



# STRATEGIC PLAN



**FY 2018-2019**



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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**

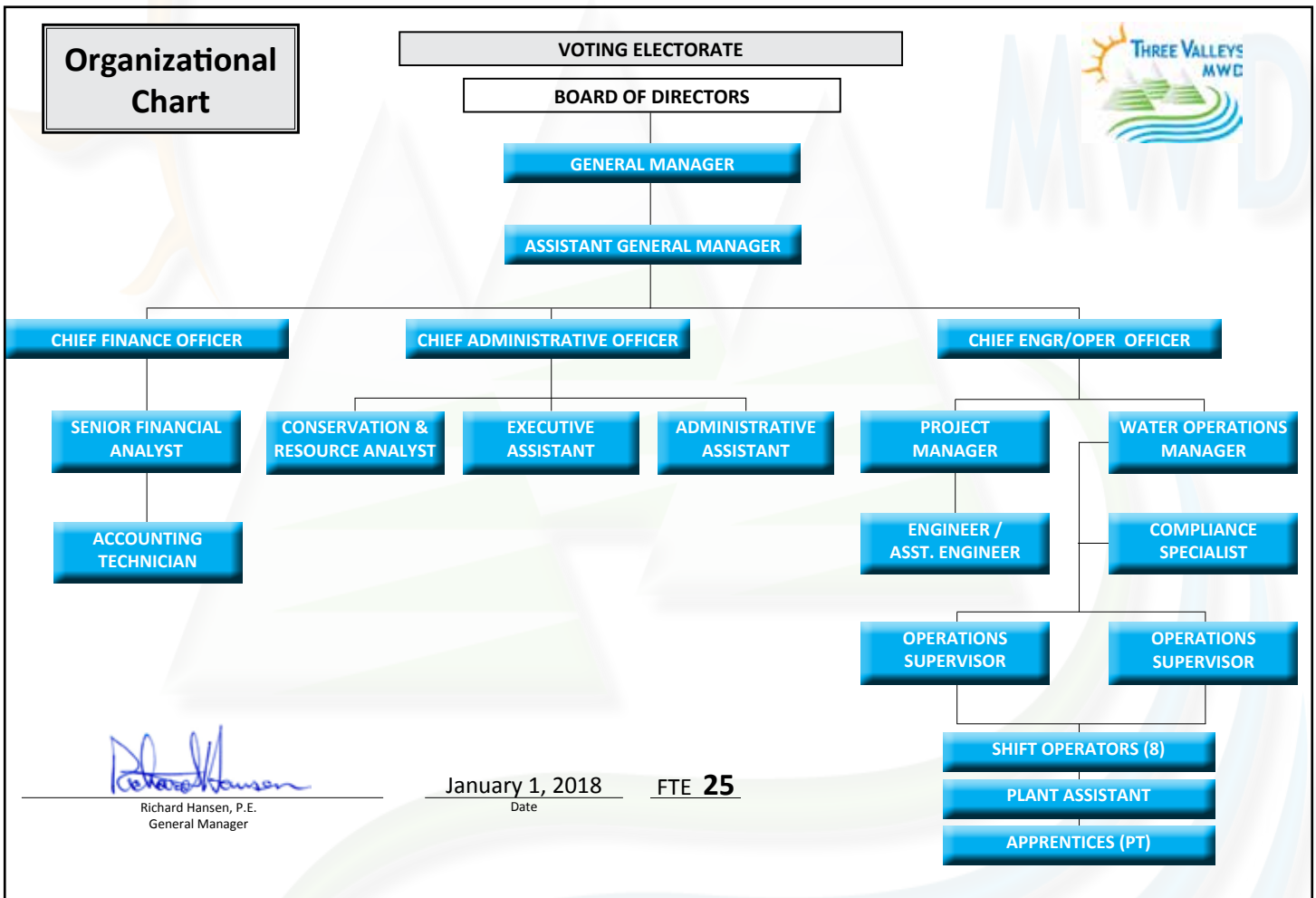
**To achieve success, TVMWD must have a set of core values from which it bases its policies and actions. For TVMWD to meet current and future challenges, the single most important factor to our success is faithful and consistent adherence to these values.**

- 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 (manned and operated 24 hours per day, 7 days per week, 365 days per year), a state certified laboratory, two groundwater wells, five hydroelectric generators rated at over 1.3 megawatts, residual solids removal, spreading 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. TVMWD receives a Tier 1 water supply allotment from MWD of 80,688 AFY.



TVMWD is governed by a Board of Directors elected by the registered voters residing within TVMWD's boundaries. The Board averages over 14 years of experience with TVMWD, this stability provides a tremendous benefit to TVMWD. The General Manager has over 40 years with TVMWD and has vast experience in the water industry. Approximately 70% of the TVMWD's water sales are wholesaled out of MWD's Weymouth Treatment Plant in La Verne. The remaining 30% is treated and sold out of TVMWD's Miramar Treatment Plant in Claremont. TVMWD has water storage accounts in Six Basins (stored: 3,496 AF; capacity: 3,500 AF) and Main San Gabriel Basin (stored: 65 AF; capacity: 40,000 AF).

## 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.

## INDUSTRY OUTLOOK

California experienced a very wet winter with near-record snowpack which helped in the steady recovery from a five-year long drought. The improved statewide hydrologic conditions allowed for increases in water reserves in reservoirs and local groundwater basins that were so severely depleted.

In addition to unprecedented water conservation, the plentiful winter rain and snow allowed Governor Brown to end the drought state of emergency in California on April 7, 2017. At that time, he released a long-term plan to better prepare the state for future droughts and make conservation a way of life. Taking into consideration the successes and lessons learned from the five-year long drought, Governor Brown's plan establishes a framework for long-term efficient water use that reflects the state's diverse climate, landscape and demographic conditions. The plan seeks to move California from the temporary, emergency conservation measures in effect during the drought to a more durable approach that will ensure all communities improve water use efficiency and extend their water supplies.

A month after Governor Brown declared an end to the statewide drought emergency, MWD's board approved a voluntary conservation approach termed "Water Supply Watch Condition". The board urged local agencies to continue water savings through voluntary conservation measures. The message MWD is conveying to the public is the drought emergency may be over but saving water is a lifelong habit. With the State Water Project allocation at 85 percent for 2017, MWD maximized deliveries by putting 1.2 million acre-feet of water in reserves to help restore regional reserve levels and continue saving for the future.

## DISTRICT OUTLOOK

TVMWD supports MWD and our member agencies in exploring and developing water resources at a reasonable cost that prepare our region for the ongoing water challenges created by our uncertain drought and climate changes. TVMWD remains committed to supporting the ongoing conservations efforts and finding new sources of water through local projects. 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.

TVMWD advertises in the local newspapers in both English and Spanish.



**Ahora es el momento perfecto para reemplazar su césped por un hermoso paisaje tolerante a la sequía. ¡Requiere menos agua y agrega MUCHA belleza!**

**Three Valleys MWD**

*Three Valleys Municipal Water District's Areas Served:*

Azusa, Boy Scouts of America-Firestone Reservation, California State Polytechnic University-Pomona, City of Industry, Claremont, Covina, Covina Irrigating Co., Diamond Bar, Glendora, Golden State Water Co., Hacienda Heights, La Puente, La Verne, Mount San Antonio College, Pomona, Pomona-Walnut-Rowland Joint Water Line Commission, Rowland Heights, Rowland Water District, San Dimas, Suburban Water Systems, Valencia Heights Water Co., Walnut, Walnut Valley Water District and West Covina

## 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"> <li>▪ TVMWD Water Supply Master Plan               <ul style="list-style-type: none"> <li>○ Obtain information annually from member agencies regarding their short-term and long-term needs</li> <li>○ Update TVMWD's needs and obtain additional supplies if necessary</li> </ul> </li> </ul>
1.2 100% compliance with water quality standards	<ul style="list-style-type: none"> <li>▪ Comply with all EPA and State Water Board standards for safe drinking water</li> <li>▪ Update treatment methods as necessary</li> </ul>
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"> <li>▪ Comply with MWD 10-year Purchase Order agreement</li> <li>▪ Rehab underperforming wells or install new wells to increase extraction capabilities</li> <li>▪ Enhance spreading capabilities throughout TVMWD</li> <li>▪ Utilize full MWD Tier 1 allotment to increase storage in local basins</li> <li>▪ Participate in regional collaborative efforts to bolster water supplies</li> </ul>
1.4 Capable of delivering 10,000 AFY from local sources in case of drought or catastrophe	<ul style="list-style-type: none"> <li>▪ Rehab underperforming wells or install new wells to increase extraction capabilities</li> <li>▪ Continuously update emergency plans/procedures and perform test drills</li> </ul>
1.5 Maintain water infrastructure to assure 100% reliability	<ul style="list-style-type: none"> <li>▪ Update Five-Year Capital Investment Program</li> <li>▪ Recruit qualified personnel, provide proper training and strive for 90% retention of permanent staff</li> </ul>
1.6 Utilize water use efficiency programs to lower demand and stretch supplies	<ul style="list-style-type: none"> <li>▪ Maintain level of regional water use efficiency program assistance to comply with CUWCC and SBX7-7 requirements</li> <li>▪ Determine outcome of TVMWD Water Supply Master Plan and consider development of a WSDM Plan (similar to MWD) to outline actions at various conditions</li> </ul>
1.7 Advocate for a Bay Delta fix	<ul style="list-style-type: none"> <li>▪ Communicate importance of Bay-Delta to target audience</li> <li>▪ Utilize ACWA, MWD, CSDA and other resources to focus on the key elements and need for a Bay-Delta fix through the California Water Fix and related programs</li> </ul>

# 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"> <li>▪ Enhance spreading capabilities throughout TVMWD</li> <li>▪ Rehab underperforming wells or install new wells to increase extraction capabilities</li> <li>▪ Shift more demand from the Weymouth plant to well production</li> </ul>
2.2 Utilize 20,000 AF of Miramar treatment plant production to meet annual demands	<ul style="list-style-type: none"> <li>▪ Shift more demand from the Weymouth Plant to the Miramar Plant</li> <li>▪ Consider additional connections to maximize Miramar sales</li> </ul>
2.3 Manage water infrastructure and staff operations to minimize costs	<ul style="list-style-type: none"> <li>▪ Utilize full Tier 1 allotment by storing water or marketing water to other agencies when available</li> <li>▪ Update Five-Year Capital Investment Program</li> <li>▪ Recruit qualified personnel, provide proper training and strive for 90% retention of permanent staff</li> <li>▪ Utilize partnership opportunities to share costs with local basins, water agencies, etc.</li> <li>▪ Network with other treatment plants for BMPs</li> <li>▪ Maximize a safe working environment to decrease insurance costs and time lost</li> <li>▪ Utilize new technology or techniques to meet water quality standards efficiently</li> </ul>
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"> <li>▪ Evaluate technological advances that can increase staff efficiency</li> <li>▪ Evaluate whether tasks are best handled by outside contractors or in-house employees</li> <li>▪ Implement a succession plan requiring cross-training and knowledge sharing between employees</li> <li>▪ Recruit qualified personnel, provide proper training and strive for 90% retention of permanent staff                             <ul style="list-style-type: none"> <li>○ Adhere to a compensation philosophy to maintain a total compensation at market levels</li> <li>○ Implement a succession plan that fosters qualified internal candidates for vacancies and retains institutional knowledge</li> <li>○ Utilize Target Safety to maintain certifications and provide training</li> <li>○ Maintain a health and wellness program to minimize absences and improve employee's overall well-being</li> </ul> </li> </ul>
2.5 Obtain grant funding to offset capital investment projects	<ul style="list-style-type: none"> <li>▪ Monitor grant funding opportunities available</li> <li>▪ Apply for grants when the grant funding benefits exceed the compliance requirements, staff time spent and likely timeline delays</li> </ul>
2.6 Advocate for MWD rate structure that is fair, predictable and creates financial stability	<ul style="list-style-type: none"> <li>▪ Utilize the rate refinement group to suggest take or pay contracts from MWD to ensure costs appropriately allocated among all MWD member agencies</li> </ul>



# 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"> <li>▪ Adopt financial policies regarding:               <ul style="list-style-type: none"> <li>○ annual budget and rate making process</li> <li>○ use of debt</li> <li>○ accumulation and use of reserves</li> <li>○ cash management and investments</li> </ul> </li> <li>▪ Maintain accreditation of SDLF’s “District of Distinction”</li> </ul>
3.2 Maintain TVMWD website with useful information	<ul style="list-style-type: none"> <li>▪ Post board agendas, packets and minutes for prior 1 year period and financial &amp; water quality reports for prior 2 year period</li> <li>▪ Promote awareness of water issues</li> <li>▪ Post resources for efficient use of water</li> <li>▪ Post information which is repeatedly requested</li> <li>▪ Maintain SDLF’s “District Transparency Certificate of Excellence”</li> </ul>
3.3 Be accountable and transparent with major decisions	<ul style="list-style-type: none"> <li>▪ Each staff report will specify the goal/objective achieved with the requested action</li> <li>▪ Comply with state controller’s office and CalPERS’ requirements for compensation disclosure</li> <li>▪ Comply with TVMWD purchasing policy</li> <li>▪ Obtain board approval as needed for policy changes</li> </ul>
3.4 Communicate TVMWD’s role in the delivery of water	<ul style="list-style-type: none"> <li>▪ Promote achievement of TVMWD goals and objectives</li> <li>▪ Communicate with target audience the importance of TVMWD (a special district) so the value provided is recognized and supported</li> <li>▪ Coordinate communication efforts with member agencies so they reiterate the benefit provided</li> <li>▪ Develop fact sheet regarding information, projects, etc. to be utilized by staff &amp; board members</li> <li>▪ Provide tours of TVMWD facilities</li> </ul>
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"> <li>▪ Coordinate communication efforts with member agencies</li> <li>▪ Develop fact sheet regarding information, projects, etc. to be utilized by staff &amp; board members</li> <li>▪ Provide tours of TVMWD facilities</li> </ul>
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"> <li>▪ Have an assessment performed of SCADA, accounting software, network access and other IT related issues</li> <li>▪ Implement recommendations for areas identified as vulnerable</li> <li>▪ Create a technology master plan to stay ahead of these issues</li> </ul>

# FINANCIAL POLICIES

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

## 1. 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. A balanced budget 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.

## 2. 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.

## 3. 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)

### 4. 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.

### 5. 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 significant rate increases that could severely impact ratepayers.
  - 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
<b>Board Election</b>	\$120,000 - \$160,000	To cover biennial election and associated costs.	Water rate over the 2 subsequent years.
<b>Water Management</b>	\$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.
<b>Water Rate Stabilization</b>	\$1,200,000 - \$1,800,000	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.
<b>Capital Investment Program</b>	\$4,100,000 - \$8,200,000	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.
<b>Opportunity</b>	\$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.
<b>Employee Benefit</b>	\$2,100,000	To accumulate funds to offset the unfunded portion of employee pension and OPEB actuarial accrued 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 actuarial accrued 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.
<b>Emergency</b>	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.
<b>Unassigned</b>	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. 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-Riverside-Orange County.

## **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 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	17/18*	18/19	19/20	20/21	21/22	22/23
Expenditures						
Cost Estimate	1,561,488	1,494,500	2,116,667	1,820,000	1,097,500	1,462,000
Encumbered		(2,615)		(465,748)		
Budgeted	(2,029,851)					
Grant or Other Funding						
<b>Budget Needs</b>	<b>(468,363)</b>	<b>1,491,885</b>	<b>2,116,667</b>	<b>1,354,252</b>	<b>1,097,500</b>	<b>1,462,000</b>

\*Estimated

<b>Annual O&amp;M Impact</b>	\$60,000
<b>Annual Staff Impact</b>	0.30 FTE



# FIVE-YEAR CAPITAL PROGRAM

## Project Filter Modification

**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	17/18*	18/19	19/20	20/21	21/22	22/23
Expenditures						
Cost Estimate				120,833	201,167	98,222
Encumbered						
Budgeted						
Grant of Other Funding						
<b>Budget Needs</b>	-	-	-	<b>120,833</b>	<b>201,167</b>	<b>98,222</b>

\*Estimated



<b>Annual O&amp;M Impact</b>	\$0
<b>Annual Staff Impact</b>	0.00 FTE



# FIVE-YEAR CAPITAL PROGRAM

## Project Filter Aid System Upgrades

**Description** Removal and replacement of an obsolete filter aid system located in the Dry Chemical Building of the Miramar Treatment Plant. The new system provides more automated controls, a more accurate means of measuring chemicals to batch-process the polymer filter aid, and a better mixing system that will not degrade the product prior to use. The new system will be placed in the same general location, and the existing feed pumps will be utilized with the new setup.

- Purpose**
- Improves capability to monitor and control chemical feed process.
  - Adds operational features not currently part of existing system.
  - Optimizes batch-mixing process and improves accuracy of chemical additions.

- 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	17/18*	18/19
Expenditures		
Cost Estimate		230,000
Encumbered		
Budgeted		
Grant or Other Funding		
<b>Budget Needs</b>	-	<b>230,000</b>

\*Estimated

<b>Annual O&amp;M Impact</b>	\$10,000
<b>Annual Staff Impact</b>	0.00 FTE



# FIVE-YEAR CAPITAL PROGRAM

## Project **Miramar Pipeline Assessment & Repairs**

**Description** Inspection and repair costs associated with the Miramar Transmission Pipeline. Initial visual inspections will be completed during FY 2017-2018. Required repairs based on these initial inspections will also be performed, if necessary. Subsequent pipeline inspections involving non-destructive techniques will be performed in following years to acquire a more precise assessment of the 30-year-old pipeline. Repair phases may take some time to complete in order to minimize the impact of shutdowns and the inability to deliver water.



- Purpose**
- Assists in determining the condition of assets.
  - Maintains pipeline integrity
  - Lengthens the useful life of the facilities.



**TVMWD Objective** 1.5 - Maintain water infrastructure to assure 100% reliability.

Fiscal Year	17/18*	18/19	19/20	20/21	21/22	22/23
Expenditures						
Cost Estimate	82,750					150,000
Encumbered						
Budgeted	(82,750)					
Grant or Other Funding						
<b>Budget Needs</b>	-	-	-	-	-	<b>150,000</b>

\*Estimated



<b>Annual O&amp;M Impact</b>	\$8,000
<b>Annual Staff Impact</b>	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.



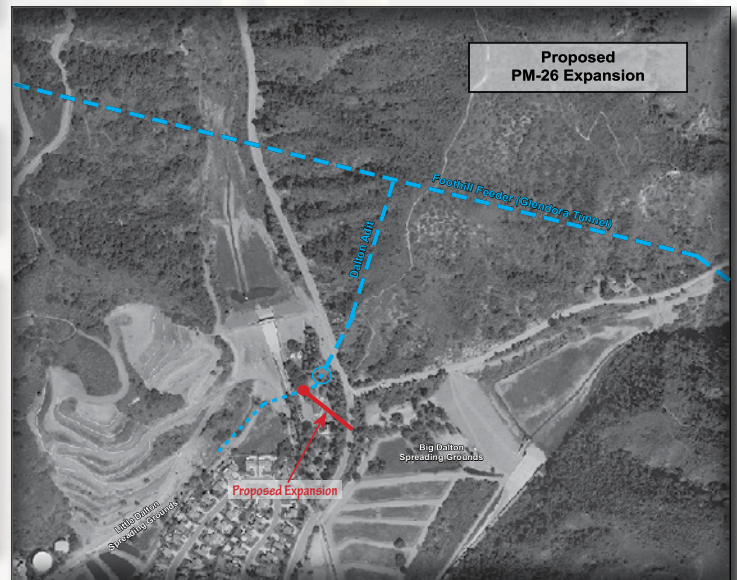
**Purpose**

- 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	17/18*	18/19	19/20	20/21	21/22
Expenditures					
Cost Estimate			78,111	399,667	1,062,222
Encumbered			(78,111)	(129,702)	
Budgeted	(207,813)				
Grant or Other Funding					
<b>Budget Needs</b>	<b>(207,813)</b>	-	-	<b>269,965</b>	<b>1,062,222</b>

\*Estimated

<b>Annual O&amp;M Impact</b>	\$25,000
<b>Annual Staff Impact</b>	0.05 FTE



# FIVE-YEAR CAPITAL PROGRAM

## Project **Miramar Building and Site Improvements**

**Description** Design and construction of various upgrades and improvements for the 30-year old Miramar buildings and site. Projects to upgrade bathrooms and modify operations control room are envisioned over the next few years.



**Purpose**

- Maintain TVMWD facilities in modern, working order to accommodate the needs of staff and visitors.



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

Fiscal Year	17/18*	18/19	19/20
Expenditures			
Cost Estimate		195,875	344,125
Encumbered		(195,875)	(76,585)
Budgeted	(272,460)		
Grant or Other Funding			
<b>Budget Needs</b>	<b>(272,460)</b>	<b>-</b>	<b>267,540</b>

\*Estimated

<b>Annual O&amp;M Impact</b>	\$10,000
<b>Annual Staff Impact</b>	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	17/18*	18/19
Expenditures		
Cost Estimate		291,000
Encumbered		
Budgeted		
Grant of Other Funding		
<b>Budget Needs</b>	-	<b>291,000</b>

\*Estimated

<b>Annual O&amp;M Impact</b>	\$0
<b>Annual Staff Impact</b>	0.00 FTE



# FIVE-YEAR CAPITAL PROGRAM

## Project Imported Water Connections

**Description** Design, environmental, and construction costs associated with the replacement and/or installation of connections along the Miramar Pipeline to deliver potable import water to District customers. As the Miramar system ages, the District continues to discover assets that require upgrade or replacement. Pipes and valves have been found to be worn or broken, especially at the metered connections. In the upcoming years, the District will be replacing facilities at the Indian Hill and 6th/White connections. In subsequent years, the District will upgrade meters and valves at other existing connections.



- Purpose**
- Enhance capability of Miramar system to deliver potable water.
  - Upgrade/replace obsolete infrastructure.
  - Standardize instrumentation and improve accuracy.



- TVMWD Objective**
- 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	17/18*	18/19
Expenditures		
Cost Estimate		281,000
Encumbered		
Budgeted		
Grant of Other Funding		
<b>Budget Needs</b>	-	<b>281,000</b>

\*Estimated

<b>Annual O&amp;M Impact</b>	\$0
<b>Annual Staff Impact</b>	0.00 FTE



# BUDGET PRIORITIES FOR FY 18-19

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 determine options for developing additional groundwater production.
- b. JWL Flow Control Valve – Maintain water reliability and minimize costs.
- c. PM-26 Expansion – Maintain diverse sources of water supplies and storage, and increase extractable water storage supplies.

## 2. Increase Ability to Store and Extract Water

- a. Enhanced Groundwater Production – TVMWD will determine options for developing additional groundwater production.
- b. JWL Flow Control Valve – Maintain water reliability and minimize costs.
- c. 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.
- d. PM-26 Expansion – Maintain diverse sources of water supplies and storage, and increase extractable water storage supplies.

## ACRONYMS AND ABBREVIATIONS

- AF – Acre-Feet
- AFY – Acre-Feet per Year
- BMP – Best Management Practices
- CSDA – California Special Districts Association
- CUWCC – California Urban Water Conservation Council
- EPA – Environmental Protection Agency
- FY – Fiscal Year
- GASB – Governmental Accounting Standards Board
- 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
- SBX7-7 – 2009 Legislation requiring 20% reduction in urban per capita water use by 2020
- SCADA – Supervisory Control and Data Acquisition
- SDLF – Special District Leadership Foundation
- TVMWD – Three Valleys Municipal Water District
- WSDM – Water Surplus and Drought Management

