrage to the extent permitted by Federal rules and regulations
- D. Method of Issuance: The District will determine, on a case-by-case basis, whether to sell its debt competitively or through negotiation.
1. Competitive Sale: In a competitive sale, the District's bonds shall be awarded to the bidder providing the lowest true interest cost ("TIC"), as long as the bid adheres to requirements set forth in the official notice of sale.
 2. Negotiated Sale: The District recognizes that some securities are best sold through negotiation. In consideration of a negotiated sale, the District shall assess the following alternatives:
 - Issuance of variable rate or taxable bonds;
 - Complex structures or credit considerations (such as non-rated debt), which require a strong pre-marketing effort. Significant par value, which may limit the number of potential bidders. Unique/proprietary financing mechanisms (such as a financing pool), or specialized knowledge of a financing mechanism or process;

- Market volatility, such that the District would be better served by flexibility in the timing of its sale in a changing interest rate environment;
 - When the financial advisor has identified new financing opportunities or presented alternative structures that may financially benefit the District;
 - As a result of an underwriter's familiarity with the project/financing, that enables the District to take advantage of efficiency and timing considerations.
3. Private Placement: From time to time the District may elect to issue debt on a private placement basis. Such method shall be considered if it is demonstrated to result in cost savings or provide other advantages relative to other methods of debt issuance, or if it is determined that access to the public market is unavailable and timing considerations require that a financing be completed.
- E. Market Communication, Debt Administration and Reporting Requirements. The Assistant General Manager – Administrative Services or his/her designee shall be responsible for the following:
1. Rating Agencies: Maintaining the District's relationships with the various rating agencies (such as Standard & Poor's, Fitch and Moody's). The District may, from time to time, choose to deal with none, or with one or more of these agencies as circumstances dictate. Maintaining its relationships includes:
 - Meeting with credit analysts as needed, to maintain or update existing debt ratings;
 - Meeting with credit analysts as needed to issue new debt, and;
 - Offering conference calls or meeting with agency analysts in connection with planned debt sales, market or local changes in conditions, requests for information from analysts, etc.
 2. Board Communication: Providing feedback from rating agencies and/or investors regarding the District's financial strengths and weaknesses and recommendations for addressing any weaknesses in reports to the Board of Directors.
 3. Continuing Disclosure: Ensuring the District's timely filing with each Nationally Recognized Municipal Securities Information Repository. The District shall remain in compliance with Rule 15c2-12 by filing its annual financial statements and other financial and operating data for the benefit of its debtholders within 270 days of the close of the fiscal year as outlined in section 2870 of the District Administrative Code.
 4. Record-Keeping: Retaining copies of all debt-related records at the District's offices. At a minimum, these records shall include all official statements, bid documents, debt documents / transcripts, resolutions, trustee statements, leases, and title reports for each District financing (to the extent available). To the extent possible, the District shall retain an electronic copy of each document for the life of the debt issue.
 5. Arbitrage Rebate: Ensuring that all debt proceeds and investments are tracked in a manner which facilitates accurate calculation. If a rebate payment is due, make payments in a timely manner. The use of debt proceeds and their investments must be monitored to ensure compliance with all Internal Revenue Code Arbitrage Rebate Requirements.
 6. Tax Certificates: The District shall incorporate the provisions of each tax certificate for each debt issue into its debt management procedures. The District will comply with applicable Federal tax rules and regulations. The District will comply with any arbitrage rebate requirements required by tax certificates as they relate to each tax-exempt debt issue.

Reserves Policy

Section 2950, Adopted 6/12/2014

Introduction

Elsinore Valley Municipal Water District (the “District”) has a complex nature of operations. Its various legal, legislative, and contractual requirements dictate a multifaceted and sophisticated financial structure. The District has implemented numerous operating programs to secure water and wastewater service resources at the lowest possible cost to customers without compromising service, reliability or quality. To protect the District’s investment in various assets and satisfy commitments under numerous financial, regulatory, and contractual obligations, the District has developed and segregated a number of funds and reserves. The efficient and discreet use and management of these reserves, when combined with appropriate security measures, assure that the current levels of service, reliability and quality will continue into the future.

The District’s reserves, to the extent possible, will be established utilizing the following criteria:

- Distinguish between legally restricted and unrestricted net assets
- Contain a defined and distinct purpose
- For reserves involving construction, conformity to master plans and capital improvement plans
- Contain a target level or minimum and maximum levels
- Identify events or conditions that prompt the use of the reserve
- Specify periodic review dates for balances

Cash and/or cash equivalents and investment balances shall be maintained in amounts sufficient to cover each reserve balance. Balances shall be maintained in amounts sufficient to meet minimum reserve targets in cash and/or cash equivalents, and permitted investments.

A. Types of Reserves

The District’s reserves will be separated into three basic categories:

1. Restricted Reserves
2. Designated Capital Replacement Reserves
3. Operating Reserves

Restricted Reserves

Restricted Reserves are established and utilized for narrowly defined purposes and are protected by law or covenant. The District’s Restricted Reserves are:

A. Capacity Charges

1. Definition and Purpose: Established with funds from developer capacity charges. The collection and use are restricted in accordance with applicable State of California law and regulations.

There are three categories established for the following purposes:

- Water Capacity Charges
 - Wastewater Capacity Charges
 - Recycled Water Capacity Charges
2. Conformity to Plans: Expenditures from this reserve must comply with both the District’s Master Plans.
 3. Required Level:
 - Water Facilities – Equal to the cost of the new facilities
 - Wastewater Facilities – Equal to the cost of the new facilities
 - Recycled Water Facilities – Equal to the cost of the new facilities
 4. Events or Conditions Prompting the Use of the Reserves: When it is necessary to upgrade and/or improve the facilities required to service growth, new areas and/or customers, in accordance with the applicable ordinance, funds will be appropriated from the respective reserves for applicable projects, by action of the Board of Directors.
 5. Periodic Review Dates for Balances: Expenditures and Reserve balances will be reviewed annually by District staff during the preparation of the non-operating budget.

B. Employee Benefits

1. Definition and Purpose: Established to account for accrued and unpaid employee benefit liabilities, including:
 - Vacation Days
 - Sick Days
 - Savings Clause
2. Conformity to Benefit Plans: The District shall maintain an account for each separate employee benefit.
3. Required Level:
 - Vacation Days = Funded at a level equal to 100% of the accrued liability
 - Sick Days = Funded at a level equal to 100% of the accrued liability
 - Savings Clause = Funded at a level equal 100% of the accrued liability
4. Events or Conditions Prompting the Use of the Reserves: Vacation days, sick days and savings clause benefits shall be distributed when used or qualified, in accordance with the respective memorandum of Understanding.
5. Periodic Review Dates for Balances: Reserve balances will be reviewed by District staff annually during the preparation of the operating budget.

C. Obligation Proceeds

The proceeds from borrowed money typically consist of construction fund monies, and a debt service reserve fund. The use of these proceeds is restricted by conditions set forth in the respective borrowing documents. The term "Obligation" shall have the meaning set forth in the District's Resolution No. 1108 adopted September 9, 1992.

1. Definition and Purpose: These funds may be held by a trustee, or fiscal agent established pursuant to the borrowing documents of the Obligation in favor of the bondholders, or lenders.
2. Required Level: Any debt service reserve requirement is established at the time of the borrowing. This amount may be recalculated as Obligations are paid down. Any excess principal and/or interest earnings can be used to pay debt service on the Obligation.
3. Events or Conditions Prompting the Use of the Reserves: As stipulated in the respective borrowing documents. Construction fund monies are expected to be spent on applicable projects, while any debt service reserve can only be used in the event of a shortfall in revenues to make payments on the Obligation.
4. Periodic Review Dates for Balances: Reviewed by the Trustee and District staff on every interest and/or principal payment date.

Designated Capital Replacement Reserves

Designated Capital Replacement Reserves are established by action of the Board of Directors and designated for specific purposes. These funds are utilized to cover capital and asset replacement costs. The District's current Designated Capital Replacement Reserves are:

A. Water, Wastewater & Recycled Water Capital Replacement

1. Definition and Purpose: The Board of Directors has established a series of funds to accumulate amounts by division to accomplish the replacement or major refurbishment of aging water or wastewater utility plant and equipment. This reserve will be sufficient to fund the entire cost of replacement of the District's infrastructure utilizing a combination of pay-as-you-go and future debt borrowings.
 - The Capital Replacement Reserves for each will be calculated and maintained in accordance with the guidelines set forth below.
2. Conformity to Plans: Projected reserve levels should be developed in accordance with the District's water master plan.
3. Target Level: The minimum target level that the District will set aside for replacement reserves should be equal to 5% of the total depreciable asset value for the division as recorded on the District's fixed assets. The maximum target level should seek to fund a reserve equal to 20% of the inflation-adjusted replacement value of the District's capital assets or a specific project.

- Replacement costs should be inflated in line with the Engineering News Record Construction Index or some other estimate of inflationary costs.
 - Target level for annual funding of the reserves is 100% of depreciation amount for the division or total cost of replacement projects as specified in the water or wastewater master plans, whichever is higher.
4. Events or Conditions Prompting the Use of the Reserves: Staff will recommend assets to be replaced during the budget preparation. By action of the Board of Directors funds will be appropriated from the reserves for the purchase or construction of replacements. If during the year emergency replacements are necessary, the Board may approve the project and appropriate funds as necessary to accomplish the replacement or refurbishment.
 5. Periodic Review Dates for Balances: Reserve balances and replacement requirements will be reviewed annually by District staff during the preparation of the non-operating budget.

B. Administrative & General

1. Definition and Purpose: The Board of Directors has established a series of “general and internal service funds” to accumulate amounts by project to fund certain major general, administration and overhead projects. These accounts are intended to fund District vehicles and related equipment, as well as District computer equipment on a pay-as-you-go basis. The Board will appropriate funds from this reserve for specific projects. Funds have been authorized in specific areas, including:
 - Vehicle & Equipment
 - Computer
2. Target Level: This reserve is targeted at 100% of the cost of the replacement of each component as specified by the Vehicle Replacement and Computer Replacement policies. Special projects can be funded on an as needed or project-by-project basis.
3. Events or Conditions Prompting the Use of the Reserves: Replacement of the Vehicle or Computer and its related equipment will be identified by District staff and recommended to the Board during the preparation of the capital outlay budget. As projects are approved funds will be appropriated from available reserves.
4. Periodic Review Dates for Balances: Reserve balances and projected replacement purchases will be reviewed annually by District staff during the preparation of the annual capital outlay budget.

C. Water Purchases for Canyon Lake Elevation Maintenance

1. Definition and Purpose: Established to provide funds for water purchases for maintenance of lake elevation.
2. Required Level: Equal to the cost of 3,000 Acre Feet of Untreated Water at current applicable rates.
3. Events or Conditions Prompting the Use of the Reserves: Purchase of untreated water for the purpose of maintaining lake elevation. Such purchases must be approved by the Board of Directors.
4. Periodic Review Dates for Balances: Reserve balances will be reviewed by District staff annually during the preparation of the operating budget.

Operating Reserves

Operating Reserves have been established by the Board of Directors to safeguard the financial viability and stability of the District and are funded from revenues accumulated in the District’s Water and Wastewater Operating Funds.

A. Operating Reserve

1. Definition and Purpose: Established pursuant to Resolution No. 1108 to ensure that the District maintains a sound financial standing for existing and future debt issuances.
2. Target Level: The reserve is targeted at an amount equal 1/5 of the Maintenance and Operation Costs as set forth in the District’s then current annual budget.
3. Events or Conditions Prompting the Use of the Reserves: This reserve has to be maintained at the above stated levels, as specified by existing bond covenants.
4. Periodic Review Dates for Balances: Reserve balance and target level will be reviewed annually by District staff as required by Section 2.02 (d) of Resolution No. 1108 during the preparation of the operating budget.

B. Rate Stabilization Reserve

1. Definition and Purpose: Established to accommodate unexpected operational changes, legislative impacts or other economic events that may affect the District's operations which could not have been reasonably anticipated at the time the budget was prepared.
2. Target Level: The reserves are targeted at 15% to 30% of the District's total operating expenses. These levels should be increased as the level of economic uncertainty increases.
3. Events or Conditions Prompting the Use of the Reserves: This reserve may be utilized for expenditures caused by unexpected operational changes, legislative impacts or other economic events could not have been reasonably anticipated at the time the budget was prepared. This reserve may also be utilized to cover temporary cash flow deficiencies caused by timing differences between revenue and expenses.
4. Periodic Review Dates for Balances: Reserve balance and target level will be reviewed by District staff during the preparation of the operating budget.

C. Rate Stabilization Reserve Fund

1. Definition and Purpose: Established pursuant to Resolution No. 1108 to help defray successive excessive annual rate increases.
2. Target Level: The reserve shall be maintained at an amount not to exceed \$3,000,000.
3. Events or Conditions Prompting the Use of the Reserves: This reserve is intended to be used to defray any one time and extraordinary Operating and Maintenance water expenditures. This reserve will also be utilized for the cost to purchase water for Railroad Canyon Reservoir, but only to the extent that the purchase is necessary to bring the water level specified within the Railroad Canyon Reservoir lease agreement.
4. Periodic Review Dates for Balances: Reserve balances will be reviewed annually by District staff as required by Section 2.02 (d) of Resolution No. 1108 and during the preparation of the operating budget.

Capital Asset Policy

Section 3160, Adopted 4/24//2014

Policy

The purpose of this policy is to establish control and accountability measures to ensure careful and responsible management of District capital assets. In addition, to collect and maintain complete and accurate capital asset information required for preparation of financial statements in accordance with GAAP (generally accepted accounting principles).

Definitions

- A. **Fixed Assets:** Fixed assets are non-consumable items including but not limited to: land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure and all other tangible and intangible assets that are used in operations and that have initial useful lives extending beyond five years.
- B. **Capital Outlay Expenditure:** Capital outlay project expenditure is an individually significant acquisition of capital assets (not involving construction) that are expected to last more than five years and have an individual cost of \$10,000 or more. This threshold should be applied at the individual asset level. Group purchases of individual assets under \$10,000 should not be capitalized, even if the group purchase totals to more than \$10,000. Approval of purchases of Capital Outlay expenditures will follow the purchasing policy as outlined in the Administration Code Section 1511. Any improvements to an existing capital asset that do no more than return a capital asset to its original condition, regardless of the purchase amount, should be classified as *maintenance and repairs expense* in the period incurred.
- C. **Capital Improvement Project Expenditure:** Capital improvement project expenditure is an individually significant construction project with a cost of \$35,000 or more that creates a new capital asset, improves an existing asset (Example: increases its service capacity) or significantly extends an asset's operating life. Approval of purchases of Capital Improvement Project expenditures will follow the purchasing policy as outlined in the Section 1500 of the Administration Code.

Asset Classes

- Land
- Construction in Progress
- Water Rights
- Infrastructure – Water
- Infrastructure – Wastewater
- Buildings and Structures
- Vehicles and Equipment
- Miscellaneous

Capitalization Threshold

The District maintains a capitalization threshold as follows:

1. Land is not subject to capitalization thresholds (All Land Purchases, regardless of cost, are capitalized and are non-depreciable)
2. Water Rights are not subject to capitalization thresholds (All Water Right Purchases, regardless of cost, are capitalized and are non-depreciable)
3. Infrastructure \$35,000
4. Buildings and Structures \$35,000
5. Vehicles and Machinery \$10,000
6. Miscellaneous Equipment \$10,000

Depreciation Method and Useful Life

All assets are depreciated using the straight-line method over the following estimated useful lives:

1. Reservoirs – storage 50-100 Years
2. Source of supply 5-30 Years
3. Pumping & water treatment facilities 40 Years
4. Transmission and distribution 50 Years
5. Meter and services 30 Years

- | | |
|------------------------------|------------|
| 6. Wastewater system | 5-50 Years |
| 7. Transportation equipment | 5-20 Years |
| 8. Studies, tools, equipment | 5-10 Years |

Disposal of Surplus Items

- A. Surplus property is defined as any unnecessary, obsolete or excess supplies, materials, tools, vehicles, equipment or furniture that has been replaced or retired due to damage, age or change in District's standards and/or specifications.
- B. Items with an estimated book value of \$10,000 or more must be declared surplus by the Board of Directors and disposed of by means of formal or informal sale or auction, exchange or trade, whichever method is deemed appropriate, taking into consideration market trends, demands, economics and convenience.
- C. Items with a book value under \$10,000 must be declared surplus by the General Manager prior to disposal and may be disposed of by means of formal or informal sale or auction, exchange or trade, whichever method is deemed appropriate, taking into consideration market trends, demands, economics and convenience.

Physical Inventory of Fixed Assets

- A. The District will account for and inventory all assets at least once every three years.

Ensuring Control over Non-capitalized items (below \$10,000)

- A. It is important to maintain adequate control of items that fall below the capitalization thresholds and meet the following criteria:
 1. Require special attention to ensure legal compliance
 2. Require special attention to protect public safety and avoid potential liability
 3. Require special attention to compensate for a heightened risk of theft
- B. Guidelines for control of these items include the following:
 1. Control should occur at the departmental level
 2. Control responsibility should be assigned within each department
 3. Departments are responsible for controlled capital type items and will prepare and maintain a complete list each year
 4. Departments will certify each year to the Finance department that updated lists of controlled capital type items are on file and available for inspection
 5. Finance will verify on an annual basis the data on controlled capital type items on file in each department
- C. The Information Technology Department maintains a list which is updated as items are purchased and disposed of as outlined in the administration code section 1517. A physical inventory is taken on an annual basis by the department. The list maintained by Information Technology contain items which include but are not limited to iPads, WIFI Access Points, Portable Access Points, Computers, Copiers, Printers, Monitors, Notebooks, Thin Clients, SCADA, Scanner, and Servers.
- D. The Operations Department maintains a list which is updated as items are purchased and disposed of as outlined in the administration code section 1517. A physical inventory is taken on an annual basis. The list maintained by Operations contains items which include but are not limited to generators, trailers, boring tools, cranes, light towers, and pressure washers.

Policy Review

This policy must be reviewed annually to ensure careful and responsible management over District resources.

Supplementary Information



POPULATION WITHIN DISTRICT BOUNDARIES
Last Ten Calendar Years

Year	City of Lake Elsinore	% of Growth	City of Canyon Lake	% of Growth	City of Murrieta (1)	% of Growth	City of Wildomar (2)	% of Growth	Unincorporated Riverside County (1)	% of Growth	Total Population	% of Growth
2019	62,949	(0.7)%	11,285	2.4 %	19,529	(0.1)%	36,066	(0.6)%	26,863	5.2 %	156,692	0.6%
2018	63,365	2.1	11,018	1.2	19,546	0.0	36,287	1.4	25,527	1.3	155,743	1.5
2017	62,092	1.8	10,891	2.0	19,543	0.1	35,782	1.7	25,199	3.1	153,507	1.8
2016	61,006	4.4	10,681	(2.0)	19,529	0.1	35,168	3.0	24,452	(6.2)	150,836	1.2
2015	58,426	3.0	10,901	0.7	19,512	0.8	34,148	1.3	26,072	8.9	149,059	3.1
2014	56,718	2.3	10,826	0.5	19,351	0.4	33,718	1.6	23,938	4.4	144,551	2.1
2013	55,430	4.5	10,768	0.7	19,269	0.9	33,174	1.4	22,919	31.8 ⁽³⁾	141,560	6.5
2012	53,024	1.0	10,689	0.4	19,091	1.4	32,719	0.5	17,391	(0.1)	132,914	0.7
2011	52,503	3.0	10,647	(5.1)	18,827	1.1	32,543	1.7	17,407	(5.2)	131,927	0.6
2010	50,983	1.4	11,225	0.9	18,629	1.1	32,006	2.2	18,355	(2.4)	131,198	1.0

⁽¹⁾ Projected population within District boundary. Data restated from 2009 forward to account for the number of multi-family residential units.

⁽²⁾ City of Wildomar incorporated in 2008

⁽³⁾ Projection methods were revised from 2013 forward to account for service accounts with multiple units, i.e. multi-family

Sources: - State of California Department of Finance - Cities of Lake Elsinore, Canyon Lake, Murrieta, Wildomar, and Unincorporated Riverside County
 - www.cityofwildomar.org
 - Elsinore Valley Municipal Water District

ECONOMIC STATISTICS

Last Ten Calendar Years

<u>Year</u>	<u>Personal Income (1)</u>	<u>Per Capita Personal Income (2)</u>	<u>Riverside County Unemployment Rate (3)</u>
2019	\$ 7,691,697	\$ 49,088	4.3%
2018	7,372,998	47,341	3.7
2017	7,552,804	46,821	5.5
2016	7,132,651	45,219	6.3
2015	6,886,537	44,200	6.8
2014	6,793,790	44,158	8.2
2013	6,692,931	44,138	10.3
2012	6,632,502	44,506	12.2
2011	6,426,619	43,447	13.5
2010	6,229,282	42,347	13.7

(1) Projected Personal Income within District boundary - in thousands. Data restated from 2009 forward to account for a revised estimate calculation.

(2) Occupation Employment Statistics (OES) for Riverside and San Bernardino Counties for the 1st Quarter of 2015

(3) Bureau of Labor Statistics, Department of Labor

Sources: Employment Development Department, State of California, and Elsinore Valley Municipal Water District

WATER RATE COMPARISON FOR 20 CCF PER MONTH

As of June 30, 2019

	\$ 30	\$ 40	\$ 50	\$ 60	\$ 70	\$ 80	\$ 90	\$ 100+
City of Escondido								188.14
City of San Diego								161.73
Rainbow Municipal Water District								154.60
Valley Center Municipal Water District								145.17
Western Municipal Water District (March East)								143.02
Farm Mutual Water Company								106.97
Western Municipal Water District (Murrieta)								105.77
Western Municipal Water District (Rainbow)							92.42	
Western Municipal Water District (Riverside)							90.55	
Elsinore Valley Municipal Water District						84.75		
Temescal Valley Water District						80.77		
Rancho California Water District (Santa Rosa Division)					77.78			
City of Riverside (Outside City Limits)					70.34			
City of Corona				69.62				
Eastern Municipal Water District				64.08				
Eastern Municipal Water District (San Jacinto)			50.42					
Rancho California Water District (Rancho Division)		47.47						
City of Riverside (Inside City Limits)		42.19						

CCF = Hundred Cubic Feet

1 CCF = 748 Gallons

20 CCF = 14,960 Gallons

20 CCF = Approximately 500 Gallons per Day

Based on Single-family Residential Customer with a 3/4 inch Meter

Source: Elsinore Valley Municipal Water District

MONTHLY WASTEWATER SERVICE CHARGE COMPARISON

As of June 30, 2019

	\$ 20	\$ 30	\$ 40	\$ 50	\$ 60	\$ 70	\$ 80+
Western Municipal Water District (Riverside, Perris, Cajalco)						71.03	
City of Escondido					69.47		
Valley Center Municipal Water District				56.45			
Rainbow Municipal Water District				55.07			
Elsinore Valley Municipal Water District(1)(2)			48.01				
City of San Diego			47.71				
City of Corona			45.60				
City of Riverside			42.96				
Western Municipal Water District (treated by RCWD)			42.58				
Rancho California Water District			42.50				
Western Municipal Water District (treated by EMWD)			42.10				
Lee Lake Water District		37.45					
Eastern Municipal Water District (Perris Valley)		36.60					
Farm Mutual Water Company		32.00					
Eastern Municipal Water District (Temecula Valley)		31.80					
Eastern Municipal Water District (Sun City)	27.90						
Eastern Municipal Water District (San Jacinto)	27.00						

⁽¹⁾ Does Not Include Capital Surcharge

⁽²⁾ Fixed Charge \$20.29, Variable \$27.72 (4PPH @ 6.93)

Source: Elsinore Valley Municipal Water District

MISCELLANEOUS STATISTICS - WATER DIVISIONS

Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Elsinore										
Water Production Sources (AF)										
Wells (Ground Storage)	3,659	1,715	2,973	3,437	5,521	6,440	4,384	3,861	2,747	2,593
Back Basin Water Treatment Plant	2,446	1,201	661	1,851	2,931	2,060	1,803	413	-	1,086
Canyon Lake Water Treatment Plant	2,473	3,659	2,252	27	948	2,510	435	2,460	1,215	922
Imported - MWD (Purchased Water) 1	15,836	17,173	17,929	19,800	16,821	12,699	13,572	15,218	19,198	16,991
Total Water Production	24,414	23,748	23,815	25,115	26,221	23,709	20,194	21,952	23,160	21,592
Water Sales (AF)	24,509	23,046	23,292	24,596	25,434	22,891	19,291	20,278	22,500	20,574
Unaccountable Water (%)	-0.4%	3.0%	2.2%	2.1%	3.0%	3.5%	4.5%	7.6%	2.8%	4.7%
Miles of Pipe In Service	663	665	697	697	700	703	703	725	731	735
Water Meters	38,281	38,510	40,527	41,250	41,858	42,393	42,957	43,858	44,558	44,892
Population Served	128,383	129,122	130,422	139,332	142,300	146,752	148,533	151,204	153,453	154,402
Temescal										
Water Production Sources (AF)										
Wells (Ground Storage)	1,551	1,056	1,085	2,159	2,757	1,956	306	548	500	214
Lee Lake (Surface Water)	166	298	704	-	-	-	-	-	-	-
Other	-	342	-	-	-	-	-	-	-	-
Imported - MWD	-	-	-	-	-	-	46	12	71	350
Total Water Production	1,717	1,696	1,789	2,159	2,757	1,956	352	560	571	564
Water Sales	1,707	1,695	1,551	1,785	2,158	1,936	327	541	531	515
Unaccountable Water (%)	0.6%	0.1%	13.3%	17.3%	21.7%	1.0%	7.1%	3.4%	7.0%	8.7%
Miles of Pipe In Service	64	65	65	65	66	50	50	12	12	12
Water Meters	780	771	760	753	751	751	722	760	770	770
Population Served	2,815	2,805	2,492	2,228	2,251	2,307	2,303	2,303	2,290	2,290
Total District Employees	170	169	167	168	163	164	164	164	164	169

⁽¹⁾ Imported water adjusted for FY2009 & FY2010 per correction received from WMWD

Source: Elsinore Valley Municipal Water District

MISCELLANEOUS STATISTICS - WASTEWATER DIVISIONS

Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Wastewater Services										
Regional	20,530	20,671	21,133	21,891	22,387	22,899	23,548	24,344	24,907	25,146
Canyon Lake	4,494	4,490	4,493	4,496	4,513	4,520	4,528	4,537	4,553	4,561
Southern	4,564	4,574	4,575	4,577	4,577	4,577	4,577	4,577	4,577	4,577
Horsethief	2,047	2,054	2,054	2,054	2,054	2,054	2,055	2,052	2,052	2,052
Total	31,635	31,789	32,255	33,018	33,531	34,050	34,708	35,510	36,089	36,336
Average Daily Flows (MG)										
Regional	5.600	6.064	5.454	5.270	5.443	5.757	5.278	6.023	5.641	5.950
Canyon Lake	0.775	0.800	0.698	0.702	0.754	0.641	0.569	0.705	0.696	0.696
Southern	0.807	0.868	0.820	0.849	0.803	0.754	0.795	0.734	0.768	0.768
Horsethief	0.380	0.376	0.370	0.368	0.357	0.354	0.337	0.342	0.333	0.331
Total	7.562	8.108	7.342	7.189	7.357	7.506	6.979	7.804	7.438	7.745
Miles of Pipe in Service										
Regional	270.0	282.6	291.8	291.8	296.8	296.8	300.0	313.3	305.4	306.8
Canyon Lake	50.1	52.5	48.9	48.9	48.9	48.9	48.9	49.2	46.2	46.2
Southern	38.2	38.2	36.8	36.8	36.8	36.8	36.8	36.8	36.8	36.8
Horsethief	18.1	19.0	18.7	18.7	18.7	18.7	18.7	18.7	18.7	18.7
Total	376.4	392.3	396.2	396.2	401.2	401.2	404.4	418.0	407.1	408.5
Number of Lift Stations										
Regional	26	26	26	28	28	28	28	29	29	29
Canyon Lake	6	6	6	6	6	6	6	6	6	6
Horsethief	2	2	2	2	2	2	2	2	2	2
Total	34	34	34	36	36	36	36	37	37	37
Reclaimed Water Production (MG)										
Regional	2,046.1	2,298.0	2,118.6	2,044.4	1,986.6	2,101.3	1,926.6	2,198.3	2,059.0	2,171.7
Canyon Lake	283.2	271.3	277.6	262.8	275.1	234.1	207.8	257.4	254.0	254.0
Horsethief	139.0	145.4	136.2	133.1	130.2	129.3	122.9	124.9	121.5	121.2
Total	2,468.3	2,714.7	2,532.4	2,440.3	2,391.9	2,464.7	2,257.3	2,580.6	2,434.5	2,546.9

Source: Elsinore Valley Municipal Water District

TEN LARGEST CUSTOMERS - ELSINORE WATER DIVISION

Fiscal Year Ended June 30, 2019

Customer Name	Business Type	Annual Water Sales in Acre Feet	Annual Water Revenues	Percentage of District Water Revenues
1. LEUSD	School District	589	\$ 1,135,102	2.36%
2. City of Lake Elsinore	Government	1,201	719,794	1.50
3. Farm Mutual Water Company	Water Company	307	455,179	0.95
4. City of Murrieta	Government	196	423,957	0.88
5. Tuscany Hills Landscape & Rec Corp	Property Owners Association	217	401,729	0.84
6. Canyon Lake POA	Property Owners Association	615	400,925	0.83
7. Greer Ranch Community Association	Property Owners Association	210	391,717	0.81
8. Shore Pointe Association	Property Owners Association	134	314,851	0.65
9. Rosetta Canyon Community Assoc	Property Owners Association	156	305,737	0.64
10. Gleiberman Properties	Apartment Complex	63	207,903	0.43
	Total	<u>3,688</u>	<u>\$ 4,756,894</u>	<u>9.89%</u>

Source: Elsinore Valley Municipal Water District

TEN LARGEST CUSTOMERS - TEMESCAL WATER DIVISION

Fiscal Year Ended June 30, 2019

Customer Name	Business Type	Annual Water Sales in Acre Feet	Annual Water Revenues	Percentage of District Water Revenues
1. California Meadows HOA	Property Owners Association	27	\$ 39,384	0.08%
2. Glen Ivy RVPOA	Property Owners Association	44	27,846	0.06
3. Butterfield Estates Homeowners Association	Property Owners Association	19	19,016	0.04
4. Werner Corp	Sand & Gravel Mfg.	3	7,141	0.01
5. Bledsoe Construction	Business	7	6,453	0.01
6. Resident	Residence	4	5,783	0.01
7. Glen Ivy Village Inc	Property Owners Association	6	4,185	0.01
8. Daylight Recovery Services	Business	2	4,162	0.01
9. Resident	Residence	2	3,919	0.01
10. Coldwell Banker	Business	2	3,328	0.01
	Total	<u>116</u>	<u>\$ 121,217</u>	<u>0.25%</u>

Source: Elsinore Valley Municipal Water District

TEN LARGEST CUSTOMERS - WASTEWATER DIVISION

Fiscal Year Ended June 30, 2019

Customer Name	Business Type	Annual Wastewater Revenues	Percentage of District Wastewater Revenues
1. Cottonwood Canyon Hills HOA	Property Owner Association	\$ 290,756	1.15%
2. Lake Elsinore Unified School District	School District	258,927	1.02
3. Links at Summerly	Golf Course	182,029	0.72
4. City of Lake Elsinore	City	131,848	0.52
5. Lake Elsinore Casino	Casino	114,752	0.45
6. Amanda Park Partners	Apartment Complex	105,854	0.42
7. Gleiberman Properties	Apartment Complex	86,953	0.34
8. Ridgestone Apartments	Apartment Complex	85,830	0.34
9. Oak Springs Ranch, LLC.	Property Owner Association	84,736	0.33
10. Wildomar Senior Partners	Apartment Complex	73,613	0.29
		<u>73,613</u>	<u>0.29</u>
	Total	\$ <u>1,415,298</u>	<u>5.58%</u>

Source: Elsinore Valley Municipal Water District

Glossary

Terminology & Definitions



Acronyms & Abbreviations



TERMINOLOGY & DEFINITIONS

ACTUAL: Represents the actual costs from the results of operations.

ACRE-FOOT (AF): A unit of measure equivalent to one acre covered by one foot of water (equal to 325,851 gallons or 435.6 hundred cubic feet of water), which meets the needs of two average families in and around the home for one year.

ACCOUNT: A financial tool for tracking revenues, expenditures and other financial transactions.

ACCRUAL BASIS: The method of accounting that recognizes income when earned and expenses when incurred regardless of when cash is received or disbursed.

APPROPRIATION: a sum of money or total of assets devoted to a special purpose.

ARBITRAGE: the simultaneous buying and selling of securities, currency, or commodities in different markets or in derivative forms in order to take advantage of differing prices for the same asset.

AUDIT: an official inspection of an individual's or organization's accounts, typically by an independent body.

BALANCED BUDGET: A budget in which the expenditures incurred during a given period are matched by revenues.

BOND: A certificate of debt issued by an entity, guaranteeing payment of the original investment, plus interest, by a specified future date.

GENERAL OBLIGATION BOND (GOs): A bond requiring a 2/3 vote of the registered voters and backed by the full faith, credit, and taxing power of the issuing government.

REVENUE BOND: A bond backed by either the revenue produced by the capital improvement or by commitment of a specific revenue source.

BUDGET: A financial plan that identifies anticipated revenues, projected expenses, and establishes the amount of funding allocated for each.

CAPITAL IMPROVEMENT: Construction of facilities in accordance with the District's water and sewer master plans that have a cost of \$35,000 or more.

CAPITAL PROJECTS FUND: Utilized to account for financial resources used in the acquisition or construction of major capital facilities.

CAPITAL OUTLAY: Individual item purchases of furniture, fixtures, machinery, vehicles, and equipment with an individual cost of at least \$2,500 and having a useful life of two years or more.

CERTIFICATES OF PARTICIPATION (COP): A form of lease-purchase financing used to construct or acquire capital facilities and equipment.

COMMUNITY FACILITIES DISTRICT (CFD): A special district that can issue tax-exempt bonds for the planning, design, acquisition, construction, and/or operation of public facilities, as well as provide public services to district residents. Special tax assessments levied by the district are used to repay the bonds.

DEBT COVERAGE: A margin of safety for payment of debt service, reflecting the number of times by which earnings for a period of time exceed debt service payable in such a period.

DEBT SERVICE: The payment of principal and interest on borrowed funds such as bonds and other debt instruments according to a pre-determined schedule.

DEBT SERVICE FUND: Utilized to account for the accumulation and payment of resources related to general long-term debt.

DEBT SERVICE RESERVES: Reserves required by the District's bond covenants, usually 10% of the initial bond issue amount.

DEFICIT: The excess of expenditures over revenues during an accounting period.

DEPRECIATION: a reduction in the value of an asset with the passage of time, due in particular to wear and tear

ENTERPRISE FUND: Utilized to account for operations that are financed and operated in a manner similar to private sector enterprises where the cost of providing services to the general public is recovered primarily through user charges.

EXPENDITURE: Decrease in net financial resources. Represents the actual payment for goods and services or the accrual thereof.

FEDERAL INSURANCE CONTRIBUTIONS ACT (FICA): Expenses incurred by the District for the matching of social security and medicare taxes withheld from employees' payroll as required by the federal government.

FISCAL YEAR: A twelve-month time period signifying the beginning and ending period for recording financial transactions. The District's fiscal year begins July 1 and ends June 30.

FULL SERVICE: The construction of a service line and installation of a water meter.

FUND: An accounting entity with a set of self-balancing accounts for recording the financial resources and transactions of specific activities for a governmental organization.

FUND BALANCE: The difference between the assets and liabilities for a particular fund at any given point in time.

HANG SERVICE: The installation of a water meter into an existing service line.

INTERNAL SERVICE FUND: The District's Internal Service Funds are used to account for the expenditures of goods and services provided to the different funds of the District on a cost reimbursement basis.

MAINTENANCE COSTS: All expenditures for maintenance and repair of property and equipment including renewal of minor items are charged to the appropriate maintenance expense accounts. A betterment or replacement of a unit or property is accounted for as an addition or retirement of property.

OPERATING EXPENDITURES: Costs relating to labor, materials, repairs, equipment, and other costs required for daily operation of a department or fund.

OPERATING RESERVES: Reserve funds equal to 20% of the budgeted operating expenditures as stipulated in the District's water and sewer Master Resolution.

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS): An agent, multiple employer, public retirement system to which the District contributes that acts as a common investment and administrative agent for participating public entities within the State of California.

PROGRAM: An activity or group of similar activities organized as a subunit of a department for planning and performance measurement purposes.

RATE STABILIZATION RESERVES: The District may deposit Rate Stabilization Funds in such amounts as shall be determined by the Board of Directors. Possible funding sources include water and sewer revenues, which can be utilized to mitigate rate increases as required.

RESOURCES: The amounts available for appropriation including estimated revenues and beginning fund balances.

RESTRICTED FUNDS: Funds set aside or restricted for a specific purpose by legal commitment, by law, or by Board action.

REVENUE: Income received through such sources as taxes, fines, fees, grants or service charges which can be used to finance operations or capital assets.

SEWER: Word being used interchangeable with wastewater.

SPECIAL REVENUE FUND: Utilized to account for the proceeds from specific revenue sources (other than trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

SUPERVISORY CONTROL AND DATA ACQUISITION (SCADA): This System collects operational data from remote units to monitor and control water and wastewater systems and facilities throughout the District's service area.

SURPLUS: The excess of revenues over expenditures during an accounting period.

TOTAL MAXIMUM DAILY LOADS (TMDL): The amount of particular pollutant that a water body can receive from both point and non-point sources and still meet water quality standards.

WASTEWATER: Word being used interchangeable with sewer.

ACRONYMS:

ACWA: Association of California Water Agencies
AF: Acre Feet
AQMD: Air Quality Management District
AWWA: American Water Works Association
BMP: Best Management Practices
BOD: Biochemical Oxygen Demand
CAFR: Consolidated Annual Financial Report
CCF: Hundreds of Cubic Feet (1 CCF = 748 Gallons)
CFD: Community Facilities District
CFS: Cubic Feet per Second
CIP: Capital Improvement Project
CIPO: Capital Improvement Project Office
CIS: Customer Information System
CLWTP: Canyon Lake Wastewater Treatment Plant
CMMS: Computerized Maintenance Management System
COD: Chemical Oxygen Demand
COLA: Cost of Living Adjustment
COP: Certificate of Participation
CSMFO: California Society of Municipal Finance Officers
CT: Contact Time
CY: Current Year
DCS: Distributed Control System
DHS: Department of Health Services
EDU: Equivalent Dwelling Units
EPA: Environmental Protection Agency
ERP: Enterprise Resource Planning
ET: Evapotranspiration
EVMWD: Elsinore Valley Municipal Water District
FICA: Federal Insurance Contributions Act
FOG: Fat Oil and Grease Program
FY: Fiscal Year
GFOA: Government Finance Officers Association
GO: General Obligation Bond
HR: Human Resources
HWRF: Horsethief Wastewater Reclamation Facility
KWH: Kilowatts per Hour
LESJWA: Lake Elsinore San Jacinto Watersheds Authority
LIMS: Laboratory Information Management System
MCC: Motor Control Center
MCL: Maximum Containment Level

MGD: Million Gallons per Day
MWD: Metropolitan Water District
MOU: Memorandum of Understanding
NPDES: National Pollutant Discharge Elimination Systems
NPV: Net Present Value
O&M: Operation & Maintenance
OSHA: Occupational Safety & Health Administration
PACL: PolyAluminum Chloride
PERS: Public Employee Retirement System
PLC: Programmable Logic Controller
PE: Personal Protection Equipment
PY: Prior Year
RCWD: Rancho California Water District
RCWRF: Railroad Canyon Water Reclamation Facility
RFP: Request for Proposal
RWRF: Regional Water Reclamation Facility
SAN: Storage Array Network
SARBS: Santa Ana River Basin Section
SCADA: Supervisory Control and Data Acquisition
SLGS: State and Local Government Series Securities
SOP: Standard Operating Procedures
SSMP: Sewer System Management Plan
SSO: Sanitary Sewer Overflow
SWRCB: State Water Resource Control Board
THM: Trihalomethanes
TIC: True Interest Cost
TIN: Total Inorganic Nitrogen
TMDL: Total Maximum Daily Loads
TOC: Total Organic Carbon
TSS: Total Suspended Solids
UG/L: Microgram per Liter
WAN: Wide Area Network
WRF: Water Reclamation Facility



Board Resolution

RESOLUTION NO. 19-08-01

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
ELSINORE VALLEY MUNICIPAL WATER DISTRICT REVISING
VARIOUS WATER AND RECYCLED WATER RATES, FEES, AND
CHARGES

WHEREAS, the Board of Directors of the Elsinore Valley Municipal Water District, has reviewed, studied and determined water and wastewater revenue requirements for the FY2020 and FY2021 Operating and Capital Budget; and

WHEREAS, the Board of Directors is determined to allocate costs on a fair and equitable basis to all the customers it serves; and

WHEREAS, the Board of Directors has determined that, due to the ongoing efforts of staff to improve efficiency of operating water, recycled water, and wastewater systems while maintaining high quality service, the District was able to control projected Water, Recycled Water, and Wastewater operating expense increases for the next two fiscal years; and

WHEREAS, the Board of Directors has determined the need to change the Water and Recycled Water Commodity rates and charges for FY2020 and FY2021 along with various other increases to Water and Recycled Water Rates, Fees, and Charges as indicated on Exhibit A; and

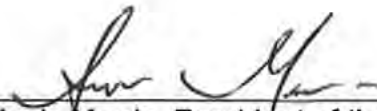
WHEREAS, the Board of Directors has determined the need to increase the water and sewer capacity fees for FY2020, to reflect the increase in Engineering News Record's Construction Index (ENR) for the month of April 2019, along with contractual increases outlined in the Funding Agreements relating to Community Facilities District No. 98-1 (Temescal Valley Project) as indicated on Exhibit A; and

WHEREAS, the Board of Directors has determined the need to increase the meter installation charge for FY2020 and FY2021 to account for changes in material and labor costs as indicated on Exhibit A; and

WHEREAS, the Board of Directors has found and determined the need to revise the aforementioned rates, fees and charges in order to cover the operating expenses of the District;

THEREFORE, BE IT RESOLVED, that the Board of Directors of the Elsinore Valley Municipal Water District approve the adoption of the revised rates, fees, and charges.

ADOPTED, SIGNED AND APPROVED this 22nd day of August, 2019.



Andy Morris, President of the
Board of Directors of
Elsinore Valley Municipal Water District

ATTEST:



Terese Quintanar, Secretary of the
Board of Directors of
Elsinore Valley Municipal Water District

WATER COMMODITY RATES

Commodity Rates	Current Rate per CCF	Proposed Rate 9/1/2019 per CCF	Proposed Rate 7/1/2020 per CCF
Elsinore Water Division			
Domestic			
Tier 1	\$2.34	\$2.34	\$2.43
Tier 2	2.84	3.08	3.20
Tier 3	5.05	5.56	5.77
Tier 4	7.48	7.24	7.52
Irrigation			
Tier 1	2.93	3.06	3.18
Tier 2	5.25	5.90	6.12
Tier 3	8.08	8.27	8.58
Commercial/Institutional			
Hydrant Water	2.84	3.02	3.13
Recycled/Non-Potable			
Tier 1	2.29	2.35	2.44
Tier 2	4.14	4.07	4.22
Tier 3	4.70	5.20	5.40
Inter-agency / Wholesale			
Tier 1	2.48	2.55	2.65
Tier 2	4.61	4.57	4.74
Tier 3	6.25	6.53	6.78
Temescal Water Division			
Domestic			
Tier 1	0.76	0.86	1.19
Tier 2	1.26	1.71	2.36
Tier 3	1.56	2.50	3.45
Tier 4	5.86	6.54	9.03
Irrigation			
Tier 1	1.35	1.50	2.07
Tier 2	1.77	2.80	3.86
Tier 3	6.47	7.19	9.92
Commercial	\$0.96	\$1.45	\$2.00

1 AF = 435.6 CCF

1 CCF = 748 gallons

Monthly Fixed Meter Charges

Water Divisions*

Meter Sizes (inches)	Elsinore Current Rate	Proposed Rate 9/1/2019	Proposed Rate 7/1/2020
3/4	\$26.27	\$27.65	\$28.70
1	41.29	46.08	47.83
1 1/2	78.85	92.17	95.67
2	123.91	147.47	153.07
3	266.59	294.93	306.14
4	476.87	460.83	478.35
6	1,205.35	921.67	956.69
8	2,106.55	1,474.67	1,530.70
10	3,157.94	3,871.00	4,018.10
12	n/a	4,884.83	5,070.46

WASTEWATER RATES

Classification	Current Rate per CCF	Proposed Rate 9/1/2019 per CCF	Proposed Rate 7/1/2018* per CCF
Domestic			
I Fixed Charge	20.29		
I Variable Charge*	6.93		NO CHANGE
Commercial (applies to all service areas)			
Fixed Charge	20.29		
II Commercial	4.15		
III Commercial	5.00		
IV Commercial	9.29		
V Institutional	3.76		NO CHANGE
VII Septage (per gallon)	0.12		
VII Schools	3.76		

NOTE: Canyon Lake sewer surcharges remain the same (\$12.00/month)

*The variable component of the rate will be based on persons per household

CAPACITY FEES

Type	Current Fee	Proposed Fee 9/1/2019
Water (Per 3/4" Meter)	\$13,035	\$13,346
Pumping Plant	1,311	1,331
Storage	2,344	2,379
Temescal Valley Project	2,561	2,715
Source of Supply	2,887	2,930
Transmission Facilities	3,932	3,991
Sewer (per EDU)*	7,800	7,917
Treatment	4,013	4,073
Collection	3,787	3,844
Alberl Horsethief	12,100	12,282
Treatment	8,313	8,438
Collection	3,787	3,844

*Applies to Regional and Canyon Lake Service Areas

**Applies to any new flows to the Horsethief Treatment Plant

METER INSTALLATION CHARGES

Meter Size (inches)	Current Charge		Proposed Charge 9/1/2019		Proposed Charge 7/1/2020	
	Hang Service	Full Service	Hang Service	Full Service	Hang Service	Full Service
3/4	\$525	\$2,445	\$530	\$2,955	\$540	\$3,748
1	565	2,480	570	2,985	580	3,782
1 1/2 - Turbine	1,365	3,630	1,373	4,376	1,420	5,182
1 1/2 - Compound	1,825	4,085	1,871	4,842	1,939	5,666
2 - Turbine	1,605	3,825	1,607	4,581	1,663	5,400
2 - Compound	2,105	4,410	2,154	5,157	2,232	5,973

STATE OF CALIFORNIA)
) ss:
COUNTY OF RIVERSIDE)

I, Terese Quintanar, Secretary of the Board of Directors of the Elsinore Valley Municipal Water District, do hereby certify that the foregoing Resolution No. 19-08-01, was duly adopted by said Board at its Regular Board Meeting held on August 22, 2019, and that it was so adopted by the following roll call vote:

AYES: Burke, Morris, Ryan, Williams
NOES: McBride
ABSENT: None
ABSTAIN: None



Terese Quintanar, Secretary of the Board
of Directors of the
Elsinore Valley Municipal Water District

RESOLUTION NO. 2019-03

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WATER EMPLOYEE SERVICES AUTHORITY CONTINUING THE FISCAL YEAR 2018-19 BUDGET AS THE INTERIM BUDGET FOR FISCAL YEARS 2019-20 AND 2020-21 UNTIL THE ADOPTION OF THE FINAL BUDGETS FOR FISCAL YEARS 2019-20 AND 2020-21

WHEREAS, the Water Employee Services Authority (WESA) provides staffing to the Elsinore Valley Municipal Water District (EVMWD) and the Meeks & Daley Mutual Water Company; and

WHEREAS, WESA's 2018-19 Fiscal Year Budget was approved to be in effect until June 30, 2019; and


WHEREAS, it is anticipated that the final Fiscal Year 2019-20 & 2020-21 Budgets will not be completed by June 30, 2019 and instead will be presented to the WESA's Board of Directors for adoption on August 22, 2019; and,

WHEREAS, WESA's budgetary needs are based on staffing and other needs determined by EVMWD through adoption of its fiscal year budgets; and

WHEREAS, WESA is required to make monthly payments for goods, services and miscellaneous maintenance as necessary to continue its day-to-day operations, including payroll and expense disbursements, until the final budgets for 2019-20 & 2020-21 are completed and adopted by WESA's Board of Directors.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Water Employee Services Authority hereby continues the 2018-2019 Fiscal Year budget as the interim budget for both Fiscal Year 2019-20 and Fiscal Year 2020-21 until each of those budgets are adopted by the Board of Directors.

APPROVED, ADOPTED, EFFECTIVE AND SIGNED this 27th day of June, 2019.



Andy Morris, President of the
Board of Directors of
Water Employee Services Authority

ATTEST:



Terese Quintanar, Secretary of the Board
of Directors of
Water Employee Services Authority

STATE OF CALIFORNIA)
) ss:
COUNTY OF RIVERSIDE)

I, Christy Gonzalez, Deputy Board Secretary of the Board of Directors of the Water Employee Services Authority, do hereby certify that the foregoing Resolution No. 2019-03 was duly adopted by said Board at its Meeting held on the 27th day of June, 2019, and that it was so adopted by the following roll call vote:

AYES: Morris, McBride, Burke

NOES: None

ABSENT: Ryan, Williams

ABSTAIN: None



Christy Gonzalez, Deputy Board Secretary
of the Board of Directors of the
Water Employee Services Authority