



STRATEGIC PLAN FY 2019-2020

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DISTRICT MISSION

The mission of Three Valleys Municipal Water District is to supplement and enhance local water supplies to meet our region's needs in a reliable and cost-effective manner.

DISTRICT VISION

The District meets its regional water supply needs through:

- 1. Collaboration with its member agencies to understand their short-term and long-term needs,**
- 2. Development and implementation of a plan to address these needs in a cost-effective manner based on current water conditions, and**
- 3. Periodic update of the plan as needs or as major changes in water conditions occur.**

DISTRICT CORE VALUES

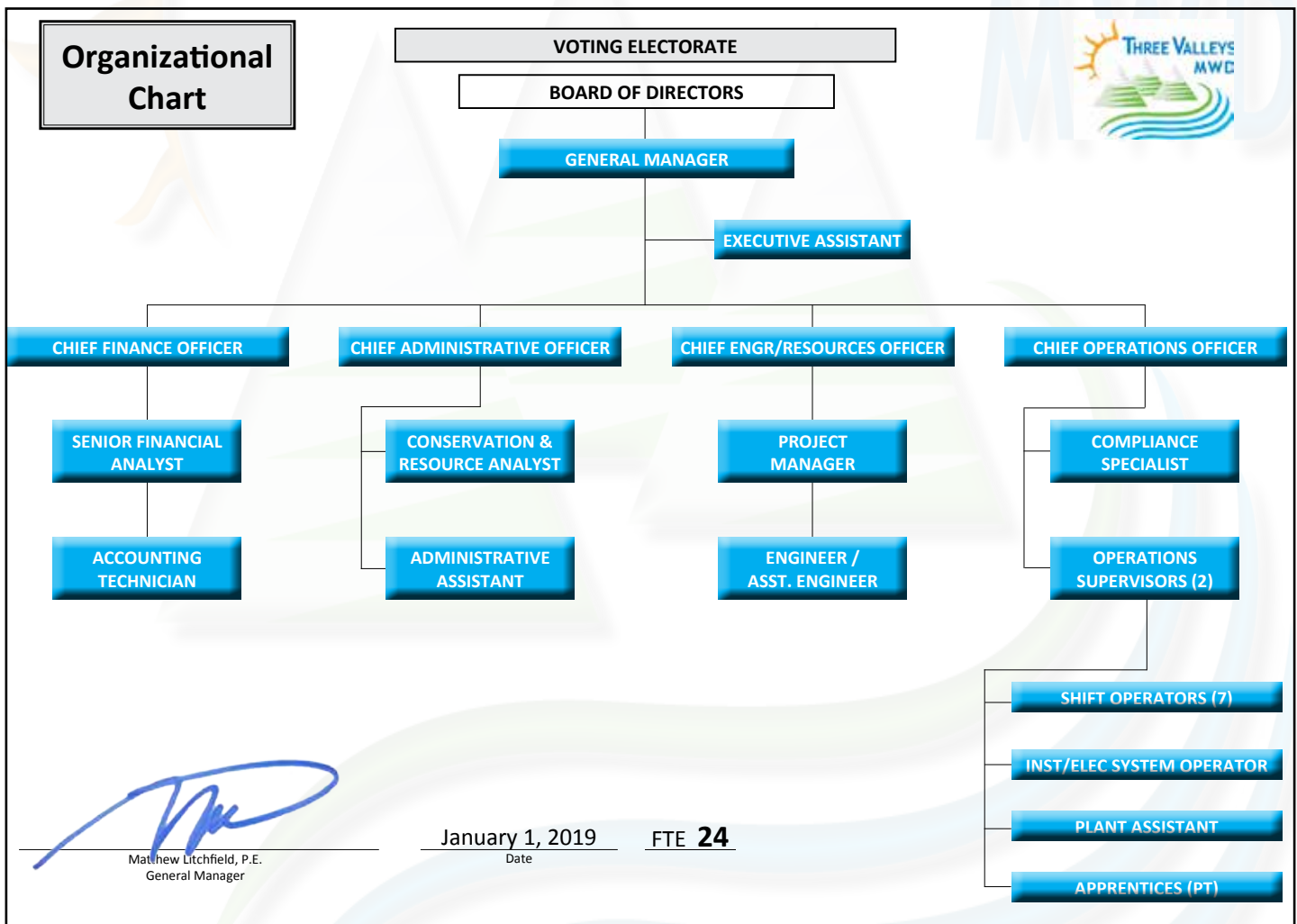
To achieve success, TVMWD must have a set of core values from which it bases its policies and actions. For TVMWD to meet current and future challenges, the single most important factor to our success is faithful and consistent adherence to these values.

- Teamwork**
- Communication**
- Customer Service**
- Personal Responsibility**
- Professional Integrity**
- Employee Development**
- Innovation**
- Recognition**

DISTRICT PROFILE

TVMWD is a special district formed by public election in 1950 and is the area's primary source of supplemental water covering the Pomona, Walnut and East San Gabriel Valleys. TVMWD is one of 26-member agencies of the Metropolitan Water District of Southern California (MWD) that is authorized to deliver wholesale water supplies from the Colorado River and Northern California. The region served by TVMWD spans over 133 square miles and serves 13 retail member agencies, that in turn serve a population of over 500,000.

TVMWD's operations consist of a conventional surface water treatment plant, a state certified laboratory, two groundwater wells, five hydroelectric generators rated with a potential of 1.1 megawatts, residual solids removal, groundwater recharge pipelines, spreading grounds, pump stations, and transmission pipelines. Water is treated at the Miramar Treatment Plant and wholesaled to local agencies by way of several miles of pipeline. Approximately 30% of TVMWD's total treated sales are from the Miramar Treatment Plan, while the remaining 70% is from MWD's Weymouth Treatment Plant. TVMWD receives a Tier 1 water supply allotment from MWD of 80,688 AFY. TVMWD has water storage accounts in Six Basins (stored: 3,482 AF; capacity: 3,500 AF) and Main San Gabriel Basin (stored: 2,706 AF; capacity: 40,000 AF).



TVMWD is governed by a Board of Directors elected by the registered voters residing within TVMWD's boundaries. The Board averages over 12 years of experience with TVMWD. The executive management team has a combined 70 years of experience with TVMWD and 108 years of experience in the water industry. This stability provides a tremendous benefit to TVMWD.

DISTRICT PROFILE (continued)

TVMWD is accredited by Special District Leadership Foundation as a District of Distinction, which demonstrates that TVMWD:



- Understands and respects the responsibilities inherent in providing essential public services.
- Has clean financial audits and operates in a fiscally responsible and transparent manner.
- Is conscious of the ever-changing operating environment by having current and relevant policies and procedures in place that conform to all statutes and regulations under state law.
- Places an emphasis on continuing education. Complete training by each of the district's board members and executive staff in ethics, governance and leadership.
- Focuses on having sound policies in the areas of governance, board conduct, district finances, transparency and reserves.

TVMWD was also recognized by SDLF with the District Transparency Certificate of Excellence. This certificate demonstrates TVMWD's commitment to being open, accessible and engaging to the public and creates a greater awareness of TVMWD's activities.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to TVMWD for its CAFR for the fiscal year ended June 30, 2017. This was the eleventh consecutive year that TVMWD has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

INDUSTRY OUTLOOK

Northern California and the Upper Colorado River Basin continue to experience dramatic fluctuations in hydrologic conditions with off-and-on dry or wet periods. These fluctuations can have an impact on the imported water supplies Southern California receives from both the State Water Project (SWP) and the Colorado River Aqueduct (CRA).

The Department of Water Resources (DWR) allocates water from the SWP annually to each of the twenty-nine SWP contractors throughout the state. Last year's rainfall and snowpack allowed for a SWP allocation of 35%, which was sufficient to allow MWD to utilize only a small amount of storage reserves. As of early February, California's major reservoirs are slightly above their historical averages, while snowpack accumulation is also above normal.

State Water Project Five Year Allocation History

Year	Allocation	Acre-Feet
2018	35%	700,000
2017	85%	1,700,000
2016	60%	1,200,000
2015	20%	400,000
2014	5%	100,000

INDUSTRY OUTLOOK (continued)

The CRA is the other major source of Southern California's imported water supply. MWD receives a base supply each calendar year which is comprised of two components, MWD's Basic Apportionment 550,000 acre-feet, and the established Colorado River supply programs 395,000 acre-feet. MWD's Basic Apportionment of water from the CRA will increase or decrease from year to year depending on the amount of water available after the higher priority agricultural users receive their allotment. Another factor which can impact MWD's water supply from the CRA is the volume of water at Lake Mead. Unless the Colorado River Watershed experiences some wet winters and greater snowpack, MWD anticipates a likelihood of a water shortage in Lake Mead for CY 2020 that will impact MWD's CRA supplies.

In his ongoing effort to make conservation a way of life in California, then Governor Brown signed legislation on May 31, 2018, establishing statewide water efficiency goals to help the state better prepare for droughts and climate change. SB 606 and AB 1668 will require cities and water districts across the state to set permanent water conservation rules, even in non-drought years. Both bills provide guidelines for efficient water use and a framework for the implementation and oversight of the new standards which must be in place by 2020.

On the horizon, the California WaterFix is moving forward. This project is an infrastructure upgrade that will improve the reliability and sustainability of California's aging water system, improve river flows and benefit the fragile Sacramento-San Joaquin Delta (Delta) ecosystem. The main infrastructure improvements will be three new water intakes in the northern Delta and two tunnels to carry the water under the Delta to the existing aqueduct systems in the southern Delta that deliver water to cities and farms. The project will take approximately 18 years for completion.

DISTRICT OUTLOOK

California's climate uncertainties are ongoing and will continue to bring water supply issues and challenges throughout the state well into the future. TVMWD understands how critical water supply reliability and conservation efforts are and has taken an active role in addressing these issues. TVMWD expressed strong support to MWD for moving forward with the California WaterFix project which is critical to ensure the safety, reliability and affordability of our state's water supply and in turn our region. TVMWD continues to work with MWD and our member agencies at the local and regional level in finding alternate sources of water at a reasonable cost and assisting with their various conservation programs. Preserving our water supplies for the future and in case of emergencies such as a catastrophic earthquake is at the forefront of TVMWD's goals.

DISTRICT GOALS

The following goals have been identified to assist TVMWD in executing its mission:

1. Provide an adequate, reliable, high-quality water supply
2. Provide water supplies in the most cost-effective manner
3. Be financially responsible and maintain the public's trust

Each goal has a number of specific objectives and actions to support the goal.

DISTRICT GOALS (continued)

Goal #1 - Provide an Adequate, Reliable, High-Quality Water Supply

Objective	Action
1.1 Secure water supplies that exceed the estimated annual demands by 10%	<ul style="list-style-type: none"> ▪ TVMWD Water Supply Master Plan <ul style="list-style-type: none"> ○ Obtain information annually from member agencies regarding their short-term and long-term needs ○ Update TVMWD's needs and obtain additional supplies if necessary
1.2 100% compliance with water quality standards	<ul style="list-style-type: none"> ▪ Comply with all EPA and State Water Board standards for safe drinking water ▪ Update treatment methods as necessary
1.3 Maintain diverse sources of water supplies and storage, and increase extractable water storage supplies to 10,000 AF	<ul style="list-style-type: none"> ▪ Comply with MWD 10-year Purchase Order agreement ▪ Rehab underperforming wells or install new wells to increase extraction capabilities ▪ Enhance spreading capabilities throughout TVMWD ▪ Utilize full MWD Tier 1 allotment to increase storage in local basins ▪ Participate in regional collaborative efforts to bolster local water supplies including wellhead treatment projects
1.4 Capable of delivering 10,000 AFY from local sources in case of drought or catastrophe	<ul style="list-style-type: none"> ▪ Rehab underperforming wells or install new wells to increase extraction capabilities ▪ Continuously update emergency plans/procedures and perform test drills ▪ Participate in regional collaborative efforts to bolster local water supplies including wellhead treatment projects
1.5 Maintain water infrastructure to assure 100% reliability	<ul style="list-style-type: none"> ▪ Update Five-Year Capital Investment Program ▪ Invest in qualified personnel, provide proper training and strive for 90% retention of permanent staff ▪ Implement full enterprise GIS (geographic information system) ▪ Standardize engineering procedures ▪ Assess options for Williams section of the Miramar Transmission Pipeline
1.6 Utilize water use efficiency programs to lower demand and stretch supplies	<ul style="list-style-type: none"> ▪ Maintain level of regional water use efficiency program assistance to comply with California Water Efficiency Partnership and state law ▪ Determine outcome of TVMWD Water Supply Master Plan and consider development of a action plan to address various conditions
1.7 Advocate for a Delta fix	<ul style="list-style-type: none"> ▪ Communicate importance of the California WaterFix to target audience ▪ Utilize ACWA, MWD, CSDA and other resources to focus on the key elements and need for the California WaterFix and related programs

DISTRICT GOALS (continued)

Goal #2 – Provide Water Supplies in the Most Cost-Effective Manner

Objective	Action
2.1 Utilize 10,000 AF of well production to meet annual demands	<ul style="list-style-type: none"> ▪ Enhance spreading capabilities throughout TVMWD ▪ Rehab underperforming wells or install new wells to increase extraction capabilities ▪ Shift more demand from the Weymouth plant to well production
2.2 Utilize 20,000 AF of Miramar treatment plant production to meet annual demands	<ul style="list-style-type: none"> ▪ Shift more demand from the Weymouth Plant to the Miramar Plant ▪ Consider additional connections or agreements to maximize Miramar sales
2.3 Manage water infrastructure and staff operations to minimize costs	<ul style="list-style-type: none"> ▪ Utilize full Tier 1 allotment by storing water or marketing water to other agencies when available ▪ Update Five-Year Capital Investment Program ▪ Invest in qualified personnel, provide proper training and strive for 90% retention of permanent staff ▪ Utilize partnership opportunities to share costs with local basins, water agencies, etc. ▪ Network with other treatment plants for BMPs ▪ Maximize a safe working environment to decrease insurance costs and time lost ▪ Utilize new technology or techniques to meet water quality standards efficiently
2.4 Evaluate short-term and long-term workforce needs to achieve optimal efficiency and cost effectiveness without sacrificing employee morale or productivity	<ul style="list-style-type: none"> ▪ Evaluate technological advances that can increase staff efficiency including full enterprise GIS ▪ Evaluate whether tasks are best handled by outside contractors or in-house employees ▪ Evaluate the organizational structure and make changes as appropriate ▪ Update succession plan as workforce changes occur and consider how best to address future needs ▪ Invest in qualified personnel, provide proper training and strive for 90% retention of permanent staff <ul style="list-style-type: none"> ○ Adhere to a compensation philosophy to maintain a total compensation at market levels ○ Maintain a succession plan that fosters qualified internal candidates for vacancies and retains institutional knowledge ○ Maintain certifications and provide training ○ Maintain a health and wellness program to minimize absences and improve employee's overall well-being
2.5 Obtain grant funding to offset capital investment projects	<ul style="list-style-type: none"> ▪ Monitor grant funding and low interest financing opportunities ▪ Apply for grants when the grant funding benefits exceed the compliance requirements, staff time spent and likely timeline delays
2.6 Implement rates that are fair, predictable and create financial stability	<ul style="list-style-type: none"> ▪ Advocate that MWD maintains existing 2-year budget and rate structure ▪ Advocate that MWD continues to refine cost allocation to ensure fairness among all MWD member agencies

DISTRICT GOALS (continued)

Goal #3 – Be Financially Responsible and Maintain the Public’s Trust

Objective	Action
3.1 Utilize and comply with a set of financial policies to maintain TVMWD's financial health	<ul style="list-style-type: none"> ▪ Adopt financial policies regarding: <ul style="list-style-type: none"> ○ annual budget and rate making process ○ use of debt ○ accumulation and use of reserves ○ cash management and investments ▪ Maintain accreditation of SDLF's "District of Distinction"
3.2 Maintain TVMWD website with useful information	<ul style="list-style-type: none"> ▪ Refine overall look and feel of website ▪ Post board agendas, packets and minutes for prior 1 year period and financial & water quality reports for prior 2 year period ▪ Promote awareness of water issues ▪ Post resources for efficient use of water ▪ Post information which is repeatedly requested ▪ Maintain SDLF's "District Transparency Certificate of Excellence"
3.3 Be accountable and transparent with major decisions	<ul style="list-style-type: none"> ▪ Each staff report will specify the goal/objective achieved with the requested action ▪ Comply with state controller's office and CalPERS' requirements for compensation disclosure ▪ Comply with TVMWD purchasing policy ▪ Obtain board approval as needed for policy changes ▪ Review and make any necessary revisions to all TVMWD agreements
3.4 Communicate TVMWD's role in the delivery of water	<ul style="list-style-type: none"> ▪ Promote achievement of TVMWD goals and objectives ▪ Communicate with target audience the importance of TVMWD (a special district) so the value provided is recognized and supported ▪ Coordinate communication efforts with member agencies so they reiterate the benefit provided ▪ Develop fact sheet regarding information, projects, etc. to be utilized by staff & board members ▪ Provide tours of TVMWD facilities
3.5 Ensure that all of the region's local government policy makers understand TVMWD's role in delivery of water	<ul style="list-style-type: none"> ▪ Provide additional learning opportunities to TVMWD's board members ▪ Coordinate communication efforts with member agencies ▪ Maintain fact sheet regarding information, projects, etc. to be utilized by staff & board members ▪ Provide tours of TVMWD facilities
3.6 Achieve an IT Risk rating of "low" according to industry standard vulnerability assessment methodologies of NIST and SANS	<ul style="list-style-type: none"> ▪ Have an assessment performed of SCADA, accounting software, network access and other IT related issues ▪ Implement recommendations for areas identified as vulnerable ▪ Create a technology master plan to stay ahead of these issues

FINANCIAL POLICIES

TVMWD's practices are guided by the following financial policies:

Annual Budget

- a. The budget is the annual action plan for development and execution of TVMWD's mission and budget priorities. The budget is adjusted to reflect TVMWD's short-term and long-term goals.
- b. TVMWD shall adopt and adhere to a balanced budget, which is defined as a budget where revenues less expenses are as close to zero as possible over a five-year period.
- c. Budget line items shall be based on reasonably predicted revenues and expenses rather than best or worst-case scenarios. Reasonable prediction involves the use of historical data, projected data and prudent judgment.
- d. The budget is utilized to estimate the required rate necessary to operate TVMWD rather than to reflect actual circumstances that occurred during the year. Budget amendments will be utilized to reflect any significant changes that occur during the year.
- e. The budget shall be adopted annually but prepared for a five-year period to smooth out increases and properly plan for future expenses.
- f. TVMWD shall segregate budget line items into separate funds:
 - i. Pass Through - this fund shall track MWD readiness-to-serve charges, capacity charges and any other costs where TVMWD is directly reimbursed.
 - ii. Operating - this fund shall track all expenses attributable to the operation of TVMWD.
 - iii. Capital - this fund shall track all capital expenses attributable to TVMWD's infrastructure.
- g. TVMWD will hold at least one workshop to afford member agencies and the public an opportunity to comment on the proposed budget.
- h. TVMWD will adopt the annual budget by April for the following fiscal year.
- i. TVMWD will provide to the Board a monthly budget to actual summary report.

Rate Making Process

- a. TVMWD shall adopt rates that produce a balanced budget.
- b. TVMWD will hold at least one workshop to afford member agencies and the public an opportunity to comment on the proposed rates.
- c. TVMWD will adopt rates by April for the following calendar year.
- d. TVMWD's activities are supported by a diversified revenue stream of water sales, charges, assessments, property taxes, hydroelectric and interest income.
- e. TVMWD shall generally utilize one-time revenues for payment of one-time expenses. TVMWD will not establish ongoing programs or expenditure commitments dependent upon anticipated one-time revenues or revenues that are not reasonably predictable.

Debt

- a. TVMWD will issue long-term debt only when the project makes good financial sense.
- b. Debt will be used for large one-time expenditures, not for ongoing costs such as operation and maintenance.
- c. The term of any debt will not exceed the useful life of the project or equipment purchased with the debt proceeds.
- d. Refunding of outstanding debt will be undertaken only if the generated savings makes good financial sense.

FINANCIAL POLICIES (continued)

Cash Management and Investments

- a. TVMWD shall invest idle cash in a prudent manner according to established TVMWD investment policy that complies with California Government Code and applicable California law, ensuring TVMWD's cash flow requirements are met while meeting the objectives of safety, liquidity, and return on investment.
- b. TVMWD will strive to maximize the return on investment without sacrificing preservation of principal and daily cash requirements.
- c. Cash flow projections will be updated monthly for all daily receipts and disbursements, and will serve as the baseline for determining cash liquidity needs and funds available for investment.

Reserves

- a. Consistent with sound and prudent fiscal practices as well as legal requirements, TVMWD will maintain reserve funds that comply with adopted policy and legal bond documents.
- b. Objectives of reserve funds:
 - i. To balance short-term fluctuations in revenues/expenses without adopting unplanned rate increases.
 - ii. To provide a safety net in the event of emergency.
 - iii. To minimize external borrowing and interest expense.
 - iv. To determine the most opportune time to issue debt when necessary.
- c. In setting reserve goals TVMWD will consider that reserve levels affect bond ratings and ultimately the ability to access debt markets at favorable interest rates.
- d. The Board shall annually reevaluate what is reasonable for each reserve fund.
- e. Although GASB 54 does not apply to TVMWD, staff will provide reserve schedules annually that comply with GASB 54 to provide more detail and greater visibility as to the level of fund balance available for use. The hierarchy of five possible classifications of fund balance is:
 - i. Non-Spendable - amounts that cannot be spent due to form such as inventories and prepaids.
 - ii. Restricted - amounts constrained for specific purpose by external parties, constitutional provision or enabling legislation.
 - iii. Committed - amounts constrained for specific purpose by government using its highest level of decision-making authority.
 - iv. Assigned - amounts intended to be used for specific purposes.
 - v. Unassigned - the residual fund balance.

RESERVE POLICIES

Reserve	Goal	Description	Source
Board Election	\$140,000 - \$210,000	To cover biennial election and associated costs.	Water rate over the 2 subsequent years.
Water Management	\$200,000	To replenish storage of water pumped from local basins. Amount set at (TVMWD Six Basins storage capacity, less current storage, less MWD current storage) * expected rate for replenishment.	Six Basins water sales annually & then from Unassigned Reserves. Additional shortfalls replenished from water rate over the next 3 years.
Water Rate Stabilization	\$1,300,000 - \$1,900,000	To help fund operations when water sales are less than projected. Reserve shall be set at an amount to supplant lost income in the event of 10% water sales shortages over a 2-3 year period.	Unassigned Reserves. Additional shortfalls replenished from water rate over the next 3 years unless rate stabilization utilized to balance upcoming budget.
Capital Investment Program	\$4,400,000 - \$9,700,000	To cover expected and actual capital project/repair/replacement costs over the next 2-4 year period.	Unassigned Reserves. Additional shortfalls replenished from water rate over the next 3 years.
Opportunity	\$2,000,000 - \$3,000,000	For unbudgeted, unplanned or opportunistic projects that can increase supply reliability or decrease rates.	Unassigned Reserves. Additional shortfalls replenished from water rate over the next 3 years.
Employee Benefit	\$3,400,000	To accumulate funds to offset net OPEB and pension liabilities. Funds to be deposited at the close of each fiscal year to the Post Employment Benefit Trust until the balance of the trust and CalPERS assets reaches approximately 90% of the total liability. This reserve will maintain the remaining 10% to offset the unfunded liability and to ensure the trust is not overfunded.	Unassigned Reserves. The board will approve a rate funding strategy during the annual budget process.
Emergency	Total available reserve balances of at least \$10,000,000	To cover unexpected costs from litigation, catastrophic events, business interruptions, or other events deemed as emergencies by the Board.	Unassigned Reserves. Additional shortfalls replenished from water rate over the next 3 years.
Unassigned	Remaining balance of unrestricted net assets	To replenish all other reserves and then accumulate excess reserves above goal amounts.	Excess retained earnings.

DEBT MANAGEMENT ANALYSIS

TVMWD DEBT SUMMARY

TVMWD is debt free.



ANALYSIS

Based on budget/rate forecasts and the five-year capital improvement plan, TVMWD should not need to issue debt in the foreseeable future. However TVMWD is well positioned to obtain debt at favorable rates should the need arise.

COMPENSATION PHILOSOPHY

In order to accomplish its mission, TVMWD must have sufficient competent staff to achieve the goals and objectives outlined in the strategic plan. This requires having a succession plan in place to identify needs and future challenges, recruiting qualified personnel with the appropriate skills to fill job openings, and retaining staff trained on how we operate.

To this end TVMWD demonstrates its commitment to treating staff fairly and equitably by compensating employees at market levels, defined as the average compensation at agencies that meet following criteria:

- Agencies with employees performing the same or directly related tasks
- Agencies competing to hire individuals with the same qualifications
- Agencies with similar ability to pay

The following agencies have been identified for comparison:

- Calleguas Municipal Water District
- Castaic Lake Water Agency
- Cucamonga Valley Water District
- Eastern Municipal Water District
- Inland Empire Utilities Agency
- Las Virgenes Municipal Water District
- Palmdale Water District
- Water Facilities Authority (WFA)
- West Basin Municipal Water District
- Western Municipal Water District

Compensation information is obtained from each agency by TVMWD staff. Information is compiled to reflect the total dollar value compensation for each position. Total dollar value quantifies total compensation (salary and benefits) so comparisons between agencies are easy to consider.

Salary Ranges

TVMWD should maintain wide ranges to bring new inexperienced employees in at low base salaries to allow for many years of growth yet recognize and reward experience and performance.

Annual Performance Review

Employee performance is evaluated annually with mid-year updates. Employees are eligible for a merit increase annually based on performance and within the constraints of the Board approved budget and the position's salary range. Employees are also eligible for a CPI increase based on employee performance. Salary ranges are adjusted annually by a CPI increase. The percentage increase is to be calculated per the annual change in Bureau of Labor Statistics Consumer Price Index for Urban Wage Earners and Clerical Workers for the Los Angeles-Long Beach-Anaheim.

Frequency

Due to the time-consuming nature of compiling compensation information, a total dollar value compensation study is completed every three years. Information is presented to the GM for comparison and to serve as a guide to adjust salary ranges and benefits as the GM deems necessary. Any new benefits with long-term implications are brought to the Board for approval.

FIVE-YEAR CAPITAL PROGRAM

Project Enhanced Groundwater Production

Description Continued strategy to develop additional groundwater production capability within the groundwater basins that underlie TVMWD. This supply will augment imported water in the Miramar system for water delivery to the member agencies. Enhancing the capability to use local resources lessens the overall cost of water from Miramar and improves the reliability of supplies during emergencies. To the extent possible, existing wells that can be utilized will be incorporated into the strategy. In some cases, treatment may be required.

Purpose

- Serves as a cost-efficient source of water.
- Provides additional options during emergency situations or drought conditions.

TVMWD Objective

1.3 - Maintain diverse sources of water supplies and storage, and increase extractable water storage supplies to 10,000 AF.

1.4 - Capable of delivering 10,000 AFY from local sources in case of drought or catastrophe.

2.1 - Utilize 10,000 AF of well production to meet annual demands.



Fiscal Year	19/20	20/21	21/22	22/23	23/24
Expenditures					
Cost Estimate	2,493,147	731,851	2,244,444	-	25,703
Encumbered	(142,741)				
Budgeted					
Grant or Other Funding					
Budget Needs	2,350,406	731,851	2,244,444	-	25,703

Annual O&M Impact	\$60,000
Annual Staff Impact	0.30 FTE



FIVE-YEAR CAPITAL PROGRAM

Project Alternative Disinfection

Description Planning and design associated with modifications to the Miramar Plant filter bay gallery to improve water quality and address concerns associated with disinfection byproducts and taste and odor issues. This project will test and evaluate different filter media profiles to determine the optimum configuration that will achieve short-term and long-term objectives with regard to the potable water quality leaving the Miramar Plant.

Purpose

- Improves water quality.
- Increases operational efficiency.

TVMWD Objective

- 1.2 - 100% compliance with water quality standards.
- 1.5 - Maintain water infrastructure to assure 100% reliability.
- 2.3 - Manage water infrastructure and staff operations to minimize costs.



Fiscal Year	19/20	20/21	21/22	22/23
Expenditures				
Cost Estimate	124,167	200,833	96,556	2,508,444
Encumbered				
Budgeted				
Grant of Other Funding				
Budget Needs	124,167	200,833	96,556	2,508,444



Annual O&M Impact	\$0
Annual Staff Impact	0.00 FTE

FIVE-YEAR CAPITAL PROGRAM

Project Miramar Pipeline Repairs & Improvements

Description Repair and improvement costs associated with the Miramar Transmission Pipeline. All phases of the initial visual inspections of the transmission main were completed by FY 2017-2018. Based on those observations, there were no major deficiencies requiring immediate repairs. In the future, TVMWD will conduct inspections involving more sophisticated non-destructive techniques to acquire a more precise assessment of the 30-plus-year-old pipeline. Repair phases will then follow based on those inspection outcomes. Other improvements will also be undertaken to address pipeline reliability and/or water quality issues. In FY 2019-2020, a residual control system is proposed at Fulton Reservoir to maintain disinfectant levels at the outer edges of the system.

Purpose

- Maintains pipeline integrity.
- Lengthens the useful life of the facilities.
- Improve water quality.

TVMWD Objective

- 1.2 - 100% compliance with water quality standards.
- 1.5 - Maintain water infrastructure to assure 100% reliability.
- 2.2 - Utilize 20,000 AF of Miramar treatment plant production to meet annual demands.



Fiscal Year	19/20	20/21	21/22	22/23	23/24
Expenditures					
Cost Estimate	200,000	-	-	-	200,000
Encumbered					
Budgeted					
Grant or Other Funding					
Budget Needs	200,000	-	-	-	200,000

Annual O&M Impact	\$8,000
Annual Staff Impact	0.05 FTE



FIVE-YEAR CAPITAL PROGRAM

Project **PM-26 Expansion**

Description Planning, design, environmental and construction costs to expand the spreading connection at the existing PM-26 location. The existing connection currently delivers untreated import water to the Little Dalton Spreading Grounds, for which delivery rates are very limited. The addition of pipeline and low-lift pumping capability would allow delivery of water from the Foothill Feeder into the adjacent Big Dalton Spreading Grounds and other potential recharge facilities downstream. This added capacity would allow TVMWD to utilize more spreading water over shorter periods of time in the Main San Gabriel Basin.

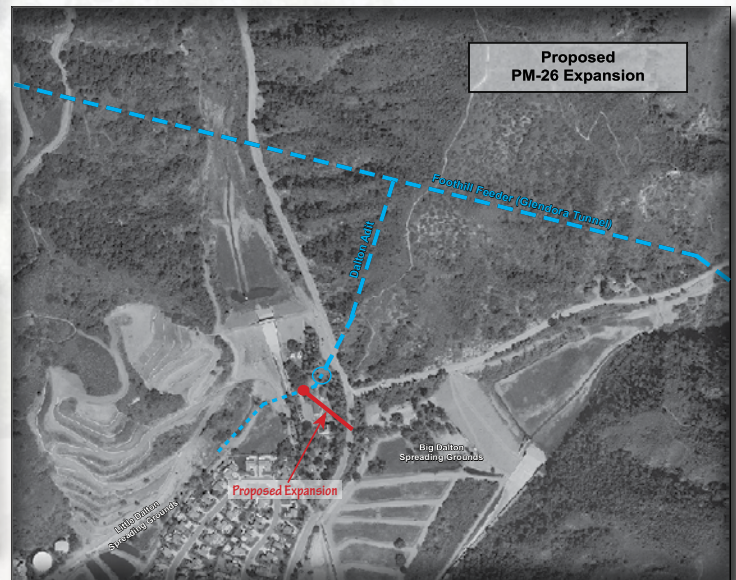


Purpose

- Increases spreading capabilities within the Main San Gabriel Basin.

TVMWD Objective

- 1.3 - Maintain diverse sources of water supplies and storage, and increase extractable water storage supplies to 10,000 AF.
- 1.4 - Capable of delivering 10,000 AFY from local sources in case of drought or catastrophe.



Fiscal Year	19/20	20/21	21/22	22/23	23/24
Expenditures					
Cost Estimate	-	-	-	477,778	1,062,222
Encumbered					
Budgeted					
Grant or Other Funding					
Budget Needs	-	-	-	477,778	1,062,222



Annual O&M Impact	\$25,000
Annual Staff Impact	0.05 FTE

FIVE-YEAR CAPITAL PROGRAM

Project Miramar Building and Site Improvements

Description Design and construction of various upgrades and improvements for the Miramar buildings and site as well as at other TVMWD-owned facilities. Some of the projects envisioned over the next several years include bathroom upgrades, addition of offices in locations with available space, modifying the operations control room, repurposing the area where the powder activated carbon tank formerly resided, installing additional security at the Fulton site and installing a roof structure over the Miramar reservoir effluent vault to protect newly-installed equipment.



- Purpose**
- Maintain TVMWD facilities in modern, working order to accommodate the needs of staff and visitors.
 - Improve security at TVMWD facilities.
 - Make efficient use of available space.

TVMWD Objective 2.3 - Manage water infrastructure and staff operations to minimize costs.



Fiscal Year	19/20	20/21
Expenditures		
Cost Estimate	350,000	200,000
Encumbered	(313,429)	
Budgeted		
Grant or Other Funding		
Budget Needs	36,571	200,000

Annual O&M Impact	\$10,000
Annual Staff Impact	0.00 FTE



FIVE-YEAR CAPITAL PROGRAM

Project JWL Flow Control Valve

Description Evaluation, design, and installation of equipment and instrumentation at the Joint Water Line connection. A new control valve is needed at this connection to work in conjunction with the operation of the Fulton Reservoir. The valve will control pressure and flow into the largest metered connection on the Miramar system. Additionally, it creates the potential capability to utilize the Fulton Reservoir to improve water quality conditions in the lower reaches of the system. In conjunction with work involved to install this valve, TVMWD will also make minor physical modifications in the associated pipeline to facilitate the periodic flushing required for this reach of pipe.



Purpose

- Provides coordinated operation between the JWL connection and the Fulton Reservoir.
- Improves water quality in an area difficult to flush.

TVMWD Objective

- 1.2 - 100% compliance with water quality standards
- 1.5 - Maintain water infrastructure to assure 100% reliability.
- 2.2 - Utilize 20,000 AF of Miramar treatment plant production.
- 2.3 - Manage water infrastructure and staff operations to minimize costs.



Fiscal Year	19/20
Expenditures	
Cost Estimate	66,667
Encumbered	(13,027)
Budgeted	
Grant of Other Funding	
Budget Needs	53,640

Annual O&M Impact	\$0
Annual Staff Impact	0.00 FTE



BUDGET PRIORITIES FOR FY 19-20

Based on TVMWD's goals and objectives, the following budget priorities have been identified:

1. Maximize the Lowest Cost Water

- a. Enhanced Groundwater Production – TVMWD will continue to pursue options for developing additional groundwater production and place the Grand Avenue Well into service.
- b. Alternative Disinfection – Maintain water reliability and minimize costs.
- c. Pipeline Repairs and Improvements – TVMWD will implement improvements to the transmission main that will enhance water quality and operating flexibility.

2. Increase Ability to Store and Extract Water

- a. Enhanced Groundwater Production – TVMWD will continue to pursue options for developing additional groundwater production and place the Grand Avenue Well into service.
- b. Increase Storage in Six Basins – TVMWD will continue working with Six Basins Watermaster on their strategic plan. One expected goal from their plan will be to exercise the basins more, which aligns with TVMWD's desire to spread and recover more water. TVMWD would request an increase to our storage account within Six Basins.
- c. Increase Storage in Chino Basin – TVMWD will begin to pursue storage opportunities with the Chino Basin Watermaster for the benefit of its member agencies that pump in the Chino Basin.
- d. Increase Storage in Main San Gabriel Basin – TVMWD will work with the Main San Gabriel Basin Watermaster to execute a Cyclic Storage Agreement intended for increased storage deliveries in the future.
- e. PM-26 Expansion – Maintain diverse sources of water supplies and storage, and increase extractable water storage supplies.

ACRONYMS AND ABBREVIATIONS

• ACWA	–	Association of California Water Agencies
• AF	–	Acre-Feet
• AFY	–	Acre-Feet per Year
• BMP	–	Best Management Practices
• CAFR	–	Comprehensive Annual Financial Report
• CPI	–	Consumer Price Index
• CRA	–	Colorado River Aqueduct
• CSDA	–	California Special Districts Association
• DWR	–	Department of Water Resources
• EPA	–	Environmental Protection Agency
• FY	–	Fiscal Year
• GASB	–	Governmental Accounting Standards Board
• GFOA	–	Government Finance Officers Association
• GIS	–	Geographic Information System
• IT	–	Information Technology
• JWL	–	Joint Water Line
• MWD	–	Metropolitan Water District of Southern California
• NIST	–	National Institute of Standards and Technology
• O&M	–	Operations and Maintenance
• OPEB	–	Other Post-Employment Benefits
• SANS	–	System Administration Networking and Security
• SCADA	–	Supervisory Control and Data Acquisition
• SDLF	–	Special District Leadership Foundation
• SWP	–	State Water Project
• TVMWD	–	Three Valleys Municipal Water District

