



**ADOPTED  
JUNE 23, 2010**

Fiscal Years 2010-11 and 2011-12

# Proposed Budget

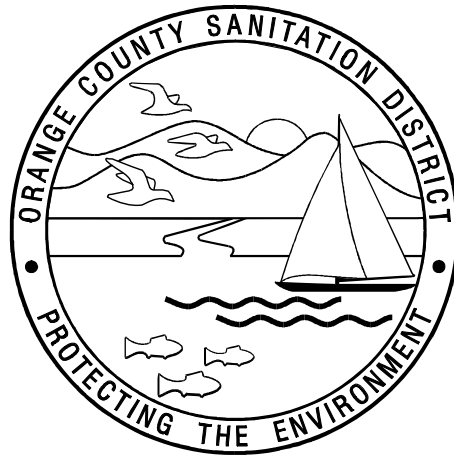


Orange County Sanitation District  
Making Every Day Possible

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**Orange County Sanitation District, California  
FY 2010-11 & FY 2011-12 Proposed Budget**

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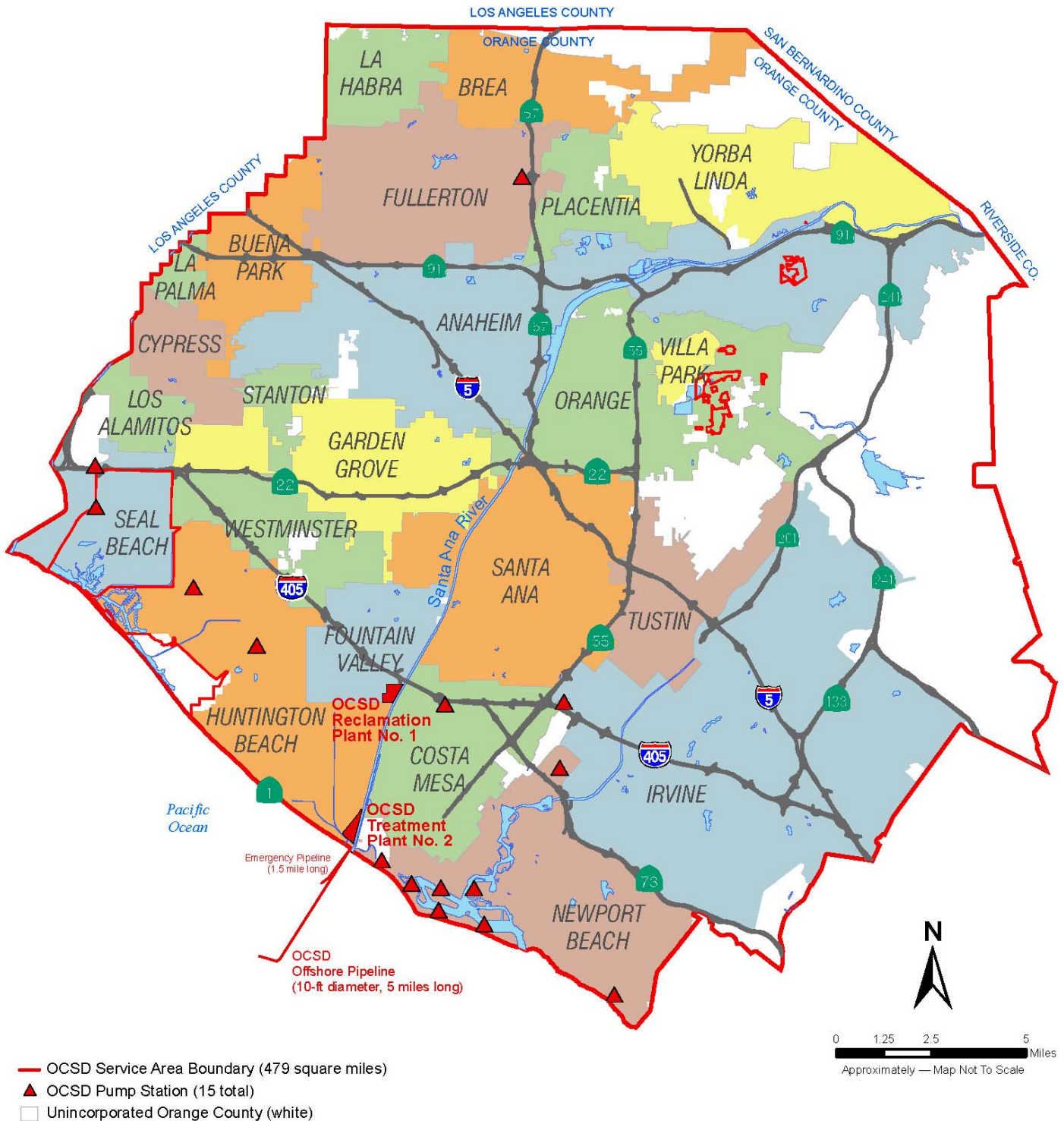
**MISSION STATEMENT**

**“We protect public health and the environment by providing effective wastewater collection, treatment, and recycling.”**

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***For Fiscal Years  
July 1, 2010 through June 30, 2011 and  
July 1, 2011 through June 30, 2012***

# 2010-11 & 2011-12 Budget



**DISCLAIMER:**

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 REVISED: 07/2009

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# GFOA Budget Presentation Award

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Orange County Sanitation District  
California**

For the Biennium Beginning

**July 1, 2008**

Handwritten signature of the President of GFOA.

President

Handwritten signature of the Executive Director of Orange County Sanitation District.

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Orange County Sanitation District, California, for its two-year budget for the fiscal years beginning July 1, 2008.

In order to receive this award, a government 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 communication device.

The award is valid for a period of one year only. We believe our current budget continues to conform to the program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

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# 2010-11 & 2011-12 Budget

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# OCSD Board of Directors

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## Orange County Sanitation District Board of Directors

<u>AGENCY / CITIES</u>	<u>ACTIVE DIRECTOR</u>
Anaheim	Harry Sidhu
Brea	Roy Moore
Buena Park	Patsy Marshall
Cypress	Phil Luebben
Fountain Valley	Larry Crandall
Fullerton	Sharon Quirk-Silva
Garden Grove	Bill Dalton
Huntington Beach	Cathy Green
Irvine	Christina Shea
La Habra	Tom Beamish
La Palma	Mark Waldman
Los Alamitos	Troy Edgar
Newport Beach	Don Webb
Orange	Jon Dumitru
Placentia	Constance Underhill
Santa Ana	Sal Tinajero
Seal Beach	Charles Antos
Stanton	David Shawver
Tustin	Doug Davert
Villa Park	Brad Reese
Yorba Linda	John Anderson

### **Sanitary Water Districts**

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Costa Mesa Sanitary District	James M. Ferryman
Midway City Sanitary District	Joy L. Neugebauer
Irvine Ranch Water District	John Withers

### **County Areas**

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Member of the Board of Supervisors	Janet Nguyen
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# 2010-11 & 2011-12 Budget

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## Board Committees

### STEERING COMMITTEE

Larry Crandall, Board Chair  
Troy Edgar, Board Vice Chair  
Tom Beamish, Chair, Operations Committee  
Phil Luebben, Chair, Administration Cmte  
Doug Davert  
Sharon Quirk-Silva  
John Withers

### ADMINISTRATION COMMITTEE

Phil Luebben, Chair  
John Withers, Vice Chair  
John Anderson  
Doug Davert  
Jon Dumitru  
Cathy Green  
Janet Nguyen  
Brad Reese  
Christina Shea  
Sal Tinajero  
Mark Waldman  
Larry Crandall, Board Chair  
Troy Edgar, Board Vice Chair

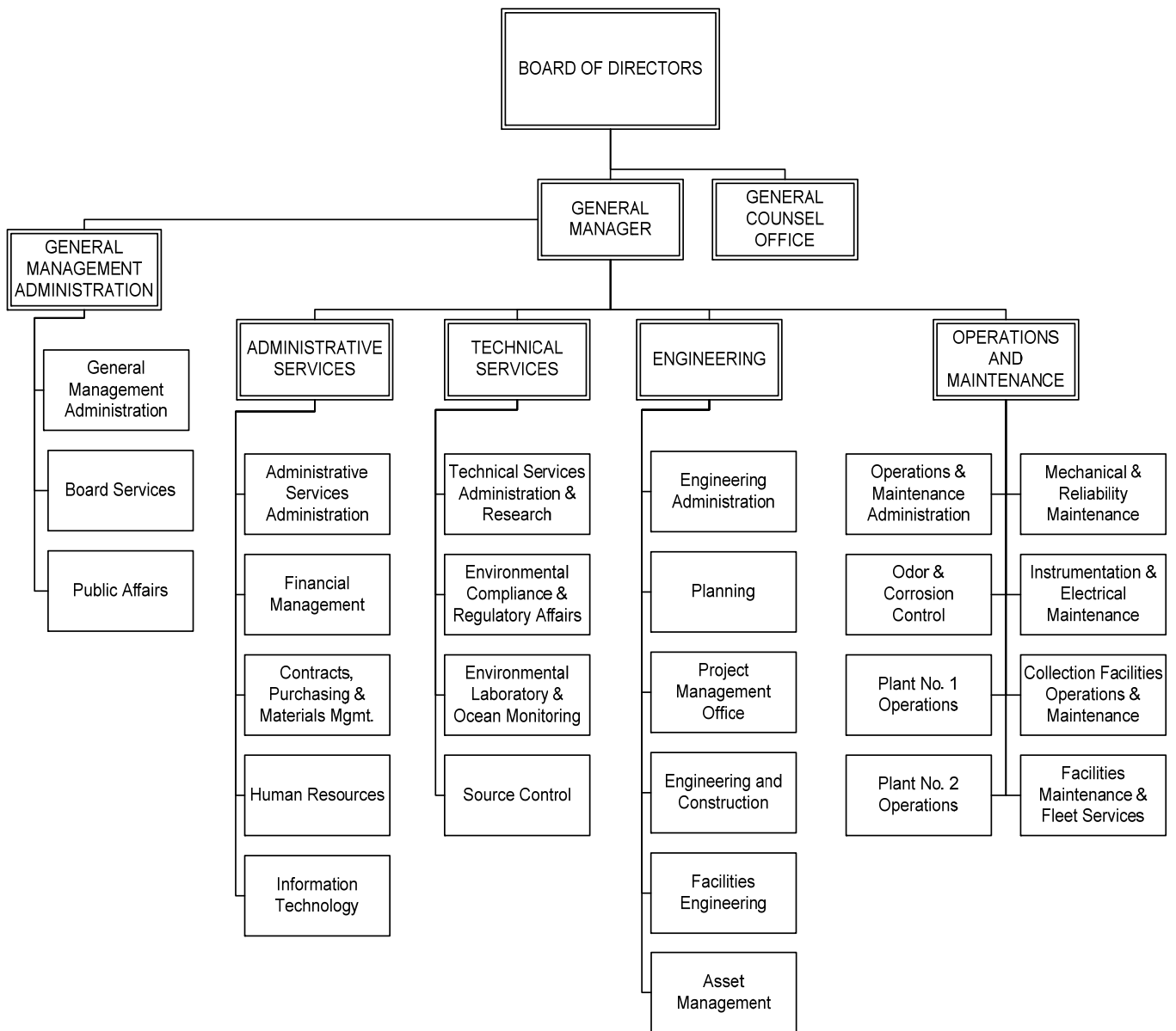
### OPERATIONS COMMITTEE

Tom Beamish, Chair  
Sharon Quirk-Silva, Vice Chair  
Charles Antos  
Bill Dalton  
Jim Ferryman  
Patsy Marshall  
Roy Moore  
Joy Neugebauer  
David Shawver  
Harry Sidhu  
Constance Underhill  
Don Webb  
Larry Crandall, Board Chair  
Troy Edgar, Board Vice Chair

### GWRS JOINT COOPERATIVE STEERING COMMITTEE

Larry Crandall  
Jim Ferryman  
Mark Waldman  
Sharon Quirk-Silva (Alt 1)  
Tom Beamish (Alt 2)  
Constance Underhill (Alt 3)

# District's Organizational Chart



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# 2010-11 & 2011-12 Budget

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## *Administrative Officials*

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### **Departments**

General Manager	James D. Ruth
Assistant General Manager	Robert P. Ghirelli
Director of Finance and Administrative Services	Lorenzo Tyner
Director of Technical Services	Edward M. Torres
Director of Engineering	James D. Herberg
Director of Operations & Maintenance	Nicholas J. Arhontes
General Counsel	Brad Hogin

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# Reader's Guide to the Budget

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## Reader's Guide to the Budget

This guide is intended to help the reader understand what information is available in the budget and how it is organized. This budget document is broken down into ten sections including a Budget Glossary and Index. The Administrative Services Department invites your suggestions on ways to make the budget document more understandable.

The General Manager's Budget Message and a summary of the District's Core Values follow this guide. The General Manager's budget message introduces the budget to the reader.

Following is an explanation of the major sections of this budget:

### **Section 1 – Executive Summary**

The Executive Summary highlights critical issues and financial information regarding the District's FY 2010-11 & FY 2011-12 Budget.

### **Section 2 – Introduction**

- **Financial Overview and Budget Issues** - This section highlights the issues impacting the FY 2010-11 & FY 2011-12 Budget.

### **Section 3 – Policies and Practices**

- **Fiscal Policies** describe the District's financial goals along with policies addressing the operating budget; revenues and expenses; service fees; capital improvement program; long- and short-term debt; reserves; investments; and accounting, auditing and financial reporting.
- **GFOA Recommended Practices** lists all of the Accounting, Auditing, and Financial Reporting; Cash Management; Governmental Budgeting and Fiscal Policy; Debt Management; and Retirement and Benefits Administration practices that are recommended by the Government Finance Officers Association of the United States and Canada. Included within this list of best financial practices for states and local governments is the District's status as to whether we are in compliance, in progress towards compliance, or whether the practice is applicable to this agency.

- **The Budget Process** provides an overview of the budget development process and budget calendar.
- **Budget Assumptions** are decided on as a foundation for developing the budget, and they guide the District in determining the level of wastewater treatment services that will be provided to the community.
- **Accounting Systems and Budgetary Control** provides an overview of the District's accounting systems and the level at which budgetary control is maintained.

### **Section 4 - District Summary**

This summary section is a comprehensive overview of the FY 2010-11 & FY 2011-12 Budget with a focus on all consolidated District funds. Included are tables and graphs for both revenues and expenses.

### **Section 5 – Operations Overview**

This section is a comprehensive overview of the District's operating costs and related revenues for FY 2010-11 and FY 2011-12. The District's operations include collection, treatment, and disposal activities. Tables are included for revenues and expenses to assist the reader in interpreting the data.

### **Section 6 – Operating Divisions**

This section includes operating programs for the District's basic organizational units which provide collection and essential wastewater treatment services to the community. Divisional budgets are presented in the following format:

- **Organization Chart** - An organization chart by position is provided for each division.
- **Authorized FTE Positions**- The total number of full-time equivalent positions assigned to each division is included in this table.
- **Staffing Trends** - A multi-year staffing trend chart is provided to show the changes that have occurred in each division over time.
- **Service Description** - A description of the services or functions provided by each division.
- **2009-10 Performance Objectives** - This section represents the objectives defined by the division for the previous fiscal year.

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# 2010-11 & 2011-12 Budget

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- **2009-10 Performance Results** - A summary of major accomplishments and objectives that were actually met during the previous fiscal year.
- **2010-11 & 2011-12 Performance Objectives** - A list of projected goals to be accomplished during the 2010-11 and 2011-12 fiscal years.
- **Performance Measures** - A listing of the measures that will be used to evaluate the success of the budgeted fiscal years.
- **Budget Overview** - This section provides an overview of changes from the FY 2009-10 Budget to the FY 2010-11 & FY 2011-12 Budget. Additionally, the significant impacts of budgetary changes are outlined along with dollar amounts.
- **Expenses by Category** - A chart comparing the FY 2008-09 actual expenses and the FY 2009-10 budgeted and projected expenses against the proposed budget for FY 2010-11 & FY 2011-12. The percent change from the FY 2009-10 Budget compared to the FY 2010-11 Budget is also included.
- **Expenditure Trends** - This graph provides a multi-year historical trend of divisional expenses.

## ***Section 7 - Self-Insurance Program***

This section presents an overview of the self-insurance program, including program descriptions and revenue and expense detail.

## ***Section 8 - Capital Improvements***

This section of the budget gives an overview of the District's Capital Improvement Program (CIP), CIP project summaries, and detailed CIP project sheets. The project sheets outline project descriptions, project location, project type, projected costs, and funding sources.

## ***Section 9 - Debt Financing Program***

This section describes the District's Debt Financing Program including a listing of the outstanding debt issues, a description of the purpose of each issue, a debt service retirement schedule, and Debt Service Requirements, including principal and interest, over the life of the outstanding debt issues.

## ***Section 10 - Appendix***

- **Staffing** - Includes charts of staffing by department and category, charts of the historical staffing by department, a historical summary and detail schedules of authorized positions and full-time equivalent employees by department and by division.
- **Appropriations Limit** - The calculation of the District's California Constitutional appropriation limit.
- **Budget Glossary**
- **Miscellaneous Statistics**
- **Service Area Population Information**
- **Index**



# ORANGE COUNTY SANITATION DISTRICT

We protect public health and the environment by providing effective wastewater collection, treatment, and recycling.

June 2, 2010

Honorable Chair and Board of Directors:

I am pleased to submit the Orange County Sanitation District Fiscal Year 2010-11 and 2011-12 Operating Budget and Capital Improvement Program. This document provides a framework for District activities during the next two years and serves as a source of information for the OCSD Board of Directors, and our employees and ratepayers.

The Sanitation District processes more than 200 million gallons of wastewater each day from 2.6 million residents and businesses and has a budget of nearly \$500 million. As such, we are a large agency with many responsibilities. However, given the current economic environment faced by all government agencies, we continue our focus on austerity through efficiency while completing all our tasks.

I would like to take this opportunity to highlight some of those efforts:

## **Working with Existing Resources**

This fiscal year 2010-11 and 2011-12 budget continues to reflect the agency's ongoing efforts to streamline operations. Staffing levels are proposed to remain the same as approved in FY 2008-09, while operational service levels have increased as secondary treatment facilities continue to come into service to meet full secondary treatment standards by December 2012. Therefore, we must strive to increase the efficiency of all our employees. To that end, all of the initiatives below will be accomplished within existing resources.

## **Creation of the Management Services Team**

In support of District-wide financial and operational activities, a small Management Services Team has been created from existing resources to provide District-wide support in the areas of business efficiency, budgeting, strategic planning, auditing, and special projects. Additionally, a team member will serve as the key business analyst for each of the District's departments.

## **Development of the new Asset Management Team**

Recognizing our major shift in the near future from expansion to upgrades and rehabilitation of aging facilities, an asset management team has been established. This facility-focused asset management group will assign engineers to be responsible for specific areas of the treatment plants and collections system.

Serving  
Anaheim  
Brea  
Buena Park  
Cypress  
Fountain Valley  
Fullerton  
Garden Grove  
Huntington Beach  
Irvine  
La Habra  
La Palma  
Los Alamitos  
Newport Beach  
Orange  
Placentia  
Santa Ana  
Seal Beach  
Stanton  
Tustin  
Villa Park  
Yorba Linda  
Costa Mesa  
Sanitary District  
Midway City  
Sanitary District  
Irvine Ranch  
Water District  
County of Orange

General Manager Letter

June 2, 2010

Page 2

**Odor and Corrosion Control Division**

This division will focus on our strategic initiatives of minimizing odors to be more responsive to our neighbors, and meeting air permit compliance requirements. The group will also stay ahead of the numerous collections system and treatment plant corrosion concerns.

**Review of Interagency Agreements**

We are reviewing all of our agreements with other agencies to ensure alignment with our strategic goals and full cost recovery. Recent Board approvals of the Groundwater Replenishment System, Irvine Ranch Water District and Santa Ana River Interceptor Line agreements represent significant progress in this area.

**Internal Audits**

To ensure our major programs are managed as efficiently as possible, we will engage independent experts to review our existing and future projects and services. Auditors reporting directly to the Board of Directors will also review various aspects of OCSD operations.

**Financial Positioning**

This budget reflects our commitment to fiscal responsibility as indicated by our recent upgrade to an 'AAA' bond rating from Fitch Ratings and our continuing 'AAA' from Standard and Poor's. 'AAA' ratings are assigned only in cases of exceptionally strong capacity for payment of financial commitments.

As a result of this improved rating, we were able to issue debt to support our capital program at a rate that saved OCSD more than \$15 million.

**2009 Facilities Master Plan**

The recently approved Facilities Master Plan identifies the capital improvement needs of the Sanitation District through 2030 to meet level of service standards identified in our Five-Year Strategic Plan. This Master Plan is a comprehensive planning document for OCSD's collection and wastewater treatment facilities. This information will be used to prioritize needed repairs, upgrades and rehabilitation of aging facilities, conduct space planning for future expansions, and to address challenges facing the Sanitation District, such as proposed greenhouse gas regulations.



**Operational Efficiencies**

Operations costs are projected to come in under the Fiscal Year 2009-10 Budget by \$18 million.

Contractual Services are being proposed to decrease nearly \$4 million in costs due primarily to a reduction in solids removal. This decrease is attributable to the increased usage of Plant No. 1 secondary treatment processes causing less solids productions and much drier sludge that is less expensive to haul and recycle.

**Low User Fees**

As a result of the efficiencies listed above and other efforts, OCSD sewer rates will remain well below the current State-wide average annual sewer rate of \$406 reported in the 2008 California Wastewater Charge Survey of 920 agencies conducted by the State Water Resources Control Board. At \$244 per year, OCSD will provide service to 2.6 million residents at a rate nearly half the State average.


Additionally, this budget also includes lowered rates to residential customers and more balance between residential and commercial fees.

**Optimizing the Change Order Process**

Staff is currently streamlining the CIP change order approval process and improving the reports to the General Manager and the Board of Directors.

These continue to be challenging times for all public agencies in Orange County and this budget recognizes the need to be wise stewards of public resources. Moreover, the changes we have made and will continue to make support our goals and position us to maintain world-class service while protecting the public health and environment.

I look forward to leading the organization through another dynamic and productive year.



James D. Ruth  
General Manager  
Orange County Sanitation District

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# 2010-11 & 2011-12 Budget

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## ORANGE COUNTY SANITATION DISTRICT CORE VALUES

### MISSION STATEMENT

The Mission Statement is the basic foundation that defines why the Orange County Sanitation District exists.

“We protect public health and the environment by providing effective wastewater collection, treatment, and recycling.”

### VISION STATEMENT

The Vision Statement supports the Mission Statement by expressing a broad philosophy of what the Orange County Sanitation District strives to achieve now and in the future in the delivery of services to our customers, vendors, other agencies, the general public and each other.

“The Orange County Sanitation District is committed to:

- Making decisions in an open and honest way to produce optimum financial, environmental and societal results.
- Cooperating with other stakeholders to protect the ocean and regional water resources for the people we serve.
- Beneficially recycling wastewater, biosolids and other resources using safe and effective processes and systems.
- Developing the best possible workforce by providing employees with opportunities to advance their careers through enhanced growth, responsibility, and professional development.”

### Core Values

The Core Values support the Mission and Vision Statements by expressing the values, beliefs, and philosophy that guides our daily actions. They help form the framework of our organization and reinforce our professional work ethic.

- **HONESTY, TRUST and RESPECT**  
We aspire to the highest degree of integrity, honesty, trust, and respect in our interactions with each other, our suppliers, our customers, and our community.
- **TEAMWORK and PROBLEM SOLVING**  
We strive to reach OCSD goals through cooperative efforts and collaboration with each other and our constituencies. We work to solve problems in a creative, cost-effective and safe manner, and we acknowledge team and individual efforts.
- **LEADERSHIP and COMMITMENT**  
We lead by example, acknowledging the value of our resources and using them wisely and safely to achieve our objectives and goals. We are committed to act in the best interests of our employees, our organization, and our community.
- **LEARNING/TEACHING - Talents, Skills and Abilities**  
We continuously develop ourselves, enhancing our talents, skills, and abilities, knowing that only through personal growth and development will we continue to progress as an agency and as individuals.
- **RECOGNITION/REWARDS**  
We seek to recognize, acknowledge and reward contributions to OCSD by our many talented employees.

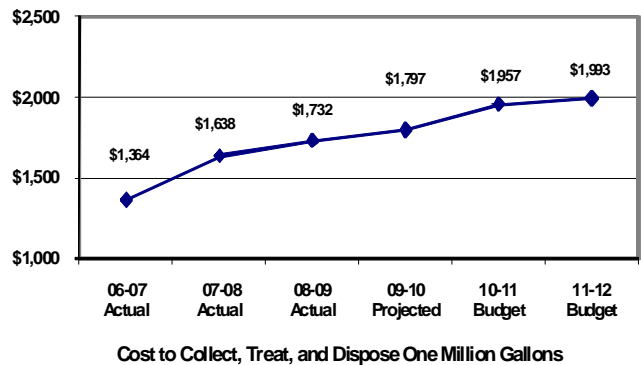
# Executive Summary

This FY 2010-11 and FY 2011-12 budget represents a consolidation of two one-year proposed operating and capital budgets. The District's fiscal year 2010-11 operating and capital improvement budget is proposed at \$495.6 million, a 2.9 percent increase over the prior year budget of \$481.5 million. This overall increase is primarily attributable to a projected buy-back of \$36.6 million in joint treatment plant equity from the Irvine Ranch Water District as their contributory sewage flows decline due to their expanding wastewater recycling efforts. In addition, debt service requirements are projected to increase by \$24.5 million, or 37.5 percent. These outlays are mostly offset by decreases in the District's cash outlay for construction projects of \$42.3 million, or 16.3 percent, and in the operating budget of \$4.3 million, or 2.8 percent.

The District's fiscal year 2009-10 operating and capital improvement budget is proposed at \$437.1 million, an 11.8 percent decrease from the FY 2010-11 proposed budget. This overall decrease is comprised of a \$64.6 million, or 29.8 percent decrease in cash outlays for construction projects that is partially offset by an a \$7.3 million, or 8.2 percent increase in debt service requirements, and a \$6.1 million or 4.0 percent increase in the operating budget.

This fiscal year 2010-11 and 2011-12 budget continues to reflect the agency's ongoing efforts to streamline operations. Staffing levels are being proposed to remain the same as approved in FY 2008-09 while operational service levels have increased as secondary treatment facilities continue to come into service to meet full secondary treatment standards by December 2012. However, the increase in the demand for services in the areas of ocean monitoring, ocean discharge and level of treatment, water reclamation and conservation, urban runoff diversions, increased local regulations of biosolids, and the expansion of the Capital Improvement Program (CIP), is causing the cash flow needs of the agency to grow. Considering the CIP alone, \$615.7 million in new CIP projects to be constructed through the year 2030 were identified within the December 2009 Master Plan.

In addition, the 2010 validated CIP includes 111 large capital projects and 65 special projects to be constructed over the next 20-years with a total cost of \$3.0 billion.



## Budget Overview

The agency's two treatment plants, located in Fountain Valley and Huntington Beach, process about 210 million gallons of wastewater each day generated by approximately 2.6 million people in central and northwest Orange County.

The fiscal year 2010-11 proposed budget to operate, maintain and manage our sewage collection, treatment and disposal system is \$150.0 million, a decrease of \$4.3 million from the prior year budget. Contractual Services are being proposed to decrease \$3.7 million, or 13.6 percent, primarily due to a \$2.8 million, or 13.7 percent reduction in solids removal. This decrease is attributable to the increased usage of Plant 1 secondary treatment processes causing less solids productions and much drier sludge that is less expensive to haul and recycle. In addition, the average unit cost for the removal of solids is less than anticipated in the prior year. Personnel costs are proposed to increase by 3.4 percent increase, or \$3.1 million, due primarily to a \$1.8 million, or 10 percent increase in retirement premiums and a \$0.4 million, or 4.9 percent increase in group medical insurance. The staffing level of 641 full time equivalent (FTE) employees is being proposed to remain the same as in the prior year.

The fiscal year 2011-12 proposed operations budget is \$156.1 million, an increase of \$6.1 million, or 4.0 percent over the fiscal year 2010-11 proposed budget. Personnel costs are fairly flat with an overall \$1.4 million, or 1.4 percent increase again due to retirement and group medical cost increases \$0.5 million and \$0.8 million, respectively. Staffing levels are again being proposed to remain unchanged at 641 FTE. Operating materials and supplies are being proposed to increase \$0.8

# 2010-11 & 2011-12 Budget

million, or 3.2 percent, due primarily to the increase in chemical coagulants totaling \$1.2 million. These chemical increases are due mostly to projected quantity increases in anionic polymer, cationic polymer, and ferric chloride.

Contractual services are proposed to increase \$2.5 million, or 10.6 percent. This increase is mostly representative of the \$2.3 million increase, or 13.0 percent increase in biosolids as total wet tons is projected to increase 8.3 percent to 287,000 in FY 2011-12 with increases at both plants as new secondary treatment facilities begin operations.

Utilities are proposed to increase \$2.1 million, or 22.7 percent in FY 2011-12. This increase is primarily due to the proposed increase in electricity of \$1.6 million, or 24.7 percent due to expected increases in both the electricity rate and consumption as additional secondary treatment facilities are scheduled to come on-line.

The cost per million gallons of wastewater treated, an industry-wide performance measurement is expected to increase in fiscal year 2010-11 to \$1,957, a \$160, or 8.9 percent increase over the prior year projection of \$1,797, and increase in fiscal year 2011-12 to \$1,993, a \$36, or 1.8 percent increase over the FY 2010-11 projection. Wastewater flows through the treatment system are expected to increase from the projected 207.68 million gallons per day (mgd) in fiscal year 2009-10 to 210.00 mgd in fiscal year 2010-11 and 214.00 in

fiscal year 2011-12, increases of less than two percent for each year.

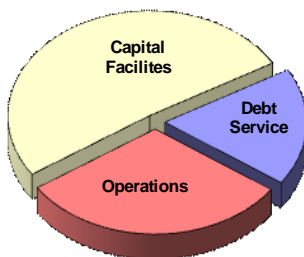
The District's Capital Improvement Program (CIP) cash flow budget for fiscal year 2010-11 is \$180.1 million, a decrease of \$69.1 million from the prior year estimated total. The CIP cash flow budget for fiscal year 2011-12 is \$122.4 million, a decrease of \$57.7 million from the fiscal year 2010-11 proposed CIP cash flow. This CIP two-year cash flow budget finances collection system, joint works treatment and disposal system improvement projects. These CIP cash flows are attributable to the additional infrastructure needs identified in the December 2009 Master Plan and in the 2010 validation of the CIP.

### Facilities Planning

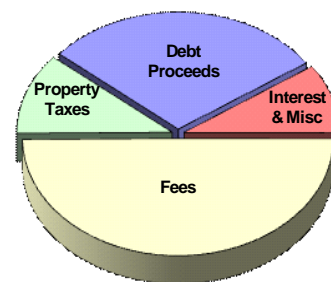
In October 1999, the District adopted a new Facilities Strategic Plan, a planning effort to define the District's goals, responsibilities, and requirements over the next twenty years, and including projections through the assumed "build-out" of the District's service area to the year 2050. This effort to update the 1989 30-year "2020 Vision" Master Plan was necessary because many of the assumptions used then have now changed. Critical factors such as population growth, new construction, the volume of wastewater delivered to the plants and viable water conservation and reclamation programs have been reevaluated.

## FY 2010-11

Uses of Funds



Source of Funds



### How Resources Are Used

District resources are used to fund the cost of providing wastewater collection, treatment and disposal service, including employees' salaries and benefits, debt service, capital improvements and the cost of self-insurance.

# Executive Summary

## Summary of Operating & Maintenance Expenses

### Collections, Treatment & Disposal Operations

	2008-09 Actual	2009-10 Budget	2010-11 Proposed	2011-12 Proposed
Net Salaries, Wages & Benefits	\$84,598,888	\$91,763,400	\$94,886,770	\$96,250,370
Administrative Expenses	1,025,903	1,167,940	1,135,470	1,079,230
Printing & Publication	449,407	621,040	533,540	511,050
Training & Meetings	1,034,548	1,464,110	1,216,140	1,218,650
Operating Expenses	19,534,381	25,582,640	24,572,190	25,346,890
Contractual Services	23,220,038	27,364,690	23,632,260	26,134,220
Professional Services	2,594,661	2,625,130	3,159,690	2,684,960
Research & Monitoring	1,348,620	1,178,460	1,062,950	1,043,100
Repairs and Maintenance	11,094,173	10,060,340	11,081,860	11,115,760
Utilities	7,213,989	9,755,100	9,236,720	11,328,860
Other Materials, Supplies & Services	1,800,159	2,492,240	2,751,840	2,969,510
Capital Grants to Member Agencies	189,830	1,655,530	-	-
Cost Allocation - CIP	(20,750,439)	(21,416,700)	(23,247,730)	(23,591,830)
<b>Net Operating &amp; Maintenance Expenses</b>	<b>\$133,354,158</b>	<b>\$154,313,920</b>	<b>\$150,021,700</b>	<b>\$156,090,770</b>

In June 2002 the District completed the Interim Strategic Plan Update which further updated these critical factors and developed revised cost estimates and user fee projections for upgrading the District's level of treatment to meet secondary standards. On July 17, 2002, after reviewing: (1) the Interim Strategic Plan Update treatment alternatives, (2) ocean monitoring data, (3) public input, (4) regulatory issues, and (5) financial considerations, the Board of Directors made the decision to upgrade our treatment to meet secondary treatment standards.

The reasoning behind the decision to move to secondary treatment standards included (1) the possibility (no matter how remote) that bacteria from the ocean outfall may at times reach the shoreline, (2) upgraded treatment will aid additional water reclamation with the Orange County Water District, (3) and the public clearly favored upgrading wastewater treatment at this time.

The December 2009 Master Plan reaffirmed the need for the completion of three CIP projects totaling \$627 million to upgrade the District's treatment plants to meet secondary treatment standards.

Implementation of secondary treatment standards is scheduled to be completed by December 31, 2012.

The incorporation of the 2009 Master Plan into the CIP includes the addition of 65 new CIP projects totaling \$615.7 million through the year 2030. Also, 23 planned projects were revised resulting in an additional \$169.3 million through the year 2030.

#### ***Preferred Level of Treatment***

In order to eliminate most bacteria from being released from the ocean outfall, the District began in fiscal year 2002-03 to first use chlorine bleach to disinfect the effluent and then apply sodium bisulfite to remove any remaining chlorine prior to releasing the treated wastewater to the ocean.

The District continues to take great measures to limit the chlorine residual to a very low level, essentially non-detectable, for the purpose of protecting the animal life living in the ocean. This mode of disinfection is anticipated to continue for the short-term, possibly three years, while the District studies, designs and constructs permanent facilities, and considers alternate disinfection technologies. Beginning in fiscal year 2002-03, the addition of disinfection treatment required an annual outlay of

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## 2008-09 & 2009-10 Budget

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\$7 million in additional chemicals within the operating budget of the District.

### Staffing

Authorized staffing levels are being proposed to remain flat at 641 FTE's in FY 2010-11 and FY 2011-12. The total FTE count being carried forward from FY 2008-09 would still be 37 FTE below the agency's all time high of 678 positions approved in FY 1995-96.

The District budgets staffing levels by FTE in order to provide a realistic estimate of actual staffing levels since not all employees are full-time employees. The part-time positions are funded at 1,040 hours. Part-time employees receive a prorated share of personnel benefits. The reductions from fiscal year 1995-96 are a result of this agency's effort in striving to provide wastewater treatment as efficiently and effectively as possible while lowering operational and maintenance costs to more closely match those agencies that are "best in class" for wastewater treatment facilities.

### Sewer Service Fee Increases

In July of 2002, the Board of Directors approved a change from the existing level of treatment, a blend of 50 percent advanced primary and 50 percent secondary treated wastewater, to secondary treatment standards. The reasoning behind the decision to move to secondary standards included (1) the possibility that bacteria from the ocean outfall may at times reach the shoreline, (2) upgraded treatment will aid additional water reclamation with the Orange County Water District, and (3) the public clearly favored upgrading wastewater treatment at this time.

In November 2007, the Board approved the District's Five-Year Strategic Plan that reaffirmed the 2002 capital construction estimate of \$649 million to meet secondary treatment standards by 2013, and to proceed with the \$2.6 billion, 20-year capital improvement program.

In February 2008, following a Proposition 218 notice process, the Board approved sewer rate increases for each year over the next five years averaging approximately 10 percent a year. These increases are necessary to provide needed capital improvements, to meet additional treatment and disinfection requirements, and to minimize future rate increases.

The impact of this five-year sewer fee schedule increased the annual single family residence user fee from \$182 to \$201 in FY 2008-09, to \$221 in FY 2009-10, to \$244 in FY 2010-11, to \$267 in FY 2011-12, and to \$294 in FY 2012-13.

Even with these increases, District rates will remain well below the current State-wide average annual sewer rate of \$406 reported in the 2008 California Wastewater Charge Survey of 920 agencies by the State Water Resources Control Board.

### Strategic Planning

In December 2009, the Strategic Plan was updated to cover a new five-year horizon. Following a similar process used in the prior year updates, the General Manager's Office initiated the planning effort with the Executive Management Team, then solicited input and ideas from managers and supervisors. In October 2009, the staff-generated ideas were presented to the Board of Directors during a workshop, where Board Members discussed and deliberated changes and additions to the plan.

Driven by our Mission, Vision and Core Values, this Strategic Plan continues the District's aggressive efforts to meet the sanitation, health, and safety needs of the more than 2.5 million people we serve while protecting the environment where we live.

In the past year, over 50 percent of the goals were completed. For 2010, this Strategic Plan presents three new goals and maintains the high standards set in the previous plans.

These new goals were discussed at the October 21 Board of Directors workshop and included the following:

- Providing Ongoing Leadership Development
- Assess and Mitigate the Risks of Chemical Supply Shortages
- Full-Cost Recovery

This Strategic Plan continues to chart a focused roadmap of success for the future of the District. It addresses critical operations and construction issues, financial and budgeting challenges, and gives a clear and concise direction to staff, ratepayers, regulatory agencies, and the general public.

# Financial Overview & Budgetary Issues

## Financial Overview and Budgetary Issues

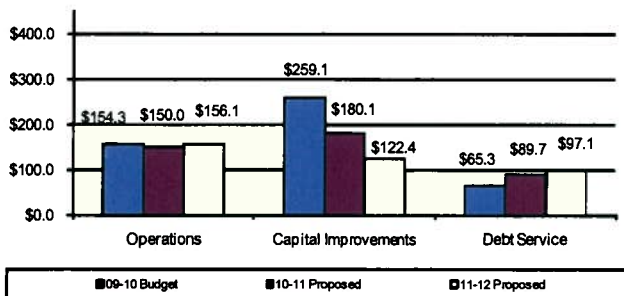
This section of the budget is a financial overview and an outline of issues affecting the development of the budget, as listed below:

- Proposed Consolidated Cash Flow Budget
- Proposed Operating Budget
- Proposed Capital Improvement Cash Outlay
- Debt Service Requirements
- Sewer Service Fees & Property Tax Revenues
- Budget Highlights
- Reserves
- Staffing
- Business Plan
- OCSD Long-Term Planning Process
- OCSD Fiscal Policies
- GFOA Best Practices and Advisories

### Proposed Consolidated Cash Flow Budget

The total proposed cash flow budget for FY 2010-11 is \$495.6 million, a 2.9 percent increase over the prior year total cash flow budget of \$481.5 million. The total proposed cash flow budget for FY 2011-12 is \$437.1 million, an 11.8 percent decrease from the total proposed cash flow budget for FY 2010-11. The proposed decrease from FY 2010-11 to FY 2011-12 is primarily due to the \$90.4 million or 50.2 percent decrease in the Capital Improvement Program (CIP), and is attributable to the timing of the construction schedule on the implementation of the overall 10-year \$1.4 billion CIP program. The table below shows the comparisons of the FY 2009-10 Budget, FY 2010-11 Proposed, and the FY 2011-12 Proposed by major budget category.

**Budget Comparison**  
(in millions)



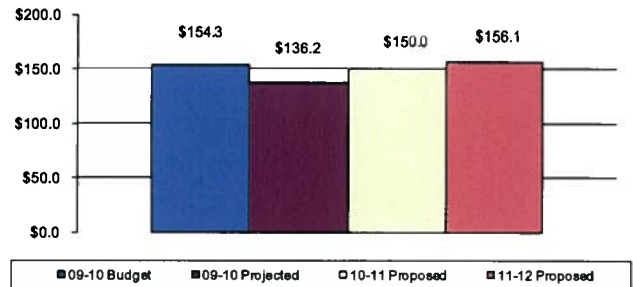
### Proposed Operating Budget

The Operating program accounts for the costs to operate, maintain, and manage the District's two treatment plants, with a combined design capacity of 372 million gallons a day, and the 579 miles of

collection systems. All the personnel costs for the District are initially recorded as an Operating cost. Costs chargeable to the capital improvement program are allocated for the work done through a job cost system. These charges are shown as reductions in the line item Operating program budget. Costs remaining in the Operating program are ultimately allocated to the two individual revenue areas that make up the District, the Consolidated Revenue Area and Revenue Area 14, based on flows.

Operational cost, comprised of collections, treatment plant, and disposal operations and maintenance, and administration, are projected to come in under the FY 2009-10 Budget by \$18.1 million, or 11.7 percent. The FY 2010-11 Budget is being proposed with a decrease of \$4.3 million or 2.8 percent over the prior year budget, and the FY 2011-12 Budget is being proposed with an increase of \$6.1 million, or 4.0 percent over the FY 2010-11 Proposed Budget.

**Operations Budget Comparison**  
(in millions)



Analysis on the year-to-year change is provided from three perspectives. First, the FY 2009-10 Budget is compared to the FY 2009-10 year-end projections. Secondly, the FY 2009-10 year-end projections are compared to the FY 2010-11 Proposed Budget, and lastly, the FY 2010-11 Proposed Budget is compared to the FY 2011-12 Proposed Budget.

### FY 2009-10 Operations – Budget vs. Projected

As depicted by the chart above, Operating expenses are projected to come in under the FY 2009-10 Budget by \$18.1 million, or 11.7 percent. The major categories that comprised the total short fall include chemicals, consisting of coagulants, odor control, and disinfection chemicals; utilities, consisting of electrical power, natural gas, and water; removal of residual solids from the rehabilitation of digesters; unused budgeted contingency; and an increase in the overhead cost allocation to CIP.



# 2010-11 & 2011-12 Budget

Chemicals savings of \$4.2 million, or 17.8 percent, are anticipated due to the optimization on the usage of anionic and cationic polymers, ferric chloride, hydrogen peroxide, caustic soda, and bleach throughout the treatment facilities that has resulted in decreased usage. An example of this optimization was achieved by reducing the bleach feed rate during the PM shift and maintaining constant feed during the AM shift, and in limiting the operation of three scrubbers to only two at Plant No. 1.

Utility costs are expected to come in under budget by \$1.9 million, or 19.2 percent, due primarily to the decrease in electrical power of \$1.1 million and in natural gas of \$.05 million. Savings in electricity is the result of summer peak shavings that reduced usage and the lower than expected electrical rates as expected increases were not approved by the Public Utilities Commission. The purchase of electricity to supplement digester gas as opposed to purchasing natural gas to run the Central Generation facilities allows the Central Generation facilities to meet air emission requirements.

Solids removal savings of \$4.6 million, or 22.5 percent, are anticipated due to the increased usage of Plant 1 secondary treatment processes causing less solids productions and much drier sludge that is less expensive to haul and recycle.

Increased Cost Allocation to CIP is expected to generate operating savings of \$2.8 million, or 11.4 percent. Budgeted but unused contingencies are expected to save the District \$600,000.

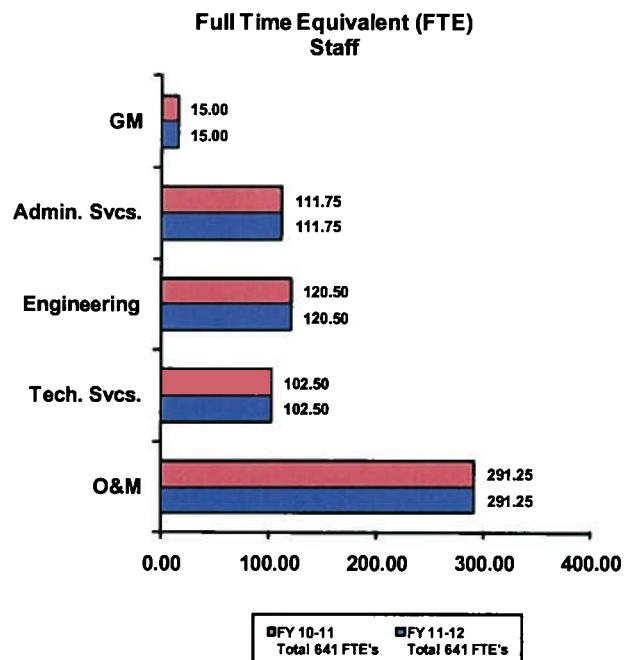
## FY 2010-11 Proposed Operations Budget vs. FY 2009-10 Projected Operations Expense

Although the District continues to strive to be efficient and effective, staff is proposing a \$13.8 million, or 10.1 percent increase over the FY 2009-10 projected operating requirements. Increases in the proposed operating requirements are primarily attributable to increases in contractual services, personnel costs, operating materials and supplies, and utilities.

Contractual services are being proposed to increase \$2.2 million, or 10.0 percent, due primarily to a \$1.8 million, or 11.3 percent increase in solids removal and a \$0.8 million, or 67.6 percent increase in Other Waste Disposal. Biosolids production is estimated to increase at both plants by 20 percent in FY 2010-11 to 265,000 wet tons due to increases in secondary treatment as new secondary treatment processes become operational. The other waste disposal

category includes disposal costs for grit and screening waste, digester cleaning waste, and hazardous materials. The FY 2010-11 and FY 2011-12 proposed budgets each include \$1.0 million for the cost of cleaning 3 digesters. The proposed budget for disposal of grit, screenings and other waste is \$1.8 in FY 2010-11 and \$1.9 million in FY 2011-12.

Personnel costs are being proposed at a 3.1 percent, or \$2.8 million increase over the prior year projection. Of this amount, salaries alone are being proposed to increase 1.5 percent in FY 2010-11 due to negotiated 4-5 percent increases existing within two bargaining unit agreements that expire June 30, 2011. Salaries are being proposed to remain flat for FY 2011-12 as no increases are being proposed by the District in current employee contract negotiations. In addition, full-time equivalent (FTE) employee positions are being proposed to remain flat at 641 FTE for the next two fiscal years.



Retirement premiums are being proposed at an increase of \$0.9 million in FY 2010-11 over the prior year projected total as the District's required contribution rate has been increased by the Orange County Employees Retirement from 21.95 percent to 24.20 percent as a result of revised actuarial assumptions and lower than expected return on investments in prior years.

# Financial Overview & Budgetary Issues

Operating materials and supplies are being proposed to increase \$3.3 million, or 15.5 percent, over the prior year projected total due primarily to the combined increases in chemical coagulants, odor control, and disinfection totaling \$3.1 million. The chemical coagulants of anionic polymer, cationic polymer, and ferric chloride are projected to increase \$1.2 million over FY 2009-10 to \$6.8 million due to enhancement of the primary clarifiers, to improved sludge and water separation, and to increase solids removal efficiencies. Bleach cost is also projected to increase \$1.2 million over the prior year projected costs to \$6.0 million primarily because the operation of Plant No. 1 activated sludge process required more plant process bleach.

Although Utility costs are being proposed to increase \$1.4 million, or 17.2 percent, over the prior year projected total, the FY 2010-11 budget is still \$0.3 million, or 4.3 percent lower than the FY 2009-10 budget. The primary reason is because anticipated electricity rate increases from Edison had not yet occurred in FY 2009-10.

## **FY 2011-12 Proposed Operations Budget vs. FY 2010-11 Proposed Operations Budget**

In FY 2011-12, the second year of this two-year operating budget, staff is proposing a \$6.1 million, or 4.0 percent increase over the FY 2010-11 proposed operating requirements. Increases in the proposed operating requirements are primarily attributable to increases in personnel costs, operating materials and supplies, contractual services, and utilities.

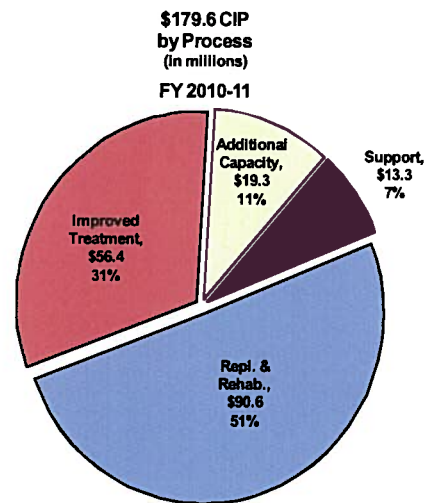
Personnel costs are being proposed at a 1.4 percent, or \$1.4 million increase in FY 2011-12 over the FY 2010-11 proposed budget. This increase is mostly attributable to the increases in group medical insurance and retirement premiums as staffing is proposed to remain at the same level as in the prior year. Group medical insurance is proposed to increase \$0.8 million, or 9.7 percent and retirement premiums are proposed to increase \$0.6 million, or 3.0 percent.

Operating materials and supplies are being proposed to increase \$0.8 million, or 3.2 percent, due primarily to the increase in chemical coagulants totaling \$1.2 million. These chemical increases are due mostly to projected quantity increases in anionic polymer, cationic polymer, and ferric chloride.

Contractual services are proposed to increase \$2.5 million, or 10.6 percent. This increase is mostly representative of the \$2.3 million increase, or 13.0

percent increase in biosolids as total wet tons is projected to increase 8.3 percent to 287,000 in FY 2011-12 with increases at both plants as new secondary treatment facilities begin operations.

Utilities are proposed at an increase of \$2.1 million, or 22.7 percent in FY 2011-12. This increase is primarily due to the proposed increase in electricity of \$1.6 million, or 24.7 percent due to expected increases in both the electricity rate and consumption as additional secondary treatment facilities are scheduled to come on-line.



## ***Proposed Capital Improvement Cash Outlays***

Proposed capital improvement outlays are close to one-half of the overall proposed budget and provide for the construction of facilities at the two treatment plants, including the utility systems, administrative facilities, and the ocean disposal system and the rehabilitation, replacement and expansion of the 579 miles of the collections system. Projects over \$35,000 require formal bidding per the California Public Works Construction Act, and any project over \$100,000 requires Board approval in accordance with the District's procurement ordinance.

The budget has been prepared under assumptions included in the Master Plan adopted by the Board of Directors in December 2009.

The FY 2009-10 projected cash outlay for the CIP is expected to reach 96.2 percent of budget, or \$249.3 million. The FY 2010-11 proposed cash flow budget of \$179.6 million is part of the overall remaining CIP budget of \$1.4 billion identified within the Interim

# 2010-11 & 2011-12 Budget

Strategic Plan Update completed in June 2002 and the recently completed Annual CIP Validation Study.

In December 2009, the District adopted a new Master Plan, a planning effort to define District's goals, responsibilities, and requirements over the next twenty years, and including projections through the assumed "build-out" of the District's service area to the year 2050. Critical factors such as population growth, new construction, volume of wastewater delivered to the plants, and viable water conservation and reclamation programs have been reevaluated.

The incorporation of the 2009 Master Plan into the CIP includes the addition of 65 new CIP projects totaling \$615.7 million through the year 2030. Also, 23 planned projects were revised resulting in an additional \$169.3 million through the year 2030. Lastly, the Master Plan continues to support ongoing efforts to upgrade the treatment facilities to meet secondary treatment standards approved by the Board of Directors on July 17, 2002.

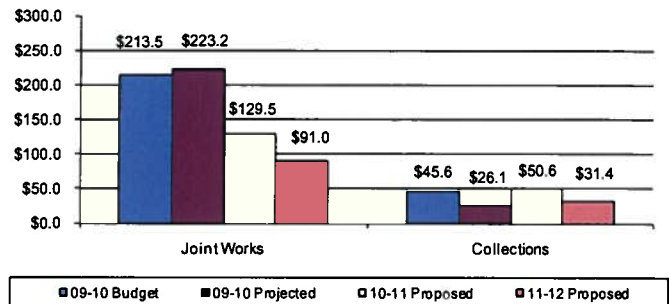
The CIP includes 3 projects totaling \$627 million to upgrade the District's treatment plants to meet secondary treatment standards. Implementation of secondary treatment standards is scheduled to be completed by December 31, 2012.

In conjunction with preparation for the 2010-12 Budget, District staff has developed and reviewed with the Board of Directors a capital program to deliver the levels of service desired by the Board of Directors. These levels of service and resulting capital projects are included in the District's 5-year Strategic Plan.

In addition, District staff has reviewed each CIP project to ensure that the scope of the project was appropriate, and that the cost estimates were accurate. The validated CIP includes 111 large capital projects and 65 special projects with a 20-year expenditure of \$3.0 billion. This total represents a \$1.0 billion increase from the 2009-10 CIP estimate. This increase is attributed to the incorporation of the new Master Plan.

The proposed 2010-11 CIP budget is organized by treatment process. The funds requested for the current cash flow budget total \$179.6 million, a decrease of 30.7 percent from last year's cash flow request of \$259.1 million. The current year cash flow is part of an overall total cost of \$3.0 billion for active projects.

**CIP Program Budget**  
(Net of Joint Works Equity Transfers)  
(In millions)



Joint Works, or Treatment Plant Construction, projected outlay for FY 2009-10 is expected to reach 104.5 percent of the annual cash flow estimate, or \$223.2 million. The FY 2010-11 and FY 2011-12 proposed cash flow budgets of \$129.5 million and \$91.0 million, respectively, reflect the District's efforts to meet the consent decree secondary treatment standards by December 2012. Large secondary treatment projects include new Secondary Treatment System at Plant No. 1 and the Trickling Filters at Plant No. 2 with proposed cash outlays in FY 2010-11 of \$32.5 million and \$19.6 million, respectively. Other treatment plant projects include Headworks Improvements at Plant No. 2, Sludge Digester Rehabilitation at Plant No. 1, and the Sludge Dewatering and Odor Control at Plant No. 1 with proposed outlays in FY 2010-11 of \$15.3 million, \$15.5 million and \$5.5 million; and proposed outlays in FY 2011-12 of \$8.6 million, \$18.3 million, and \$6.4 million; respectively.

The Collection System Capital Program is being proposed to increase from the prior year projected cash outlay budget by \$24.5 million, or 93.9 percent, to \$50.6 million in FY 2010-11 and then decrease by \$19.2 million, or 38.0 percent to \$31.4 million in FY 2011-12. These proposed improvements are needed in order to keep the 579 miles of collection systems free from failure. Three large Collection System related projects include the Magnolia Trunk Sewer Rehabilitation, the Replacements of the Bitter Point Pump Station and the Rocky Point Pump Station with FY 2010-11 proposed cash outlays of \$17.7 million, \$11.8 million, and \$7.2 million; and proposed outlays in FY 2011-12 of \$3.4 million, \$3.9 million, and \$0.6 million; respectively. The Capital Improvement Program is described in more detail in Section 8 of this document.

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# Financial Overview & Budgetary Issues

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## **Debt Service Requirements**

The District's long-term debt fiscal policy restricts long-term borrowing to capital improvements that cannot be financed from current revenue. Before any new debt is issued, the impact of debt service payments on total annual fixed costs will be analyzed.

In May 2010, the District issued the \$80.0 million Wastewater Revenue Obligation, Series 2010A, as "Build America Bonds" (BABs) fixed rate debt, a "new" money debt issuance. The American Recovery and Reinvestment Act of 2009 created a new financing product, BABs, for the municipal issuer. BABs are issued as higher interest taxable bonds; however, the U.S. Treasury provides a 35 percent subsidy on interest payments. The net cost, after accounting for the 35 percent subsidy payment, frequently results in lower net costs to the issuer, specifically in the maturity years beyond ten years. Based on the market conditions at the time of the sale, comparing the back-loaded BABs new money borrowing to a back-loaded tax-exempt structure resulted in present value savings to the District of \$15.2 million, as the debt was issued at an all-in true interest cost of 3.68 percent.

As the result of having a well-funded reserve policy, experienced management, and prudent planning, the District was able to secure "AAA" credit rating from both Fitch Ratings and Standard and Poors.

Prior to this "new money" debt issuance, the District issued \$165.9 million of refunding one-year fixed-rate certificate of anticipation notes in December 2009 to take advantage of the low short-term interest rate environment. The one-year debt was issued at an interest rate of 38 basis points.

This two-year budget proposes to issue additional new money debt of \$157 million in FY 2010-11 and \$50 million in FY 2011-12, as a total of \$477 million of debt financing is forecasted over the next six years to fund the \$1.4 billion in capital improvement program requirements and \$480.0 million in replacement, rehabilitation, and refurbishment projects anticipated over the next ten years. The FY 2010-11 debt service requirements are being proposed at \$89.7 million, an increase of \$22.1 million after backing out the refunding of the one-year certificate of anticipation notes of \$176.1 million that matured in December 2009. Following the issuance of an additional \$157 million in FY 2010-11 and \$50 million in FY 2011-12, total debt service

requirements are expected to grow to \$97.1 million in FY 2011-12, an increase of 8.2 percent over FY 2010-11. The District's Debt Financing Program is described in more detail in Section 9 of this budget.

## **Sewer Service Fees**

The Consolidated Revenue Area has an adopted Sanitary Sewer Service Fee to provide funding for operating the sewer systems in accordance with the Clean Water Act and the District's Revenue Program. Revenue Area No. 14 is funded through user fee charges to the Irvine Ranch Water District. Sewer service fees are set annually by the District after a review of projected needs.

In July of 2002, the Board of Directors approved a change from the existing level of treatment, a blend of 50 percent advanced primary and 50 percent secondary treated wastewater, to secondary treatment standards. The reasoning behind the decision to move to secondary standards included (1) the possibility that bacteria from the ocean outfall may at times reach the shoreline, (2) upgraded treatment will aid additional water reclamation with the Orange County Water District, and (3) the public clearly favored upgrading wastewater treatment at this time.

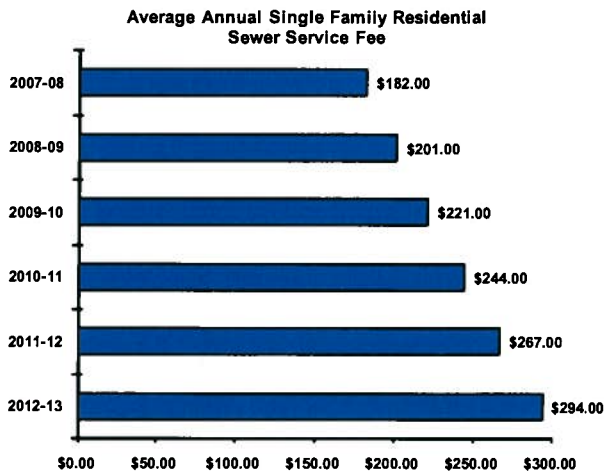
In November 2007, the Board approved the District's Five-Year Strategic Plan that reaffirmed the 2002 capital construction estimate of \$649 million to meet secondary treatment standards by 2013, and to proceed with the \$2.6 billion, 20-year capital improvement program.

In February 2008, following a Proposition 218 notice process, the Board approved sewer rate increases for each year over the next five years averaging approximately 10 percent a year. These increases are necessary to provide needed capital improvements, to meet additional treatment and disinfection requirements, and to minimize future rate increases.

The impact of this five-year sewer fee schedule increased the annual single family residence user fee from \$182 to \$201 in FY 2008-09, to \$221 in FY 2009-10, to \$244 in FY 2010-11, to \$267 in FY 2011-12, and to \$294 in FY 2012-13.



# 2010-11 & 2011-12 Budget



Even with these increases, District rates will remain well below the current State-wide average annual sewer rate of \$406 reported in the 2008 California Wastewater Charge Survey of 920 agencies conducted by the State Water Resources Control Board.

In FY 1997-98, the District's Rate Advisory Committee, made up of elected city officials, community, business and industry leaders, and District staff analyzed the District's rate structure to determine whether user fees were equitable among residences and industry. In May of 1998, the Board approved the proposed revisions to the Sewer Service User Fee rate structure that more equitably charged consumers based on actual usage while remaining revenue neutral. Significant changes in the rate structure included:

- Non-residential user charge will be based upon typical quantity and strength of discharge per 1,000 square feet.
- Fees for users who discharge high quantities or high-strength waste, including former Class III permittees such as restaurants and Laundromats, will be based on the assumed flow and strength per 1,000 square feet.
- Discontinuation of the Class III permit process because of the implementation of the expanded and more accurate rate structure. This resulted in simplification of the billing and collection process for these two hundred users.

- The revised rate structure resulted in a greater number of decreases in charges (22,000) for non-residential users than increases (13,000).

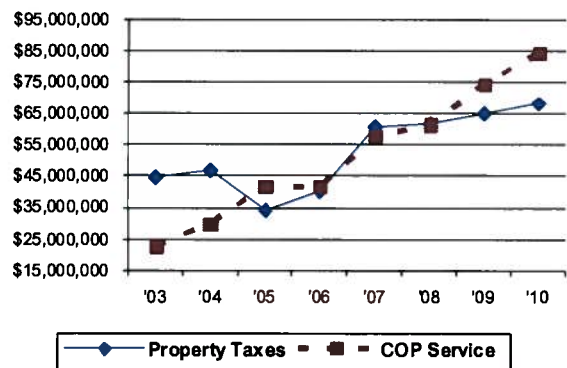
Overall, the total fees collected remained essentially the same as those generated by the old structure.

## Property Taxes

The District's share of the one percent ad valorem property tax is dedicated for the payment of COP debt service. The apportionment of the ad valorem tax is pursuant to the Revenue Program adopted in April 1979 to comply with regulations of the Environmental Protection Agency and the State Water Resources Control Board and in accordance with COP documents and Board policy.

Historically the District's property tax revenues were at a level where they could support the District's debt service obligations. However, future capital improvement needs averaging \$200.0 million a year over the last ten years has required new COP debt issuances that have increased future debt service payments above the ability to be funded solely from property tax revenues.

COP Funding Requirements vs. Property Tax Funding Source



Property tax revenues decreased from a high in FY 2008-09 of \$66.4 million to a projected \$60.3 million in FY 2009-10, primarily due to the economic decline and the collapse in the housing and commercial property markets beginning in 2008. Property tax revenues are now being projected to remain flat through FY 2011-12.

Any property tax revenue shortfalls in meeting debt service obligations will have to come from user fees, as making debt service payments is a priority.

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# Financial Overview & Budgetary Issues

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As a result of the State's budget crisis in 2009, the Governor declared a fiscal necessity that was approved by the legislature to suspend Proposition 1A that would allow the state to borrow 8 percent of the amount of property tax revenue apportioned to cities, counties, and special districts. Under the provisions of Proposition 1A, the state is required to repay these obligations plus interest by June 30, 2013. Proposition 1A was passed by California voters in 2004 to ensure local property tax and sales tax revenues would remain with local government thereby safeguarding funding for public safety, health, libraries, parks, and other local services. The amount borrowed by the state from the District totaled \$5.1 million. In October 2009, the Board of Directors approved the District's participation within the Proposition 1A Securitization Program. This program provided all local government program participants 100 percent of its reduced property tax allocations as a result of the passage of the FY 2009-2010 state budget that reduced local government property tax revenues by 8 percent. The source of the funding was through the issuance of tax exempt bonds. Local participating agencies have no ongoing obligations with repayment of the bonds. The State's obligation to repay the 8 percent property tax borrowing is the only security pledge for the repayment of the bonds. The funding of these reduced property tax revenues came to the local government participants in two equal installments, in January and May of 2010, at which time the District was made whole by the total combined receipt of \$5.1 million on these two payment dates.

## **Budget Highlights**

This section briefly outlines the proposed major changes in all departments and Revenue Areas over the next two years. All Joint Works Operations, or plant operating costs and collection system costs are consolidated into the individual department budgets for better accountability and control. However, separate accounting is maintained between Joint Works Operation activities (treatment and disposal operational costs) and collection operational activities since each Revenue Area is directly responsible for their own collection operating costs. The Joint Works Operation activities are allocated to the Revenue Areas based on their individual contributions to the annual sewage flow. Likewise, the Joint Works Capital Improvements are allocated to the Revenue Areas on a three-year average of sewage flows called the "joint works equity percentage", and each Revenue Area is responsible for their own collection system capital improvements.

Details for each department can be found in "Section 6 – Operations" of this document. Complete staffing schedules are located in the Appendix.

## *General Management*

- An amount equaling 0.5 percent of the Operating materials and services budget is included within the General Manager's Re-appropriation line item for each of the next two fiscal years. Since the current year's budget lapses each year, re-appropriation of funds are needed to pay for goods or services ordered at the end of one budget year but not provided until the following year. The General Manager reviews and approves all departmental re-appropriation requests to ensure that prior year funding was available and has not been spent.
- An amount equal to 0.5 percent of the Operating materials and services budget is included within the General Manager's contingency account for each of the next two fiscal years.
- An increase of \$100,000 within the Public Affairs Division to fund the much needed OCSD website redesign.

## *Administrative Services*

- A new Management Services Team was established to perform budget analysis and to support internal audit functions. A total of 2 FTE's were transferred in from other departments to support this effort.
- An amount equal to 1.5 percent of regular salaries is being proposed for agency-wide training for each of the next two fiscal years. This training budget is centralized within the Human Resources Division for better control and accountability, and to maximize the benefits of training costs that are related to training efforts required throughout the agency.
- A net increase of 3.0 FTE in FY 2010-11.

## *Technical Services*

- Research costs to the Water Environment Research Foundation have been reduced \$27,000 due to reduced flow assumptions.
- Regulatory Operating Fees increased \$120,000 in FY 2010-11 and FY 2011-12 over the FY 2009-10 Budget.

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# 2010-11 & 2011-12 Budget

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- A net decrease of 3.0 FTE in FY 2010-11.

## *Engineering*

- FY 2010-11 proposed CIP outlays of \$180.1 million are a decrease \$69.1 million, or 27.7 percent, from the prior year budgeted CIP cash outlays. In addition, FY 2011-12 proposed CIP outlays of \$122.4 million are a decrease \$57.7 million, or 32.0 percent, from FY 2010-11 proposed budgeted CIP cash outlays.
- The creation of a new Asset Management Division to maintain District facility installation and configuration records and District process control software, and support the future CIP. This division is being staffed by 25 FTE's of which 15.0 were transferred from O&M with the rest from other divisions within the Department.
- A \$1.7 million decrease in capital grants to member agencies in FY 2010-11.
- A net increase of 15.0 FTE's in FY 2010-11.

## *Operations & Maintenance*

FY 2010-11 increases over FY 2009-10 Projection:

- A decrease in disinfection of \$1.4 million.
- A decrease in solids removal of \$2.8 million.
- An increase in chemical coagulants of \$427,000.
- A decrease of electricity costs of \$229,000.
- A decrease in natural gas of \$74,000.
- An increase in repairs & maint. of \$350,000.
- A decrease in CNG of \$155,000.
- A decrease in grounds maint. of \$110,000.
- A decrease in GAP water costs of \$178,900.

FY 2011-12 increases over FY 2010-11:

- A decrease in disinfection of \$1.1 million.
- An increase in solids removal of \$2.3 million.
- An increase in other waste disposal of \$100,000.
- An increase in chem. coagulants of \$1.2 million.
- An increase in odor control of \$728,000.
- An increase of electricity costs of \$1.6 million.
- An increase in natural gas of \$419,000.

- A net decrease of 15.0 FTE's in FY 2010-11.

## ***Individual Collection System***

Operating- reflects costs of operating and maintaining each Revenue Area's collection system, utilities, and Directors' fees. Industrial/commercial monitoring costs reflecting the expense of enforcing

the Uniform Use Ordinance and EPA's pre-treatment standards are also included. The largest operating cost is the Revenue Area's flow-based share of the Joint Works Operating expenses.

Capital Facilities- accounts for each Revenue Area's share of the Joint Works Capital Improvement projects and for individual Revenue Area trunk sewer or pump station projects. The entire collection system has a sewer construction program Master Plan in progress as a result of the 1999 Strategic Plan. Other line items in these funds are accumulated reserves for future capital improvements in accordance with Master Plans and federal and state requirements and annual purchase or sale of equity in the jointly-owned treatment works as provided for in the Joint Ownership, Operation, and Construction Agreement.

Debt Service/COP- accounts for the proceeds from and service of the Capital Improvement Program Certificates of Participation (COPs). The District's share of the one percent basic levy ad valorem property tax is dedicated to provide for COP principal and interest payments.

See Section 9 for additional information on the District's debt financing program.

## ***Reserves***

In 1998, the District conducted an in-depth review of the agency's reserve policies. This review included a survey of the reserve policies of 23 other public agencies as a tool to assist in the evaluation of the underlying economic reasons supporting the District's reserve policies. Based on this review, the Directors approved the following reserve policies:

- Cash Flow Reserve has been established at a level to fund operation, maintenance and certificates of participation debt service expenses for the first half of the fiscal year. The first installment of property tax revenues and sewer service user fees that is collected by the County through the property tax bill is not available until late December each year.
- Operating Contingency Reserve has been established to provide for non-recurring expenditures that were not anticipated when the annual budget and sewer service fees were considered and adopted. The level of this



# Financial Overview & Budgetary Issues

reserve will be established at an amount equal to ten percent of the annual operating budget.

- **Capital Improvement Reserve** has been maintained to fund annual increments of the capital improvement program. The long-term goal is to fund one half of the capital improvement program from borrowing and the other half from current revenues and reserves. With this program in mind, the target level of this reserve has been established at one half of the average annual cash outlay of the capital improvement program through the year 2020. Levels higher and lower than the target can be expected while the long-term financing and capital improvement programs are being finalized. Proceeds from any debt issuance targeted for construction are also included in this reserve until spent.

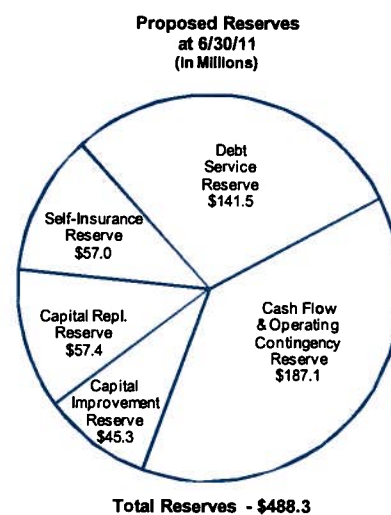
- **Catastrophic Loss, or Self-Insurance Reserves** has been maintained for property damage including fire, flood and earthquake, for general liability and for workers' compensation. These reserves are intended to work with purchased insurance policies, FEMA and State disaster reimbursements. Based on the current plant infrastructure replacement value of \$3.44 billion, the level of this reserve has been set to fund the District's non-reimbursed costs, estimated to be \$57 million.

- **Capital Replacement/Renewal Reserve** will be established to provide thirty percent of the funding to replace or refurbish the current collection, treatment and disposal facilities at the end of their useful economic lives. The current replacement value of these facilities is estimated to be \$6.90 billion. The initial reserve level had been established at \$50 million, and is augmented by interest earnings and a small portion of the annual sewer user fee, in order to meet projected needs through the year 2030.

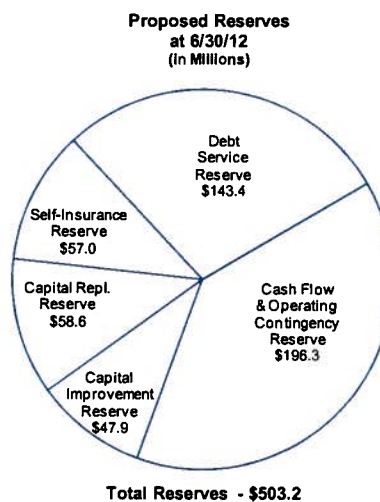
- **Debt Service Reserve** is required to be under the control of a Trustee by the provisions of the certificate of participation (COP) issues. These reserve funds are not available for the general needs of the District and must be maintained at specified levels.

- **Rate Stabilization Reserve** will be used to accumulate all available funds exceeding the targets for all other reserves. These funds will be applied to future years' needs in order to maintain

rates or to moderate annual fluctuations. There is no established target for this reserve. Because the reserves of all other funds have not been exceeded, this reserve level has been set at zero.



The actual budgeted reserve requirement for FY 2010-11 is \$488.0 million, \$300,000 less than the FY 2010-11 total projected year-end reserve of \$488.3.



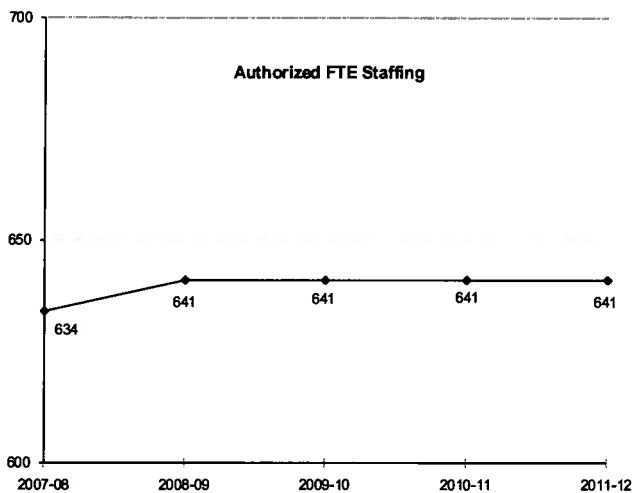
Due to back-to-back 10.4 and 9.4 percent rate increases in FY 2010-11 and FY 2011-12 coupled with a \$157 million and \$50 million proposed COP debt issuance in FY 2010-11 and FY 2011-12, respectively, actual proposed reserve levels at June 30, 2012 will exceed reserve level requirements by \$400,000.

# 2010-11 & 2011-12 Budget

Collectively, these individual reserve requirements total over \$450 million for each year of the current ten-year cash flow forecast. As part of the budget development of the previous two-year budget, the District's Finance Management staff and the Board of Directors concluded that there was an overlapping benefit in having individual reserves, and that it was unlikely that situations would arise that called for the drawdown of more than one reserve category at any given point in time. Therefore, the reserve policy was adjusted to reflect individual reserve computations with a 10 percent reduction to the accumulated total, or roughly \$40 million.

## Staffing Levels

Authorized staffing levels are being proposed to remain flat at the 641 FTE level established in FY 2008-09 through this next two-year budget cycle. The total FTE count of 641 FTE's is still 37 FTEs below the agency's all time high of 678 positions approved in FY 1995-96.



The District budgets staffing levels by FTE in order to provide a realistic estimate of actual staffing levels since not all employees are full-time employees. The part-time positions are funded at 1,040 hours per year. Part-time employees receive a prorated share of personnel benefits.

The staffing reductions from 1995-96 are a result of this agency's effort in striving to provide wastewater treatment as efficiently and effectively as possible while lowering operational and maintenance costs to

more closely match those agencies that are "best in class" for wastewater treatment facilities. However, as the result of new initiatives in the areas of water reclamation and conservation, and the expansion of the Capital Improvement Program (CIP), the existing staffing plan was no longer sufficient to meet the District's needs.

In considering the staffing impacts on the CIP program alone, the most recently completed validation study of the CIP calls for capital outlays of \$1.4 billion over the next 10 years.

The Appendices within Section 10 provide a Staffing History Summary (by Department and Division) and Detail (by position title within each Department and Division).

## Purchasing Authorization

In 1998-99, the Board amended the purchasing authority of the agency's General Manager for purchases up to \$100,000. In Section 5 of this document, staff has provided a detailed listing of specific goods or services to be acquired in FY 2010-11, each costing in excess of \$100,000. Staff is recommending that the Board approve the acquisition of these items by staff during the next fiscal year without having to bring these items back to the Board for re-approval.

## Business Plan

The District began development of a comprehensive annual Business Plan that was first included within the FY 2005-06 Budget document, and was updated in the FY 06-08 and FY 08-10 budget documents. This Business Plan has now been updated once again following the Board acceptance of the Five-Year Strategic Plan in December 2009. This Business Plan includes the funding resources necessary to support the Board approved "levels of service" including the development of a sustainable biosolids management program, minimizing the impact of collection and treatment odors, and the reduction of air toxic emissions. Also included in this updated business plan is the business planning process and the current and projected key performance indicators (levels of service). The following topics are included within the FY 2010-11 Business Plan:

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# Financial Overview & Budgetary Issues

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- Strategic Goals
- Levels of Service
- Performance Indicators and Results
- Business Accountability Charters
- Two-Year Staffing Plan
- Updated Financial Model
- Risk Assessment & Mitigation Analysis
- Updated Asset Management Plan

A more detailed description of the FY 2010-11 Business Plan is provided within Section 2 – Page 17 through Page 30.

## ***OCSD Long-Term Planning***

The District's current efforts in regard to long-term planning include the December 2009 Master Plan, which focuses on the District's long-term capital improvement facilities and rehabilitation projects that will be needed annually out to the year 2030, and re-organizing the operations of the District in order for this agency to maintain a "best in-class" wastewater treatment facility.

## ***CIP Strategic Planning***

In October 1999 the District completed its Strategic Plan, an update of the 1989 30-year "2020 Vision" Master Plan. Many of the assumptions used to develop the original plan, such as inflation, the projected service population, the level of building activity, and the volume of wastewater treated, were quite different from what was assumed nearly ten years earlier. If the assumptions of the Master Plan were not updated, the District could be constructing unnecessary facilities and charging higher fees than would be needed.

In addition to updating the population and flow assumptions, the Strategic Plan provides for an operations and financial plan and includes a review of the collection, treatment and disposal facilities, and ocean outfalls.

In June 2002, a new, or interim, Strategic Plan Update was completed that revised many of the assumptions used to develop our previous planning documents, including population and land-use projections, the level of building activity in our service area and the volume of wastewater to be treated. This information was needed for the Board's consideration of secondary treatment the following month. The Interim Strategic Plan Update also provides an operations and financial plan including a

review of our collection, treatment and disposal facilities, and a study of our ocean outfall system.

In December 2009, the District adopted a new Master Plan, a planning effort to define District's goals, responsibilities, and requirements over the next twenty years, and including projections through the assumed "build-out" of the District's service area to the year 2050. Critical factors such as population growth, new construction, the volume of wastewater delivered to the plants and viable water conservation and reclamation programs have been reevaluated.

The incorporation of the 2009 Master Plan into the CIP includes the addition of 65 new CIP projects totaling \$615.7 million through the year 2030. Also, 23 planned projects were revised resulting in an additional \$169.3 million through the year 2030. Lastly, the Master Plan continues to support ongoing efforts to upgrade the treatment facilities to meet secondary treatment standards approved by the Board of Directors on July 17, 2002.

In conjunction with preparation for the 2010-12 Budget, District staff has developed and reviewed with the Board of Directors a capital program to deliver the levels of service desired by the Board of Directors. These levels of service and resulting capital projects are included in the District's 5-year Strategic Plan.

In addition, District staff has reviewed each CIP project to ensure that the scope of the project was appropriate, and that the cost estimates were accurate. The validated CIP includes 111 large capital projects and 65 special projects with a 20-year expenditure of \$3.0 billion. This total represents a \$1.0 billion increase from the 2009-10 CIP estimate. This increase is attributed to the incorporation of the new Master Plan.

Over the next ten years, the CIP cash flow needs, including rehabilitation and replacement projects, will approximate \$1.9 billion, or annual average outlays of \$190.0 million.

## ***Moving Towards Secondary Treatment***

The Board of Directors approved a change from the existing 50/50 level of treatment to meeting secondary treatment standards in July of 2002. The reasoning behind the decision to move to secondary standards included (1) the possibility that bacteria from the ocean outfall may at times reach the shoreline, (2) upgraded treatment will aid additional water reclamation with the Orange County Water

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# 2010-11 & 2011-12 Budget

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District, (3) and the public clearly favored upgrading wastewater treatment at this time.

As a result of the completion of the Capital Improvement Program Validation Study and the Secondary Treatment Review in the spring of 2003, a capital improvement program was developed to meet secondary treatment standards as quickly as possible while providing for increased flows and rehabilitation and refurbishment of existing facilities.

The FY 2010-11 CIP includes 3 projects totaling \$627 million to complete the upgrade the District's treatment plants to meet secondary treatment standards. Implementation of secondary treatment standards is on schedule to be completed by December 31, 2012.

### *Planning Advisory Committee II (PAC2)*

As part of the process of developing the Interim Strategic Plan Update, the District sought input, comments and suggestions from the residents and businesses that are served by the District. The commitment to actively solicit public comments on the appropriate level of treatment represented a continuation of a relationship with the public that was established in the original Strategic Plan. This relationship proved to be very effective in developing solid information on which the Board of Directors made their determinations and set the course for the District's future in 1999. For this reason, the District developed a public participation process that reflects its commitment to openness and recognition of the need for public involvement in decision-making.

In moving forward with the development of public participation, the District established the concept of a Public Advisory Committee. Because of the relatively short time frame that was available for the Interim Strategic Plan Update work, the District initially turned to the members of the original Planning Advisory Committee (PAC) and Rate Advisory Committee (RAC). In parallel with the Interim Strategic Plan Update, the District also established a Technical Advisory Committee (TAC) to help advise them with the complex issues required with the planning and execution of the Huntington Beach Studies (Phase III), and a number of these TAC members were also on the PAC2. The District recognized that the PAC2 members would bring several key benefits to the project:

- Familiarity with the technical issues;

- Understanding of the public participation process;
- Balanced distribution of technical, environmental, political, and geographic viewpoints; and
- Demonstrated commitment to active and reliable participation.

In addition to this initial group, the District also reached out to organizations and individuals that had consistently expressed interest in participating in the Interim Strategic Plan Update and the ocean discharge permit renewal process. As a result of this effort, 28 members of the new PAC2 were confirmed.

One of the primary objectives of the Interim Strategic Plan Update was to consider different levels of wastewater treatment and their respective advantages and disadvantages. PAC2 members were to provide key support to the project, specifically:

- Review the technical output of the four treatment alternatives under consideration;
- Establish the performance objectives that are to be used to evaluate the alternatives;
- Provide input, comments, and observations regarding the benefits and problems that might be associated with each of the alternatives; and
- Provide a summary report that captures the issues along with their recommendations.

The PAC2 report was completed in June 2002 and provided guidance to the Board of Directors in its decision to change from the existing 50/50 level of treatment to secondary treatment standards in July of 2002.

### *Five-Year Strategic Plan*

In November 2007, the Board of Directors adopted a new comprehensive strategic plan to steer the District's efforts and engage the organization to envision service levels and operational needs for the next five years. This strategic plan has been reviewed and updated each year since.

In December 2009, the Strategic Plan was updated to cover a new five-year horizon. Following a similar process used in the prior year updates, the General Manager's Office initiated the planning effort with the Executive Management Team, then solicited input and ideas from managers and supervisors. In

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# Financial Overview & Budgetary Issues

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October 2009, the staff-generated ideas were presented to the Board of Directors during a workshop, where Board Members discussed and deliberated changes and additions to the plan.

Driven by our Mission, Vision and Core Values, this Strategic Plan continues the District's aggressive efforts to meet the sanitation, health, and safety needs of the more than 2.5 million people we serve while protecting the environment where we live.

In the past year, over 50 percent of the goals were completed. For 2010, this Strategic Plan presents three new goals and maintains the high standards set in the previous plans.

These new goals were discussed at the October 21 Board of Directors workshop and included the following:

- Providing Ongoing Leadership Development
- Assess and Mitigate the Risks of Chemical Supply Shortages
- Full-Cost Recovery

This Strategic Plan continues to chart a focused roadmap of success for the future of the District. It addresses critical operations and construction issues, financial and budgeting challenges, and gives a clear and concise direction to staff, ratepayers, regulatory agencies, and the general public.

### *Biosolids Management*

The District produces approximately 650 tons of digested and dewatered (Class B) biosolids per day. By 2020, the District's biosolids production is projected to increase by 30 percent, to 310,000 tons annually. The District currently manages its biosolids as follows via two contracts using five options:

- 24% is land applied as Class A biosolids in Kern County, California (\$43.07/ton);
- 38% is composted to Class A biosolids in Kern County, California (\$63.09/ton);
- 12% is composted to Class A in La Paz County, Arizona (\$49.74/ton);
- 23% is land applied as Class B biosolids in Yuma County, Arizona (\$45.44/ton); and
- 3% is land filled in Yuma, Arizona (\$45.44).

Counties throughout California and Arizona have developed, or are in the process of developing,

ordinances that severely restrict or ban the land application of Class B biosolids. Kern and Kings Counties banned land application of Class B biosolids. At the time of this writing, the "Florez" bill which gives the Kern County Board of Supervisors the discretion to ban importation of all biosolids sailed through the California Senate 26-9, and was forwarded onto the Assembly. It has become clear that future requirements for managing biosolids will be more restrictive and costs will increase as current options are anticipated to be eliminated due to these developments in two to five years.

The dynamic regulatory issues, land application ordinances and bans, and public perception challenges prompted the District to develop a Long-Range Biosolids Management Plan. This plan was approved by the Board in December 2003. The goal is to develop a sustainable, reliable, and economical program for long-range biosolids management providing environmentally sound practices that meet the stringent federal, state, and local regulatory requirements.

The Long-Range Biosolids Management Plan (Plan) includes four major elements:

1. Identify long-term potential Southern California Class A biosolids products and product markets.
2. Identify the onsite and offsite facility options for manufacturing marketable products while optimizing the use of the District's facilities necessary in treating wastewater.
3. Develop a flexible implementation plan for positioning the District to be able to participate in multiple markets.
4. Continue to beneficially use biosolids and maintain conformance with the National Biosolids Partnership (NBP) Code of Good Practice.

The Plan includes an analysis of potential technologies and markets for biosolids derived products, an analysis of treatment plant processes to reduce overall biosolids handling and treatment costs, and a long range implementation strategy.

The following is currently being implemented based on the Plan's recommendations:

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1. Employing new in-plant technologies to reduce the volume of Biosolids handled by the District's two treatment plants, as follows:
  - Replacement of existing belt filter press dewatering equipment with centrifuges.
  - Replacement of existing secondary sludge dissolved air flotation thickening equipment with gravity belts.
  - Installation of primary sludge thickening equipment.
2. Transitioning to the production of Class A biosolids products using established and reliable technologies.
3. Establishing and maintaining failsafe backup options for 100% of the biosolids produced at OCSD.
4. Working with member agencies and local stakeholders to develop in-county production facilities and markets.
5. Moving into the following markets using vendor contracts for providing processing facilities, product distribution, and marketing:
  - Energy and fuel production
  - Heat dried granular products
  - Heat drying with soil reclamation
  - Compost
  - Organo-mineral fertilizers

In order to quickly transition from Class B to Class A biosolids production before the Class B market collapsed, requests for proposals were submitted requesting services and facilities to support the District's Long Range Biosolids Management Plan. After completing an extensive request for proposal process in April 2005, the Board approved a contract with EnerTech Environmental, Inc. to convert the District's biosolids to a renewable fuel at their Regional Biosolids Processing Facility in Rialto, California. The EnerTech's solution is a relatively new, patented heat treatment process. The patented process increases the ability to dewater biosolids in order to maximize the efficiency of the production of fuel. By decreasing the moisture content of biosolids prior to drying, a smaller dryer is needed, thus reducing capital and energy consumption. The fuel

product will be totally recycled and reused, under agreements with area cement kilns and other fuel users. Residual ash from the fuel combustion becomes part of the cement product, resulting in no residual waste product liability. EnerTech proposes to finance, design, construct, and operate this 625 ton per day facility. Several local governmental agencies have previously committed approximately 275 tons per day of biosolids to this project and this project has now become economically viable with the commitment of 200 tons of biosolids per day from the District.

In addition to the contract awarded EnerTech, the Board also approved a contract with Synagro to provide for biosolids composting in Kern County at \$63.09 per ton. The EnerTech and Synagro long-term contracts will service approximately two-thirds of OCSD's future biosolids production.

Staff is continues to investigate biosolids-to-energy technologies and markets for the remaining one-third of the District's biosolids production because of the concern that biosolids composting markets are being saturated which could result in de-valuing of the product, making it non-sustainable. The private sector significantly invested in developing biosolids-to-energy technologies which enables wastewater agencies to participate in proven and sustainable markets. Staff will also be investigating biosolids management via deep-well injection and methane production which is currently being evaluated by the City of Los Angeles. Following are future cost implications under the various alternatives for the disposal of the remaining one-third of District's future biosolids:

- Energy Production: \$85/ton – Annual Cost = \$7.8M
- Deep Well Injection: \$40/ton – Annual Cost = \$3.7M
- Landfill Disposal: \$60/ton – Annual Cost = \$5.5M

### *Urban Runoff*

In June 2002, AB1892 was passed that allows the District's charter to include permissive language authorizing the diversion and management of dry weather urban runoff flows. This bill allows the District to acquire, construct, operate, maintain, and furnish facilities for the diversion of urban runoff from drainage courses within the District, the treatment of the urban runoff, the return of the water to the drainage courses, or the beneficial use of the water. The passage of this bill allows the District to divert up to 10 million gallons a day and consider more

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extensive options, such as building artificial wetlands that would naturally filter the runoff, or building a runoff treatment plant, similar to a \$9.5 million facility built in Santa Monica that recycles 500,000 gallons of runoff a day.

For some time now, Orange County's beaches have been affected by storm water and urban runoff pollution. As a result, the Santa Ana Regional Quality Control Board has taken direct action to control discharge of pollutants to tributaries and recreational water bodies in Orange County by issuing a Storm Water Permit to the County and cities. In order to comply with the provisions of the permit, the County and cities have increased resources to fund municipal storm water/urban runoff management and treatment services. However, this effort has been difficult to sustain given the complexity of the program and the competing demands on limited resources.

The District, the County and other local agencies, are currently considering whether to explore public support for levying a fee to property owners to fund regional storm water/urban runoff management and treatment services within Orange County.

### *Groundwater Replenishment System*

The District has shared in construction costs for Phase I of the Groundwater Replenishment (GWR) System with the Orange County Water District (OCWD), with each agency splitting the cost of construction of this facility equally. Phase I will reclaim up to 70 million gallons per day (mgd) of water, becoming the largest water reclamation project in the world. The GWR System will defer the need to build a second outfall estimated at a cost of \$200 million.

Phase I of the GWR System became operational in January 2008. The District and OCWD have agreed to match the funding for this project. The District had previously budgeted \$248.4 million for this project with the final wrap-up construction outlays occurring in FY 2009-10. The District has shared equally with OCWD in approximately \$44 million of Federal and State Grants in offsetting total project costs.

Pioneering work to develop the world's largest water purification plant for groundwater recharge has earned the Orange County Water District and the Orange County Sanitation District, California, USA, the 2008 Stockholm Industry Water Award. The

Stockholm Industry Water Award honours and encourages business sector contributions to sustainable development in the water sector and is presented each August at the World Water Week in Stockholm. It was established in 2000 by the Stockholm Water Foundation in collaboration with the Royal Swedish Academy of Engineering Sciences and the World Business Council for Sustainable Development.

### *Fiscal Policies*

Included within Section 3 – Pages 1 through 8 is a listing of the District's Board Adopted Fiscal Policies. These fiscal policies were established for the purpose of:

- sustaining a financially viable Sanitation District;
- having the flexibility to adapt to local and regional economic changes; and
- maintaining and enhancing sound fiscal condition of the District.

Included within the District's fiscal policies are specific policies for Budgeting, Revenues, Expenses, Capital Improvements, Vehicles, Short-term Debt, Long-term Debt, Reserves, Investment, and Accounting, Auditing and Financial Reporting.

### *GFOA Best Practices and Advisories*

Included in the budget within Section 3 – Pages 9 through 16 is a listing of the 144 accounting, auditing, financial reporting, cash management, budgetary and fiscal policy, debt management, retirement and benefit administration, and economic development and compliance planning practices recommended by the Government Finance Officers Association of the United States and Canada. Included within this list of best financial practices for state and local governments is the District's status as to whether we are in compliance or in progress towards compliance, or whether the practice is applicable to this agency. Out of these 144 practices, the District is in compliance with 93, 41 are not considered applicable to the District, and we are in the process of complying with the final ten.



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# Business Plan

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The District's Business plan is intended to be an overarching plan based on sound decision making that provides direction on the work that the District will take on during the next two-year budget cycle and what will be deferred. This Plan is the underlying foundation for the development of the District's Budget.

During the process of developing the Plan, the District's Executive Management Team reviewed the proposed work for the upcoming year, balance it with the staffing and funding resources needed and either approve the plan or make reductions. Reductions in work or resource commitment for the coming year will be considered in light of the Level of Service that the agency is committed to and appropriate levels of risk.

Updates to the Business Plan are performed on an on-going basis, to be developed ahead of the bi-annual budgeting process, and will ultimately have a five-year horizon.

Each year, it is staff's intent to build upon the foundation of the previous Business Plan and to make each succeeding one more detailed and comprehensive. Elements included in the Business Plan for this two-year budget includes: (1) the Business Planning Process; (2) Strategic Goals, including the timeframe, milestones, and resources required for the completion of each step; (3) performance results pertaining to the Current and Projected Key Performance Indicators (Level of Services); (4) Business Accountability Charters for each department, and each division within the departments; (6) Two-Year Staffing Plan; (7) Financial Model Update; (8) Risk Assessment & Mitigation Analysis; and (9) 2009 Asset Management Plan Update.

## **Business Plan Process**

The framework for the Business Plan is developed as part of the process of updating the Five-Year Strategic Plan. The process for updating the Strategic Plan requires the assistance from all levels of the organization, and includes updating the Mission Statement, Vision Statement and Core Values; and addresses the major objectives and critical challenges facing the District now, in the next five-years, and further into the future. This Strategic Plan also lays down the foundation for the development of the Business Plan as it addressed critical operations and construction issues, financial and budgeting challenges, and gives a clear and concise direction from the Board

of Directors to staff, ratepayers, regulatory agencies, and the general public.

The Business Plan development process started with the goals and direction identified within the Strategic Plan. Staff from across the agency further defined these goals in terms of level of service, business risk exposure, capital and operational costs, staffing, and long term financial impacts. The Business Plan identifies the required resources and prioritizes projects and goals, with recommendations for which goals should go forward for inclusion in the District budget, and which should be deferred or dropped from consideration.

## **Strategic Goals**

Over the next two years, the District will begin and complete many activities central to the goals of the organization. In December 2009, the District updated the Five-Year Strategic Plan and, as part of the strategic planning process, identified the following goals:

1. Environmental Stewardship Goals
  - a. SARI Sewer Line Relocation
  - b. Engine Emission Compliance
  - c. Ensure Environmental Compliance
  - d. Climate Change Footprint Initiative
  - e. Adaptive Responses to Climate Change
2. Wastewater Management Goals
  - a. Implement Energy Master Plan
  - b. Sustainable Biosolids Program
  - c. Research Ways to Reduce Biosolids
  - d. Sustainable Biosolids Technology
  - e. Disinfection of Final Effluent
  - f. Odor Control
3. Business Principle Goals
  - a. Strategic Business Plan
  - b. Business Accountability Charters
  - c. Review of Interagency Agreements
  - d. Chemical Supplies
  - e. Full-Cost Recovery
  - f. Local Sewer Services
4. Workplace Environment Goals
  - a. North County Collections Yard
  - b. Ongoing Leadership Development

Resources have been reallocated from lower priority activities within the organization to support these strategic goals.

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Staff will report quarterly to the General Manager on the progress of each goal.

## Level of Service

In 2005, the Orange County Sanitation District first developed a summary of the District's present and future Levels of Service requirements as part of its Asset Management Program. These Levels of Services were further developed with the Business Plan along with measurable outcomes, or key performance indicators, that the District is committed to meeting. This Business Plan documents that the Levels of Service provided by the District will increase significantly, requiring \$1.4 billion in identifiable capital improvements and millions in increased maintenance and operations costs over the next ten years.

One area where the District's Level of Service will increase significantly is the quality of effluent that is provided to the Orange County Water District for reclamation or for discharge into the ocean. In 2002 and 2003, three commitments were made that increased this Levels of Service:

1. The District's ocean discharge will meet secondary treatment standards by 2013;
2. The District will provide effluent disinfection to reduce the coliform bacteria content at its outfall to less than the maximum concentration allowed at the beach under California Assembly Bill 411; and
3. The District will continue to provide 70 million gallons a day of secondary effluent satisfying the quality and quantity requirements of Groundwater Replenishment System that began operations in January 2008.

The District is also studying further reduction in the offsite odors from its treatment plants and reducing its emissions of air toxics. The District's Levels of Service will also improve in the area of biosolids management. The District is moving from a 60-40% blend of Class "A" and Class "B" biosolids management options to a 100% Class "A" product.

These Levels of Service improvements, along with maintaining the existing performance levels, require a series of annual rate increases and borrowing to ensure that the District maintains the reserves and debt coverage ratios that are included in the Business Principle Key Performance Indicators. The District's present and

projected Levels of Service are shown within this section on page 27 through 32.

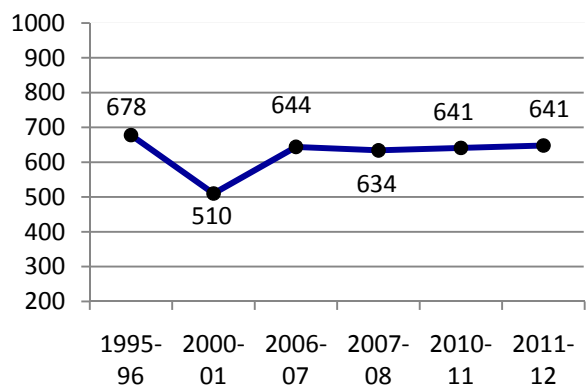
The District will continue to conduct studies and monitor regulatory trends that may change its level of service beyond 2013. There is a developing area of research concerning contaminants in treated wastewater effluents such as personal care products and pharmaceutically active compounds that are suspected of causing reproductive or other health changes to marine life in receiving waters. These compounds are also subject to research regarding reclaimed water quality. Further changes to the District's source control program and treatment processes could be required to address these concerns as further research defines the problems and potential solutions.

## Staffing Plan

A comprehensive review was completed on the District's staffing levels for the next two fiscal years. This undertaking began with a review of the District's vision, mission, goals and objectives as part of the development of the Five-Year Strategic Plan.

This analysis included identification and development of over 110 business units in the District with discreet duties and responsibilities.

## Authorized FTE Staffing



Based on the needs of the agency overtime, total FTE requirement have fluctuated greater from a high of 678 authorized FTE's in FY 1995-96 to a low of 510 in FY 2000-01. Staffing levels have been steady at 641 since FY 2008-09, and are at minimum levels necessary to support the operation and maintenance of newly constructed secondary treatment facilities, as the District strives to meet full secondary treatment standards by December 31, 2012.

# Business Plan

Based on the increase of 131 FTEs since FY 2000-01, staff has taken on the challenge of moving towards full-secondary treatment standards while minimizing the increase in total FTE head count over this two-year planning period.

Instead, staff has focused on the reallocation of existing resources in order to balance the needs within the over 110 identified business units of this agency to ensure that core business operations are met, levels of service are maintained, and that strategic initiative elements are accomplished.

The proposed two-year staffing plan contains a significant level of analysis on how existing resources can be utilized in consideration of the increased demands placed on this agency by secondary treatment standards and in support of the \$1.4 billion capital improvement program over the next ten years without increasing staffing levels. This budget, therefore, proposes staffing to remain at FY 2008-09 levels through FY 2010-11 at 641 FTE's. A detailed breakdown on the proposed reallocation of FTE's can be found within the Appendix section of this budget.

## Financial Model Update

The District's most recent regional and local sewer rate study was completed in April 2008 by Carollo Engineers. The purpose of the study was to develop sewer service rates and wastewater capital facilities charges to equitably distribute costs among utility customers and to support the District's regional and local sewer rate structure over a five-year period from FY 2008-09 through FY 2012-13. Previously, the District had completed regional rate studies in 2006, 2002 and 1999. The following four drivers necessitated that a rate study be completed in 2008, and be incorporated into the Business Plan:

### 1. The Necessity of a Local Sewer Service Fee

- The District provides regional sewage collection, treatment, and disposal services to approximately 550,000 customers located in central and northwest Orange County and collects fees for these services through a special assessment on the Orange County property tax bill. In addition, the District also maintains, repairs, and replaces the local sewers for approximately 17,000 of the above 550,000 at no additional fee. All customers other than these 17,000 are also paying a local sewer service fee to their local city or special

district. A sewer rate study needed to be completed for these 17,000 customers in order to initiate a local sewer service fee to eliminate the subsidization of their local sewer service by all 550,000 regional customers.

### 2. Including the Cost Impacts of Strategic initiatives

- The November 2007 5-Year Strategic Plan increased the levels of service for managing air toxins, odor control, and biosolids. The financial impacts resulting from the outcome of these board approved initiatives needed to be addressed in an updated sewer rate study.

### 3. 5-Year Proposition 218 Notice

- The District's last California Proposition 218 Notice notifying rate payers of potential sewer rate increases over the past five-years had expired and a new 5-year Proposition 218 Notice approved by the Board and the justification of the new sewer service fee rates over the next five years needed to be supported by an updated sewer rate study.

### 4. Development of a Uniform "Net Cost of Service" Rate Methodology

- The sewer rates of high strength dischargers under permit were previously developed gross of property tax revenues. A recent independent sewer rate validation study recommended that a uniform "net cost of service" rate methodology be developed and applied to all rate payers that would be fair and equitable to all ratepayers.

In their Financial Model Update Report for the District issued in April of 2008, Carollo Engineers recommended that the District:

- Based on current operational and capital project assumptions, implement annual increases of 10.5, 10.0, 10.0, 9.8, and 9.8 percent, respectively, over a five-year period ending in FY 2012-13.
- Increase to the unit costs to high strength discharges in FY 2010-11, are as follows:

#### Industrial Discharge Sewer Rates

	\$/ 1,000 gallons	\$/ lbs B.O.D.	\$/ lbs S.S.
Current Unit Cost	0.9244	0.4394	0.4673
Adopted Unit Cost	1.0168	0.4833	0.5141
% Increase	10.0%	10.0%	10.0%

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- Increase the capital facilities capacity charges (CFCC) and the supplemental CFCC by the Engineering News Record Construction Cost Index annually.
- Implement a Five-Year Local Sewer Service Fee for 18,000 parcels located in City of Tustin and in unincorporated areas North of Tustin beginning in FY 2008-09, as follows: \$199, \$204, \$208, \$212, and \$216, respectively, through FY 2012-13.

All recommendations from the Financial Model Update Report were approved by the Board to ensure that the funding required for the additional capacity projects required for new users would be available at the time of construction.

In December of 2009, the 2009 Facilities Master Plan was adopted, and because, the CFCC fees are based upon the most recently completed capital strategic plan, staff was directed to perform a new rate study on CFCCs.

It was determined as a result of the new Master Plan that future build out is now projected to be less than what was anticipated in the previous master plan. In addition, the District has experienced a shift in its customer base resulting in an increase in residential versus non-residential. Staff believes the shift has occurred due to recent annexations that were primarily residential and new residential construction that was completed in recent years. The shift towards residential has resulted in a decrease to the residential CFCCs and an increase to the non-residential CFCCs.

Based upon the new Master Plan, the residential CFCC fee would need to decrease by approximately 35 percent and the non-residential CFCC fee would need to increase by approximately 13 percent.

In May 2010, the Board approved the following CFCC and Supplemental CFCC fees:

	CFCC Rates	
	Residential CFCC	Commercial/ Industrial CFCC
Current Unit Cost	\$4,998	\$1,501
Proposed Unit Cost	\$3,261	\$1,692
% Increase	-34.8%	12.7%

## Supplemental CFCC Rates

	\$/ 1,000 gallons	\$/ lbs B.O.D.	\$/ lbs S.S.
Current Unit Cost	\$1.541	\$0.865080	\$0.105130
Proposed Unit Cost	\$1.638	\$0.351200	\$0.188340
% Increase	6.3%	-59.4%	79.1%

## Risk Assessment Analysis

Many leading organizations are formally applying risk management processes to identify and manage risks across many aspects of their business. The formalization of risk management processes is a logical step towards increased accountability and transparency placed on the Board and District management.

Risk assessment and mitigation includes the following steps:

- identify and assess strategic and organization-wide risks facing the District and to develop a high level risk register;
- identify mitigation measures that the District currently has in place;
- Propose additional mitigation measures that the District considers appropriate to manage; and
- Develop an action plan of responsibilities and timeframes for follow-up.

The Risk Register is a compilation of the various risks facing the Orange County Sanitation District, as seen and described annually by District managers and senior management. Business Risk is defined as a threat that an event, action or inaction, will adversely affect the District's ability to achieve its business objectives and execute its strategies successfully. The Sanitation District first created the Risk Register in 2006 and subsequently updated it in 2008 and 2009.

The Risk Register Update in 2010 was conducted as the world continued to struggle financially, although there were some signs of gradual improvement. Deep cuts were being made by many governmental agencies, and a number of disasters happened worldwide in the previous year including several major earthquakes. Managers and executive management of OCSD came up with a longer list of perceived risks than in previous years, and the list of opportunities was also longer than in the past.

In terms of methodology, each of the 24 participating managers and senior managers were asked to give a list of the top three risks and the top one opportunity. Then, meetings were held to discuss the choices and to fill out a ranking sheet. Participants were asked to (1) subjectively rank their top three risks from the variety of risks that had been presented by all participants; (2) rank all the risks presented as to consequence if they actually occurred; (3) rank all the risks presented as to likelihood of occurring; (4, 5, and 6) and do the same three processes for opportunities. Later, when the top risk and opportunity were identified, participants were invited to identify solutions or approaches to successfully confront the risk and the opportunity.

The top risks and the top most significant opportunities, with impact and probability of occurrence being equally weighted, are as follows:

#### Top Risks

1. Difficult Economy
2. Retirement of Experienced Employees
3. Another Financial Crisis
4. Public Sentiment Against Fees/Taxes
5. Board Turnover

#### Top Most Significant Opportunities

1. Hire Good Staff
2. Trains Staff on New Facilities
3. Reorganize for Change
4. Focus on Mission In-Lieu of Other Costly Endeavors

#### Proposed Risk/Opportunity Solutions-

The proposed solutions for “Difficult Economy” and “Another Financial Crisis”, as follows:

- Continue sound financial management and conservative budgetary assumptions.
- Continue to maintain “rainy day reserves”.
- Continue efforts to find additional sources of revenue.
- Continue to maintain budget contingencies in the event revenues fall short.
- Approach labor negotiations with cost containment as a primary driver.
- Create a contingency plan to deal with possible state revenue “take-aways”.

- Aggressively pursue stimulus funding and grant opportunities for projects.

#### Proposed solutions to Confront Opportunities: Hire Good Staff

- Continue to promote from within to take advantage of the good staff already employed at the District.
- Maintain competitive salary levels.
- Continue to modernize the workplace to attract good candidates.
- Keep posting positions both internally and externally to assure we get the best-qualified candidates.
- Have supervisors continue to focus on the probationary period to assure the right person was hired.
- Continue practice of pre-screening applicants.
- Revamp recruitment procedure to emphasize “soft” skills.
- Temporarily increase HR resources to place emphasis on filling all vacant positions in the next six months.

#### Proposed solutions to Confront Opportunities: Reorganize as People/Facilities Change

- Continue to revalidate the business need to back-fill positions upon employee terminations.
- Establish a goal to reduce staffing levels through attrition and job redesign through various initiatives, e.g., plant and office automation, strategic outsourcing.

#### The next steps in the development of Risk Management include:

- Completion of the risk register including mitigation strategies (current and proposed) responsibilities, and timeframes;
- Consider independence in the process to ensure a level of integrity in the process without transferring ownership and responsibility;
- Review of risk register to ensure it represents a balanced portfolio of the risks and that the mitigation strategies are appropriate;

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## 2010-11 & 2011-12 Budget

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- Develop a plan to monitor the effect of mitigation strategies to ensure that controls are in place and effective;
- Develop a formal reporting process to the Board that includes possible revisions to the overall risk profile; and
- Develop protocols to provide assurance to stakeholders that in the annual strategic business plan processes are in place to manage risks organization wide.

### Asset Management

In December 2002 the Orange County Sanitation District (OCSD) Board adopted their “Asset Management Strategic Plan and Framework Analysis” (Strategic Plan). The Strategic Plan defined Asset Management for OCSD as; “to create and acquire, maintain, rehabilitate, replace and augment these valuable wastewater assets in the most cost effective (lowest life cycle cost) sustainable manner at the level of service required by present and future generations of regulators and customers at an acceptable level of risk.”

OCSD has taken several steps to sustain this vision since the Strategic Plan was adopted. This has included the development and implementation of many different asset management tools to obtain better information to make better decisions. The most recent effort includes working with the Water Environmental Research Foundation (WERF) and American Water Works Association Research Foundation (AWWARF) on research programs to advance asset management tools and establish standards for bench marking. This will help other utilities and provide improved asset management tools for OCSD’s use.

One of the most important asset management tools OCSD created was an Asset Management Plan. This completed in 2005 and was the first one created. OCSD has continued to develop this document to better understand its short-term and long-term business obligations related to the assets that it currently owns and will own. It also reveals how the business decisions related to these assets will affect the ability to sustain the asset performance and consequently sustain the conditions of cost-effective services to customers. OCSD has traditionally performed many of these tasks across the organization; however prior to 2005, the results of this work had never been compiled into a single document to allow the organization to clearly understand the overall business ramifications

### Recent improvements

As part of the annual ongoing asset management and business planning processes within OCSD the following efforts continue:

- ▶ Asset Management Plan has just undergone a two-year revision:
  - Modeling information was re-run. This allowed for tables, figures and text to be updated and includes useful rate planning information for the Finance department.
  - Asset Management System Summaries data was updated for both plants. This is at the process level and looks at condition, demand vs. capacity, function, reliability, and business efficiency, which complement the Engineering Department Master Plan updating effort;
- ▶ New collaboration efforts with WERF to advance asset management will improve the following tools:
  - Public communication tools that utilities can use to engage decision-makers and ratepayers understand the need for strategic asset management and infrastructure investment.
  - Best appropriate practices for asset management among utilities, as well as development of case studies that utilities can use to learn how to implement WERF’s Strategic Asset Management tool.
  - Development of tools for decision analysis and implementation of asset management practices. This includes a cost tool and a refined gap tool that helps utilities to compare their asset management practices to those of other utilities. These tools will allow agencies to benchmark against each other.
  - Develop models for predicting the remaining asset life for both above and below-ground assets. This will complement the risk-based modeling approach used to date for OCSD condition assessment and CCTV programs;
- ▶ Future participation with AWWARF to expand on the efforts of the WERF Asset Management advancement efforts. This effort will focus on

# Business Plan

key asset data for utilities, which will result in the establishment of data standards.

- ▶ The Risk Plan developed in 2006 continues to be a tool for the Executive Management Team, which provides an ongoing process for managing organizational risk;
- ▶ The Condition Assessment Guidelines developed in 2006 continues to be a resource for staff to perform condition assessment of our plants and the collection system;

### Levels of Service

For the 2005 Asset Management Plan, OCSD developed a summary of its present and future Levels of Service requirements using the international triple bottom line categories. This documented the measurable outcomes, or key performance indicators that OCSD is committed to meeting under each of the following categories: Environmental, Social, and Economic. In 2006, these performance categories were modified to be consistent with OCSD Core Strategies. This placed additional importance on OCSD environmental responsibilities as demonstrated with the new categories: Environmental Stewardship, Wastewater Management, Business Principles, and Workplace Environment. In 2007 OCSD executive management refined the goals for these categories and gained the support of the

Board of Directors by involving them in the process and obtaining their approval. Overall OCSD Levels of Service will increase significantly as a result of its large capital investment program. This will result in millions in increased maintenance and operations annual costs due to these future changes.

Some of the major Levels of Service that will or have changed include:

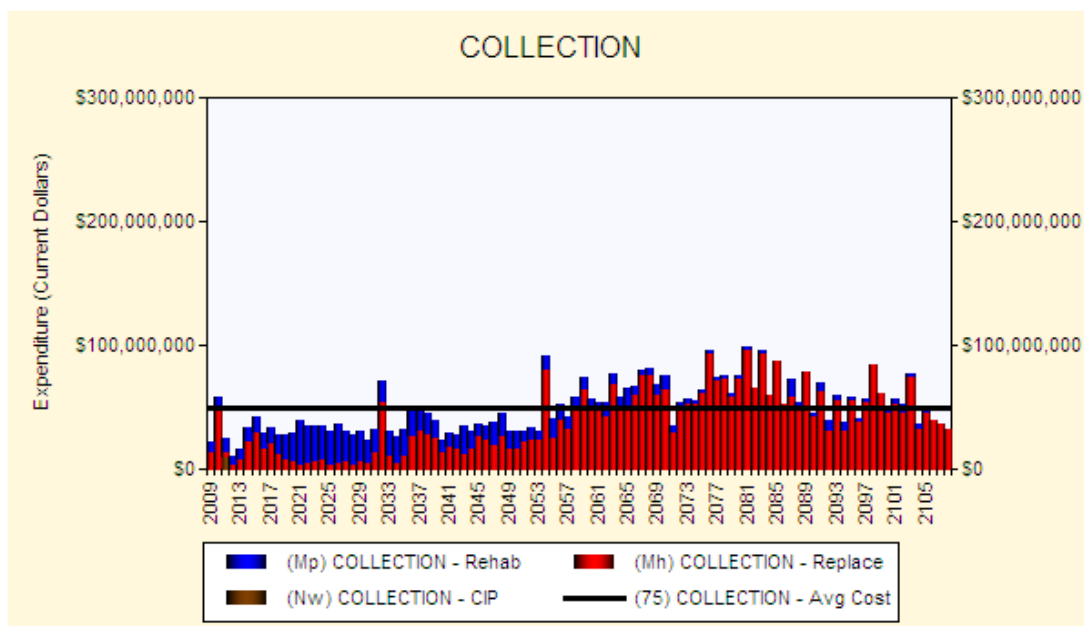
- Adopting 100% Secondary Treatment Standards
- Adopting 100% Class "A" Biosolids
- Increasing reclamation to 70 mgd
- Reducing odor complaints
- Fire and Safety Code Compliance

### Inventory of Assets

Understanding our asset characteristics is critical to our continued success. Our assets can generally be split between two main groups: Collection System – the assets responsible for the collection and transfer of sewage from the cities to the treatment plants, and; Treatment and Disposal – the assets that treat the sewage and dispose of the treated effluent and byproducts.

The following charts present the investment history in both of these systems and the age profile of these assets.

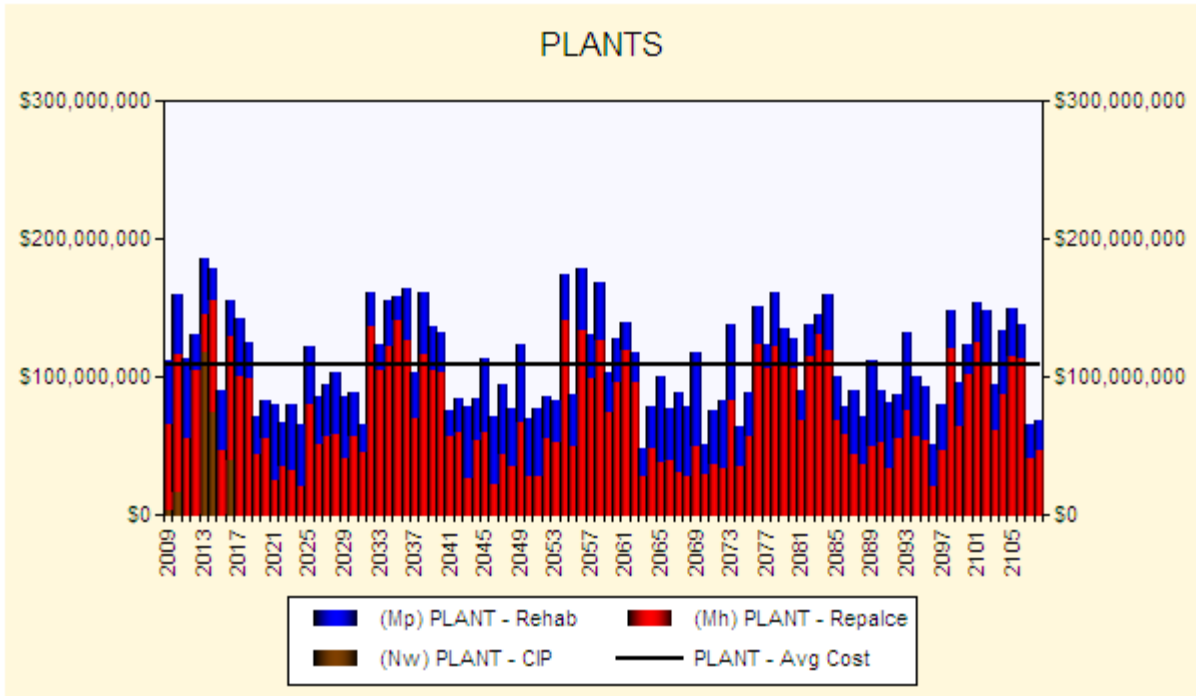
### Future Investment Need Graph - Collection System





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## Future Investment Need Graph – Plants and Miscellaneous



This average age and value of the assets OCSD own is increasing steadily over time, the latent asset replacement obligation is rising, and as a consequence, OCSD needs to be planning for decreased capital projects for expansion and increased renewal expenditures in the future relative to past expenditure levels. Additional focus will need to be given to ensuring that appropriate operation and maintenance strategies are being applied that consider the different ages of assets being maintained.

### Asset Valuation

The replacement valuation for all of OCSD's assets has been updated. The table below presents the current replacement and depreciated values of OCSD's assets. The replacement value represents the cost for December, 2009 dollars to completely rebuild all the assets to a new condition. The depreciated value is the book value of the assets based on their current condition.

The current replacement value is estimated to be \$6.90B, which compares to the 1998 prediction of \$2.03B, which was based on original purchase cost. This will increase by 2012 to approximately \$7.1B after the completion of the existing three billion dollar Capital Improvement Program. The

major reasons for this increase are all the new assets added to the asset register and basing the replacement costs on a metropolitan environment rather than a vacant land situation.

Valuation	Plants	Collection	Total
Replacement Value (\$B)	3.44	3.46	6.90
Depreciated Value (\$B)	1.56	2.18	3.74

### Planned Expenditure

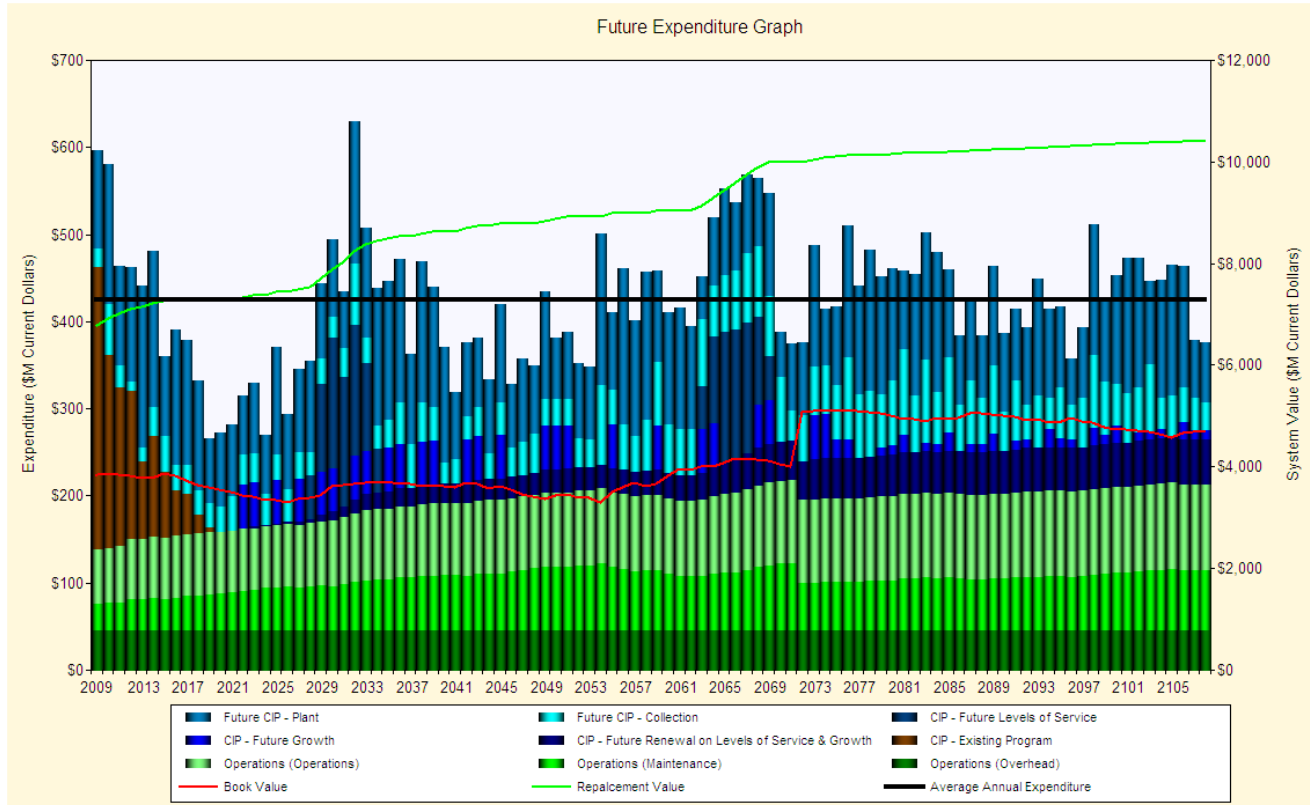
A computer model was developed to produce the future expenditure aspects of this Asset Management Plan. This model was used to perform a series of calculations on information related to the current and future OCSD assets. The following chart is the result of the modeling work undertaken, including current and predicted future Capital Improvement Program projects and operations (including maintenance), improved understanding of asset life and asset condition. The model has been revised to account for business rules for future CIP projects.

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The flat black line is the average of all the future cash flows, which represents the average expenditure (\$411M current value worth) required by OCSD for each of the next 100 years. The actual annual expenditure will vary depending of

the actual work required. At present the expenditure is greater due to the accelerated building program, however, additional income in the future will also be required to pay back the capital that is currently being borrowed.

**Figure E3 – OCSD Expenditure – Total Future Predicted Cash Flows**



## Future Funding Requirements

The predicted overall expenditure in future years will not “drop off” as dramatically as previously predicted after the current Capital Improvement Program spending drops off significantly in approximately five years. This means that pressures on rate increases are likely to grow more than previously thought. Fully funding the replacement and rehabilitation costs of the assets will mean that the likely scenario is greater-than-inflation rate increases over the next 20 years.

## Future Efforts

In order to move forward with Asset Management, the District will need to:

- Continue to be selective of the Capital

Improvement Program projects based on economic justification and risk presented to OCSD in order to free up available funds and staff resources to concentrate on other areas of greatest risk;

- Continue to validate future maintenance program and workload with a view toward investing in maintenance where it will defer capital. Some observations have indicated that an increase in maintenance expenditures could result in deferred capital investments and a reduction in life-cycle costs (this is especially relevant for civil assets). Also, an increased understanding of the future maintenance costs associated with capital projects will help to identify the potential impacts on the maintenance program;

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## 2010-11 & 2011-12 Budget

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- Continue to improve the existing data standards, processes and data collection programs;
- Continue the effort to implement an information system strategy to ensure that this data collection and data flow is stored and recovered / manipulated to suit the needs for planning and optimizing future asset management decision making;
- Continue the implementation of a works management system and workload allocation / justification / prioritization system for all Engineering, Operations and Maintenance activities;
- Consider ways to influence customer expectations while working to try and to avert or reduce the cost impacts of current and future levels of service;
- Review management strategies and design guidelines with a view to considering revised redundancy requirements.

### Next Steps

A number of improvement tasks have also been identified for future years to improve the overall accuracy and coverage of the Asset Management Plan. This includes completing Business Risk Exposures for the asset system summaries, and using more accurate data as it is collected for the models.

Future editions of the Asset Management Plan are critical to the work OCSD is planning for improving its overall asset management performance. Many of the improvements to future Asset Management Plans will derive from other work that is planned to be undertaken across the organization. Sustainability and cultural organizational change are important issues for the Asset Management program, and they need to be well managed to ensure the ongoing improvement in stewardship of the OCSD assets

# Business Plan

## Wastewater Management Levels of Service

OCSD beneficially reuses and recycles water and other resources using safe and effective wastewater systems.

<b>OCSD will provide a safe reliable effluent for recycling</b>	<b>FY 08-09 Results</b>	<b>FY 09-10 Target</b>
Concentration of emerging chemical constituents of concern in Plant No. 1 secondary effluent	41 1.6	NDMA < 150 ppt 1,4-Dioxane < 5 ppb
Thirty-day geometric mean of total coliform bacteria in effluent after initial dilution of 180:1	62	< 1,000 mpn
Industry compliance with permits to discharge into OCSD sewers	100%	100% permit compliance
Meet secondary treatment standards	BOD 36 mg/L TSS 33 mg/L	BOD 100 mg/L <i>BOD 30 mg/L by 2012</i> TSS 55 mg/L <i>TSS 30 mg/L by 2012</i>
<b>OCSD will manage flows reliably</b>	<b>FY 08-09 Results</b>	<b>FY 09-10 Target</b>
Frequency of use of emergency one-mile (78-inch diameter) outfall	0	0 per year during dry weather less than once per 3 years in peak wet weather
Sanitary sewer spills per 100 miles	0.63	< 2.1
Contain sanitary sewer spills within 5 hours	100%	100%
<b>OCSD's effluent will be recycled</b>	<b>FY 08-09 Results</b>	<b>FY 09-10 Target</b>
Provide up to 104 mgd specification effluent to the Groundwater Replenishment System	82 mgd	104 mgd
<b>OCSD will implement a sustainable biosolids management program</b>	<b>FY 08-09 Results</b>	<b>FY 09-10 Target</b>
National Biosolids Partnership Certification for Biosolids Environmental Management System	5 Year Recertification July 2008	Maintain certification
Percent of biosolids recycled	100% recycled 0% landfill	> 95% recycled < 5% landfill

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## Environmental Stewardship Levels of Service

OCSD participates collaboratively in the protection of regional water resources for the benefit of the people we serve.

<b>OCSD will protect public health and the environment</b>	<b>FY 08-09 Results</b>	<b>FY 09-10 Target</b>
Provide capacity to collect and treat dry weather urban runoff	1.25 mgd	Up to 4 mgd <i>Maximum 10 mgd by 2020</i>
Maximum off-site odor impact		
• Reclamation Plant No. 1	42 D/T	42 D/T <i>14 D/T by 2016</i>
• Treatment Plant No. 2	48 D/T	48 D/T <i>17 D/T by 2016</i>
Air emissions health risk to community and employees, per one million people (for each treatment plant)	< 10	< 10
Permit compliance (air, land, and water)	99%	100%
<b>OCSD will be a good neighbor</b>	<b>FY 08-09 Results</b>	<b>FY 09-10 Target</b>
Odor complaint response:		
• Treatment Plants within 1 hour	100%	100%
• Collection System within 1 working day	100%	100%
Number of odor complaints:		
• Reclamation Plant No. 1	36	32
• Treatment Plant No. 2	18	4
• Collection System	52	34
Respond to collection system spills within 1 hour	100%	100%

## Business Principles Levels of Service

OCS&D makes every decision based on short and long-term environmental, societal, and financial impacts (the triple bottom line).

<b>OCS&amp;D will exercise sound financial management</b>	<b>FY 08-09 Results</b>	<b>FY 09-10 Target</b>
COP service principal and interest	< O&M expenses	< O&M expenses
Annual user fees	Sufficient	Sufficient to cover all O&M requirements
Actual collection, treatment, and disposal costs per million gallons in comparison with the budget	4.73% under budget	≤ 10% of budget
Annual variance from adopted reserve policy	14.35%	≥ Budgeted reserves
<b>OCS&amp;D will be responsive to our customers</b>	<b>FY 08-09 Results</b>	<b>FY 09-10 Target</b>
Respond to public complaints or inquiries regarding construction projects within 1 working day	100%	> 90%
New connection permits processed within one working day	100%	>90%

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## 2010-11 & 2011-12 Budget

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### Workplace Environment Levels of Service

OCSD provides an environment of partnership, growth, opportunity, responsibility and accountability.

<b>OCSD will take care of its people</b>	<b>FY 08-09 Results</b>	<b>FY 09-10 Target</b>
Training hours per employee	58	45 per year
Employee injury incident rate	District 3.6 O&M 3.6	Industry average 4.6
Mandatory OSHA training requirements	94%	100%
Hours worked since last lost work day	150,000	1,000,000
Reduce by 20% the number of work days lost as a result of employee injuries and accidents	2.65 Days Away, Restricted or Transferred	2.5 Days Away, Restricted or Transferred

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## 2010-11 & 2011-12 Budget

<b>Strategic Goals for FY 2010-11 &amp; FY 2011-12</b>			
<b>Goals</b>	<b>Strategic Importance</b>	<b>Desired Outcome</b>	<b>Next Steps</b>
1. Provide Ongoing Leadership Development	By 2015 approximately 50 percent of the current managers and supervisors will be eligible for retirement.	Maximize the development of a pool of dedicated and talented employees.	Develop a new model for addressing OCSD's operational, regulatory and leadership priorities.
2. Chemical Supply Shortages	OCSD requires large volumes of chemicals that can only be provided by a very limited number of suppliers.	A chemical sustainability plan with options for obtaining wastewater treatment chemicals during shortages.	Investigate the chemical markets for typical wastewater and odor chemicals.
3. Full Cost Recovery	In the past, OCSD provided resources to other agencies to improve water quality without equitable cost-sharing.	Negotiate agreements that ensure all agencies are paying their fair share for services provide by OCSD.	Meet with stakeholders for consensus or agreement on the resolution of major issues.
4. Disinfection of Final Effluent	The annual budget for disinfecting before discharging to the ocean is approximately \$7.0 mil.	Cost effective program to sustain public health associated with bacteria in effluent discharged.	Commission a panel of experts to review disinfection and provide feedback and recommendations.
5. Environmental Footprint	The issue of global climate is a considerable concern from both the public and the policy makers.	Reduction in OCSD's environmental footprint through immediate greenhouse gas reduction measures	Calculation of the environmental footprint of OCSD's facilities.
6. Manage and Optimize a Sustainable Biosolids Program	Biosolids Management is a major priority as low-cost options have disappeared.	Monitor the development of technologies for managing the remaining one-third of biosolids capacity.	Obtain proposals, negotiate long-term agreements, notify stakeholders, and obtain Board approval.
7. Air Quality Management	New AQMD regulations require significant reductions in common pollutants (smog, visibility impairment).	Installing air pollution control equipment to reduce the air toxic emissions below the notification level.	The new required equipped to control air toxic emissions is included in this two-year budget.
8. Odor Nuisance Management	To design and build odor control facilities that will comply with the odor control policy adopted by the Board.	Implement odor control trickling filers at Plant 1 and solids loading facility at Plant 2.	Develop the required 13 project milestones for an overall completion date to occur no later than 2016.

# Long-Term Planning

## OCSD Long-Term Planning

	Type of Planning Process	Description of Process	Budget Impacts
<b>Development of a Five-Year Strategic Plan</b>	Achieve a 5-year comprehensive strategic plan that addresses the sanitation health and safety needs of the 2.5 million people we serve.	In November 2007, the District's Board approved a 5-Year Strategic Plan that updated the District's Mission, Vision, Levels of Services, and Business Plan. Also included are the strategic objectives listed below. This plan is now updated annually.	The 2009 Strategic Plan Update was the foundation for the development of this two-year budget. The level of service identified within the 2007 Plan was the underlying basis for the Board to adopt rate increases of approximately 10 percent a year for the next five years.
<b>Plan for Capital Improvements out to 2030</b>	Plan, design, and build capital improvement projects (CIP) out to 2030 to meet the regulatory, environmental, health, and safety needs of a growing population.	In December 2009, the Board approved a new Master Plan that lays out a capital program to deliver and maintain the levels of service desired by the Board of Directors.	The newly validated CIP Budget, based on the new Master Plan, includes 176 projects with a 20-year cash outlay of \$1.88 billion. This total represents a \$1.0 billion increase from the 2009-10 CIP estimate.
<b>Biosolids Management</b>	Aggressively pursue biosolid disposal alternatives for the remaining non-contractually committed biosolids production that make fiscal and environmental sense.	Staff is studying biosolids markets for the remaining biosolids because of concerns that current options are non-sustainable.	Current management options range from \$45-\$75 per ton.
<b>Odor Control</b>	Direct sufficient resources and investigate new technologies to effectively deal with odor issues.	Design all new processes so that odors remain within 10 dilutions to threshold (D/T), or within treatment plant boundaries.	Eleven projects containing odor control upgrades are included in the CIP totaling \$161 million.
<b>Air Emissions Control</b>	Apply sufficient resources to meet regulatory requirements related to air emissions.	Catalytic converters are being installed on power generation engines which will significantly lower emissions	An additional \$31 million has been included in the newly validated CIP budget to address the new air toxic emission stds.
<b>Groundwater Replenishment System (GWRS)</b>	Continue partnership with the Orange County Water District in support of GWRS.	Maximize the use of treated effluent for water recycling to defer the need for second ocean outfall	The District will provide: 70 mgd of reclaimed water 50% of capital cost for Phase I 50% of Dioxane removal

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# 2010-11 & 2011-12 Budget

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## ***Background Information and Description of Services:***

The Orange County Sanitation District (the "District") is a public agency that operates the sixth largest wastewater facility in the U.S. Originally formed in 1954 pursuant to a joint powers provision under the County Sanitation District Act of the California Health and Safety Code, the District then consisted of independent special districts responsible for wastewater collection within their own geographical boundaries. These districts were co-participants in a Joint Agreement to provide for the joint construction, ownership, and operation of the District's Joint Facilities for the treatment and disposal of wastewater.

On July 1, 1998, the nine individual existing districts requested to be consolidated into one district by resolution of the Board of Supervisors of the County of Orange and special legislation.

The District is governed by a board of directors made up of mayors or members of city councils, directors of independent special districts, and one member from the County Board of Supervisors. A variety of board committees, made up of members of the Board of Directors, consider topics for action by the Board and make recommendations to the Board.

The District is responsible for collecting, treating, and safely disposing of approximately 210 million gallons of wastewater each day for an area covering 480 square miles in metropolitan (central and northwestern) Orange County. The District's service area includes approximately 2.6 million residents and businesses, or approximately 81 percent of the County's total population.

Professional staff of 641 full-time equivalent employees supports the District's around-the-clock operation. Staff is organized into four departments, including Administration, Engineering, Technical Services, and Operations and Maintenance.

As working environmentalists, the District's staff is regulated by many agencies, including the U.S. Environmental Protection Agency (USEPA), the California Regional Water Quality Control Board (CRWQCB), the California Integrated Waste Management Board, the California Environmental Protection Agency and the South Coast Air Quality Management District (SCAQMD). To maintain the

District's operating permit, the District's plants must meet strict conditions set jointly by the USEPA and the CRWQCB.

The District operates under an ocean discharge permit issued by USEPA and the Santa Ana Regional Water Quality Control Board. This permit is renewable every five years and was last issued in December 2004.

The District maintains and operates a large system of trunk sewers and pumping stations in addition to the two modern treatment plants. The plants use chemical, physical and biological processes to produce a high-quality effluent. Chemicals used are either environmentally neutral or biodegradable.

Most of the treated effluent is combined and pumped through a five-mile, 10-foot diameter, ocean outfall pipe. The outfall has a one-mile long diffuser section that discharges treated water through more than 500 portholes four miles off shore. Some secondary effluent is pumped from our Fountain Valley plant to the Orange County Water District (OCWD) where it is further processed and distributed for reuse.

The OCWD and the District recently completed an additional joint project for water reclamation. In January 2008, the Groundwater Replenishment System project began reclaiming up to 70 million gallons of water per day for percolation into the groundwater basin.

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# Orange County at a Glance

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## **Community Profile of the County of Orange**

The County of Orange is bordered on the north by Los Angeles and San Bernardino counties, on the east by Riverside County, on the southeast by San Diego County, and on the west and southwest by the Pacific Ocean. Approximately 42 miles of ocean shoreline provide many beaches, marinas and other recreational areas for use by residents and visitors.

The climate in the County is mild, with an average rainfall of 13 inches. The mean temperature ranges from a minimum of 48 degrees to a maximum of 76 degrees.

The County has become a tourist center in Southern California by offering a broad spectrum of recreational opportunities that is enhanced by the mild climate. Along the shoreline are five state beaches and parks, five municipal beaches and five county beaches. There are two small-craft docking facilities in Newport Harbor, one located in Sunset Beach and another in Dana Point.

Other major recreational and tourist facilities include Disneyland, California Adventure, Knott's Berry Farm and Soak City, Mission San Juan Capistrano, the Anaheim Convention Center, and the Art Colony at Laguna Beach with its annual art festival. Also located within the County is Anaheim Stadium, home of the Los Angeles Angels of Anaheim of Major League Baseball, and the Honda Center, home of the Mighty Ducks of the National Hockey League.

## **Economic Outlook**

Since the beginning of the California recession in August 2007 through September 2009, California and Orange County had lost approximately 1 million and 95,000 payroll jobs, respectively. According to Chapman University's December 2009 Economic Forecast, Orange County quarterly job growth is expected to remain negative in the first half of 2010 and turn positive in the third quarter at 0.1 percent. This suggests that the county will emerge from the recession one quarter sooner than California, and will be the deepest and longest recession (38 months) in Orange County since World War II.

On an annual basis in 2010, Orange County is forecasted to gain about 1,000 payroll jobs, or 0.1 percent increase versus California's projected job losses of 73,700, a decline of 0.5 percent.

Most of the net new jobs will be in the services sector and will be generated in the second half of 2010. The most rapid growth is forecasted to take place in the education and health services and professional and business services sector, followed by a weak growth in the leisure and hospitality sector. The high-tech manufacturing sector is also protected to add new jobs in the latter part of 2010.

The weakness in job growth will be the major factor leading to low personal income growth. Total personal income is forecasted by Chapman University to increase by 2.5 percent in Orange County and by 2.0 percent in California.

Orange County's housing affordability index has improved because of lower home prices and lower mortgage rates. A median family income now needs 29.4 percent of income to purchase a median single-family home in Orange County as opposed to the 48.4 percent needed in 2006.

According to Chapman University, year-over-year percentage change in the real gross domestic is forecasted to turn positive in the first quarter of 2010 and pick up steam by year-end. Similarly, year-over-year percentage changes in real exports are projected to gain momentum in early 2010 and show about a 9.0 percent increase by the fourth quarter of 2010. Residential construction activity is stabilizing and is expected to show an uptick next year. Total number of permits for single and multiple housing units in Orange County is forecasted to increase from an estimated level of 2,028 units to 2,300 units in 2010, an increase of 13.4 percent.

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# Fiscal Policy

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<i>Fiscal Policy Statement</i>	<i>Completed</i>	<i>In Progress</i>	<i>Comments</i>
<b>General Financial Goals</b>			
To maintain a financially viable Sanitation District that can maintain an appropriate level of wastewater treatment services.	✓		
To maintain financial flexibility by adapting to local and regional economic changes.	✓		
To maintain and enhance the sound fiscal condition of the District.	✓		
To ensure that the value added by every program and activity within the District is proportional to its cost; and to eliminate those programs and activities that do not contribute to the District's mission.	✓		
To provide training opportunities to the greatest extent possible for available jobs within the organization for those employees working in programs or activities that have been reduced or eliminated.	✓		
To provide employees with cross-training opportunities in order to achieve multi-tasking capabilities.	✓		
<b>Operating Budget Policies</b>			
The District will adopt a balanced budget by June 30 of each year.	✓		
The budget will be used as a fiscal control device as well as a financial plan.	✓		
Budget preparation and monitoring will be performed by each division within the District, the organizational level of accountability and control.	✓		
The Director of Finance & Administrative Service will prepare a budget calendar no later than January of each year.	✓		
An annual operating budget will be developed by conservatively projecting revenues and expenditures for the current and forthcoming fiscal years.	✓		
During the annual budget development process, the existing programs will be thoroughly examined to assure removal or reduction of any services or programs that could be eliminated or reduced in cost.	✓		

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## 2010-11 & 2011-12 Budget

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<i>Fiscal Policy Statement</i>	<i>Completed</i>	<i>In Progress</i>	<i>Comments</i>
Current operating revenues will be sufficient to support current operating expenditures.	✓		
Annual budgets including reserves will provide for adequate design, construction, maintenance and replacement of District capital facilities and equipment.	✓		
The District will maintain all physical assets at a level adequate to protect the District's capital investment and to minimize future maintenance and replacement costs.	✓		
The District will project equipment replacement and maintenance needs for the next five years and will update this projection each year. From this projection a maintenance and replacement schedule will be developed and followed.	✓		
The District will avoid budgetary and accounting procedures that balance the current budget at the expense of future budgets.	✓		
The District will forecast its expenditures and revenues for each of the next five years and will update this forecast at least annually.	✓		
<b>Revenue Policies</b>			
Because revenues are sensitive to both local and regional economic conditions, revenue estimates adopted by the Board of Directors must be conservative.	✓		
Staff will estimate annual revenues by an objective, analytical process that utilizes trend, judgmental, and statistical analysis as appropriate.	✓		
Ad valorem property tax revenues of the District will be dedicated to debt service.	✓		
Sewer Service User Fees will be projected for each of the next ten years and this projection will be updated annually.	✓		
<b>Expenditure Policies</b>			
The District will maintain a level of expenditures that provides for the health, safety and welfare of the residents of the community.	✓		

# Fiscal Policy

<i>Fiscal Policy Statement</i>	<i>Completed</i>	<i>In Progress</i>	<i>Comments</i>
The District will set fees and user charges at a level that fully supports the total direct and indirect costs of operations, capital improvements, and debt service requirements not covered by reserves.	✓		
<b>Capital Improvement Budget Policies</b>			
The District will make all capital improvements in accordance with an adopted and funded capital improvement program. The adopted capital improvement program will be based on need.	✓		
The District will develop an annual five-year plan for capital improvements, including design, development, implementation, and operating and maintenance costs.	✓		Master Plan projects needs through 2050.
All capital improvement projects approved in the annual operating budget are approved at the budgeted amounts through the completion of the project. The Board of Directors approves both the individual project total budget and the projected cash outlays for all capital improvement projects for the current fiscal year.	✓		
Staff will identify the estimated costs, potential funding sources and project schedule for each capital project proposal before it is submitted to the Board of Directors for approval.	✓		
Staff will identify the estimated on-going future Operating and Maintenance costs, as well as staffing requirements upon completion for each capital project proposal before it is submitted to the Board of Directors for approval.		✓	Included in the Asset Management Plan II.
The District will use intergovernmental assistance and other outside resources whenever possible to fund capital improvements providing that these improvements are consistent with the Capital Improvement Plan and the District's priorities, and that the future operating and maintenance costs of these improvements have been included in the budget.	✓		
Staff will coordinate development of the capital improvement budget with the development of the operating budget. All operations and maintenance resources required to implement the CIP have been considered and appropriately reflected in the operating budget for the year the CIP is to be implemented.	✓		
Cost tracking for components of the capital improvement program will be updated quarterly to ensure project completion against budget and established time lines.	✓		



# 2010-11 & 2011-12 Budget

<i>Fiscal Policy Statement</i>	<i>Completed</i>	<i>In Progress</i>	<i>Comments</i>
<b>Asset Management Policy</b>			
<p>In order to provide for the systematic planning, acquisition, deployment, utilization control, and decommissioning of capital assets, the following policies have been established:</p>			<p>In 2002, the Board approved a Strategic Plan for development of a state-of-the-art Asset Management (AM) Program. In 2004, the Board approved advanced AM practices. In 2007, the Board directed a staff driven approach on all future initiatives of the AM program as opposed to continued reliance on outside consultants.</p>
<ul style="list-style-type: none"> <li>The condition, performance, utilization, and cost of assets will be recorded down to the maintenance managed item component level.</li> </ul>	✓		
<ul style="list-style-type: none"> <li>A detailed, planned maintenance program is in place to ensure that the assets, facilities and systems perform to their design criteria and meet their design lives.</li> </ul>		✓	
<ul style="list-style-type: none"> <li>A system is in place to blend planned and unplanned activity to optimize the cost against the asset performance requirements.</li> </ul>		✓	
<ul style="list-style-type: none"> <li>Reliability Centered Maintenance techniques will be used to optimize the maintenance plans and to identify any design alterations that are economically justified.</li> </ul>	✓		
<ul style="list-style-type: none"> <li>Current levels of asset management service in terms of quantity and quality of service including condition, function/size/type, regulatory requirements, reliability, and repair response times have been determined and documented.</li> </ul>		✓	
<ul style="list-style-type: none"> <li>The full economic cost is charged on all asset management activities.</li> </ul>	✓		
<ul style="list-style-type: none"> <li>Asset Management maintains appropriate pricing and funding strategies that match the needs of the business to ensure sustainability.</li> </ul>	✓		
<ul style="list-style-type: none"> <li>Asset Management considers the real growth of the District's service area and the way in which demands for service will change in the future, including population, unit demand, demographics, changing customer expectations, and changing regulatory requirements.</li> </ul>	✓		
<ul style="list-style-type: none"> <li>Monitoring and reporting is performed on the condition, performance and functionality of the District's assets against prescribed service levels and regulatory requirements.</li> </ul>		✓	
<ul style="list-style-type: none"> <li>A condition/function index is linked with customer expectations at a cost that customers are willing to pay.</li> </ul>		✓	

# Fiscal Policy

<i>Fiscal Policy Statement</i>	<i>Completed</i>	<i>In Progress</i>	<i>Comments</i>
• Future level of service options available and their associated costs are constantly analyzed.	✓		
• An assessment of the relative risks, costs and benefits is derived for all investments in capital works, maintenance, and operations.	✓		
• Individual asset management decisions are made only when the cost of all programs has been analyzed and the funding needs of the whole organization is known together with the knowledge of its impact on rates.	✓		
• Necessary renewal programs to sustain the existing levels of service and condition of assets, as identified through the best appropriate process, is approved ahead of new capital works and services.	✓		
• New capital assets for new works and services are approved only with the commitment of the recurrent (operations and maintenance) funding necessary to sustain the new works and services.	✓		
• The financial, social, and environmental aspects of asset management will be reported on bi-annually.	✓		

## Vehicle Replacement Policy

In order to provide safe, reliable transportation appropriate to the work to be performed, the following policies have been established:

• The newest vehicles will be used for those purposes requiring the highest annual mileage.	✓		
• Vehicles will be replaced when they are 10 years old or have accumulated 100,000 miles.	✓		
• A vehicle may be replaced in advance of the above criteria if it can be reallocated to a low mileage use between the plants.	✓		
• Electric carts are to be utilized for in-plant only uses.	✓		
• When available, CNG vehicles or bi-fuel vehicles are to be utilized within the County (pump station runs, Source Control inspections, etc).	✓		
• When available, CNG vehicles or bi-fuel vehicles are to be utilized to travel outside of Orange County (e.g., Environmental Compliance Monitoring of biosolids application sites, etc).	✓		

# 2010-11 & 2011-12 Budget

Fiscal Policy Statement	Completed	In Progress	Comments
<b>Short-Term Debt Policies</b>			
The District may use short-term debt to cover temporary or emergency cash flow shortages. All short-term borrowing will be subject to Board approval by resolution.	✓		
The District may utilize Board approved intra-agency loans rather than outside debt instruments to meet short-term cash needs. Intra-agency loans will be permitted only if an analysis of the affected Revenue Areas indicates funds are available and the use of these funds will not impact current operations. The principal, along with interest at the prevailing rate as established by the District's Treasurer, will be paid to the lending Revenue Area.	✓		
<b>Long-Term Debt Policies</b>			
Proceeds from long-term debt will <u>not</u> be used for current on-going operations.	✓		
Before any new debt is issued, the impact of debt service payments on total annual fixed costs will be analyzed.	✓		
Develop and maintain a board adopted debt policy.	✓		
<b>Accumulated Funds &amp; Reserve Policies</b>			
A cash flow reserve will be established to fund operations, maintenance, and certificates of participation expenses for the first half of the fiscal year, prior to the receipt of the first installment of the property tax allocation and the sewer service user fees which are collected as a separate line item on the property tax bill. The level of this reserve will be established as the sum of an amount equal to six months operations and maintenance expenses and the total of the annual debt (COP) service payments due in August each year.	✓		
An operating contingency reserve will be established to provide for non-recurring expenditures that were not anticipated when the annual budget and sewer service fees were considered and adopted. The level of this reserve will be established at an amount equal to ten percent of the annual operating budget.	✓		

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# Fiscal Policy

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<i>Fiscal Policy Statement</i>	<i>Completed</i>	<i>In Progress</i>	<i>Comments</i>
<p>A capital improvement reserve will be maintained to fund annual increments of the capital improvement program. The long-term target is for one half of the capital improvement program to be funded from borrowing and for one half to be funded from current revenues and reserves. With this program in mind, the target level of this reserve has been established at one half of the average annual capital improvement program through the year 2020. Levels higher and lower than the target can be expected while the long-term financing and capital improvement programs are being finalized.</p>	✓		
<p>A renewal/replacement reserve will be maintained to fund the District's renewal, rehabilitation and replacement requirement costs associated with the District's existing capital plant and collection system over the next twenty years. The reserve was initially set at \$50 million in 1998-99 and is annually augmented by interest earnings and a small portion of the annual sewer user fees in order to meet projected needs through the year 2030.</p>	✓		
<p>Catastrophic loss, or self-insurance, reserves will be maintained for property damage including fire, flood, and earthquake; for general liability; and for workers' compensation. These reserves are intended to work with purchased insurance policies, FEMA disaster reimbursements, and State disaster reimbursements. Based on the current infrastructure value of \$1.3 billion, the reserve level has been set to fund the District's non-reimbursed costs, estimated to be \$57 million.</p>	✓		
<b>Investment Policies</b>			
<p>The District's Treasurer will annually submit an investment policy to the Board of Directors for review and adoption.</p>	✓		
<p>The investment policy will emphasize safety and liquidity before yield.</p>	✓		
<b>Accounting, Auditing, and Financial Reporting</b>			
<p>The District's accounting and financial reporting systems will be maintained in conformance with generally accepted accounting principles and standards promulgated by the Governmental Accounting Standards Board.</p>	✓		

# 2010-11 & 2011-12 Budget

<i>Fiscal Policy Statement</i>	<i>Completed</i>	<i>In Progress</i>	<i>Comments</i>
A capital asset system will be maintained to identify all District assets, their condition, historical cost, replacement value, and useful life.	✓		
Quarterly financial reports will be submitted to the Board of Directors and will be made available to the public.	✓		
Full disclosure will be provided in the general financial statements and bond representations.	✓		
The District will maintain a good credit rating in the financial community.	✓		The District's AAA rating was reaffirmed with the 2010A Wastewater Revenue Obligations Series debt issuance.
An annual audit will be performed by an independent public accounting firm with the subsequent issue of an official Comprehensive Annual Financial Report, including an audit opinion and a management letter.	✓		

# GFOA Best Practices and Advisories

<i>GFOA Recommended Practice</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
<b><u>Accounting, Auditing, and Financial Reporting Recommended Practices</u></b>				
Governmental Accounting, Auditing, and Financial Reporting Practice	✓			
Prepare Popular Reports		✓		Not being considered at this time due to other communication efforts.
Audit Procurement	✓			
Use the Comprehensive Annual Financial Report to Meet SEC Requirements for Periodic Disclosure	✓			
Establish Appropriate Capitalization Thresholds for Tangible Capital Assets	✓			
Internal Audit Function Established	✓			Administrative Committee directs Internal Audits
Audit Committees	✓			Administrative Committee serves as an audit committee.
The Need for Periodic Inventories of Capitalized Tangible Assets			✓	
Application of Full-Cost Accounting to Municipal Solid Waste Management Activities		✓		OCSD does not provide solid waste services.
Present Securities Lending Transactions in Financial Statements		✓		OCSD does not have Securities Lending Activities
Technology Disaster Recovery Planning			✓	Managed by Information Technology Division
Present Budget to Actual Comparisons Within the Basic Financial Statements		✓		Not required for audited financial statement reports of Enterprise Funds. Budget/actual comparisons are included within unaudited quarterly financial reports.
Use Websites to Improve Access to Budget Documents and Financial Reports	✓			
Use of Trend Data and Comparative Data for Financial Analysis	✓			
Appropriate Level of Unrestricted Fund Balance in the General Fund	✓			OCSD only has Proprietary Fund Types - established a formal policy on the level of unrestricted net assets
Document Accounting Policies and Procedures	✓			

# 2010-11 & 2011-12 Budget

<i>GFOA Recommended Practice</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
Establish the Estimated Useful Lives of Capital Assets	✓			
Improve the Effectiveness of Fund Accounting	✓			
Enhance Management Involvement with Internal Control	✓			
Including Management's Discussion and Analysis in Departmental Reports	✓			
Auditor Association with Financial Statements Included in Offering Statements or Posted on Websites	✓			
Ensuring Control over Noncapitalized Items	✓			
Considerations on Using the Modified Approach to Account for Infrastructure Assets		✓		OCSD depreciates all capital assets; OCSD has no governmental fund types
Mitigating the negative effects of Statement on Auditing Standards No.112	✓			
Encouraging and facilitating the reporting of fraud and questionable accounting and auditing practices	✓			
Ensuring adequate documentation of costs to support claims for disaster recovery assistance			✓	
Improving the timeliness of financial reports	✓			
Web Site Presentation of Official Financial Documents	✓			Managed by Information Technology Division
<b><u>Treasury and Investment Management Recommended Practices</u></b>				
Collateralization of Public Deposits	✓			
Government Relationships with Securities Dealers	✓			
Using Mutual Funds for Cash Management Purposes	✓			
Debt Service Payment Settlement Procedures	✓			

# GFOA Best Practices and Advisories

<i>GFOA Recommended Practice</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
Use of Derivatives and Structured Investment by State and Local Governments for Non-Pension Fund Investment Portfolios		✓		Investment Policy does not allow Derivative Investments
Use of Derivatives and Structured Investment by State and Local Governments for Cash Operating and Reverse Portfolios		✓		Investment Policy does not allow Derivative Investments
Security Lending Programs for Non-Pension Fund Portfolios	✓			
Diversification of Investments in a Portfolio	✓			
Managing Market Risk in Investment Portfolios	✓			Managed by PIMCO
Electronic Payment Systems	✓			
Procurement of Banking Services	✓			
Purchasing Card Programs	✓			
Acceptance of Payment Cards and Selection of Payment Card Service Providers		✓		OCSD does not have sufficient transactions to offer the use of credit or other payment cards
Frequency of Purchased Securities Valuation in Repurchase Agreements	✓			
Selection of Investment Advisors for Non-Pension Fund Investment Portfolios	✓			
Mark-to-Market Reporting Practices	✓			
Repurchase Agreements and Reverse Repurchase Agreements	✓			
Use of Lockbox Services		✓		OCSD does not have sufficient cash related transactions to use Lockbox services. The majority of revenues are collected on the property tax roll.
Commercial Paper	✓			
Use of Cash Flow Forecasts in Operations	✓			
Bank Account Fraud Prevention			✓	Annual review of procedures by external auditors during financial interim audit.
Use of Local Government Investment Pools	✓			



# 2010-11 & 2011-12 Budget

<i>GFOA Recommended Practice</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
Revenue Control and Management Policy	✓			
Payment Consolidation Services		✓		
Using Electronic Signatures			✓	
Using Remote Deposit Capture	✓			
<b><u>Budgeting and Fiscal Policy Recommended Practices</u></b>				
Economic Development Incentives	✓			
Use of Performance Measurement for Decision Making	✓			
Providing a Concise Summary of the Budget	✓			
Establishing of Government Charges and Fees	✓			
Recommended Budget Practices of the National Advisory Council on State and Local Budgeting (NACSLB)	✓			
Financial Forecasting in the Budget Preparation Process	✓			
Relationships Between Budgetary and Financial Statement Information	✓			
Use of Financial Status in the Budgeting Process	✓			
Adoption of Financial Policies	✓			
Appropriate Level of Unreserved Fund Balance in the General Fund	✓			OCSD only has Proprietary Fund Types - established a formal policy on the level of unrestricted net assets
Include Sustainability in Public Finance Practices	✓			
Establish Strategic Plans	✓			
Measuring the Cost of Government Services	✓			
Using Websites to Improve Access to Budget Documents and Financial Reports	✓			
Business Preparedness and Continuity Guidelines	✓			

# GFOA Best Practices and Advisories

<i>GFOA Recommended Practice</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
Statistical/Supplemental Section of the Budget Document	✓			
Budgeting for Results and Outcomes	✓			
Present Capital Budget in Operating Budget Document	✓			
Alternative Service Delivery: Shared Services	✓			
Long-Term Financial Planning	✓			
Comprehensive Risk Management Program	✓			
Public Participation in Planning, Budgeting, and Performance Management			✓	
Inflationary Indices in Budgeting	✓			
Managing the Salary and Wage Budgeting Process	✓			
Managed Competition as a Service Delivery Option			✓	
<b><u>Debt Management Recommended Practices</u></b>				
Select and Manage the Method of Sale of State and Local Government Bonds	✓			
Analyze an Advance Refunding	✓			
Debt Management Policy	✓			Board approved Debt Policy completed in 2001-02.
Investment of Bond Proceeds	✓			Included in Trustee Documents
Use of Debt-Related Derivatives Products and Development of Derivatives Policy			✓	No Derivative Products
Maintain an Investor Relations Program	✓			
Payment of the Expense Component of Underwriters' Discount	✓			
Issuer's role in Secondary Market Securitization of Tax-Exempt Obligations	✓			Meet qualifications of arbitrage

# 2010-11 & 2011-12 Budget

<i>GFOA Recommended Practice</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
Evaluate the Use of Pension Obligation Bonds		✓		OCSD does not manage pension fund
Evaluating the Sale and Securitization of Property Tax Liens		✓		
Use Variable Rate Debt Instruments	✓			
Issuer's Role in Selection of Underwriter's Counsel	✓			
Issuing Taxable Debt by U.S. State and Local Governments	✓			OCSD does not plan to issue taxable debt outside of the Build America Bonds program
Select Bond Counsel	✓			
Price Bonds in a Negotiated Sale	✓			
Underwriter Disclaimers in Official Statements	✓			
Use a Web Site for Disclosure	✓			
Tax Increment Financing as a Fiscal Tool		✓		
Caution in Regard to OPEB Bonds		✓		Pay-As-You-Go funding, no plan on issuing bond
Public-Private Partnerships for Economic Development		✓		
Role of the Finance Officer in Privatization		✓		
Selecting Financial Advisors	✓			
Selecting Underwriters for Negotiated Bond Sales	✓			
Understanding Your Continuing Disclosure Responsibilities	✓			
Issuing Build America Bonds	✓			
<b><u>Retirement and Benefits Administration Recommended Practices</u></b>				
Public Employee Retirement System Investments		✓		Managed by OCERS
Preparing an Effective Summary Plan Description		✓		Managed by OCERS
Retirement and Financial Planning Services		✓		Managed by OCERS

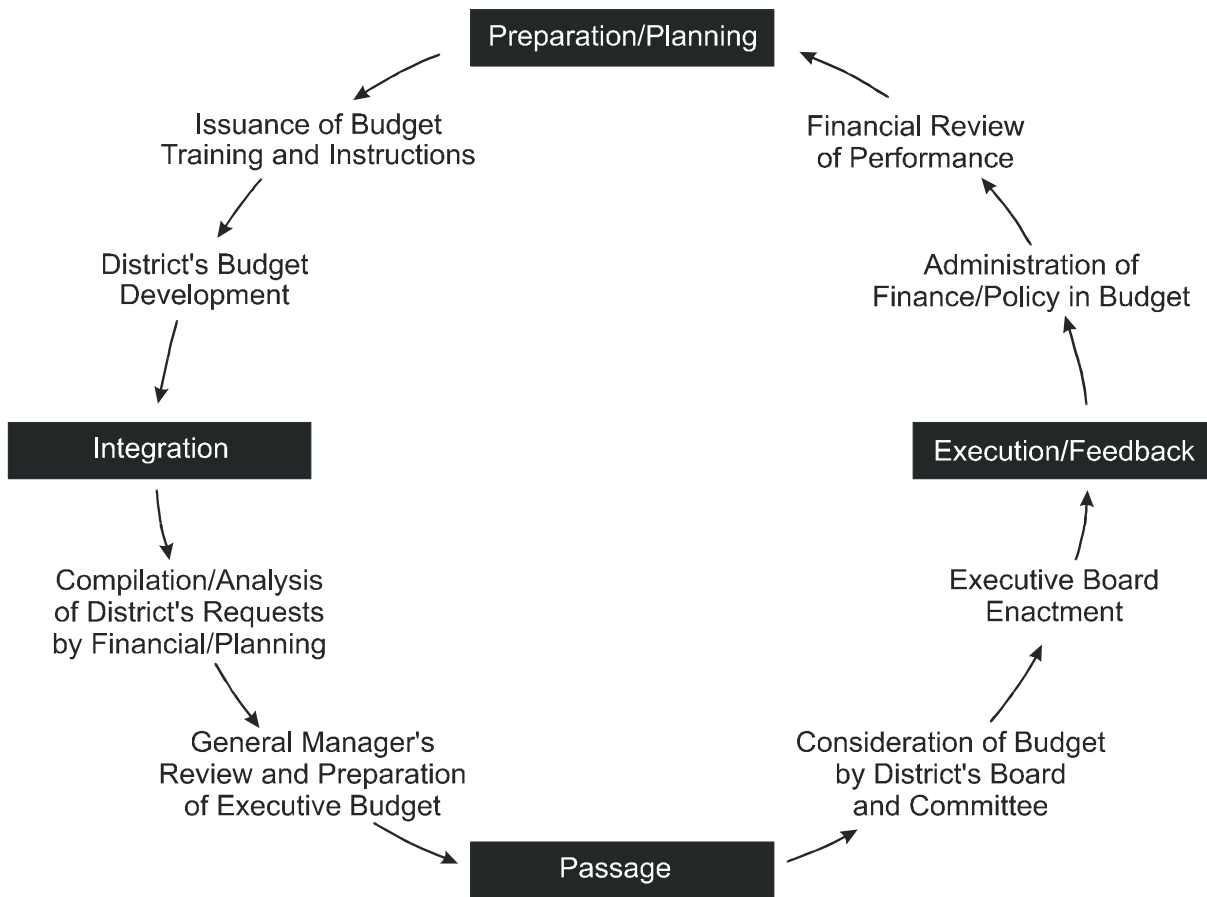
# GFOA Best Practices and Advisories

<i>GFOA Recommended Practice</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
Directed Brokerage Programs		✓		OCERS manages all "soft dollar" transactions
A Policy for Retirement Plan Design Option	✓			
Asset Allocation – Guidance for Defined Benefit Plans		✓		Managed by OCERS
Asset Allocation - Guidance for Defined Contribution Plans		✓		OCERS is a defined benefit plan.
Alternative Investment Policy for Public Employee Retirement Systems (PERS)		✓		Managed by OCERS
Pension Investment Policy		✓		Managed by OCERS
Selection of Investment Advisors for Pension Fund Assets		✓		Managed by OCERS
Brokerage Window Options for Defined Contribution Retirement Plans		✓		Managed by OCERS
Framework for Understanding Pension Fund Risk		✓		Managed by OCERS
Investment Policies Governing Assets in a Deferred Compensation Plan			✓	Managed by the plan sponsors
Health Care Cost Containment	✓			
Evaluating Use of Early Retirement Incentives	✓			
Deferred Retirement Option Plans (DROPs)		✓		
A Policy to Participate in Securities Litigation Class Actions		✓		Managed by OCERS
Ensuring the Sustainability of Other Postemployment Benefits	✓			Pay-As-You-Go funding
Design Elements of Defined Benefit Retirement Plans		✓		Managed by OCERS
Design Elements of Defined Contribution Plans as the Primary Retirement Plan		✓		
Design Elements of Hybrid Retirement Plans		✓		
Monitoring and Disclosure of Fees for Defined Contribution Plans		✓		

# 2010-11 & 2011-12 Budget

<i>GFOA Recommended Practice</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
Prefunding OPEB Obligation		✓		Pay-As-You-Go funding
Communicating Health-Care Benefits to Employees and Retirees	✓			
Participant Education-Guidance for Defined Contribution Plans		✓		
Strategic Health-Care Plan Design			✓	
Governance of Public Employee Retirement System		✓		Managed by OCERS
Sustainable Funding Practices of Defined Benefit Pension Plans	✓			
<b><i>Economic Development and Capital Planning</i></b>				
Multi-Year Capital Planning	✓			
The Role of the Finance Officer in Economic Development	✓			
Capital Project Monitoring and Reporting	✓			
Capital Asset Assessment, Maintenance, and Replacement Policy			✓	Will develop a complete inventory of all capital assets
The Role of Master Plans in Capital Improvement Planning	✓			
Analyzing the Cost of Economic Development Projects		✓		
Building Resiliency into Capital Planning			✓	
Incorporating a Capital Project Budget in the Budget Process	✓			
Developing an Economic Development Incentive Policy		✓		No Incentive Policy established
Monitoring Economic Development Performance		✓		
Balancing the Costs and Benefits of Economic Development Projects	✓			
Incorporating Environmentally Responsible Practices in the Capital Improvement Program	✓			

# Overview of the Budget Process



## Budget Process:

Four years ago, the District prepared its first complete budget document covering two years instead of one. The next year a smaller budget update document was prepared to summarize revisions to the second year of the previously adopted two-year budget period. This two-year cycle approach to budget preparation is expected to continue for the indefinite future.

This change has not caused any modification to the previously established stages of the annual budget process except with regard to the level of detail which is provided. The timing of all stages of the budget process remains consistent from year to year. In the second year of a two-year cycle, however, the focus is on any changes that need to be made to the upcoming year's budget relative to what was previously submitted, reviewed, and approved for that budget during the prior year.

The District's annual budget preparation process begins in January of each year and concludes in June upon its adoption. However, the entire budget process extends beyond one year and overlaps with

the preceding budget and the subsequent budget. As shown in the chart above, the budget process consists of four major parts. These parts occur at various stages throughout the year as follows:

- Preparation/Planning - takes place from January through March.
- Integration - runs from March through May.
- Passage - adoption of the budget usually occurs in June of each year.
- Execution - starts from the first day of the budget year, July 1, through the entire budget year and beyond into November with the presentation of the annual audit report.

## Team Approach

As identified by one of the fiscal policies, the budget preparation process originates at the division level, the organizational level of accountability and control. Budget coordinators are established to represent each operating division. A comprehensive budget manual is prepared and used as the training manual during a training session with the budget coordinators.

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# 2010-11 & 2011-12 Budget

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After the initial divisional budgets are prepared, budget review sessions are scheduled for each division with the General Manager. It is during these sessions that all proposed staffing levels, programs, and line item expenses are justified. Next senior management representatives from each department analyze opportunities for consolidating programs and eliminating unnecessary requests. Guidance is also sought and utilized from District's committees on various issues that affect budget development.

## ***The Process***

The budget preparation process begins in January with the distribution of the budget manual, budget preparation training, and issuance of personnel budget and justification forms, and equipment budget forms to all of the Divisions.

In March, the Administrative Services Department develops divisional level budgets based on the request forms received from the various divisions. These divisional budgets are then reviewed in mid-March by the General Manager along with the Department and Divisional managers for each program request and for new, additional, or reduced services, positions, and capital outlay.

The Capital Improvement Program requests are prepared from October through March and are reviewed by Engineering and Department and Divisional managers prior to being submitted to the General Manager for review and evaluation as part of the budget process.

In determining recommended allocation levels, the General Manager takes into consideration the projected amount of available resources, direction provided by the Directors, the District's fiscal policies, and how to best provide the most cost-effective and efficient service levels to the public. After a final review of the operating budgets by the General Manager, the proposed annual budgets are finalized in late May and then distributed to the Directors for consideration.

The General Manager presents the proposed budget to the various Directors' Committees for deliberations throughout the month of June. The proposed budget is scheduled for adoption, along with any revisions by the Board, at the Board of Directors meeting in June.

## ***Level of Control and Amendments to the Budget***

Budgetary control, the level at which expenses cannot legally exceed the appropriated amount, is

exercised at the individual Department level. Administrative policies provide guidelines on budget transfers and the authorization necessary to implement transfers. Generally, there are two types of budget transfers:

### **1. Budget Adjustment**

This is a transfer which does not change the total appropriated amount and does not require Board action. Depending on the budget category affected by the transfer, approval may be granted at the General Manager or Department Head level as follows:

Department Heads have discretion to reapportion funds between certain line items within a division but may not exceed total appropriated amounts for each department. They also may transfer staff across divisional lines within their department. The General Manager and Board of Directors must approve additional capital outlay items. Funds appropriated for salaries and benefits may not be expended for any other purpose unless approved by the Board. The General Manager may transfer operating funds within and between divisions and departments. The General Manager may also transfer staff positions between departments.

### **2. Budget Amendment:**

This is an adjustment to the total appropriated amount, which was not included in the original budget. These supplemental appropriations require formal action by the Board of Directors. Types of modifications can be categorized as follows:

Prior year reserves or fund balances may be appropriated to fund items not previously included in the adopted budget.

Reserves/fund balances exceeding minimum amounts required by fiscal policy may be appropriated if it is determined to be in the best interest of the District. Directors may also appropriate reserves in case of emergencies or unusual circumstances.

Transfers between Revenue Areas require formal action by the Board of Directors.

Unexpended appropriations automatically lapse at the end of the fiscal year and are included in the ending equity balances.

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# Budget Assumptions

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## 2010-11 & 2011-12 Proposed Budget Assumptions

### *Economic Assumptions*

- Inflation for Orange County in FY 2010-11 is projected to be 1.7 percent based on the 2010 projected percentage change in consumer price index obtained from the December 2009 Economic and Business Review report prepared by Chapman University. A 1.7 percent inflation factor will also be used for FY 2011-12.

### *Revenue Assumptions*

- Years 3 and 4 of the five-year Proposed Sewer Service Fee Rate Schedule have been ratified by the Board.
- For FY 2010-11 and FY 2011-12 the district-wide rate for a single-family residence (SFR) will increase 10.4 percent and 9.4 percent to \$244.00 and \$267.00, respectively.
- These rate increases will not exceed the maximum amount possible for either year of the five-year schedule that was included in the last public notification. Note that each \$1 increase in rates generates approximately \$900,000 in annual revenue.
- The capital facilities capacity charge (CFCC) fee captures only those infrastructure costs that relate to additional capacity. Other infrastructure costs such as improved treatment, rehabilitation, refurbishment, and replacement, will be supported through user fees.

As a result of the new Facilities Master Plan that was adopted in December 2009, a new rate study was completed to ensure that the CFCC fee methodology remains equitable and to confirm that an appropriate share of system costs would be recovered from new development. A new CFCC rate ordinance was approved by the Board of Directors in May 2010 as a result of this rate study. The new CFCC rate ordinance provides for a

decrease of approximately 35 percent to residential developments and a 13 percent increase to non-residential developments from the prior ordinance.

Revenues will be budgeted to reflect a decline in Equivalent Dwelling Unit (EDU) connections that have averaged 4,000 EDU's over the past ten years.

- Permit user rates for flow, BOD, and SS will follow the most recent rate study.
- Annexation fees capture both the net current assets and the equivalent property tax allocations totaling \$4,235 per acre.
- Annexable property in the District's service area sphere is minimal; consequently, no FY 2010-11 nor FY 2011-12 income from annexation fees is anticipated.
- Property tax revenues are proposed to remain unchanged from FY 2009-10 in FY 2010-11 and FY 2011-12.

A 2 percent annual increase in Assessed Value is authorized by the state constitution and is included in the proposal noted above. An offsetting decrease is incorporated, however, due to anticipated reductions in Assessed Value to reflect recent market trends.

- Earnings on the investment of the District's operating cash and reserves will be budgeted at 2.0 percent of the average cash and investment balance projected for each fiscal year. Staff has consulted with the District's money manager PIMCO to get estimates for the next year's rate of return on investments.
- A \$157 million COP debt issuance is scheduled for FY 2010-11 in order to assist in the funding of the \$180 million CIP outlay scheduled for FY 2010-11.



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## 2010-11 & 2011-12 Budget

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- A \$50 million COP debt issuance is scheduled for FY 2011-12 in order to assist in the funding of the \$120 million CIP outlay scheduled for FY 2011-12.

### *Operating Assumptions*

- Dry weather urban run off up to 4 mgd will continue to be treated at no charge. Above this threshold, there is a charge per mgd up to a maximum of 10 mgd permitted.
- Secondary treatment facilities will be operated and maintained in accordance with the Levels of Service and the Operational Plan – January 2009 Update.
- Interim short-term disinfection facilities will continue to be operated and maintained with decreased costs at P2 due to new trickling filters coming on-line.
- Operating expenses are expected to increase as a result of increases in authorized personnel, personnel salaries, electricity, natural gas, chemicals, and biosolids management. Additional power and chemical costs are also anticipated due to the new headworks and trickling filters at P2 coming on-line.
- Average daily flow for FY 2010-11 and FY 2011-12 is projected to be 210 mgd and 214 mgd respectively. This projection reflects an expected increase of 2 percent per year based on increased economic activity and the potential for moderate rainfall. The FY 2010-11 estimate is 5 mgd above the actual for the first 5 months of the current year. The final actual flow for FY 2008-09 was 211 mgd.
- The total cost to collect, treat, and dispose of 1 million gallons of wastewater is estimated to increase from the FY 2009-10 budget of \$1,838.16 per million gallons, due to an increase in costs and the decrease in estimated flows.

### *Employee/Staffing Assumptions*

- Staffing level is expected to remain flat.
- A 3 percent vacancy factor on authorized positions will be budgeted for FY 2010-11 and FY 2011-12 (a reduction from the actual 5 percent vacancy factor in FY 2008-09). This vacancy factor accounts for time spent for recruitment and turnover.
- The MOU for the Supervisor and Professional (SPMT) group expires June 30, 2010 and is being negotiated at this time. The MOUs for both OCEA and Local 501 will expire June 30, 2011. Salary adjustments based on the current MOUs for OCEA and Local 501 include a range adjustment of 4 percent as of the first pay period beginning in July of FY 2010-11. Additionally, employees within the OCEA and Local 501 bargaining units not already at the top step will be budgeted to receive a 5.0 percent step (merit) increase in FY 2010-11.
- Pending the completion of the negotiation process, no salary adjustments will be included in the budget (neither for COLA nor for step increases) for periods beyond expiration of current MOUs.
- OCERS will be budgeted to be 24.2 percent and 25.1 percent of eligible salaries for FY 2010-11 and 2011-12 respectively. In addition, the District pays 3.5 percent of employees' required contribution.
- Medical and dental insurances will be budgeted to increase 12 percent and 5.5 percent each year respectively based on insurance industry trends. Vision, life, and disability insurances are under rate guarantees for FY 2010-11 to remain constant so these will be budgeted with no change for this year. A moderate but unknown increase will be included for FY 2011-12.

# Budget Assumptions

*Materials, Supplies, & Services Assumptions*

- The proposed operating budget will continue to reflect an emphasis on safety, technical, and management training. The proposed FY 2010-11 and FY 2011-12 budgets will include a budget for training that is equal to one and one half percent of regular salaries and wages.
- An amount equal to approximately half of one percent of the operating materials and supplies budget will be a contingency for prior year re-appropriations. Since the current year's budget lapses on June 30, a contingency is needed in the succeeding budget year for goods or services ordered at the end of one budget year but not delivered until the following year.
- An amount equal to approximately half of one percent of the operating materials and supplies budget will be the General Manager's contingency budget. These funds will be allocated to appropriate line items during the year after requests and justifications for unanticipated needs are approved by the General Manager.
- Resource needs for strategic initiatives will be included in each fiscal year's budget.

*Capital Improvement Program Assumptions*

- The FY 2010-11 and 2011-12 treatment plant and collection system capital improvement program budgets are the amounts based on the current validated Capital Improvement Program (CIP).
- The 2010-11 CIP cashflow budget includes 108 projects in the following categories:

	<u>Total (in millions)</u>
Planning	\$ 47.3
Design	106.7
Construction	24.1
Capital Equipment	<u>1.5</u>
<b>Total</b>	<b><u>\$179.6</u></b>

- The District's 5-year Strategic Plan Update, as validated in preparation for the FY 2010-11 budget process, is the basis for the FY 2010-11 and 2011-12 CIP cashflow budget. The FY 2010-11 and 2011-12 CIP budgets will increase only for critical projects that were not previously identified in the Strategic Plan Update.
- The FY 2010-11 CIP budget will not exceed \$179.6 million. The FY 2011-12 CIP budget will not exceed \$119.9 million.

*Debt Financing*

- The District will issue new debt as Certificates of Participation for the Capital Improvement Program as needed to fund the CIP and to maintain reserves. Debt financing issuance of \$110 and \$60 million is projected for FY 2010-11 and 2011-12 respectively to assist in the funding of the CIP outlay scheduled for the year.
- Debt will only be used for CIP, not for operating expenses.
- Capital financing plans which include fewer borrowings and higher user fees after FY 2011-12 will be considered.
- Borrowing is proposed only for facilities which do not add capacity and that are funded by all users for replacement, rehabilitation, and improved treatment.

*Reserve Assumptions*

- The current reserve policy was reviewed by Public Resources Advisory Group (PRAG) and the Board during FY 2003-04. No changes were proposed and direction was given to continue to maintain reserve levels at a level that is adequate to offset exposure to variable rate COPs due to interest rate increases. The reserve policy is presented in the Fiscal Policy which is located in the budget book at the beginning of Section 3.

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## 2010-11 & 2011-12 Budget

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- Reserves must be no less than 95 percent of the policy during the five-year planning period. The year-end reserve balances are expected to be within the Board's policy level for the five-year period of FY 2010-11 through FY 2014-15.

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# Accounting Systems & Budgetary Control

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## **Accounting System and Budgetary Control**

### **Fund Accounting & Proprietary Funds**

The accounts of the District are organized within one Enterprise Fund, a Proprietary Fund Type. The District's Enterprise Fund is comprised of two Revenue Areas which are identified as Revenue Area 14 and the Consolidated Revenue Area (Revenue Area 15). Each Revenue Area includes a share of capital outlay activities, self-insurance activities, debt service activities, and operating activities. These activities are allocated to each Revenue Area based on sewage flows, location, or level of participation in specific programs.

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are financed or recovered through user charges.

### **Basis of Accounting**

Basis of accounting refers to the point at which revenues and expenses are recognized in the accounts and reported in the financial statements. Enterprise funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. In an enterprise fund, revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows.

### **Budgetary Basis of Accounting**

The operating budget for the Enterprise Fund is adopted on a basis consistent with generally accepted accounting principles. Except as noted in the following paragraph, the basis of accounting and the budgetary basis of accounting are the same. Budgeted amounts are as originally adopted and as further amended by Board action of the District.

Although the District does budget for capital improvement projects, the related capital outlays are recorded as increases in Property, Plant, and Equipment on the balance sheet of the Enterprise Fund. Similarly, the District budgets for the retirement of debt. However, the principal payments on debt are recorded as reductions in the current

portion of long-term debt on the balance sheet of the Enterprise Fund.

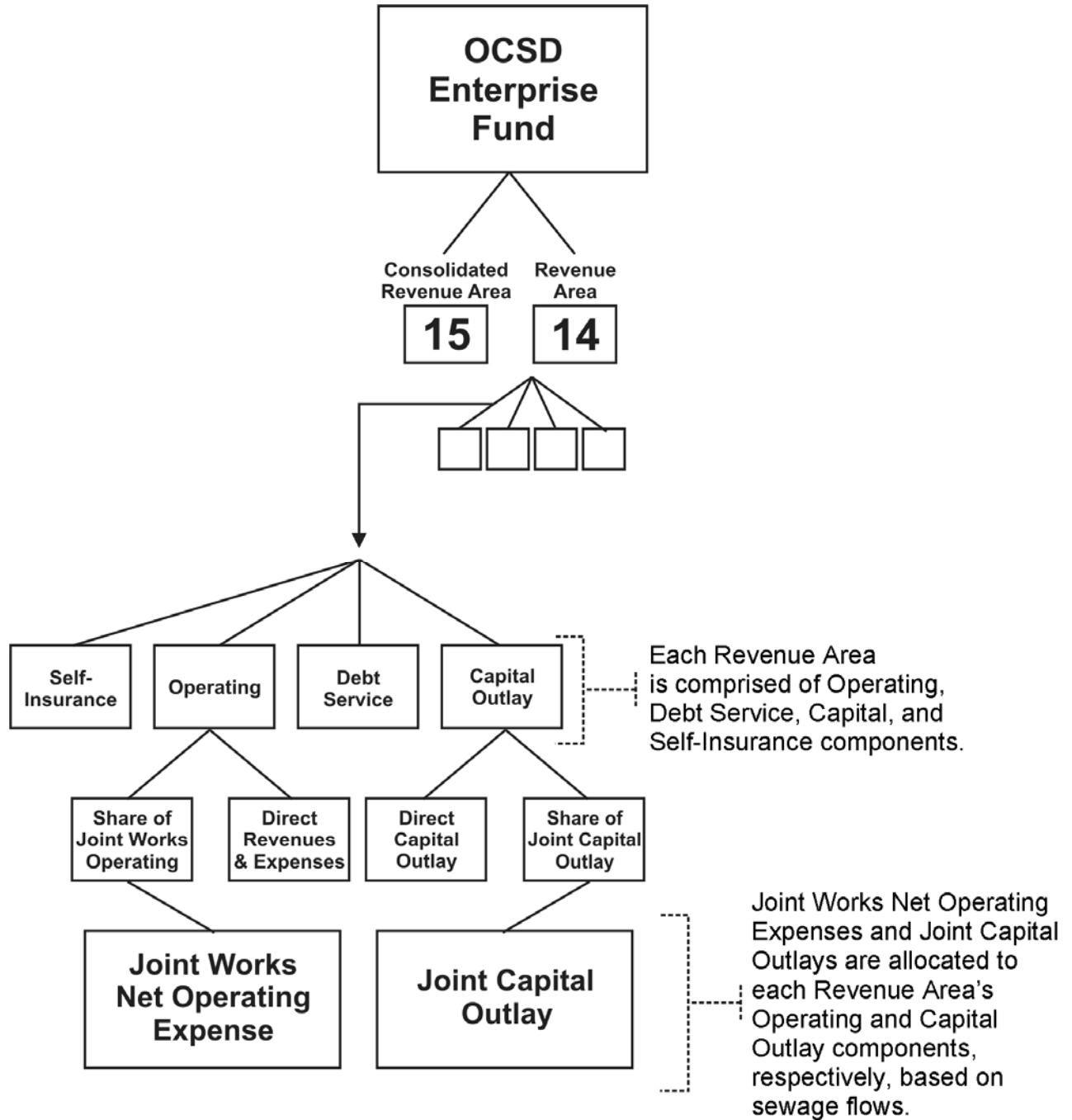
### **Internal Controls**

The District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

### **Budgetary Control**

Budgetary controls are maintained to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Directors. The budgetary level of control, the level at which operating expenses cannot legally exceed the appropriated amount, is exercised at the department level.

# 2010-11 & 2011-12 Budget



# Revenue Sources

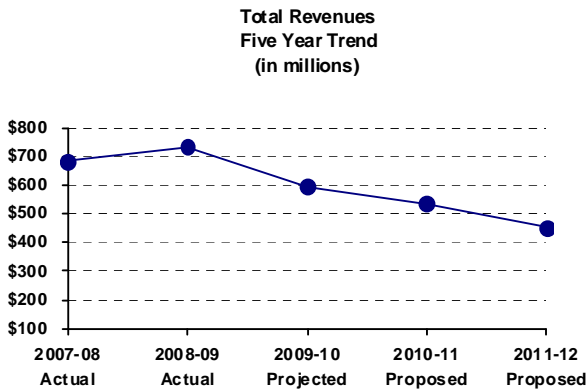
## Revenue Sources

The District has a variety of revenue sources available for operating and capital expenses. The major revenue sources are as follows:

- Property Taxes
- Capital Facilities Capacity Charges
- User Fees
- Industrial Waste Permit User Fees
- Interest Earnings
- Debt Proceeds

These sources have generally accounted for more than 90 percent of the total revenue to the District.

The following graph summarizes revenues from all sources for the District as a whole over the past two fiscal years, the current year, and through the following two proposed budget years:



Total revenues increased from \$686.1 million in FY 2007-08 to \$733.3 million in FY 2008-09, or \$47.2 million. This increase was due mostly to the net increase of \$29.7 million in the issuance of certificates of participation (COP) debt issuance in the FY 2008-09 over the amount issued in FY 2007-08, and to the \$22.0 million generated from the \$19.00 increase in the annual single family residential user fee, the underlying basis used in calculating all user fees. Total projected revenues for FY 2009-10 are expected to decline to \$594.7 million, or \$138.6 million, from FY 2008-09 due to the decline in new debt issuances of \$162.7 million that is partially offset by the \$19.8 million expected to be generated from the increase of \$20.00 in the annual single family residence user fee.

In FY 2010-11, revenues are being proposed at \$535.6 million, a decrease of \$59.1 million, or 9.9 percent over the prior year. This decrease is

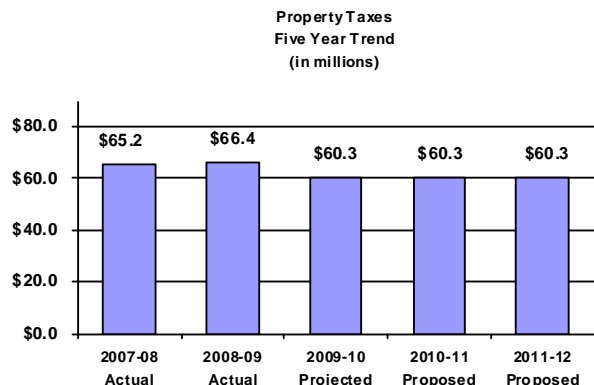
primarily attributable to a reduction in new debt issuances from \$245.9 million debt issuances in FY 2009-10 to a proposed debt issuance in FY 2010-11 of \$157 million. This decrease in overall revenues is being partially being offset by the \$24.7 million that is expected to be generated from the flat 10.4 percent increase in all user fees.

In FY 2011-12, revenues are being proposed at \$451.9 million, a decrease of \$83.7 million, or 15.6 percent over the prior year. This decrease is primarily attributable to the \$107 million reduction in new debt financings proposed in FY 2011-12 totaling \$50 million as opposed to the total of \$157 million proposed for FY 2010-11. This decrease in debt financings is partially offset by the \$25.6 million proposed increase in user fees of 9.4 percent.

The new money debt financings of \$157 million in FY 2010-11 and \$50 million in FY 2011-12 are necessary to assist in funding of the current \$1.4 billion ten-year capital improvement program.

## Property Taxes

The County is permitted by State law (Proposition 13) to levy taxes at 1 percent of full market value (at time of purchase) and can increase the assessed value no more than two percent per year. The District receives a share of this basic levy proportionate to what was received in the 1976 to 1978 period less \$3.5 million, the amount that represents the State's permanent annual diversion from special districts to school districts that began in 1992-93. The District's share of the one percent ad valorem property tax levy is dedicated for the payment of COP debt service. The apportionment of the ad valorem tax is pursuant to the Revenue Program adopted in April 1979 to comply with regulations of the Environmental Protection Agency, the State Water Resources Control Board, and in accordance with COP documents and Board policy.



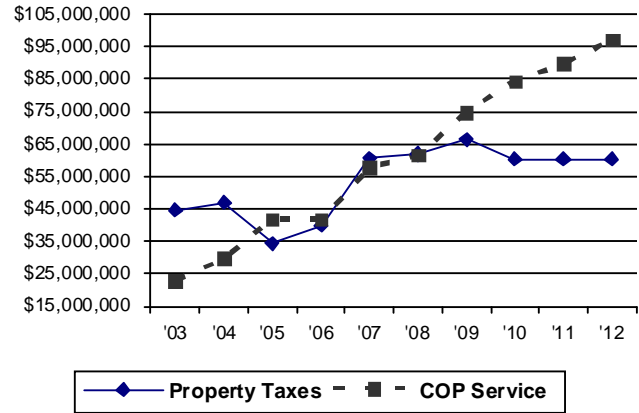
# 2010-11 & 2011-12 Budget

As shown in the graph above, property tax revenues decreased from a high in FY 2008-09 of \$66.4 million to a projected \$60.3 million in FY 2009-10, primarily due to the economic decline and the collapse in the housing and commercial property markets beginning in 2008. Property tax revenues are now being projected to remain flat through FY 2011-12.

As a result of the State's budget crisis in 2009, the Governor declared a fiscal necessity that was approved by the legislature to suspend Proposition 1A that would allow the state to borrow 8 percent of the amount of property tax revenue apportioned to cities, counties, and special districts. Under the provisions of Proposition 1A, the state is required to repay these obligations plus interest by June 30, 2013. Proposition 1A was passed by California voters in 2004 to ensure local property tax and sales tax revenues would remain with local government thereby safeguarding funding for public safety, health, libraries, parks, and other local services. The amount borrowed by the state from the District totaled \$5.1 million. In October 2009, the Board of Directors approved the District's participation within the Proposition 1A Securitization Program. This program, managed through the California Statewide Communities Development Authority (CSCDA), provided all local government program participants 100 percent of its reduced property tax allocations as a result of the passage of the FY 2009-2010 state budget that reduced local government property tax revenues by 8 percent. The source of the funding was through the issuance of tax exempt bonds by the CSCDA. Local participating agencies have no ongoing obligations with repayment of the bonds. The State's obligation to repay the 8 percent property tax borrowing is the only security pledge for the repayment of the bonds. The funding of these reduced property tax revenues came to the local government participants in two equal installments, in January and May of 2010, at which time the District was made whole by the total combined receipt of \$5.1 million on these two payment dates.

Historically the District's property tax revenues were at a level where they could support the District's debt service obligations. However, future capital improvement requirements averaging \$200.0 million a year over the last ten years have required new COP debt issuances that have increased future debt service payments above the ability to be funded solely from property tax revenues.

**COP Funding Requirements vs. Property Tax Funding Source**



### User Fees

User fees are ongoing fees for service paid by customers connected to the sewer system. A property owner, or user, does not pay user fees until connected to the sewer system and receiving services. Once connected, a user is responsible for his share of the system's costs, both fixed and variable, in proportion to his demand on the system.

In addition, the Consolidated Revenue Area charges industrial and commercial user fees to customers discharging high-strength or high-volume wastes into the sewer systems. Revenue Area No. 14 need's are funded by Irvine Ranch Water District.

Up until ten years ago, the District had been able to avoid or minimize user fee increases by reducing operational costs through reorganizing and streamlining District operations. As a result of the capital improvement program expansion, the District's debt service obligations continue to increase beyond the level of its primary funding source, property tax revenues. Thus, annual increases in user fees have become a requirement.

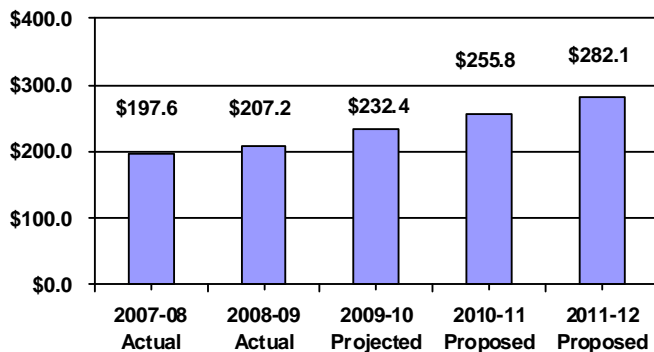
In the fall of 2007, District staff conducted strategic planning workshops with the Board of Directors to layout a capital program to deliver the levels of service desired by the Board of Directors. These levels of service and resulting capital projects are included in the District's 5-year Strategic Plan. This effort was reinforced through the adoption of a new Master Plan in December 2009, a planning effort to define the District's goals, responsibilities, and requirements over the next twenty years, and

# Revenue Sources

includes projections through the assumed “build-out” of the District’s service area to the year 2050. Incorporating the 2009 Master Plan into the CIP includes the addition of 65 new CIP projects totaling \$615.7 million and the revision of 23 previously planned projects resulting in an additional \$169.3 million through the year 2030.

In February of 2008, the Board approved rate increases for each year over the next five years. These increases are necessary for compliance with the District’s debt fiscal policy of balancing the funding of new capital improvements with current revenues and new debt, and to minimize rate increases over an extended period of time.

**Net User Fees  
(in millions)**



The impact of this five-year sewer fee schedule has increased the single family residence user fee rate of \$182.00 in FY 2007-08 to \$201 in FY 2008-09, to \$221 in FY 2009-10, to \$244 in FY 2010-11, to \$267 in 2011-12, and to \$294 in FY 2012-13. These rate increases by the District are still well below the average annual sewer rate of \$406 being charged throughout the State according to the 2008 California Wastewater Charge Survey of 726 agencies conducted by the State Water Resources Control Board encompassing all 58 counties in California.

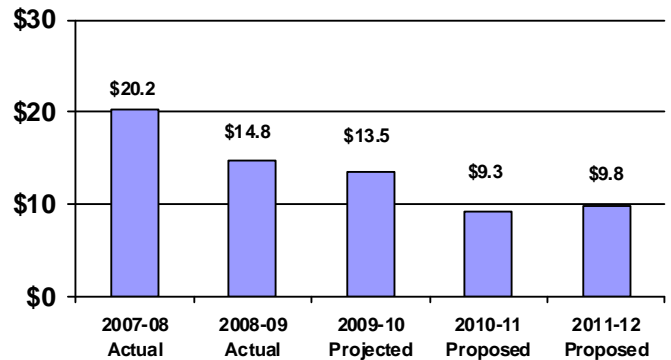
## Interest Earnings

Interest earnings are generated from the investment of accumulated reserves consisting of a cash flow/contingency, a capital improvement, a renewal/replacement, and a self-insurance reserve, all projected to total \$448.4 million at July 1, 2010.

The District’s reserves are invested in accordance with the District’s investment policy and the State

Government Code through an outside money manager, and an independent custodian bank.

**Interest Earnings  
(in millions)**



Interest earnings fluctuate from year-to-year based on the timing of CIP outlays and debt issuances, which impact the available balance in reserves for investing, and in the rise and fall of fixed-income investment market yields.

The District’s investment policy is structured conservatively towards liquidity to avoid having to sell investments at a loss and having unrealized losses become realized losses.

Total projected cash balances reached a high of \$534.3 million at June 30, 2006 and is being projected to be a low of \$448.4 million at June 30, 2010 as the new money debt issuance occurred during the year and cash balances were brought down to fund current year CIP. The interest earnings of \$20.2 million in FY 2007-08 were attributable to higher yields earned on investments, as investments earnings yielded 4.8 percent. However, these yields have since fallen below 2.0 percent due

The yield through the third quarter of FY 2009-10 was only at 1.6 percent, and investment earnings are projected to come in under budget by \$2.0 million, or 13.2 percent due to the economic decline and worst recession since the Great Depression.

The District is proposing an interest earnings rate of 2.0 percent in FY 2010-11 and FY 2011-12 to generate earnings of \$9.3 million and \$9.8 million, on investment portfolio projections of \$488.4 million and \$503.2 million at June 30, 2011 and 2012, respectively.



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## 2010-11 & 2011-12 Budget

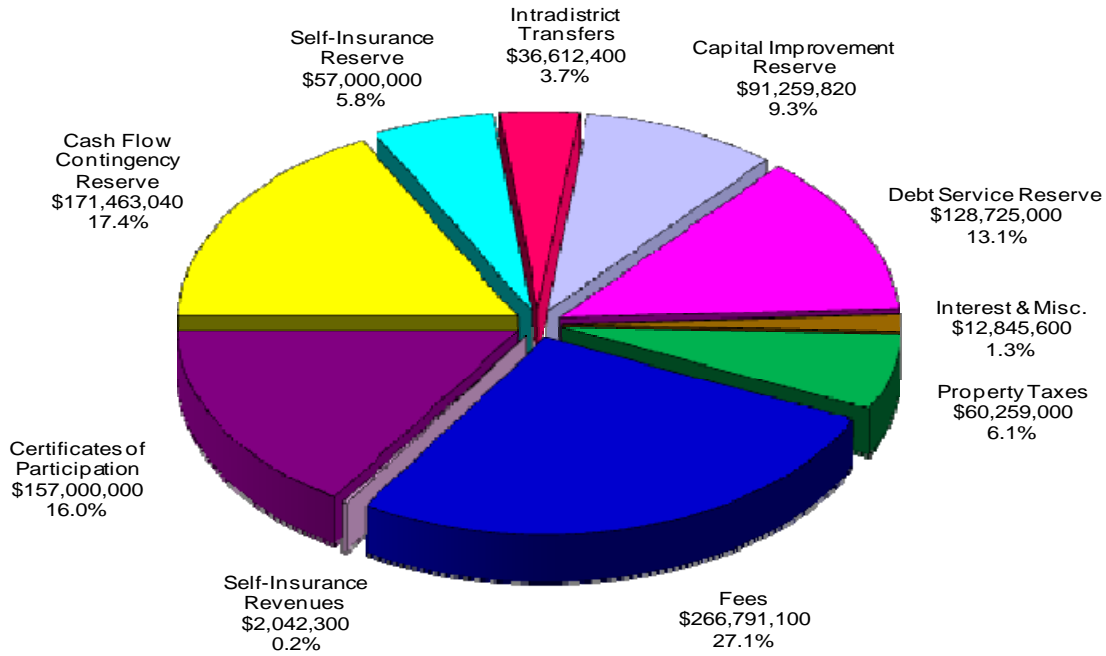
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### **Debt Proceeds**

Over the next ten years, the District is projecting an additional \$1.4 billion in future treatment plant and collection system capital improvements. In order to minimize future annual sewer rate increases, a total of \$447 million in certificates of participation debt is being proposed over the next six years.

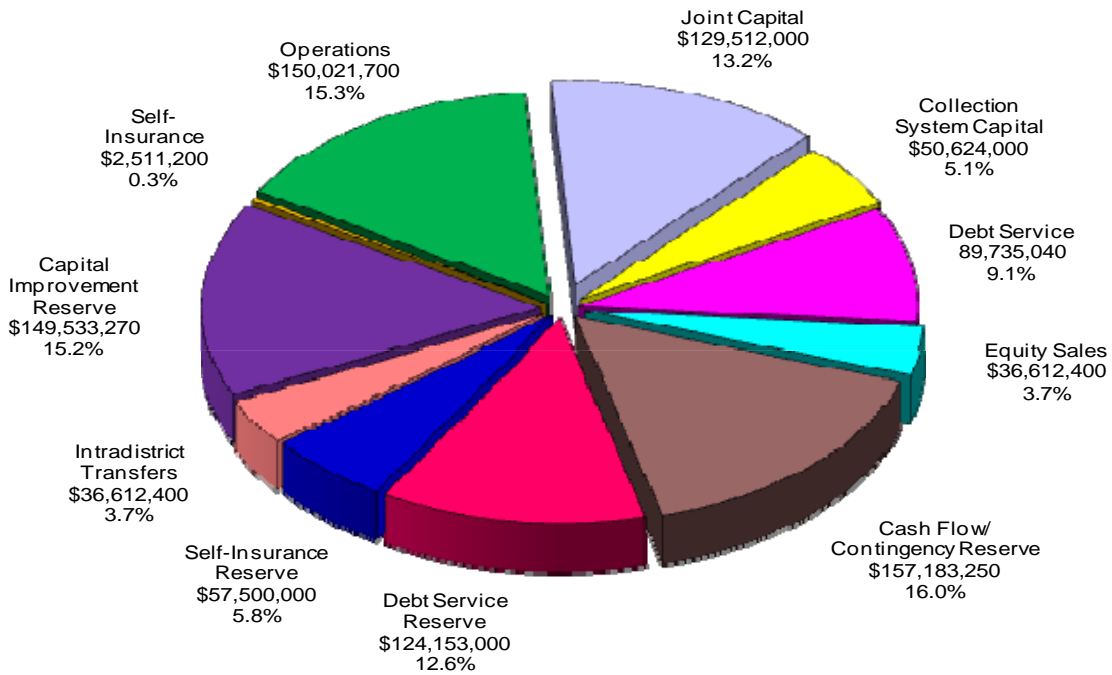
In FY 2010-11 and FY 2011-12, new certificates of participation debt issuances are being proposed in the amounts of \$157 million and \$50 million, respectively. These debt issuances will assist in the funding of the proposed CIP budgeted cash outlays of \$180.1 million and \$122.4 million within each of these two fiscal years.

# Where the Money Comes From



FY 2010-11 Total Funding Sources - \$983,998,260

# Where the Money Goes



FY 2010-11 Total Funding Uses - \$983,998,260

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# 2010-11 & 2011-12 Budget

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## Revenues by Category FY 2010-11

	<u>Consolidated Revenue Area</u>	<u>Revenue Area 14</u>	<u>Total Sources</u>
Beginning Reserves	\$ 433,447,860	\$ 15,000,000	\$ 448,447,860
Services Fees	232,409,500	16,290,600	248,700,100
User Fees	11,640,000	-	11,640,000
Capital Facilities Capacity Charge	6,451,000	-	6,451,000
Capacity Rights	-	-	-
Debt Proceeds	157,000,000	-	157,000,000
Property Taxes	58,191,950	2,067,050	60,259,000
Intradistrict Transfers	-	36,612,400	36,612,400
Insurance In-Lieu Premiums	1,919,760	122,540	2,042,300
Interest and Other Revenue	<u>11,373,600</u>	<u>1,472,000</u>	<u>12,845,600</u>
Total Sources	<u>\$ 912,433,670</u>	<u>\$ 71,564,590</u>	<u>\$ 983,998,260</u>

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# Expense by Category

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## Expenses by Category FY 2010-11

	Consolidated Revenue Area	Revenue Area 14	Total Uses
Director's Fees	\$ 197,800	\$ 15,000	\$ 212,800
Salaries & Benefits	88,302,010	6,371,960	94,673,970
Administrative Expenses	1,059,050	76,420	1,135,470
Printing & Publications	497,630	35,910	533,540
Training & Meetings	1,134,290	81,850	1,216,140
Operating Expenses	22,918,380	1,653,810	24,572,190
Contractual Expenses	22,041,710	1,590,550	23,632,260
Professional Expenses	2,947,030	212,660	3,159,690
Research & Monitoring	991,410	71,540	1,062,950
Repairs & Maintenance	10,336,000	745,860	11,081,860
Utilities	8,615,050	621,670	9,236,720
Self-Insurance Requirements	2,360,530	150,670	2,511,200
Other Materials, Supplies, & Services	2,566,630	185,210	2,751,840
Capital Grants to Member Agencies	-	-	-
Cost Allocation	(21,682,390)	(1,565,340)	(23,247,730)
Joint Works Capital Improvement Program	124,991,550	4,520,450	129,512,000
Collection System Capital Improvement Prog.	50,624,000	-	50,624,000
Certificate of Participation Service	89,735,040	-	89,735,040
Intradistrict Transfers	36,612,400	-	36,612,400
Joint Equity Sale to IRWD	-	36,612,400	36,612,400
Ending Reserves	<u>468,185,550</u>	<u>20,183,970</u>	<u>488,369,520</u>
Total Uses	<u>\$ 912,433,670</u>	<u>\$ 71,564,590</u>	<u>\$ 983,998,260</u>

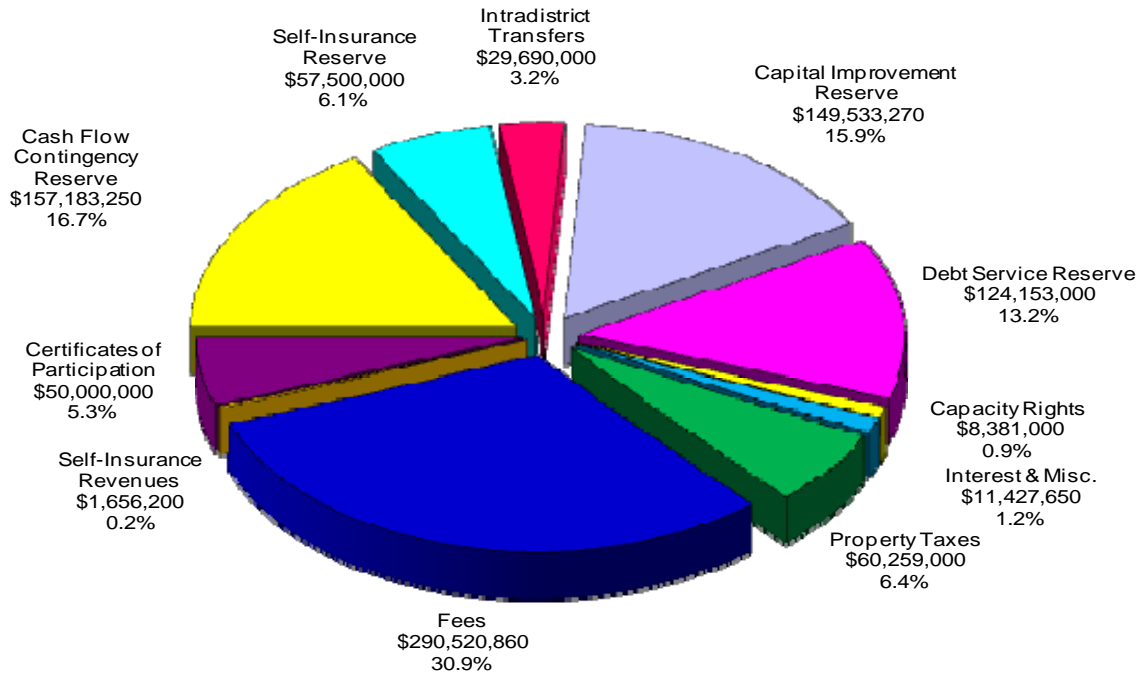
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## **2010-11 & 2011-12 Budget**

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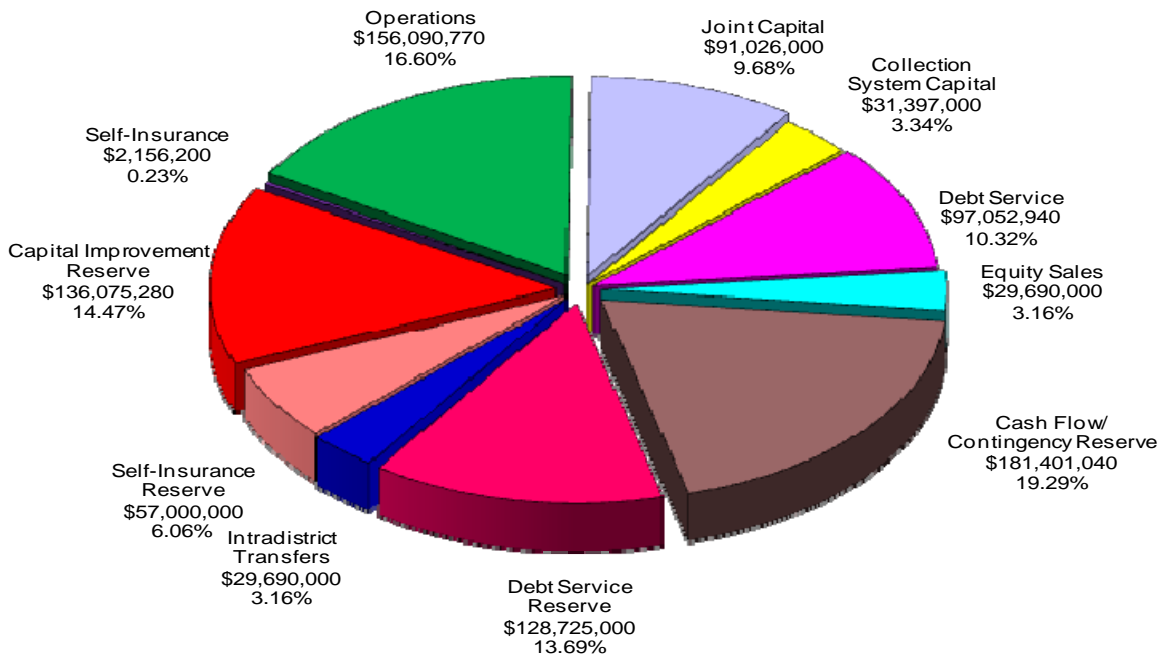
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## Where the Money Comes From



**FY 2011-12 Total Funding Sources - \$940,304,230**

## Where the Money Goes



**FY 2011-12 Total Funding Uses - \$940,304,230**

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## 2010-11 & 2011-12 Budget

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### Revenues by Category FY 2011-12

	Consolidated Revenue Area	Revenue Area 14	Total Sources
Beginning Reserves	\$ 468,185,550	\$ 20,183,970	\$ 488,369,520
Services Fees	257,710,600	13,268,260	270,978,860
User Fees	12,737,000	-	12,737,000
Capital Facilities Capacity Charge	6,805,000	-	6,805,000
Capacity Rights	8,381,000	-	8,381,000
Debt Proceeds	50,000,000	-	50,000,000
Property Taxes	58,191,948	2,067,052	60,259,000
Intradistrict Transfers	-	29,690,000	29,690,000
Insurance In-Lieu Premiums	1,556,830	99,370	1,656,200
Interest and Other Revenue	<u>10,250,650</u>	<u>1,177,000</u>	<u>11,427,650</u>
Total Sources	<u>\$ 873,818,578</u>	<u>\$ 66,485,652</u>	<u>\$ 940,304,230</u>

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# Expense by Category

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## Expenses by Category FY 2011-12

	Consolidated Revenue Area	Revenue Area 14	Total Uses
Director's Fees	\$ 197,800	\$ 15,000	\$ 212,800
Salaries & Benefits	89,642,940	6,394,630	96,037,570
Administrative Expenses	1,007,370	71,860	1,079,230
Printing & Publications	477,020	34,030	511,050
Training & Meetings	1,137,510	81,140	1,218,650
Operating Expenses	23,659,170	1,687,720	25,346,890
Contractual Expenses	24,394,080	1,740,140	26,134,220
Professional Expenses	2,506,180	178,780	2,684,960
Research & Monitoring	973,650	69,450	1,043,100
Repairs & Maintenance	10,375,620	740,140	11,115,760
Utilities	10,574,530	754,330	11,328,860
Self-Insurance Requirements	2,026,830	129,370	2,156,200
Other Materials, Supplies, & Services	2,771,790	197,720	2,969,510
Capital Grants to Member Agencies	-	-	-
Cost Allocation	(22,020,150)	(1,571,680)	(23,591,830)
Joint Works Capital Improvement Program	89,451,750	1,574,250	91,026,000
Collection System Capital Improvement Prog.	31,397,000	-	31,397,000
Certificate of Participation Service	97,052,940	-	97,052,940
Intradistrict Transfers	29,690,000	-	29,690,000
Joint Equity Sale to IRWD	-	29,690,000	29,690,000
Ending Reserves	<u>478,502,548</u>	<u>24,698,772</u>	<u>503,201,320</u>
Total Uses	<u>\$ 873,818,578</u>	<u>\$ 66,485,652</u>	<u>\$ 940,304,230</u>

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# 2010-11 & 2011-12 Budget

DESCRIPTION OR ACCOUNT TITLE	ACTUAL 2008-09	APPROVED 2009-10	PROJECTED 2009-10	PROPOSED 2010-11	PROPOSED 2011-12
BEGINNING ACCUMULATED FUNDS	\$ 532,740,756	\$ 551,660,750	\$ 534,342,970	\$ 448,447,860	\$ 488,369,520
<u>OPERATING REVENUES</u>					
Permitted User Fees	10,459,059	9,170,000	11,086,170	11,640,000	12,737,000
General Sewer Service User Fees	179,390,257	203,841,770	202,352,700	226,468,000	251,017,000
O & M Assessment Service Fees (IRWD)	13,605,805	9,764,040	11,449,980	11,397,100	11,693,260
SAWPA Assessments	3,771,055	6,698,230	7,547,000	6,315,000	6,693,600
Interest	14,835,561	15,505,000	13,465,000	9,275,000	9,818,000
Miscellaneous Receipts	1,725,104	15,613,230	6,531,500	3,570,600	1,609,650
Operating Revenue Subtotal	223,786,841	260,592,270	252,432,350	268,665,700	293,568,510
<u>NON-OPERATING REVENUES</u>					
Property Tax Allocation	64,192,036	63,071,000	57,556,300	57,867,000	57,867,000
Redevelopment Agency Pass Thru	2,234,895	2,139,000	2,703,000	2,392,000	2,392,000
State Subventions	-	-	-	-	-
Subtotal-Taxes	66,426,931	65,210,000	60,259,300	60,259,000	60,259,000
Capital Facilities Capacity Charge	9,834,369	10,566,000	9,460,500	6,451,000	6,805,000
Sale of Capacity Rights, SAWPA & SSBSD	-	-	-	-	8,381,000
Capital Assessment (IRWD)	15,672,525	18,561,300	12,072,000	4,520,000	1,575,000
Non-Operating Revenue Subtotal	91,933,825	94,337,300	81,791,800	71,230,000	77,020,000
<u>INTRADISTRICT REVENUES</u>					
Annual Intradistrict Joint Equity Purchase/Sale	7,569,087	-	12,460,400	36,612,400	29,690,000
<u>FINANCING REVENUES</u>					
Sale of Certificates of Participation	408,636,386	70,000,000	245,865,000	157,000,000	50,000,000
Financing Revenues Subtotal	408,636,386	70,000,000	245,865,000	157,000,000	50,000,000
<u>SELF INSURANCE REVENUES</u>					
Workers' Comp SFI	110,087	1,035,000	1,208,500	578,700	550,000
General Liability SFI	1,288,786	1,106,200	926,200	1,463,600	1,106,200
Subtotal-Self Insurance	1,398,873	2,141,200	2,134,700	2,042,300	1,656,200
Total Revenues	733,325,012	427,070,770	594,684,250	535,550,400	451,934,710
TOTAL AVAILABLE FUNDING	\$ 1,266,065,768	\$ 978,731,520	\$ 1,129,027,220	\$ 983,998,260	\$ 940,304,230

# Budget Resources

DESCRIPTION OR ACCOUNT TITLE	ACTUAL 2008-09	APPROVED 2009-10	PROJECTED 2009-10	PROPOSED 2010-11	PROPOSED 2011-12
<b>OPERATING REQUIREMENTS</b>					
Director's Fees	\$ 166,123	\$ 200,100	\$ 212,800	212,800	212,800
Salaries & Benefits	84,432,765	91,563,300	91,852,650	94,673,970	96,037,570
Administrative Expense	1,025,903	1,167,940	1,072,480	1,135,470	1,079,230
Printing & Publications	449,407	621,040	464,930	533,540	511,050
Training & Meetings	1,034,548	1,464,110	560,255	1,216,140	1,218,650
Operating Expense	19,534,381	25,582,640	21,278,175	24,572,190	25,346,890
Contractual Expense	23,220,038	27,364,690	21,477,870	23,632,260	26,134,220
Professional Expense	2,594,661	2,625,130	1,917,820	3,159,690	2,684,960
Research & Monitoring	1,348,620	1,178,460	1,066,260	1,062,950	1,043,100
Repairs & Maintenance	11,094,173	10,060,340	9,232,780	11,081,860	11,115,760
Utilities	7,213,989	9,755,100	7,883,770	9,236,720	11,328,860
Other Materials, Supplies, & Services	1,800,159	2,492,240	1,893,420	2,751,840	2,969,510
Capital Grants to Member Agencies	189,830	1,655,530	1,479,950	-	-
Cost Allocation	(20,750,439)	(21,416,700)	(24,178,660)	(23,247,730)	(23,591,830)
Subtotal- Operating	133,354,158	154,313,920	136,214,500	150,021,700	156,090,770
<b>CAPITAL IMPROVEMENTS</b>					
Joint Works Capital Improvements	242,250,611	213,490,000	223,150,200	129,512,000	91,026,000
Collection System Capital Improvements	53,586,041	45,578,000	26,105,800	50,624,000	31,397,000
Annual Intradistrict Joint Equity Purchase/Sale	7,569,087	-	12,460,400	36,612,400	29,690,000
Subtotal- Capital Improvements	303,405,739	259,068,000	261,716,400	216,748,400	152,113,000
<b>FINANCING REQUIREMENTS</b>					
Certificate of Participation Service	285,645,158	65,273,720	243,786,860	89,735,040	97,052,940
Subtotal-Financing Req	285,645,158	65,273,720	243,786,860	89,735,040	97,052,940
<b>SELF INSURANCE REQUIREMENTS</b>					
Workers' Comp SFI	645,846	718,000	456,500	1,005,000	550,000
General Liability SFI	1,102,810	2,106,200	1,792,700	1,506,200	1,606,200
Subtotal-Self Insurance	1,748,656	2,824,200	2,249,200	2,511,200	2,156,200
<b>OTHER CASH OUTLAYS</b>					
Joint Equity Sale to IRWD	7,569,087	-	12,460,400	36,612,400	29,690,000
Prior Periods Operating Reimbursements- IRWD	-	-	24,152,000	-	-
Subtotal- Other Cash Outlays	7,569,087	-	36,612,400	36,612,400	29,690,000
TOTAL REQUIREMENTS	731,722,798	481,479,840	680,579,360	495,628,740	437,102,910
REVENUES EXCEEDING REQUIREMENTS	1,602,214	(54,409,070)	(85,895,110)	39,921,660	14,831,800
ENDING ACCUM FUNDS & RESERVES	\$ 534,342,970	\$ 497,251,680	\$ 448,447,860	\$ 488,369,520	\$ 503,201,320

# 2010-11 & 2011-12 Budget

## BUDGET RESOURCES BY REVENUE AREA - FY 10-11

DESCRIPTION OR ACCOUNT TITLE	Consolidated Revenue Area Proposed	Rev Area 14 Proposed	Total Proposed
BEGINNING ACCUMULATED FUNDS	\$ 433,447,860	\$ 15,000,000	\$ 448,447,860
<u>OPERATING REVENUES</u>			
Permitted User Fees	11,640,000	-	11,640,000
General Sewer Service User Fees	226,468,000	-	226,468,000
O & M Joint Operating Assessment Service Fees (IRWD)	-	2,126,240	2,126,240
O & M Collection System Assessment Service Fees (IRWD)	-	1,270,860	1,270,860
O & M Sludge Disposal Assessment Service Fees (IRWD)	-	8,000,000	8,000,000
SAWPA Assessments	5,941,500	373,500	6,315,000
Interest	8,793,000	482,000	9,275,000
Miscellaneous Receipts	2,580,600	990,000	3,570,600
Operating Revenue Subtotal	255,423,100	13,242,600	268,665,700
<u>NON-OPERATING REVENUES</u>			
Property Tax Allocation	55,882,000	1,985,000	57,867,000
Redevelopment Agency Pass Thru	2,309,950	82,050	2,392,000
State Subventions	-	-	-
Subtotal-Taxes	58,191,950	2,067,050	60,259,000
Capital Facilities Capacity Charge	6,451,000	-	6,451,000
Sale of Capacity Rights, SAWPA & SSBSD	-	-	-
Capital Assessment (IRWD)	-	4,520,000	4,520,000
Non-Operating Revenue Subtotal	64,642,950	6,587,050	71,230,000
<u>INTRADISTRICT REVENUES</u>			
Annual Intradistrict Joint Equity Purchase/Sale	-	36,612,400	36,612,400
<u>FINANCING REVENUES</u>			
Sale of Certificates of Participation	157,000,000	-	157,000,000
Intradistrict Loans, Advances & Repayments	-	-	-
Financing Revenues Subtotal	157,000,000	-	157,000,000
<u>SELF INSURANCE REVENUES</u>			
Workers' Comp SFI	543,980	34,720	578,700
General Liability SFI	1,375,780	87,820	1,463,600
Subtotal-Self Insurance	1,919,760	122,540	2,042,300
Total Revenues	478,985,810	56,564,590	535,550,400
TOTAL AVAILABLE FUNDING	\$ 912,433,670	\$ 71,564,590	\$ 983,998,260

# Budget Resources

DESCRIPTION OR ACCOUNT TITLE	Consolidated Revenue Area Proposed	Rev Area 14 Proposed	Total Proposed
<u>OPERATING REQUIREMENTS</u>			
Director's Fees	\$ 197,800	\$ 15,000	\$ 212,800
Salaries & Benefits	88,302,010	6,371,960	94,673,970
Administrative Expense	1,059,050	76,420	1,135,470
Printing & Publications	497,630	35,910	533,540
Training & Meetings	1,134,290	81,850	1,216,140
Operating Expense	22,918,380	1,653,810	24,572,190
Contractual Expense	22,041,710	1,590,550	23,632,260
Professional Expense	2,947,030	212,660	3,159,690
Research & Monitoring	991,410	71,540	1,062,950
Repairs & Maintenance	10,336,000	745,860	11,081,860
Utilities	8,615,050	621,670	9,236,720
Other Materials, Supplies, & Services	2,566,630	185,210	2,751,840
Capital Grants to Member Agencies	-	-	-
Cost Allocation	(21,682,390)	(1,565,340)	(23,247,730)
Subtotal- Operating	139,924,600	10,097,100	150,021,700
<u>CAPITAL IMPROVEMENTS</u>			
Joint Works Capital Improvements	124,991,550	4,520,450	129,512,000
Collection System Capital Improvements	50,624,000	-	50,624,000
Annual Intradistrict Joint Equity Purchase/Sale	36,612,400	-	36,612,400
Subtotal- Capital Improvements	212,227,950	4,520,450	216,748,400
<u>FINANCING REQUIREMENTS</u>			
Certificate of Participation Service	89,735,040	-	89,735,040
Subtotal- Financing Requirements	89,735,040	-	89,735,040
<u>SELF INSURANCE REQUIREMENTS</u>			
Workers' Comp SFI	944,700	60,300	1,005,000
General Liability SFI	1,415,830	90,370	1,506,200
Subtotal- Self Insurance	2,360,530	150,670	2,511,200
<u>OTHER CASH OUTLAYS</u>			
Joint Equity Sale to IRWD	-	36,612,400	36,612,400
Subtotal- Other Cash Outlays	-	36,612,400	36,612,400
<b>TOTAL REQUIREMENTS</b>	<b>444,248,120</b>	<b>51,380,620</b>	<b>495,628,740</b>
<b>REVENUES EXCEEDING REQUIREMENTS</b>	<b>34,737,690</b>	<b>5,183,970</b>	<b>39,921,660</b>
<b>ENDING ACCUMULATED FUNDS &amp; RESERVES</b>	<b>\$ 468,185,550</b>	<b>\$ 20,183,970</b>	<b>\$ 488,369,520</b>

# 2010-11 & 2011-12 Budget

## BUDGET RESOURCES BY REVENUE AREA - FY 11-12

DESCRIPTION OR ACCOUNT TITLE	Consolidated Revenue Area Proposed	Rev Area 14 Proposed	Total Proposed
BEGINNING ACCUMULATED FUNDS	\$ 468,185,550	\$ 20,183,970	\$ 488,369,520
<u>OPERATING REVENUES</u>			
Permitted User Fees	12,737,000	-	12,737,000
General Sewer Service User Fees	251,017,000	-	251,017,000
O & M Joint Operating Assessment Service Fees (IRWD)	-	2,277,970	2,277,970
O & M Collection System Assessment Service Fees (IRWD)	-	1,315,290	1,315,290
O & M Sludge Disposal Assessment Service Fees (IRWD)	-	8,100,000	8,100,000
SAWPA Assessments	6,693,600	-	6,693,600
Interest	9,542,000	276,000	9,818,000
Miscellaneous Receipts	708,650	901,000	1,609,650
Operating Revenue Subtotal	280,698,250	12,870,260	293,568,510
<u>NON-OPERATING REVENUES</u>			
Property Tax Allocation	55,882,000	1,985,000	57,867,000
Redevelopment Agency Pass Thru	2,309,948	82,052	2,392,000
State Subventions	-	-	-
Subtotal-Taxes	58,191,948	2,067,052	60,259,000
Capital Facilities Capacity Charge	6,805,000	-	6,805,000
Sale of Capacity Rights, SAWPA & SSBSD	8,381,000	-	8,381,000
Capital Assessment (IRWD)	-	1,575,000	1,575,000
Non-Operating Revenue Subtotal	73,377,948	3,642,052	77,020,000
<u>INTRADISTRICT REVENUES</u>			
Annual Intradistrict Joint Equity Purchase/Sale	-	29,690,000	29,690,000
<u>FINANCING REVENUES</u>			
Sale of Certificates of Participation	50,000,000	-	50,000,000
Intradistrict Loans, Advances & Repayments	-	-	-
Financing Revenues Subtotal	50,000,000	-	50,000,000
<u>SELF INSURANCE REVENUES</u>			
Workers' Comp SFI	517,000	33,000	550,000
General Liability SFI	1,039,830	66,370	1,106,200
Subtotal-Self Insurance	1,556,830	99,370	1,656,200
Total Revenues	405,633,028	46,301,682	451,934,710
TOTAL AVAILABLE FUNDING	\$ 873,818,578	\$ 66,485,652	\$ 940,304,230

# Budget Resources

DESCRIPTION OR ACCOUNT TITLE	Consolidated Revenue Area Proposed	Rev Area 14 Proposed	Total Proposed
<u>OPERATING REQUIREMENTS</u>			
Director's Fees	\$ 197,800	\$ 15,000	\$ 212,800
Salaries & Benefits	89,642,940	6,394,630	96,037,570
Administrative Expense	1,007,370	71,860	1,079,230
Printing & Publications	477,020	34,030	511,050
Training & Meetings	1,137,510	81,140	1,218,650
Operating Expense	23,659,170	1,687,720	25,346,890
Contractual Expense	24,394,080	1,740,140	26,134,220
Professional Expense	2,506,180	178,780	2,684,960
Research & Monitoring	973,650	69,450	1,043,100
Repairs & Maintenance	10,375,620	740,140	11,115,760
Utilities	10,574,530	754,330	11,328,860
Other Materials, Supplies, & Services	2,771,790	197,720	2,969,510
Capital Grants to Member Agencies	-	-	-
Cost Allocation	(22,020,150)	(1,571,680)	(23,591,830)
Subtotal- Operating	145,697,510	10,393,260	156,090,770
<u>CAPITAL IMPROVEMENTS</u>			
Joint Works Capital Improvements	89,451,750	1,574,250	91,026,000
Collection System Capital Improvements	31,397,000	-	31,397,000
Annual Intradistrict Joint Equity Purchase/Sale	29,690,000	-	29,690,000
Subtotal- Capital Improvements	150,538,750	1,574,250	152,113,000
<u>FINANCING REQUIREMENTS</u>			
Certificate of Participation Service	97,052,940	-	97,052,940
Subtotal-Financing Req	97,052,940	-	97,052,940
<u>SELF INSURANCE REQUIREMENTS</u>			
Workers' Comp SFI	517,000	33,000	550,000
General Liability SFI	1,509,830	96,370	1,606,200
Subtotal-Self Insurance	2,026,830	129,370	2,156,200
<u>OTHER CASH OUTLAYS</u>			
Joint Equity Sale to IRWD	-	29,690,000	29,690,000
Subtotal- Other Cash Outlays	-	29,690,000	29,690,000
<b>TOTAL REQUIREMENTS</b>	<b>395,316,030</b>	<b>41,786,880</b>	<b>437,102,910</b>
<b>REVENUES EXCEEDING REQUIREMENTS</b>	<b>10,316,998</b>	<b>4,514,802</b>	<b>14,831,800</b>
<b>ENDING ACCUMULATED FUNDS &amp; RESERVES</b>	<b>\$ 478,502,548</b>	<b>\$ 24,698,772</b>	<b>\$ 503,201,320</b>

# 2010-11 & 2011-12 Budget

## Projected Reserves at June 30, 2010, 2011 and 2012

	Projected 6/30/2010	Proposed 6/30/2011	Proposed 6/30/2012
Cash Flow Requirements			
Operating Expenses	\$ 68,107,000	\$ 75,011,000	\$ 78,045,000
COP Payments	89,735,040	97,052,940	102,680,290
Operating Contingencies	13,621,000	15,002,000	15,609,000
Capital Improvement Program	34,952,820	45,284,580	47,865,030
Catastrophe & Self Insurance	57,000,000	57,000,000	57,000,000
Sub-total	263,415,860	289,350,520	301,199,320
Capital Replacement & Refurbishment	56,307,000	57,433,000	58,582,000
COP Service Required Reserves	128,725,000	141,586,000	143,420,000
Total	<u>\$448,447,860</u>	<u>\$488,369,520</u>	<u>\$503,201,320</u>

### Accumulated Funds and Reserves Policy

A cash flow reserve will be established to fund operations, maintenance and certificates of participation expenses for the first half of the fiscal year, prior to the receipt of the first installment of the property tax allocation and the sewer service user fees which are collected as a separate line item on the property tax bill. The level of this reserve will be established as the sum of an amount equal to six months operations and maintenance expenses and the total of the annual debt (COP) service payments due in August each year.

An operating contingency reserve will be established to provide for non-recurring expenditures that were not anticipated when the annual budget and sewer service fees were considered and adopted. The level of this reserve will be established at an amount equal to ten percent of the annual operating budget.

A capital improvement reserve will be maintained to fund annual increments of the capital improvement program. The long-term target is for one half of the capital improvement program to be funded from borrowing and for one half to be funded from current revenues and reserves. With this program in mind, the target level of this reserve has been established at one half of the average annual capital improvement program through the year 2020.

Levels higher and lower than the target can be expected while the long-term financing and capital improvement programs are being finalized.

Catastrophic loss, or self-insurance, reserves will be maintained for property damage including fire, flood and earthquake; for general liability; and for workers' compensation. These reserves are intended to work with purchased insurance policies, FEMA disaster reimbursements and State disaster reimbursements. Based on the current infrastructure replacement value of \$6.9 billion, the reserve level has been set to fund the District's non-reimbursed costs, estimated to be \$57 million.

A capital replacement/renewal reserve policy has been established to provide thirty percent of the funding to replace or refurbish the current collection and treatment and disposal facilities at the end of their useful economic lives. The current replacement value of these facilities is estimated to be \$3.46 billion for the collection facilities and \$3.44 billion for the treatment and disposal facilities. The initial reserve level was established at \$50 million, which will be augmented by interest earnings and a small portion of the annual sewer user fees in order to meet projected needs through the year 2030.

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## Projected Reserves

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Provisions of the various Certificate of Participation (COP) issues require debt service reserves to be under the control of the Trustee for that issue. These reserve funds are not available for the general needs of the District and must be maintained at specified levels. The projected level of required COP service reserves at June 30, 2010 is \$128.7 million.

Accumulated funds exceeding the levels specified by District policy will be maintained in a rate stabilization fund. These funds will be applied to future years' needs in order to maintain rates or to moderate annual fluctuations. There is no established target for this reserve.



# 2010-11 & 2011-12 Budget

## Orange County Sanitation District

### Consolidated Cash Flow Projections

Ref	Description	Preliminary 10-11	Preliminary 11-12	Preliminary 12-13	Preliminary 13-14	Preliminary 14-15	Preliminary 15-16
<u>Revenues:</u>							
1	General User Fees	226,468,000	251,017,000	279,407,000	299,498,000	321,026,000	344,154,000
2	Permitted User Fees	11,640,000	12,737,000	14,025,000	15,007,000	16,057,000	17,181,000
3	IRWD Assessments	15,917,100	13,268,260	14,304,670	14,867,180	14,444,740	15,796,490
4	SAWPA Assessments	6,315,000	6,693,600	6,862,340	7,035,230	7,212,280	7,394,490
5	Property Taxes (Flat in short term)	60,259,000	60,259,000	60,259,000	63,272,000	66,436,000	69,758,000
6	New COP Issues	157,000,000	50,000,000	120,000,000	40,000,000	-	110,000,000
7	Interest Revenues	9,275,000	9,818,000	19,332,000	21,479,000	21,469,000	22,060,000
8	Capital Facilities Capacity Charges	6,451,000	6,805,000	7,289,000	7,969,000	8,701,000	9,488,000
9	Other Revenues	5,612,900	11,646,850	3,806,200	27,227,200	3,888,200	3,930,200
10	Revenues	498,938,000	422,244,710	525,285,210	496,354,610	459,234,220	599,762,180
<u>Requirements:</u>							
11	Oper & Mtce Exp (7.0% yr)	150,021,700	156,090,770	173,589,000	183,297,250	193,838,000	206,678,000
12	Capital Improvement Program	179,636,000	119,923,000	190,634,000	183,175,000	145,133,000	174,671,000
13	Repl, Rehab & Refurb	500,000	2,500,000	5,000,000	5,000,000	10,000,000	70,832,000
14	COP Service (5.0%, 30 yrs)	89,735,040	97,052,940	102,680,290	121,630,010	109,734,270	113,638,680
15	Other Requirements	39,123,600	31,846,200	9,406,200	2,156,200	2,156,200	2,156,200
16	Requirements	459,016,340	407,412,910	481,309,490	495,258,460	460,861,470	567,975,880
17	Revenues-Requirements	39,921,660	14,831,800	43,975,720	1,096,150	(1,627,250)	31,786,300
<u>Accumulated Funds:</u>							
18	Beginning of Year	448,447,860	488,369,520	503,201,320	547,177,040	548,273,190	546,645,940
19	End of Year	488,369,520	503,201,320	547,177,040	548,273,190	546,645,940	578,432,240
20	Consolidated Reserve Policy	487,964,940	502,845,290	540,794,010	533,681,270	542,442,680	559,444,270
21	Over (Under) Reserve Policy	404,580	356,030	6,383,030	14,591,920	4,203,260	18,987,970
<u>Sewer Service User Fees:</u>							
22	Avg SFR Annual User Fee	\$244.00	\$267.00	\$294.00	\$314.58	\$336.60	\$360.16
23	Percentage Change	10.41%	9.43%	10.11%	7.00%	7.00%	7.00%
24	Equivalent Dwelling Units	924,622	926,984	929,394	931,903	934,513	937,223
25	SFR Connection Fee	\$3,261	\$3,424	\$3,595	\$3,775	\$3,964	\$4,162
26	Outstanding COPs	\$1,415,858,000	\$1,434,204,000	\$1,520,353,000	\$1,509,221,000	\$1,469,805,000	\$1,538,804,000
<u>Reserve Policy</u>							
27	50% Next Year Operating	75,011,000	78,045,000	86,795,000	91,649,000	96,919,000	103,339,000
28	10% Next Year Operating	15,002,000	15,609,000	17,359,000	18,330,000	19,384,000	20,668,000
29	100% Next Year AUG COP Svc.	97,052,940	102,680,290	121,630,010	109,734,270	113,638,680	122,074,270
30	50% average CIP bal to 2020	84,880,000	87,509,000	86,221,000	85,097,000	86,352,000	79,072,000
31	Short term CIP, GWRS	-	-	-	-	-	-
32	DSR @ 10% Outstanding COPs	141,586,000	143,420,000	152,035,000	150,922,000	146,981,000	153,880,000
33	SFI @ \$57mm INPUT	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000
34	Repl & Refurb @ 2%/yr	57,433,000	58,582,000	59,754,000	60,949,000	62,168,000	63,411,000
35	Total	527,964,940	542,845,290	580,794,010	573,681,270	582,442,680	599,444,270
<u>COP Ratios</u>							
36	Sr Lien Coverge, Min 1.25	2.07	2.16	2.19	2.18	2.34	2.41

# Cash Flow Projection

## Orange County Sanitation District

### Consolidated Cash Flow Projections

Ref	Description	Preliminary 16-17	Preliminary 17-18	Preliminary 18-19	Preliminary 19-20	10-Year Total
	<u>Revenues:</u>					
1	General User Fees	368,986,000	388,374,000	408,788,000	430,283,000	\$3,318,001,000
2	Permitted User Fees	18,384,000	19,303,000	20,349,000	21,452,000	166,135,000
3	IRWD Assessments	11,745,080	8,090,570	8,093,880	8,344,790	124,872,760
4	SAWPA Assessments	7,580,870	7,772,420	7,968,160	8,169,090	73,003,480
5	Property Taxes (Flat in short term)	73,246,000	76,908,000	80,753,000	84,791,000	695,941,000
6	New COP Issues	-	40,000,000	-	-	517,000,000
7	Interest Revenues	22,401,000	22,173,000	21,849,000	21,933,000	191,789,000
8	Capital Facilities Capacity Charges	10,164,000	10,885,000	10,874,000	11,451,000	90,077,000
9	Other Revenues	18,354,200	4,018,200	4,063,200	12,491,200	95,038,350
10	Revenues	530,861,150	577,524,190	562,738,240	598,915,080	5,271,857,590
	<u>Requirements:</u>					
11	Oper & Mtce Exp (7.0% yr)	226,938,000	240,366,000	257,276,000	270,522,000	2,058,616,720
12	Capital Improvement Program	125,700,000	119,685,000	107,721,000	51,597,000	1,397,875,000
13	Repl, Rehab & Refurb	68,385,000	93,209,000	94,109,000	130,317,000	479,852,000
14	COP Service (5.0%, 30 yrs)	122,074,270	119,361,450	120,749,822	120,781,172	1,117,437,944
15	Other Requirements	2,156,200	2,156,200	2,156,200	2,156,200	95,469,400
16	Requirements	545,253,470	574,777,650	582,012,022	575,373,372	5,149,251,064
17	Revenues-Requirements	(14,392,320)	2,746,540	(19,273,782)	23,541,708	122,606,526
	<u>Accumulated Funds:</u>					
18	Beginning of Year	578,432,240	564,039,920	566,786,460	547,512,678	534,342,970
19	End of Year	564,039,920	566,786,460	547,512,678	571,054,386	571,054,386
20	Consolidated Reserve Policy	560,933,450	560,534,822	548,806,822	507,723,172	\$507,723,172
21	Over (Under) Reserve Policy	3,106,470	6,251,638	(1,294,144)	63,331,214	
	<u>Sewer Service User Fees:</u>					
22	Avg SFR Annual User Fee	\$385.37	\$404.64	\$424.87	\$446.12	
23	Percentage Change	7.00%	5.00%	5.00%	5.00%	
24	Equivalent Dwelling Units	939,988	942,808	945,636	948,473	
25	SFR Connection Fee	\$4,370	\$4,589	\$4,818	\$5,059	
26	Outstanding COPs	\$1,491,497,000	\$1,486,351,000	\$1,439,209,000	\$1,389,910,000	
	<u>Reserve Policy</u>					
27	50% Next Year Operating	113,469,000	120,183,000	128,638,000	135,261,000	
28	10% Next Year Operating	22,694,000	24,037,000	25,728,000	27,052,000	
29	100% Next Year AUG COP Svc.	119,361,450	120,749,822	120,749,822	120,781,172	
30	50% average CIP bal to 2020	74,580,000	63,957,000	45,478,000	-	
31	Short term CIP, GWRS	-	-	-	-	
32	DSR @ 10% Outstanding COPs	149,150,000	148,635,000	143,921,000	138,991,000	
33	SFI @ \$57mm INPUT	57,000,000	57,000,000	57,000,000	57,000,000	
34	Repl & Refurb @ 2%/yr	64,679,000	65,973,000	67,292,000	68,638,000	
35	Total	600,933,450	600,534,822	588,806,822	547,723,172	
	<u>COP Ratios</u>					
36	Sr Lien Coverage, Min 1.25	2.41	2.40	2.44	2.62	

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# Operations Budget Overview

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## **OPERATING REQUIREMENTS**

The net operating requirements budget finances the administrative, operations and maintenance, and program costs for collecting, treating, and disposing of wastewater. The net operating budget for FY 2010-11 is \$150.022 million and for FY 2011-12 is \$156.091 million.

Following are descriptions of the major factors that comprise the operating budget:

**Regulatory Requirements:** Stringent air pollution control requirements that are mandated or expected to be mandated by the South Coast Air Quality Management District (AQMD) for control and reduction of hydrogen sulfide (H<sub>2</sub>S), oxides of nitrogen (NO<sub>x</sub>), oxides of sulfur (SO<sub>x</sub>), and other emissions, result in high operational costs to remove pollutants from the digester gas produced in our treatment plants that is used as fuel in the Central Power Generation Facilities. The same stringent requirements are used to control emissions from the engines after the fuel (digester gas or natural gas) is consumed.

The Environmental Laboratory and Ocean Monitoring and Source Control divisions carry out monitoring, enforcement, outside and in-house laboratory services, and special project activities. These activities are necessary to comply with the ocean monitoring and pretreatment program provisions of our NPDES permit as well as our AQMD permit requirements.

**Urban Runoff Program:** The Urban Runoff program was established to protect and improve the regional water quality of Orange County's coastal watershed by accepting dry weather urban runoff into the District's sewerage system. This program addresses the public health and environmental impacts associated with the urban runoff discharge that cannot be economically or practically controlled by alternative means. The Source Control division administers the program through a permitting and monitoring program to regulate the quantity and quality of urban runoff that is discharged into the District's sewerage system.

**Fats, Oil, and Grease (FOG) Control Program:** This program was established to respond to the RWQCB's *General Waste Discharge Requirements* (Order No. R8-2002-0014) to control sanitary sewer overflows. The District's Source Control Division facilitated the regional efforts to develop FOG

Control Programs and has a program for the District to regulate the quantity and quality of FOG-laden wastewater that is discharged into the District's sewerage system.

**Operating Chemicals:** Chemicals are used for disinfection, coagulation, and odor control programs. Recently bid chemical contracts have indicated that costs will increase. The budgetary allocations for these major expenses for FY 2010-11 and FY 2011-12 have been increased accordingly.

- **Disinfection:** The District is committed to disinfecting the effluent. The largest cost related to disinfection is that used for chemicals, specifically bleach. After disinfecting the effluent with bleach, sodium bisulfite is used to ensure that no residual chlorine is discharged into the ocean. The disinfection process reduces the effluent bacteria levels at the shore to the standards required by Assembly Bill 411.
- **Coagulants:** Coagulant chemicals are used to enhance primary treatment solids removal, solids dewatering, and waste solids thickening. They are also used to control hydrogen sulfide in the digesters.
  - Ferric chloride is an iron salt which is used with anionic polymer to increase the solids removal efficiencies in the primary treatment process and to control hydrogen sulfide levels in the digester gas as required by AQMD Rule 431.1.
  - Cationic polymer is added to digested sludge prior to dewatering in order to improve the sludge and water separation process. Cationic polymer is also added to the waste activated sludge dissolved air flotation thickeners to improve solids coagulation. As more secondary treatment processes come on-line, the usage of cationic polymer is expected to increase in order to meet the needs of the increased solids production.
- **Odor Control:** Hydrogen sulfide is naturally generated in trunk sewers when oxygen is not present and converts into sulfuric acid which corrodes concrete and metal. In an effort to extend the useful life of the District's trunk line assets, the District adds chemicals to key trunk lines to control hydrogen sulfide levels and corrosion.

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## 2010-11 & 2011-12 Budget

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- Hydrogen peroxide, sodium hydroxide (caustic soda), and bleach are used in the treatment plant foul air scrubbers for control of sulfides. Hydrogen peroxide and sodium hydroxide are also used in the trunk sewers for odor control.
- The largest costs for collection system odor control are for ferrous chloride and magnesium hydroxide. These costs cover continuous treatment for odor control within four trunk lines. The contractor(s) provide(s) leased equipment and on-going labor for services such as maintenance, remote monitoring of the chemical and feed rates, optimization, and field sampling.

**Residuals Management:** These costs are for the hauling and beneficial reuse of biosolids. These costs continue to be a significant budget item as reuse options are reduced, hauling costs increase, and as biosolid production increases as a result of performing more secondary treatment. A smaller component of waste disposal is for hauling and disposal of grit and screenings. Grit and screenings waste is not able to be reused and is disposed of in a municipal landfill. Digester drying bed material is disposed of similarly.

**Repairs and Maintenance:** Preventive maintenance and repair activities throughout the District's expanded and upgraded treatment facilities continue to keep this budgetary category at a significant amount. This category includes contracted services, materials and supplies, and outsourced service agreements.

**Utilities:** The cost for utilities is a significant component of the operating budget. The largest utility cost incurred by the District is the electricity that is purchased to supplement generated power to operate the plant processes. Natural gas supplements digester gas that is used to run the central generation facilities. The central generation facilities produce most electricity that is used for running the plants. In FY 2005-06 the central generation production was reduced in order to meet new air emission limits. After installation of catalytic converters on the engines, emissions should decrease and the SCAQMD should approve increases in production.

**Cooperative Projects Grant Program:** To reduce inflow and infiltration to the District's sewage system, local sewers which are not owned or maintained by the District must be repaired. The Cooperative Projects Grant Program has funded projects that are

led by local agencies to reduce the inflow and infiltration entering the District's sewerage system. Funds have been provided for an approved project on a reimbursement basis after the project has been completed. There is no longer a budget for Cooperative Grants, however, if a member city or agency presents a possible cost-savings project, the District will evaluate the project as a budget cost-savings measure and may participate accordingly.

# Operations Summary

## Proposed Budget Comparisons by Department

Department and Division	2009-10 Revised Budget	2009-10 Projected	2010-11 Proposed	Budget Percent Change	2011-12 Proposed	Budget Percent Change
<b>General Management Department</b>						
General Management Administration	\$ 2,290,080	\$ 1,495,100	\$ 2,122,850	-7.30%	\$ 2,186,550	3.00%
Board Services	345,560	354,120	349,150	1.04%	353,350	1.20%
Public Information Office	1,223,280	1,196,910	1,507,950	23.27%	1,448,400	-3.95%
Department subtotal	<u>3,858,920</u>	<u>3,046,130</u>	<u>3,979,950</u>	<u>3.14%</u>	<u>3,988,300</u>	<u>0.21%</u>
<b>Finance Department</b>						
Administrative Services Admin	641,420	846,550	1,037,150	61.70%	1,050,080	1.25%
Financial Management	4,171,810	4,228,220	4,174,010	0.05%	4,390,300	5.18%
Contracts, Purch, & Materials Mgmt	3,810,500	3,558,240	3,753,050	-1.51%	3,811,400	1.55%
Human Resources	7,044,800	6,301,410	7,426,250	5.41%	7,398,910	-0.37%
Information Technology	7,642,930	7,563,690	7,816,760	2.27%	7,929,960	1.45%
Department subtotal	<u>23,311,460</u>	<u>22,498,110</u>	<u>24,207,220</u>	<u>3.84%</u>	<u>24,580,650</u>	<u>1.54%</u>
<b>Technical Services Department</b>						
Technical Services Admin & Research	1,325,177	1,255,860	1,281,280	-3.31%	1,303,280	1.72%
Environmental Compl & Reg Affairs	3,691,223	3,250,800	3,517,260	-4.71%	3,451,860	-1.86%
Environmental Lab & Ocean Monitoring	8,566,040	8,491,970	8,383,560	-2.13%	8,373,760	-0.12%
Source Control	6,005,860	5,946,000	6,160,600	2.58%	6,211,800	0.83%
Department subtotal	<u>19,588,300</u>	<u>18,944,630</u>	<u>19,342,700</u>	<u>-1.25%</u>	<u>19,340,700</u>	<u>-0.01%</u>
<b>Engineering Department</b>						
Engineering Administration	449,730	454,280	440,670	-2.01%	445,770	1.16%
Planning	4,442,570	3,679,250	1,609,740	-63.77%	1,618,600	0.55%
Project Management Office	3,124,710	2,807,810	2,923,140	-6.45%	2,963,740	1.39%
Engineering & Construction	9,195,770	9,368,080	9,245,360	0.54%	9,374,860	1.40%
Facilities Engineering	1,620,090	1,520,480	1,461,790	-9.77%	1,482,290	1.40%
Asset Management	-	2,104,960	4,465,800	0.00%	4,507,900	0.94%
Department subtotal	<u>18,832,870</u>	<u>19,934,860</u>	<u>20,146,500</u>	<u>6.98%</u>	<u>20,393,160</u>	<u>1.22%</u>
<b>Operations &amp; Maintenance Dept.</b>						
Operations and Maintenance Admin.	411,640	522,900	582,350	41.47%	589,750	1.27%
Odor and Corrosion Control	2,586,960	2,257,050	8,742,690	237.95%	9,287,180	6.23%
Plant No. 1 Operations	29,645,360	24,480,450	27,028,700	-8.83%	29,342,600	8.56%
Plant No. 2 Operations	28,669,360	24,330,260	27,862,810	-2.81%	30,226,600	8.48%
Mechanical & Reliability Maintenance	12,858,300	12,160,150	13,834,120	7.59%	13,727,470	-0.77%
Instrumentation & Electrical Maint.	15,202,160	12,847,170	12,595,800	-17.14%	12,981,260	3.06%
Collection Facilities O&M	12,993,780	12,073,030	7,133,740	-45.10%	7,245,080	1.56%
Facilities Maintenance & Fleet Services	7,771,510	7,298,420	7,812,850	0.53%	7,979,850	2.14%
Department subtotal	<u>110,139,070</u>	<u>95,969,430</u>	<u>105,593,060</u>	<u>-4.13%</u>	<u>111,379,790</u>	<u>5.48%</u>
<b>Less: Cost Allocation</b>	<u>(21,416,700)</u>	<u>(24,178,660)</u>	<u>(23,247,730)</u>	<u>8.55%</u>	<u>(23,591,830)</u>	<u>1.48%</u>
<b>Net Operating Requirements</b>	<u>\$ 154,313,920</u>	<u>\$ 136,214,500</u>	<u>\$ 150,021,700</u>	<u>-2.78%</u>	<u>\$ 156,090,770</u>	<u>4.05%</u>

# 2010-11 & 2011-12 Budget

## Proposed Budget Expense by Category

Description	2008-09 Actual	2009-10 Revised Budget	2009-10 Projected	2010-11 Proposed	2011-12 Proposed
Salaries, Wages, & Benefits	\$ 84,598,888	\$ 91,763,400	\$ 92,065,450	\$ 94,886,770	\$ 96,250,370
Administrative Expenses	1,025,903	1,167,940	1,072,480	1,135,470	1,079,230
Printing & Publication	449,407	621,040	464,930	533,540	511,050
Training & Meetings	1,034,548	1,464,110	560,255	1,216,140	1,218,650
Operating Materials & Supplies	19,534,381	25,582,640	21,278,175	24,572,190	25,346,890
Contractual Services	23,220,038	27,364,690	21,477,870	23,632,260	26,134,220
Professional Services	2,594,661	2,625,130	1,917,820	3,159,690	2,684,960
Research & Monitoring	1,348,620	1,178,460	1,066,260	1,062,950	1,043,100
Repairs & Maintenance	11,094,173	10,060,340	9,232,780	11,081,860	11,115,760
Utilities	7,213,989	9,755,100	7,883,770	9,236,720	11,328,860
Other Materials, Supplies, and Svc.	1,800,159	2,492,240	1,893,420	2,751,840	2,969,510
Capital Grants to Member Agencies	189,830	1,655,530	1,479,950	-	-
Cost Allocation	(20,750,439)	(21,416,700)	(24,178,660)	(23,247,730)	(23,591,830)
Net Operating Requirements	<u>\$ 133,354,158</u>	<u>\$ 154,313,920</u>	<u>\$ 136,214,500</u>	<u>\$ 150,021,700</u>	<u>\$ 156,090,770</u>
Cost to Collect/Treat 1 Million Gallons	<u>\$ 1,731.78</u>	<u>\$ 1,838.16</u>	<u>\$ 1,797.03</u>	<u>\$ 1,957.23</u>	<u>\$ 1,992.89</u>
Flow, Million Gallons	<u>77,004</u>	<u>83,950</u>	<u>75,800</u>	<u>76,650</u>	<u>78,324</u>
Flow Per Day, MGD	<u>210.97</u>	<u>230.00</u>	<u>207.68</u>	<u>210.00</u>	<u>214.00</u>

# Operations Summary

## Proposed Budget Allocation to Individual Revenue Areas

Revenue Area No.	Total Gallonage Flows, Million Gallons per Year (MG)					
	2009-10 Projected Flow (MG)	Projected Increase (MG)	2010-11 Budgeted Flow (MG)	Percent of Total	2011-12 Budgeted Flow (MG)	Percent of Total
Consolidated	74,276.00	987.00	75,263.00	98.19%	76,867.65	98.14%
14	1,524.00	(137.00)	1,387.00	1.81%	1,456.35	1.86%
<b>TOTALS</b>	<b>75,800.00</b>	<b>850.00</b>	<b>76,650.00</b>	<b>100.00%</b>	<b>78,324.00</b>	<b>100.00%</b>

Revenue Area No.	Average Daily Gallonage Flows, Million Gallons per Day (MGD)					
	2009-10 Projected Flow (MGD)	Projected Increase (MGD)	2010-11 Budgeted Flow (MGD)	Percent of Total	2011-12 Budgeted Flow (MGD)	Percent of Total
Consolidated	203.50	2.70	206.20	98.19%	210.02	98.14%
14	4.18	(0.38)	3.80	1.81%	3.98	1.86%
<b>TOTALS</b>	<b>207.68</b>	<b>2.32</b>	<b>210.00</b>	<b>100.00%</b>	<b>214.00</b>	<b>100.00%</b>

### FY 2010-11 Estimated Allocation of Total Costs to Revenue Areas

Revenue Area No.	Collection Costs	Treatment & Disposal Costs	Total Costs	Total Cost/MG
Consolidated	\$ 24,578,840	\$ 115,345,760	\$ 139,924,600	\$ 1,859.14
14 - O&M	1,270,860	2,126,240	3,397,100	2,449.24
14 - Sludge		6,700,000	6,700,000	4,830.57
<b>TOTALS</b>	<b>\$ 25,849,700</b>	<b>\$ 124,172,000</b>	<b>\$ 150,021,700</b>	<b>\$ 1,957.23</b>

### FY 2011-12 Estimated Allocation of Total Costs to Revenue Areas

Revenue Area No.	Collection Costs	Treatment & Disposal Costs	Total Costs	Total Cost/MG
Consolidated	\$ 25,438,010	\$ 120,259,500	\$ 145,697,510	\$ 1,895.43
14 - O&M	1,315,290	2,277,970	3,593,260	2,590.67
14 - Sludge		6,800,000	6,800,000	4,902.67
<b>TOTALS</b>	<b>\$ 26,753,300</b>	<b>\$ 129,337,470</b>	<b>\$ 156,090,770</b>	<b>\$ 1,992.89</b>



# 2010-11 & 2011-12 Budget

## Proposed Budget Net Operating Expense by Line Item

Description	2008-09 Actual	Adjusted Budget 2009-10	2009-10 Projected	2010-11 Proposed	% Budget Change to 10-11	2011-12 Proposed	% Budget Change to 11-12
<b>Salaries, Wages, &amp; Benefits</b>							
<u>Salaries &amp; Wages</u>							
Salaries & Wages	\$ 60,847,117	\$ 64,994,600	\$ 64,878,900	\$ 65,970,400	1.50%	\$ 65,970,400	0.00%
<u>Employee Benefits</u>							
OCERS Retirement	15,916,836	17,536,240	18,425,870	19,296,770	10.04%	19,867,270	2.96%
Group Insurance	7,226,261	8,096,060	7,678,300	8,490,900	4.88%	9,312,800	9.68%
Tuition Reimb & Educ Devel	411,416	503,100	464,580	467,000	-7.18%	467,000	0.00%
Uniform Rental	51,609	84,800	44,200	44,200	-47.88%	44,200	0.00%
Workers Compensation	108,102	534,600	534,900	578,800	8.27%	550,000	-4.98%
Unemployment Insurance	12,656	14,000	23,400	23,400	67.14%	23,400	0.00%
EMT Supplemental Benefits	24,891	-	15,300	15,300	n/a	15,300	0.00%
Salaries, Wages, & Benefits	84,598,888	91,763,400	92,065,450	94,886,770	3.40%	96,250,370	1.44%
<u>Materials, Supplies, &amp; Services</u>							
<u>Administrative Expenses</u>							
Memberships	295,189	314,370	328,160	343,400	9.23%	347,720	1.26%
Office Exp - Supplies	96,277	113,580	104,730	109,200	-3.86%	109,790	0.54%
Postage	46,840	58,510	39,220	54,260	-7.26%	54,270	0.02%
Books & Publications	38,202	46,060	36,520	48,370	5.02%	48,220	-0.31%
Forms	2,147	2,050	2,000	1,950	-4.88%	2,100	7.69%
Small Computer Items	484,352	534,100	500,000	425,000	-20.43%	450,000	5.88%
Minor Furniture & Fixtures	62,896	99,270	61,850	153,290	54.42%	67,130	-56.21%
<u>Printing &amp; Publication</u>							
Repro-In-House	387,374	483,660	391,370	427,950	-11.52%	427,490	-0.11%
Printing-Outside	43,724	114,480	58,000	88,440	-22.75%	67,450	-23.73%
Notices & Ads	18,095	20,500	13,250	14,850	-27.56%	14,810	-0.27%
Photo Processing	214	2,400	2,310	2,300	-4.17%	1,300	-43.48%
<u>Training &amp; Meetings</u>							
Meetings	168,607	247,710	146,235	226,540	-8.55%	229,050	1.11%
Training	865,941	1,216,400	414,020	989,600	-18.65%	989,600	0.00%
<u>Operating Materials &amp; Supplies</u>							
Chemical Coagulants	5,288,982	7,594,300	6,803,000	8,021,200	5.62%	9,181,400	14.46%
Odor Control	6,550,935	8,173,730	7,543,800	8,204,400	0.38%	8,932,700	8.88%
Disinfection	5,328,997	7,494,200	4,762,900	6,033,100	-19.50%	4,962,200	-17.75%
Chemicals-Cogen. Ops.	17,390	22,600	18,000	18,500	-18.14%	19,000	2.70%
Miscellaneous Chemicals	27,320	27,000	34,900	36,000	33.33%	36,000	0.00%
Gasoline, Diesel & Oil	547,965	648,000	405,220	430,200	-33.61%	441,300	2.58%
Tools	344,676	327,290	314,820	364,870	11.48%	318,970	-12.58%
Safety Equipment/tools	425,205	344,970	427,745	457,400	32.59%	446,880	-2.30%
Solv, Paints, & Jan. Supplies	112,177	110,170	106,010	106,865	-3.00%	109,380	2.35%
Lab Chemicals & Supplies	681,734	677,400	699,210	717,300	5.89%	726,600	1.30%
Misc. Operating Supplies	175,659	160,280	143,510	168,155	4.91%	158,160	-5.94%
Property Tax Fees	33,341	2,700	19,060	14,200	425.93%	14,300	0.70%
<u>Contractual Services</u>							
Solids Removal	16,653,478	20,580,000	15,950,000	17,755,000	-13.73%	20,090,000	13.15%
Other Waste Disposal	1,816,801	1,887,900	1,098,000	1,840,000	-2.54%	1,943,000	5.60%
Groundskeeping	351,442	355,000	295,000	245,000	-30.99%	250,000	2.04%
Janitorial	480,487	490,000	448,000	460,000	-6.12%	470,000	2.17%
Outside Lab Services	111,880	135,100	112,400	117,040	-13.37%	117,080	0.03%
Oxygen Plant Oper	403,589	442,000	350,000	380,000	-14.03%	478,000	25.79%
County Service Fee	483,112	394,000	394,000	405,820	3.00%	418,000	3.00%
Temporary Services	493,409	303,020	213,570	154,200	-49.11%	81,000	-47.47%
Security Services	336,753	348,000	348,000	453,920	30.44%	461,630	1.70%
Other	2,089,087	2,429,670	2,268,900	1,821,280	-25.04%	1,825,510	0.23%

# Operations Summary

## Proposed Budget Net Operating Expense by Line Item (Continued)

Description	2008-09 Actual	Budget 2009-10	2009-10 Projected	2010-11 Proposed	Budget Change As A %	2011-12 Proposed	Budget Change As A %
<u>Professional Services</u>							
Legal	509,749	452,500	540,000	553,800	22.39%	550,340	-0.62%
Audit & Accounting	114,812	204,940	145,440	160,440	-21.71%	165,060	2.88%
Engineering	933,804	525,460	392,600	836,960	59.28%	666,960	-20.31%
Enviro Scientific Consult	104,517	102,000	92,000	107,000	4.90%	107,000	0.00%
ERP Support	-	-	-	-	n/a	-	n/a
Software Prgm Consult	178,965	313,000	153,000	295,000	-5.75%	300,000	1.69%
Advocacy Efforts	225,747	212,000	207,000	207,000	-2.36%	207,000	0.00%
Industrial Hygiene Svcs	35,730	40,000	40,000	40,680	1.70%	41,370	1.70%
Labor Negotiation Svc	-	-	20,000	40,000	n/a	40,680	1.70%
Other	491,337	775,230	327,780	918,810	18.52%	606,550	-33.99%
<u>Research &amp; Monitoring</u>							
Environmental Monitoring	525,358	385,200	328,000	326,950	-15.12%	292,100	-10.66%
Air Quality Monitoring	123,056	165,000	110,000	135,000	-18.18%	135,000	0.00%
Research	700,206	628,260	628,260	601,000	-4.34%	616,000	2.50%
<u>Repairs &amp; Maintenance</u>							
Materials & Services	9,603,524	8,472,190	7,704,580	9,007,250	6.32%	9,025,130	0.20%
Service Maint. Agreements	1,490,649	1,588,150	1,528,200	2,074,610	30.63%	2,090,630	0.77%
<u>Utilities</u>							
Telephone	296,572	266,000	300,000	300,000	12.78%	300,000	0.00%
Diesel For Generators	26,039	19,000	25,000	26,000	36.84%	28,000	7.69%
Natural Gas	421,844	1,042,000	469,000	968,000	-7.10%	1,387,000	43.29%
Electricity	5,281,868	6,872,000	5,760,830	6,577,620	-4.28%	8,200,860	24.68%
Water	1,187,666	1,556,100	1,328,940	1,365,100	-12.27%	1,413,000	3.51%
<u>Other Operating Costs</u>							
Outside Equip Rental	2,703	300	4,500	3,500	1066.67%	3,500	0.00%
Insurance Premiums	34,731	40,000	32,580	37,000	-7.50%	37,000	0.00%
In-Lieu Insurance Premium	912,120	902,100	902,100	939,500	4.15%	1,082,100	15.18%
Freight	134,027	141,380	132,080	135,700	-4.02%	138,840	2.31%
Misc. Operating Expense	80,755	120,740	107,960	123,130	1.98%	143,590	16.62%
Uncollectible Accounts	-	-	-	-	n/a	-	n/a
Regulatory Operating Fees	588,789	511,400	617,060	632,000	23.58%	632,000	0.00%
Contingency	-	270,060	-	388,000	43.67%	413,000	6.44%
Prior year reappropriation	-	302,200	-	388,000	28.39%	413,000	6.44%
Other Interest Expense	-	500	-	-	n/a	-	n/a
Loss on obsolete inventory	7,733	85,400	10,050	10,000	-88.29%	10,000	0.00%
Other Non-Oper Expense	39,301	118,160	87,090	95,010	-19.59%	96,480	1.55%
Capital Grants-Member Agencies	189,830	1,655,530	1,479,950	-	n/a	-	n/a
Materials, Supplies, & Services	69,505,709	83,967,220	68,327,710	78,382,660	-6.65%	83,432,230	6.44%
<b>Total Operating Requirements</b>	<b>154,104,597</b>	<b>175,730,620</b>	<b>160,393,160</b>	<b>173,269,430</b>	<b>-1.40%</b>	<b>179,682,600</b>	<b>3.70%</b>
<b>Cost Allocation</b>	<b>(20,750,439)</b>	<b>(21,416,700)</b>	<b>(24,178,660)</b>	<b>(23,247,730)</b>	<b>8.55%</b>	<b>(23,591,830)</b>	<b>1.48%</b>
<b>Net Operating Requirements</b>	<b>\$ 133,354,158</b>	<b>\$ 154,313,920</b>	<b>\$ 136,214,500</b>	<b>\$ 150,021,700</b>	<b>-2.78%</b>	<b>\$ 156,090,770</b>	<b>4.05%</b>
<b>Cost to Collect, Treat, &amp; Dispose of 1 Million Gallons</b>	<b>\$ 1,731.78</b>	<b>\$ 1,838.16</b>	<b>\$ 1,797.03</b>	<b>\$ 1,957.23</b>		<b>\$ 1,992.89</b>	
<b>Flow, Million Gallons</b>	<b>77,004</b>	<b>83,950</b>	<b>75,800</b>	<b>76,650</b>		<b>78,324</b>	
<b>Flow Per Day, MGD</b>	<b>210.97</b>	<b>230.00</b>	<b>207.68</b>	<b>210.00</b>		<b>214.00</b>	

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## 2010-11 & 2011-12 Budget

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### **NOTES TO THE FISCAL YEAR 2010-11 and 2011-12 OPERATIONS BUDGET**

#### **Salaries, Wages & Benefits**

**Salaries & Wages** - The proposed budget is set at 641.0 Full Time Equivalent (FTE) positions for FY 2010-11 and 2011-12. Provision has been made in the proposed salaries for FY 2010-11 in order to comply with the terms of those current MOU's which extend through that fiscal year. Pending completion of the negotiation process, no salary adjustments have been included in the budget for periods beyond the expiration of current MOU's.

**Retirement** - The District's employees are members of the Orange County Employees' Retirement System (OCERS). The employer's required contribution rate has been increased from 21.95% to 24.20% and 25.10% in FY 2010-11 and 2011-12, respectively. In addition, the District pays 3.5% on behalf of each employee.

**Group Insurance** - This includes the District's share of employees' medical plans, dental insurance plans, and life and disability insurance premiums. This also includes the other post-employment benefits that the District is obligated to pay for retirees. The FY 2010-11 and 2011-12 budgets include estimated 12% and 5.5% annual increases for medical plans and the dental plan, respectively. The FY 2011-12 budget also includes an estimated 6% increase for all other plans. These plans are under fixed contract through FY 2010-11 so there is no change in the FY 2010-11 budget for these plans.

**Tuition & Certification Reimbursements** - To encourage the self-development and training of employees, the District has a tuition and certification reimbursement program. This appropriation is set at \$170,000 each year.

**Development Pay** - To further promote employee efforts that increase job knowledge, skills, and abilities, the District has established this new benefit for employees obtaining educational degrees and job-related certificates/licenses. The budget of \$297,000 is based on estimated employee participation.

**Uniforms** - This budget projection is for uniforms provided to field and lab employees in accordance with employee MOU's.

**Workers' Compensation** - This item is used to maintain the level of accumulated reserves for workers' compensation self-insurance. The amount recommended is \$578,800 for FY 2010-11 and \$550,000 for FY 2010-11. The total estimated expenditures for the workers' compensation program are set forth in detail in the Self-Insurance section.

**Unemployment Insurance** - The District is on an actual claims paid basis, which has historically resulted in an overall lower cost because of favorable claims history. This appropriation is proposed at a level consistent with the prior year's actual costs.

**Memberships** - The District has memberships in agencies such as Orange County Business Council, National Association of Clean Water (NACW), California Association of Sanitation Agencies (CASA), Southern California Association of Public Owned Treatment Works (SCAP), and the Center for Demographic Research.

**Administrative Expenses** - These accounts include supplies, postage, technical journals and publications, forms, small office equipment, and small computer items. The small equipment and computer items cost less than \$5,000 per item and exclude items that are capitalized.

**Printing and Publication** - The budget provides for in-house and outside reproduction costs and reflects an expanded management information system and administrative requirements as well as a continuing demand by the public and regulatory agencies for information. This group of accounts also includes costs for photo processing, advertisements, and notices.

**Training & Meetings** - Board member and staff travel has been significantly reduced in recent years. This category includes meetings of professional societies; ongoing technical training and materials for staff; training for computerized plant monitoring and control systems, Computerized Maintenance Management System (CMMS), Enterprise Resource Planning (ERP), and other "high tech" equipment, processes and systems; and training to allow for an adaptive and flexible work force. While the District continues to place an emphasis on safety, technical, leadership and management training, the training budget has been reduced from 2% to approximately 1.5% of budgeted, regular salaries due to savings achieved in part through the use of online courses.

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## Notes to Operations Summary

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### **Operating Materials & Supplies**

**Chemical Coagulants** - Chemical coagulants are used to enhance the primary treatment process by increasing the solids removal efficiencies and are used to control hydrogen sulfide levels in the digester gas.

Anionic polymer, cationic polymer, and ferric chloride usage is estimated to increase due to increased solids production and in order to enhance primary clarifier performance. These estimated usage changes along with expected cost increases result in higher budget amounts for the next two years.

**Odor Control Chemicals** - The District uses hydrogen peroxide, sodium hydroxide (caustic soda), and bleach as the primary odor control chemicals within the treatment plants; muriatic acid is an odor control chemical used for cleaning the scrubbers. Ferrous chloride, magnesium hydroxide, calcium nitrate, and hydrogen peroxide are the primary odor control chemicals used within the collection system.

The FY 2010-11 budget for these chemicals has increased to \$8.2 million primarily as a result of unit cost increases for magnesium hydroxide and ferrous chloride in the collection system trunklines. The FY 2011-12 budgeted amount increases to \$8.9 million mainly also as a result of an anticipated increase in the unit cost of odor control chemicals.

**Disinfection Chemicals** - The disinfection process reduces the bacteria in the plant effluent discharge by using bleach (12.5% hypochlorite solution). This is followed by dechlorination using sodium bisulfite to remove chlorine by-products.

Bleach and sodium bisulfite usage is expected to increase slightly in FY 2010-11, and then decrease in 2011-12 as new secondary facilities become operational. Overall, disinfection chemical costs will decrease \$1.5 million in FY 2010-011 from the 2009-10 budgeted amount, with another decrease of \$1 million in 2011-12. A 5% increase in chemical costs for bleach and sodium bisulfite is anticipated in the next two fiscal years.

**Gasoline, Oil and Fuel** - This group of accounts includes gasoline, oil, and diesel fuel required to operate stationary treatment plant equipment as well as approximately 300 pieces of major mobile

equipment such as trucks, cranes, and generators. Also included in this group of accounts is the cost of fuel for the compressed natural gas station. The cost of the natural gas is recovered by selling the compressed natural gas as vehicle fuel to outside users. The budget for this group of items should be essentially unchanged.

**Other Operating Supplies** - This group of accounts is for miscellaneous items such as scrubber acids, activated carbon, solvents, cleaners, hardware, janitorial supplies, tools, safety equipment, laboratory supplies, etc., that are required to operate and maintain existing and expanding facilities. This group of accounts is expected to increase by approximately \$200,000 in FY 2010-11 as a result of technology changes driving the purchase of new tools, and increased safety consciousness causing greater use of protective equipment.

**Contractual Services** - The major component of this category is biosolids removal and transport costs. Contracts have been executed with firms for agricultural reuse of residual solids. Since the closure of the Coyote Canyon Landfill in 1990, no replacement site for sludge disposal has yet been approved within Orange County. A total of \$19.6 million has been budgeted for solids and other waste removal and transportation in FY 2010-11 and \$22.0 million in FY 2011-12.

This category also includes appropriations for groundskeeping services, janitorial services, security services, toxic removal services, outside laboratory services, trash pickup, plant site sweeping, temporary help to level out periodic increases in staff workload, a maintenance contract for the Plant 2 oxygen generation plant, CCTV services, and line cleaning services.

**Professional Services** - Includes General Counsel, special labor counsel, audit and miscellaneous accounting services, legislative advocacy, engineering, and other technical consulting services.

**Research and Monitoring** - Overall this category of costs is expected to decrease approximately \$115,000 in FY 2010-11 and then remain stable the following fiscal year. The costs in this category consist of contract services to carry out the extensive ocean monitoring program required by EPA Region IX under the provisions of the District's NPDES permit; air quality monitoring costs; the

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## 2010-11 & 2011-12 Budget

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District's contribution to the Southern California Coastal Water Research Project (SCCWRP) being conducted under a joint powers agreement with other Southern California municipal dischargers; and also provides for operational and ocean research and evaluation to develop optimum operating parameters in the treatment plants.

**Repairs and Maintenance** - Approximately 84% of these expenses are incurred in Operations and Maintenance. These line items include parts and services for repairing plant and collection facilities, and reflect base budgets for equipment maintenance. Out-sourced annual service contracts and maintenance agreements are also included. FY 2010-11 and FY 2011-12 budgets include basic maintenance costs totaling \$7.3 million and \$7.5 million, respectively. Further, Information Technology has a repairs and maintenance budget of \$1.3 million for each of the next two fiscal years that will provide services for the computer systems located throughout the collection facilities, treatment plants, and administration areas.

The FY 2010-11 and 2011-12 maintenance budgets also include non-routine projects such as belt filter press rebuilds, digester rehabilitations, bioscrubber rehabilitations, and a waste side stream pump stream valve replacement in 2011-12. The budgets for these non-routine rehabilitations and repairs will be \$1.9 million and \$1.6 million respectively.

**Utilities** - The cost for utilities is a significant component of the operating budget. In FY2010-11, the overall cost for utilities is anticipated to decrease by \$500,000 from the FY 2009-10 budget and then to increase by \$2.1 million in FY 2011-12 as new facilities begin operation requiring additional purchased power.

**Natural Gas** - Natural gas is purchased to supplement the digester gas that is used to run the central generation facilities. The FY 2010-11 and 2011-12 budgets reflect a decrease in natural gas use at Plant 2 because of AQMD regulations reducing the number of operating engines from three to two. The consumption of natural gas will increase at both plants during FY2010-11 for testing the new automation system, and a larger increase in usage is anticipated the following fiscal year when new emissions controls will allow more natural gas use for peak shaving (generating more gas when electrical rates are high from June to October.)

**Electricity** - Electricity is the largest utility cost incurred by the District. Over 80% of purchased electricity is used to run the plant processes; the remaining power is used for the support building and pump stations. The FY 2010-11 proposed budget is decreased \$300,000 due to lower rate estimates for the plants as previously anticipated rate increases did not occur. The \$1.6 million increase in the FY 2011-12 proposed budget is due to anticipated usage increases as new facilities are operational.

### **Other Materials, Supplies, and Services**

**Insurance Premiums** - Other than approximately \$37,000 budgeted each year in the operating section to insure the District's ocean vessel, the cost for general liability and property insurance premiums is budgeted entirely within the Self-Insurance section.

**In-Lieu Insurance Premium** - This item is used to maintain the level of accumulated reserves for property and general liability self-insurance. The amount recommended is \$939,500 for FY 2010-11 and \$1.082 million for FY 2011-12. The total estimated expenditures for the insurance program are set forth in detail in the Self-Insurance section.

**Capital Grants to Member Agencies** - No payments to agencies in connection with the Cooperative Projects Grant Program are expected in FY 2010-11 or in FY 2011-12.

**Other Operating & Non-Operating Expenses** - Expenses not chargeable elsewhere, such as freight and miscellaneous items, and annual regulatory fees assessed by the SCAQMD, are recorded within these groups of accounts.

**Cost Allocation** - This represents direct labor and benefit charge outs and materials, supplies and services cost allocation to the capital project where the related work was performed.

**Net Operating Requirements** - This line item represents the net salary, wages, benefits, materials, supplies, and services related to operating costs for collection, treatment, and disposal activities, after charge backs to CIP.

# Notes to Operations Summary

## Listing of Proposed Purchases Over \$100,000

Resolution 07-04, "Establishing Policies and Procedures For: The Award of Purchase Orders and Contracts; Public Works Project Contracts; Professional Services Contracts; and Delegation of Authority to Implement Said Policies and Procedure," was adopted by the Board on February 28, 2007. Article IV, Section 4.03(B) of the Resolution provides that, "Purchases of supplies, materials, equipment or services, including Professional Service Consultants...as outlined in each Fiscal Year's annual budget, to include capital equipment, shall be bid and awarded directly by the Contracts/Purchasing Manager." The annual authorization amount for a multi-year contract is determined in the year the contract is bid/let. Therefore, the contract authorization amount indicated herein is valid only when the contract is bid/let in FY 2010-11.

Following are services or supply items identified in the budget process with a cost greater than \$100,000. Staff requests the Board approve the purchase of these items and those listed in the Proposed CORF Equipment Detail listing, found in Section 8 – Page 136 through 137, without further Board action in accordance with the referenced policy.

<u>Description of Services or Supplies</u>	<u>Division</u>	<u>Contract Authorization</u>	<u>Change Order Contingency (1)</u>
<u>Chemical Contracts</u>			
Anionic polymers for primary treatment	830	\$ 274,800	0% (2)
Cationic polymers for solids dewatering and coagulation	830/840	2,127,500	0% (2)
Ferric chloride for primary treatment	830/840	5,618,900	0% (2)
Caustic soda (50%) for odor and corrosion control	820	233,400	0% (2)
Caustic soda (25%) for odor and corrosion control	830/840	336,000	0% (2)
Hydrogen peroxide for odor control	820/830/840	1,162,000	0% (2)
Magnesium hydroxide for odor and corrosion control	820	2,392,000	0% (2)
Ferrous chloride for odor and corrosion control	820	2,597,000	0% (2)
Calcium nitrate for odor and corrosion control	820	987,000	0% (2)
Bleach for disinfection and odor control	830/840	6,267,800	0% (2)
Sodium bisulfite for dechlorination	840	397,000	0% (2)
<u>Other Contracts</u>			
Legislative/lobbying services	152	180,000	10%
Web design services	152	100,000	10%
Uniform contract	230	300,000	10%
Security services contract	240	453,920	10%
Legal services	240	255,000	10%
District-wide safety training	240	254,250	10%
IBM Software Maintenance	250	184,000	10%
Microsoft Enterprise License Agreement	250	218,500	10%
Oracle Software Maintenance	250	138,000	10%
Hazardous waste services	620	125,000	10%
Air quality compliance testing	620	210,000	10%
Air quality emissions and permit fees	620	215,000	10%
NPDES permit fees	620	325,980	10%
Core OMP benthic infauna taxonomy	630	116,500	10%
Solids removal	830/840	17,756,000	10%
Grit and screenings hauling and disposal	830/840	600,000	10%
Oxygen plant services for secondary treatment	840	460,000	10%
City water - Fountain Valley	830	258,200	10%
City water - Huntington Beach	840	198,400	10%
Carbon replacement - odor control	820	452,000	10%
Digester cleaning and disposal	850	1,050,000	10%
Engine overhauls	850	500,000	10%
Electric arc flash study (OSHA requirement)	860	200,000	10%
Natural gas	830/840/860	968,000	10%
GAP water	860	900,000	10%
Replacing manhole frames & covers	870	233,350	10%
Local Sewer Line Cleaning	870	500,000	10%
Manhole structural repair and coating services	870	300,000	10%
Sewer repair / relining	870	230,000	10%
CCTV Services for sewers	870	360,000	10%
Dig Alert and street overlay program contract	870	180,960	10%
Purchasing manhole frames/covers	870	200,000	10%
Sewer spot repairs	870	100,000	10%
Easement/right-of-way maintenance	870	200,000	10%
Raising manholes for City/County street overlays	870	150,000	10%
Underground emergency repairs for sinkholes	870	150,000	10%
Vehicle fuels and lubricants	880	200,000	10%
Groundskeeping services contract	870/880	210,000	10%
Custodial services contract	880	460,000	10%
Process area preventive maintenance/painting program	880	622,440	10%
Total		<u>\$ 52,908,900</u>	

**Note 1:** The change order contingency is for the lifetime of the contract and is based on the annual authorized amount in the year the contract is bid/let. [For example, a three-year contract which is authorized for an annual contract amount of \$300,000 with a 10% change order contingency must be initially bid/let for less than or equal to \$300,000; over the life of the contract, the total change orders may not exceed 10% of \$300,000, or \$30,000.]

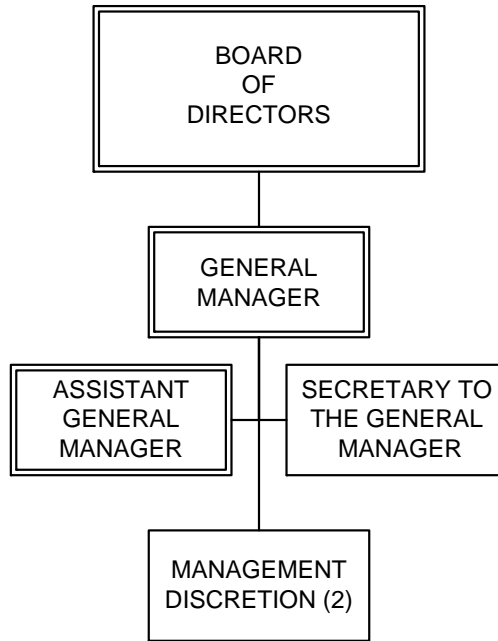
**Note 2:** Once a chemical contract is bid/let, there is no increase in unit cost allowed without Board approval.

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## **2010-11 & 2011-12 Budget**

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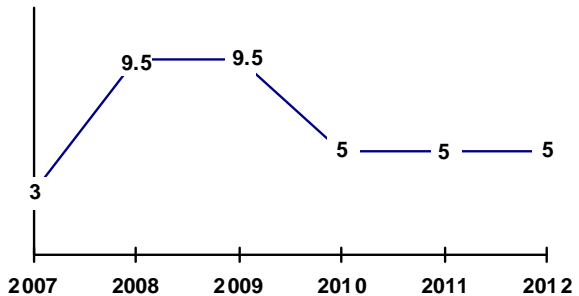


Staffing Trends

2010-11 & 2011-12 Authorized FTE Positions

Executive Manager	2.0
Supervisors / Professionals	3.0

**Total** 5.0





# 2010-11 & 2011-12 Budget

## Service Description

The mission of the Office of the General Manager is to work with the Board to establish standards, policies and procedures, and the overall goals and Strategic Plan of the District. The Office of the General Manager reports the District's progress in meeting the established goals to support the District's mission, and provides general oversight of the District's operations. The office reports directly to the Board of Directors and provides general oversight to all District Operations, interagency relations and communications, and the Strategic Plan. The Assistant General Manager directly oversees the Public Affairs Division and the Board Services Division.

### 2009-10 Performance Objectives

- ◆ Ensure that the gross collection, treatment, and disposal cost per million gallons does not exceed \$1,838.16/MG by the end of FY 2009-10.
- ◆ Ensure District does not exceed 648.0 FTEs by the end of FY 2009-10.
- ◆ Maintain 100% compliance with terms and conditions of the permit.
- ◆ Deliver 80%+ of FY 2009-10 CIP budget.
- ◆ Complete Strategic Plan update by 12/31/09.
- ◆ Obtain \$4.5 million appropriation for relocation of SARI Line and Secondary Treatment.
- ◆ Update performance dashboard quarterly.
- ◆ Present for Board approval the proposed updated District agreements with SAWPA and IRWD.

### 2009-10 Performance Results

- ◆ Through 9 months the cost has been \$1,732.22/mg. While expenditures are below budget, flows are also 9.8% below estimates.
- ◆ Actual FTE count of 597.5 as of March 31, 2010.
- ◆ No violations.
- ◆ 90.4% of FY 2009-10 CIP budget estimated for delivery.
- ◆ Updated Strategic Plan approved by the Board 12/09.
- ◆ Received \$300,000 to date.
- ◆ Dashboard updated end of each quarter.
- ◆ In process; possible Board vote last quarter FY2009-10.

### 2010-11 & 2011-12 Performance Objectives

- ◆ Ensure collection, treatment, and disposal cost per million gallons does not exceed \$1,957.23 by end of fiscal year 2010-11 and \$1,992.89/MG by end of fiscal year 2011-12.
- ◆ Ensure the District does not exceed 641.0 FTEs by the end of fiscal year 2010-11 and fiscal year 2011-12.
- ◆ Deliver 80%+ of each fiscal year's CIP budget.
- ◆ Obtain \$5.6 million appropriation for Secondary Treatment and Fuel Cells.
- ◆ Update performance dashboard quarterly.
- ◆ Present for Board approval the proposed updated District agreements with SAWPA and IRWD.

### Performance Measures

Summary	2008-09 Actual	2009-10 Projected	2010-11 Proposed	2011-12 Proposed	Justification
◆ Cost per Million Gallons	\$1,731.78	\$1,797.03	\$1,957.23	\$1,992.89	In-house standard
◆ FTE Count	607.75	620	641	641	Budgeted Staffing Plan
◆ 80%+ of CIP Budget	77.8%	90.4%	80%+	80%+	In-house standard
◆ Funding	N/A	N/A	Determined by 12/31/10	Determined by 12/31/11	Federal Budget approved
◆ Dashboard	N/A	Quarterly	Quarterly	Quarterly	In-house standard
◆ IRWD/SAWPA	N/A	In process	Complete	N/A	In-house standard

# General Management Administration

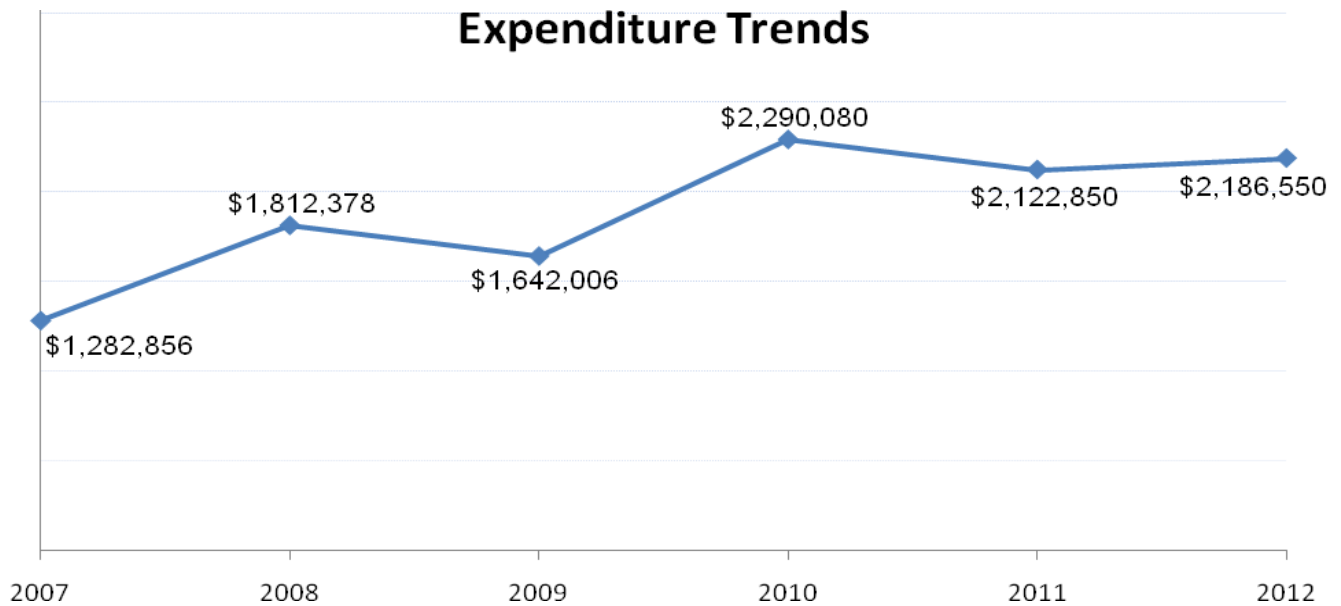
## Budget Overview

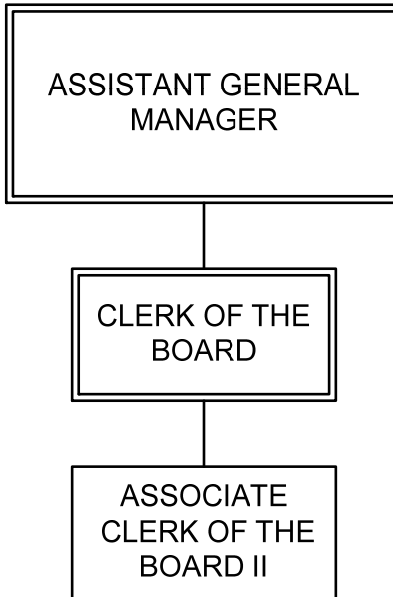
The FY 2010-11 & 2011-12 budgets for the General Manager's office reflect a decrease of 7% and an increase of 3% over the prior year, respectively. The decrease is primarily due to the transfer of costs for advocacy efforts to the Public Affairs division as well as staff reallocations during FY 2009-10. This decrease is somewhat offset by restoring the General Manager's contingency and reappropriations to 0.5 percent apiece of the District's overall non-salary related operating budget after having been partially allocated out of the FY 2009-10 original budget to arrive at the FY 2009-10 adjusted budget.

<b>2009-10 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 2,290,080</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments	(144,000)
Change in OCERS retirement costs	11,450
Change in group insurance costs	(12,660)
Other benefit cost adjustments	(5,000)
<b>Other Cost Adjustments:</b>	
Increase in memberships	15,830
Decrease in meetings	(1,500)
Increase in legal services	35,000
Decrease in advocacy efforts (transferred to Division 152)	(185,000)
Decrease in other professional services	(15,000)
Decrease in electricity costs of the administration building	(15,000)
Increase in General Manager's contingency / reappropriations	203,740
Decrease in other non-operating expense	(50,000)
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(5,090)
<b>2010-11 Proposed Budget - Total Operating Requirements</b>	<b>\$ 2,122,850</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	-
Change in OCERS retirement costs	4,900
Change in group insurance costs	2,700
Other benefit cost adjustments	(100)
<b>Other Cost Adjustments:</b>	
Increase in electricity costs of the administration building	5,000
Increase in General Manager's contingency / reappropriations	50,000
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	1,200
<b>2011-12 Proposed Budget - Total Operating Requirements</b>	<b>\$ 2,186,550</b>

# 2010-11 & 2011-12 Budget

Operating Expenses By Category	2008-09 Actual	2009-10 Revised Budget	2009-10 Projected	2010-11 Proposed	Budget % Change	2011-12 Proposed	Budget % Change
Personnel	\$ 1,042,999	\$ 1,123,710	\$ 952,300	\$ 973,500	(13.37%)	\$ 981,000	0.77%
Supplies	194,122	179,870	193,800	193,850	7.77%	194,050	0.10%
Professional & Contractual Services	292,518	220,000	235,000	55,000	(75.00%)	56,000	1.82%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	108,913	132,000	108,000	117,000	(11.36%)	122,000	4.27%
Other	3,454	634,500	6,000	783,500	23.48%	833,500	6.38%
<b>Total</b>	<b>\$ 1,642,006</b>	<b>\$ 2,290,080</b>	<b>\$ 1,495,100</b>	<b>\$ 2,122,850</b>	<b>(7.30%)</b>	<b>\$ 2,186,550</b>	<b>3.00%</b>



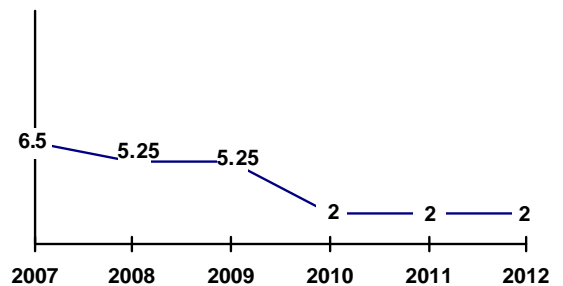


**2010-11 & 2011-12 Authorized FTE Positions**

Supervisors / Professionals 2.00

**Total 2.00**

**Staffing Trends**



# 2010-11 & 2011-12 Budget

## Service Description

The mission of the Board Services Division is to provide high levels of customer service through the Clerk of the Board's office. The Clerk of the Board's office supports the Board of Directors and the public by preparing and publishing agendas in accordance with legal requirements for meetings of the Board of Directors; recording the actions taken by the Board; publishing notices as required by law; acting as filing officer for Statement of Economic Interests filings; receiving and processing summons and complaints filed against the District; and maintaining rosters of the Board of Directors and appointed committee assignments.

### 2009-10 Performance Objectives

- Mail Board Agenda packages six calendar days prior to Board meetings, 100% of the time, unless otherwise authorized by the General Manager.
- Monitor and update annually the District Records Retention Schedule and Policy and Procedures to reflect any changes in laws, operations, and District structure. To be presented for Board approval annually, through adoption of a resolution.
- Coordinate quarterly District-wide disposal of retention expired records.
- Provide Public Records Act (PRA) response coordination to ensure compliance with CPRA, Government Code 6250.

### 2009-10 Performance Results

- Achieved 100% success rate.
- Objective transferred to Information Technology due to reorganization.
- Objective transferred to Information Technology due to reorganization.
- Objective transferred to Information Technology due to reorganization.

### 2010-11 & 2011-12 Performance Objectives

- ◆ Mail Board Agenda packages six calendar days prior to Board meetings, 100% of the time, unless otherwise authorized by the General Manager.
- ◆ Maintain accurate records of official actions taken by the Board of Directors.
- ◆ Post annotated agendas on website by 5:00 pm the following day.

### Performance Measures

Summary	2008-09 Actual	2009-10 Projected	2010-11 Proposed	2011-12 Proposed	Justification
◆ Board Agenda Package	100% - 6 days	100% - 6 days	100% - 6 days	100% - 6 days	In-house Standard
◆ Maintain accurate records of official actions taken by the Board of Directors.	N/A	100%	100%	100%	In-house Standard
◆ Post annotated agendas on website by 5:00 pm the following day.	N/A	100%	100%	100%	In-house Standard

# Board Services

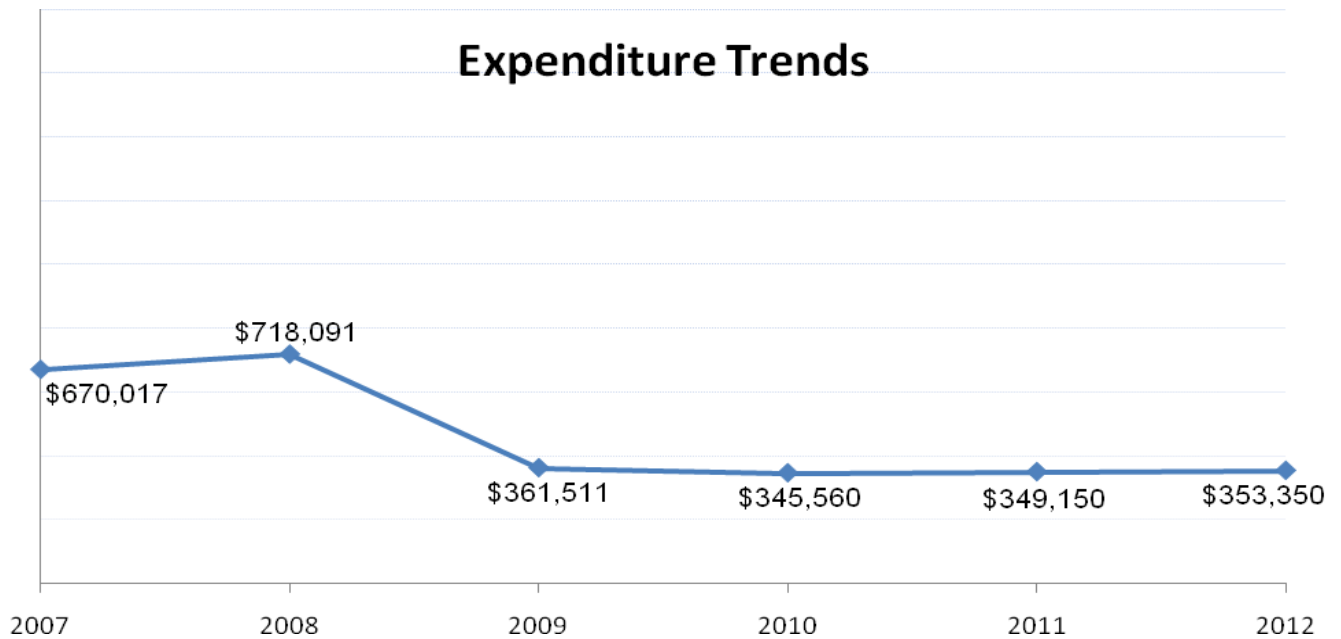
## Budget Overview

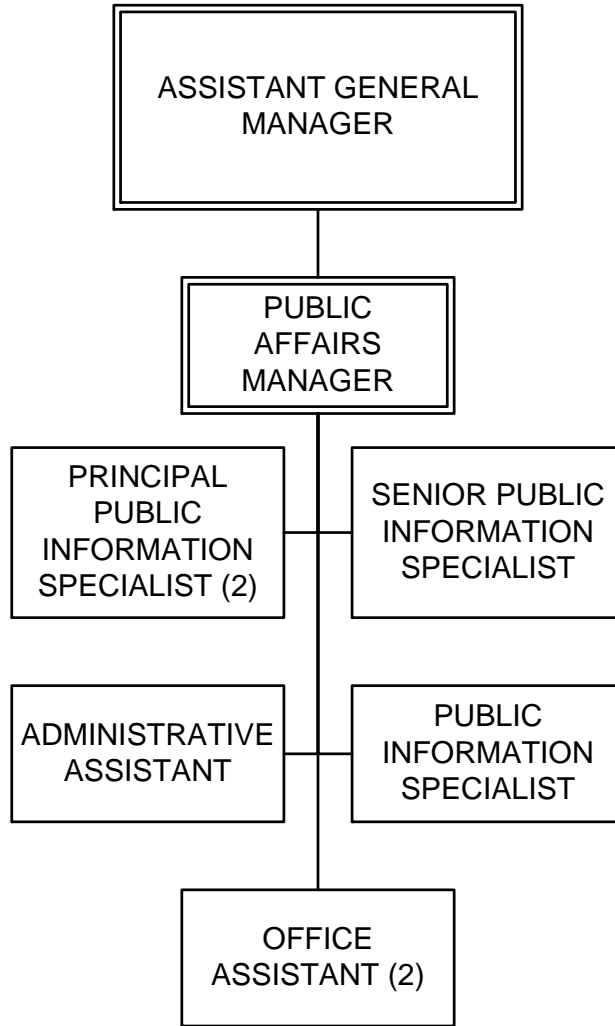
The FY 2010-11 & 2011-12 budgets for the Board Services Division reflect increases of 1% and 1% over the prior year, respectively. The increases are mainly due to anticipated retirement and group insurance cost adjustments.

<b>2009-10 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 345,560</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	3,800
Change in OCERS retirement costs	5,560
Change in group insurance costs	1,300
Other benefit cost adjustments	(1,100)
<b>Other Cost Adjustments:</b>	
Decrease in office expense - supplies (costs transferred to Division 152)	(1,500)
Decrease in temporary services	(6,100)
 <b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	1,630
<b>2010-11 Proposed Budget - Total Operating Requirements</b>	<b>\$ 349,150</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	-
Change in OCERS retirement costs	1,800
Change in group insurance costs	2,500
Other benefit cost adjustments	(100)
<b>Other Cost Adjustments:</b>	
 <b>Aggregate change in Other Categories:</b>	
No other cost changes	-
<b>2011-12 Proposed Budget - Total Operating Requirements</b>	<b>\$ 353,350</b>

# 2010-11 & 2011-12 Budget

Operating Expenses By Category	2008-09 Actual	2009-10 Revised Budget	2009-10 Projected	2010-11 Proposed	Budget % Change	2011-12 Proposed	Budget % Change
Personnel	\$ 293,114	\$ 280,340	\$ 296,100	\$ 289,900	3.41%	\$ 294,100	1.45%
Supplies	8,617	7,550	6,500	7,730	2.38%	7,730	-
Professional & Contractual Services	58,778	56,100	50,000	50,000	(10.87%)	50,000	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	961	1,500	1,500	1,500	-	1,500	-
Utilities	-	-	-	-	-	-	-
Other	41	70	20	20	(71.43%)	20	-
<b>Total</b>	<b>\$ 361,511</b>	<b>\$ 345,560</b>	<b>\$ 354,120</b>	<b>\$ 349,150</b>	<b>1.04%</b>	<b>\$ 353,350</b>	<b>1.20%</b>





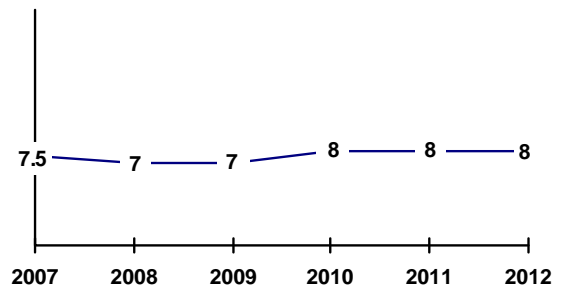
**2010-11 & 2011-12 Authorized FTE Positions**

Manager	1.0
Supervisors / Professionals	4.0
Administrative & Clerical	3.0

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**Total** 8.0

**Staffing Trends**





# 2010-11 & 2011-12 Budget

## Service Description

The Public Affairs division provides services and implements programs to meet the communications and legislative needs of both internal and external audiences for the Orange County Sanitation District. The eight-person division plans and implements media relations, Web site content, community relations, community education and outreach, employee newsletter, intranet development, corporate identity program, collateral material and graphics development, presentation development, and crisis communications and Legislative Affairs. The goal is to create a total communications program that promotes clear and transparent communications with all designated audiences and to promote the understanding of OCSD's mission to protect the environment.

### 2009-10 Performance Objectives

- ◆ Provide services and implement programs that meet the communications needs of OCSD's internal audiences.
- ◆ Provide services and implement programs that meet the communications needs of OCSD's external audiences.
- ◆ Support General Manager activities and provide information on current issues to Board of Directors.

### 2009-10 Performance Results

- ◆ Produced and circulated a monthly employee newsletter.
- ◆ Managed content and further development of employee intranet site.
- ◆ Coordinated "Bring a Kid to Work Day" event
- ◆ Assisted staff in developing communications plans for Pharmaceuticals Program, Fats, Oils, and Grease Program, and Biosolids Program.
- ◆ Worked with OCWD to continue public outreach efforts, aggressively promoting OCSD's role in the GWR System.
- ◆ Conducted more than 10 employee "Chat Room" information sessions.
- ◆ Installed new lobby displays and an honor walk for recognitions of exceptional past employees and Board Members.
- ◆ Increased public awareness by conducting more than 100 tours.
- ◆ Enhanced public outreach by expanding audiences to include service groups and community influencers, by conducting more than 25 speaking engagements.
- ◆ Completed the wastewater 101 educational video.
- ◆ Responded promptly to media requests.
- ◆ Participated in more than 7 community events.
- ◆ Assisted in developing communications for Board of directors.
- ◆ Tracked bills in Sacramento and Washington keeping the Steering Committee up to date on priorities.
- ◆ Developed funding priorities to identify key funding needs to seek appropriations and grants.
- ◆ Monitored the state budget for possible impacts to OCSD for the Boards information.

### 2010-11 & 2011-12 Performance Objectives

- ◆ Provide services and implement programs that meet the communications needs of OCSD's internal audiences.
- ◆ Provide services and implement programs that meet the communications needs of OCSD's external audiences.
- ◆ Support General Manager activities and provide information on current issues to Board of Directors.

### Performance Measures

Summary	2008-09 Actual	2009-10 Projected	2010-11 Proposed	2011-12 Proposed	Justification
◆ Internal Services & Programs	95%	95%	95%	95%	In-house standard
◆ External Services & Programs	95%	95%	95%	95%	In-house standard
◆ Board of Directors & GM	95%	95%	95%	95%	In-house standard

# Public Affairs

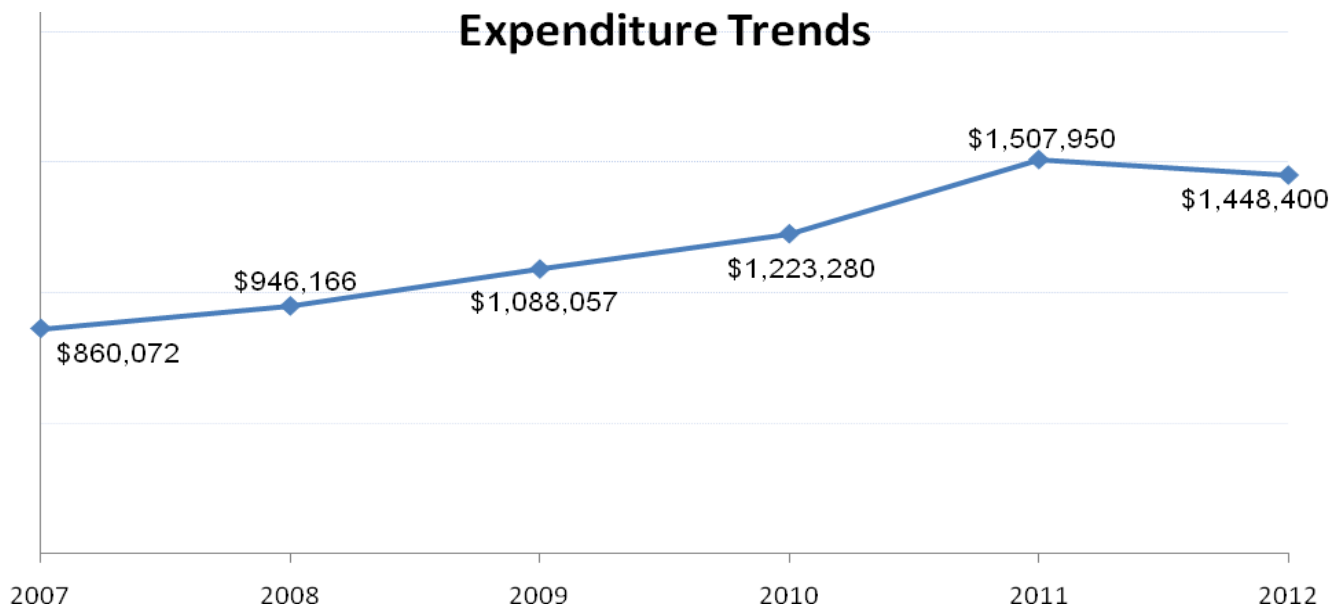
## Budget Overview

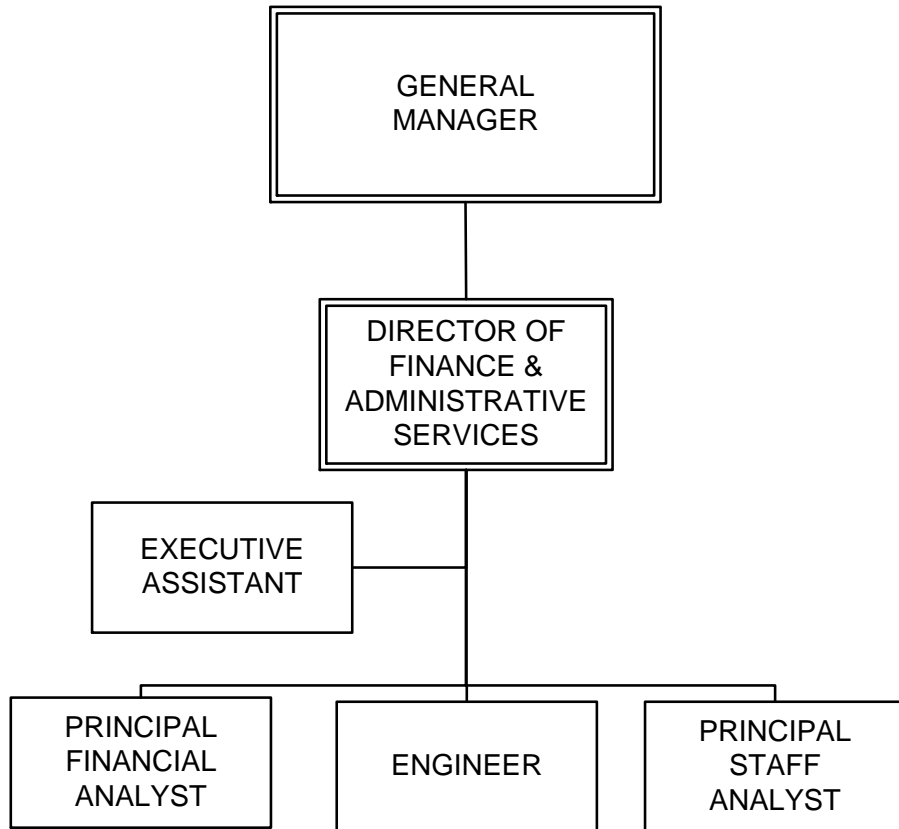
The FY 2010-11 & 2011-12 budgets for the Public Information Office Division reflect an increase of 23% and a decrease of 4% from the prior year, respectively. The increase is mainly due to the transfer of costs for advocacy efforts from the General Management Administration Division as well as a one-time increase in other professional services costs for Website design services.

<b>2009-10 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 1,223,280</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	5,100
Change in OCERS retirement costs	17,870
Change in group insurance costs	5,000
Other benefit cost adjustments	(2,400)
<b>Other Cost Adjustments:</b>	
Decrease in memberships	(1,300)
Increase in minor furniture & fixtures	3,000
Increase in meetings	8,800
Increase in safety equipment/tools	2,000
Increase in advocacy efforts (transferred from Division 110)	185,000
Increase in other professional services	55,000
Increase in miscellaneous operating expense	6,000
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	600
<b>2010-11 Proposed Budget - Total Operating Requirements</b>	<b>\$ 1,507,950</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	-
Change in OCERS retirement costs	6,600
Change in group insurance costs	10,400
Other benefit cost adjustments	(400)
<b>Other Cost Adjustments:</b>	
Decrease in minor furniture & fixtures	(20,000)
Increase in meetings	1,200
Decrease in safety equipment/tools	(1,500)
Decrease in other professional services	(75,000)
Increase in miscellaneous operating expense	20,000
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(850)
<b>2011-12 Proposed Budget - Total Operating Requirements</b>	<b>\$ 1,448,400</b>

# 2010-11 & 2011-12 Budget

Operating Expenses By Category	2008-09 Actual	2009-10 Revised Budget	2009-10 Projected	2010-11 Proposed	Budget % Change	2011-12 Proposed	Budget % Change
Personnel	\$ 973,312	\$ 1,028,630	\$ 1,070,300	\$ 1,054,200	2.49%	\$ 1,070,800	1.57%
Supplies	68,904	89,650	62,110	103,750	15.73%	82,600	(20.39%)
Professional & Contractual Services	24,096	60,000	20,500	300,000	400.00%	225,000	(25.00%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	21,745	45,000	44,000	50,000	11.11%	70,000	40.00%
<b>Total</b>	<b>\$ 1,088,057</b>	<b>\$ 1,223,280</b>	<b>\$ 1,196,910</b>	<b>\$ 1,507,950</b>	<b>23.27%</b>	<b>\$ 1,448,400</b>	<b>(3.95%)</b>





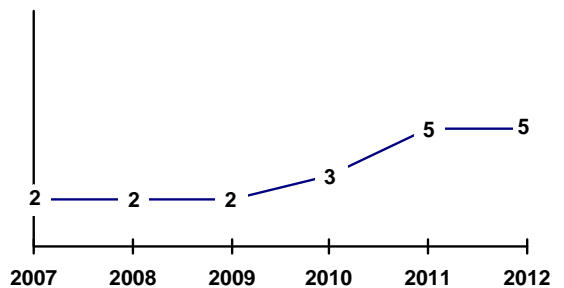
**2010-11 & 2011-12 Authorized FTE Positions**

Executive Manager	1.0
Supervisors / Professionals	3.0
Administrative / Clerical	1.0

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**Total** 5.0

**Staffing Trends**



# 2010-11 & 2011-12 Budget

## Service Description

The mission of the Administrative Services Administration Division is to oversee the functions of the Financial Management, Contracts, Purchasing, & Materials Management, Human Resources, and Information Technology Divisions. This oversight includes both day-to-day operations and strategic planning. The Office is the departmental liaison with Executive Management, the Administration Committee, the Board of Directors, and other departments of the District.

### 2009-10 Performance Measures

- ◆ Submittal of annual sewer service fees (SSF) within property parcel database to the County by August 10<sup>th</sup>.
- ◆ All Treasury investments will be in compliance with the State Government Code 100% of the time.
- ◆ Sustain succession management and leadership academy programs through June 2010.
- ◆ Coordinate and uphold solicitation schedules in support of planned projects and emergency procurements.
- ◆ Implement Enterprise Content Management System by 2009-10.

### 2009-10 Performance Results

- ◆ Submittal completed in time for placement on 2009-10 secured property tax bills.
- ◆ All Treasury investments in compliance 100% of the time.
- ◆ All identified staff have been trained through the leadership academy; proposed succession management programs for Professional and Administrative Employees drafted and presented.
- ◆ Solicitation schedules upheld at 100% completion.
- ◆ Information Technology will complete the infrastructure in a test environment by the end of the fiscal year.

### 2010-11 & 2011-12 Performance Objectives

- ◆ All Treasury investments will be in compliance with the State Government Code 100% of the time.
- ◆ Coordinate and uphold solicitation schedules in support of planned projects and emergency procurements.
- ◆ Implement all Human Resources Strategic Plan deliverables through 2012.
- ◆ Implement Enterprise Content Management System in production environment for email and existing file folders.

### Performance Measures

Summary	2008-09 Actual	2009-10 Projected	2010-11 Proposed	2011-12 Proposed	Justification
◆ Investment compliance	Yes	Yes	Expected	Expected	In-house standard
◆ Uphold solicitation schedules	100%	100%	100%	100%	In-house standard
◆ Implement HR Strategic Plan Deliverables	N/A	N/A	100%	100%	In-house standard
◆ Implement Enterprise Content Management System	N/A	Test infrastructure	Email & file folders	N/A	In-house standard

# Administrative Services Administration

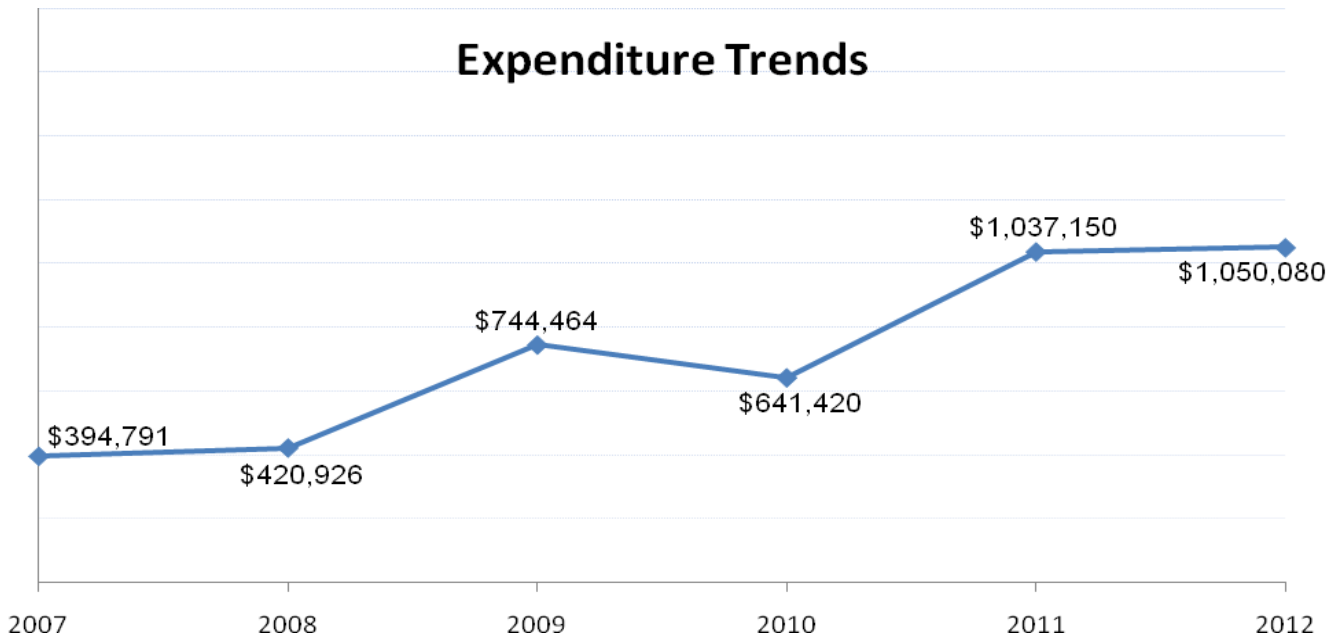
## Budget Overview

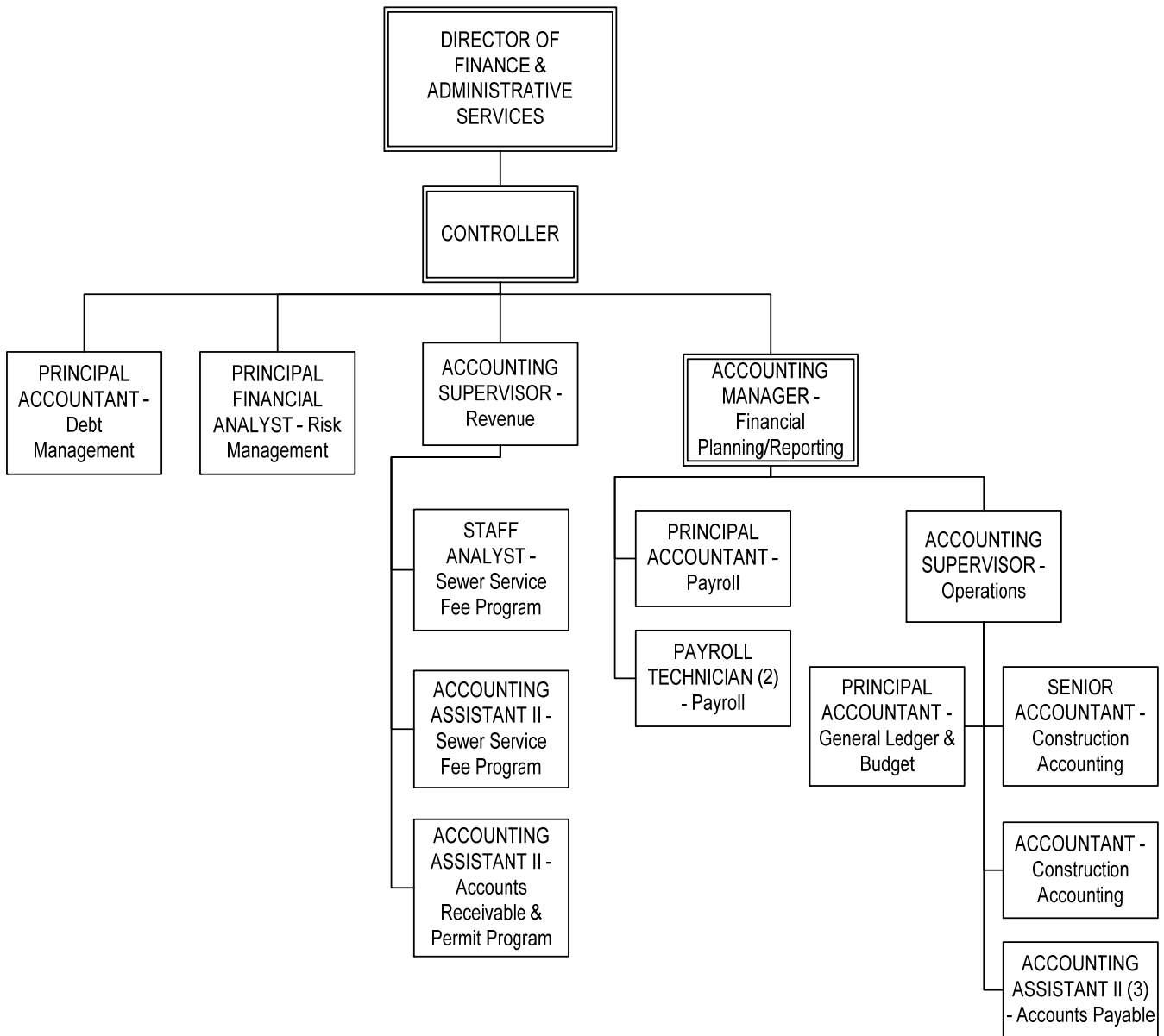
The FY 2010-11 & 2011-12 budgets for the Administrative Services Administration Division reflect an increase of 62% and 1% over the prior year, respectively. The increase is primarily the result of the transfer of 2 FTE positions to this division as part of the new Management Services Team performing budget analysis and internal audit functions for the District.

<b>2009-10 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 641,420</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	239,400
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	15,900
Change in OCERS retirement costs	81,020
Change in group insurance costs	29,300
Other benefit cost adjustments	5,600
<b>Other Cost Adjustments:</b>	
Increase in other professional services	25,000
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(490)
<b>2010-11 Proposed Budget - Total Operating Requirements</b>	<b>\$ 1,037,150</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	-
Change in OCERS retirement costs	6,400
Change in group insurance costs	6,600
Other benefit cost adjustments	(300)
<b>Other Cost Adjustments:</b>	
No other significant cost changes	
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	230
<b>2011-12 Proposed Budget - Total Operating Requirements</b>	<b>\$ 1,050,080</b>

# 2010-11 & 2011-12 Budget

Operating Expenses By Category	2008-09 Actual	2009-10 Revised Budget	2009-10 Projected	2010-11 Proposed	Budget % Change	2011-12 Proposed	Budget % Change
Personnel	\$ 710,992	\$ 632,980	\$ 838,700	\$ 1,004,200	58.65%	\$ 1,016,900	1.26%
Supplies	2,176	2,340	2,300	2,050	(12.39%)	2,080	1.46%
Professional & Contractual Services	31,188	6,000	5,500	30,800	413.33%	31,000	0.65%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	108	100	50	100	-	100	-
<b>Total</b>	<b>\$ 744,464</b>	<b>\$ 641,420</b>	<b>\$ 846,550</b>	<b>\$ 1,037,150</b>	<b>61.70%</b>	<b>\$ 1,050,080</b>	<b>1.25%</b>





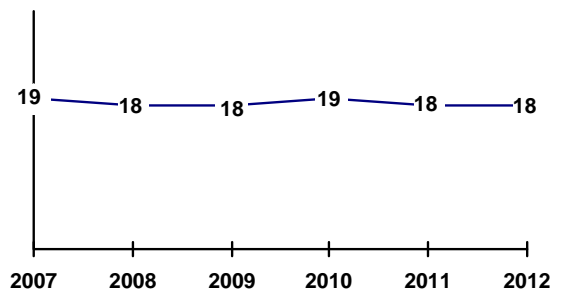
### 2010-11 & 2011-12 Authorized FTE Positions

Manager	2.0
Supervisors / Professionals	9.0
Administrative & Clerical	7.0

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**Total** **18.0**

### Staffing Trends





# 2010-11 & 2011-12 Budget

## Service Description

The mission of the Financial Management Division is to maintain financial oversight and administration of all District funds and accounts. The Financial Management Division is responsible for administering the treasury management, debt financing, and risk management programs, the processing of cash receipts, accounts payable, accounts receivable, user fees, and payroll, accounting for fixed assets, and coordinating the capital and operating budget process throughout the District. The annual audit required by law and all financial reporting required of special districts by the State of California is coordinated and administered through this division.

### 2009-10 Performance Measures

- ◆ Issue monthly financial reports within 10 working days of the following month for 92 percent of the year.
- ◆ No more than 30 invoices for payment shall be outstanding longer than 30 days during the completion of any one accounts payable cycle 90 percent of the time.
- ◆ All sewer service fee refund requests will be processed within 45 days 90 percent of the time.
- ◆ Payroll processing will be completed on time 100 percent of the time and error free >99.5 percent of the time.
- ◆ All debt service payments will be paid electronically, on the actual due dates, and error free 100 percent of the time.
- ◆ All treasury investments will be in compliance with the California State Government Code 100% of the time.

### 2009-10 Performance Results

- ◆ Through April, monthly reports were distributed within 10 working days of the following month 100 percent of the time.
- ◆ No more than 30 invoices for payment were outstanding longer than 30 days during the completion of any one accounts payable cycle 100 percent of the time.
- ◆ All sewer service fee refund requests were processed within 45 days 90 percent of the time.
- ◆ Payroll was processed with an error-free rate of 99.96% on a bi-weekly and interim basis.
- ◆ All debt service payments were paid electronically, on the actual due dates, and error free 100 percent of the time.
- ◆ All treasury investments were in compliance with the California State Government Code 100% of the time.

### 2010-11 & 2011-12 Performance Objectives

- ◆ Issue monthly financial reports within 10 working days of the following month for 92 percent of the year.
- ◆ No more than 30 invoices for payment shall be outstanding longer than 30 days during the completion of any one accounts payable cycle 90 percent of the time.
- ◆ All sewer service fee refund requests will be processed within 45 days 90 percent of the time.
- ◆ Payroll processing will be completed on time 100 percent of the time and error free >99.5 percent of the time.
- ◆ All debt service payments will be paid electronically, on the actual due dates, and error free 100 percent of the time.
- ◆ Submittal of annual sewer service fees (SSF) within property parcel database to the County in time for placement on annual secured property tax bills.

### Performance Measures

Summary	2008-09 Actual	2009-10 Projected	2010-11 Proposed	2011-12 Proposed	Justification
◆ Financial reports issuance standard	92%	100%	92%	92%	In-house standard
◆ Accounts payable standard	100%	100%	90%	90%	In-house standard
◆ Sewer Service Refund Standard	100%	100%	90%	90%	In-house standard
◆ Payroll Error Free Standard	99.8%	99.7%	99.5%	99.5%	In-house standard
◆ Debt Service Payment Standard	100%	100%	100%	100%	In-house standard
◆ Timely Submittal of annual SSF	Yes	Yes	August 2010	August 2011	In-house standard

# Financial Management

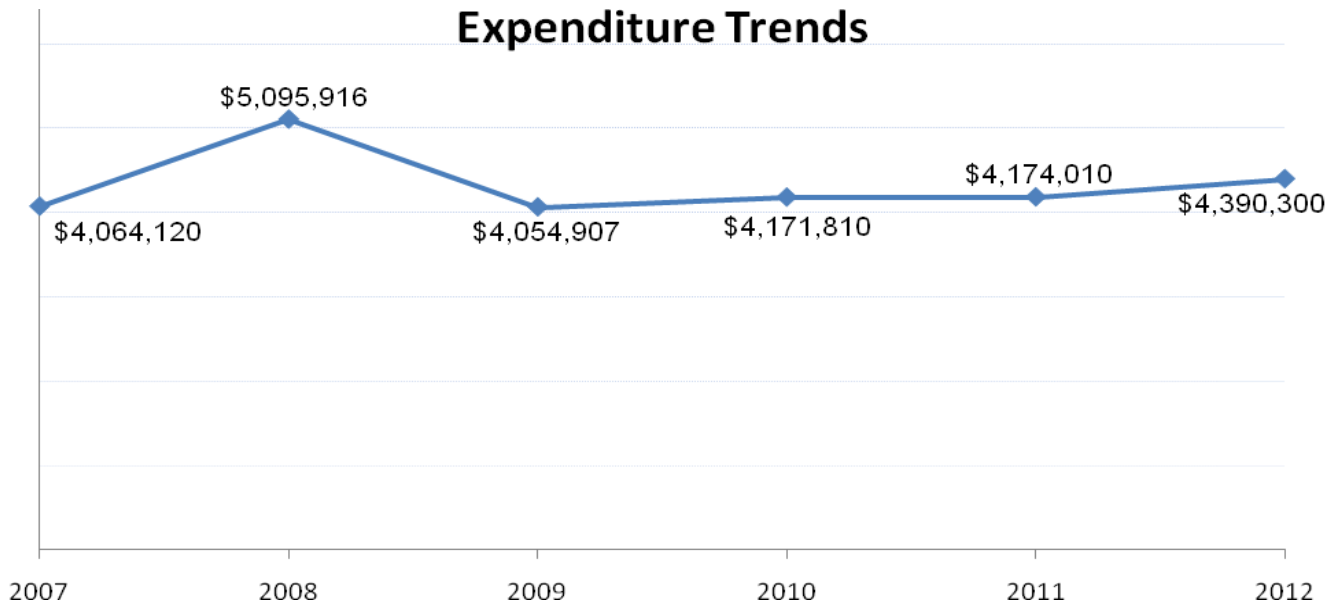
## Budget Overview

The FY 2010-11 & 2011-12 budgets for the Financial Management Division reflect a negligible change and an increase of 5% over the prior year, respectively. There are essentially offsetting changes related to the reduction of 1 FTE position reallocated to the Human Resources Division and increases in the estimate to be paid to the self-insurance fund for property and general liability insurance activities plus higher costs for other contractual and legal services. The increase in FY 2011-12 is primarily due to a higher estimate to be paid to the self-insurance fund for property and general liability insurance in order to maintain the reserve levels.

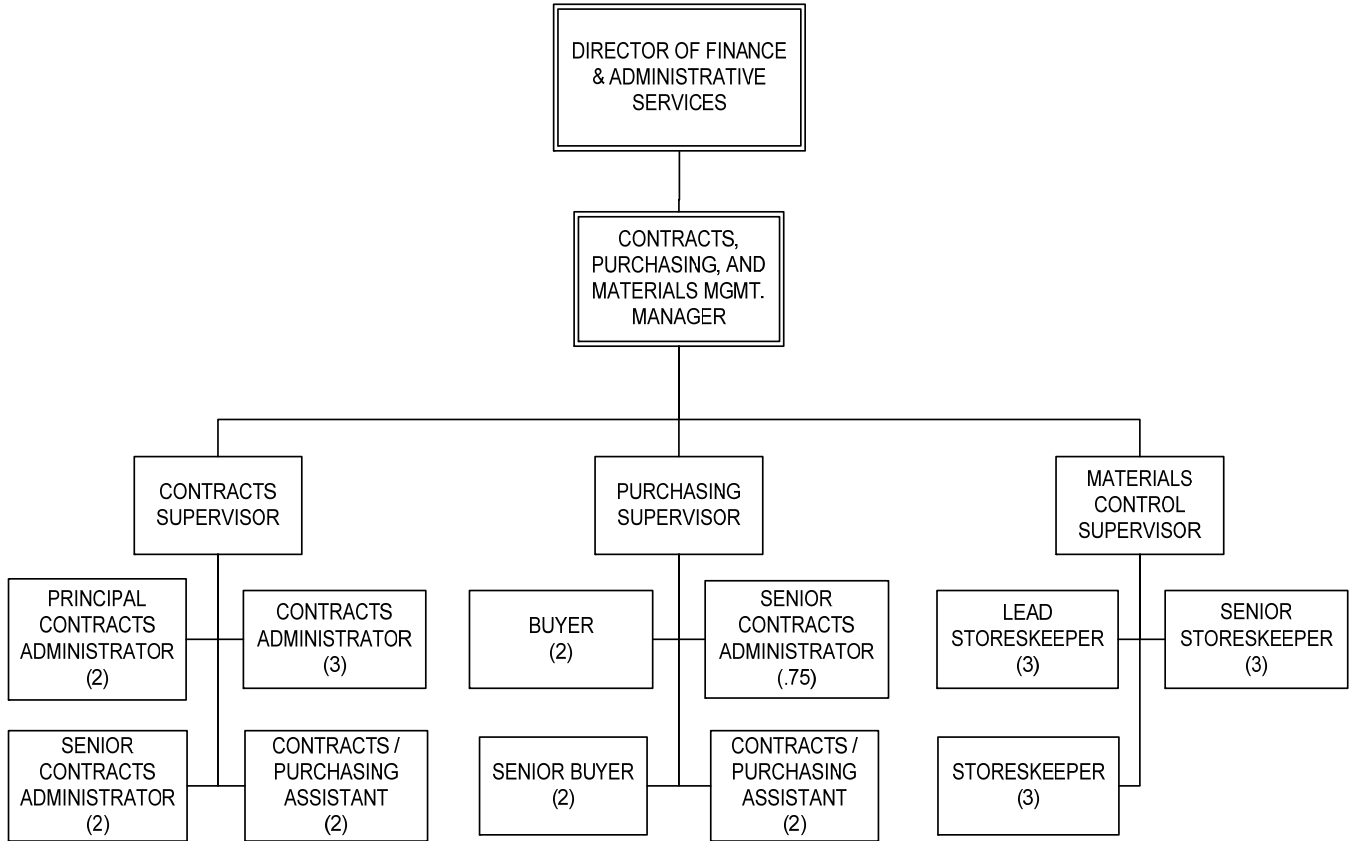
<b>2009-10 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 4,171,810</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	(74,900)
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	4,300
Change in OCERS retirement costs	22,800
Change in group insurance costs	(800)
Other benefit cost adjustments	(11,900)
<b>Other Cost Adjustments:</b>	
Increase in meetings	3,600
Increase in county service fee	11,820
Decrease in temporary services	(8,920)
Increase in other contractual services	17,000
Increase in legal services	12,000
Decrease in other professional services	(12,020)
Increase in property/general liability insurance in-lieu premium	37,400
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	1,820
<b>2010-11 Proposed Budget - Total Operating Requirements</b>	<b>\$ 4,174,010</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	-
Change in OCERS retirement costs	16,100
Change in group insurance costs	23,300
Other benefit cost adjustments	(800)
<b>Other Cost Adjustments:</b>	
Increase in county service fee	12,180
Increase in other contractual services	3,500
Increase in audit & accounting services	4,620
Increase in other professional services	12,140
Increase in property/general liability insurance in-lieu premium	142,600
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	2,650
<b>2011-12 Proposed Budget - Total Operating Requirements</b>	<b>\$ 4,390,300</b>

# 2010-11 & 2011-12 Budget

Operating Expenses By Category	2008-09 Actual	2009-10 Revised Budget	2009-10 Projected	2010-11 Proposed	Budget % Change	2011-12 Proposed	Budget % Change
Personnel	\$ 2,448,517	\$ 2,647,000	\$ 2,687,500	\$ 2,586,500	(2.29%)	\$ 2,625,100	1.49%
Supplies	32,675	34,170	30,700	40,640	18.93%	41,990	3.32%
Professional & Contractual Services	657,953	585,990	606,620	605,870	3.39%	639,310	5.52%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	2,595	950	-	-	(100.00%)	-	-
Utilities	-	-	-	-	-	-	-
Other	913,167	903,700	903,400	941,000	4.13%	1,083,900	15.19%
<b>Total</b>	<b>\$ 4,054,907</b>	<b>\$ 4,171,810</b>	<b>\$ 4,228,220</b>	<b>\$ 4,174,010</b>	<b>0.05%</b>	<b>\$ 4,390,300</b>	<b>5.18%</b>



# Contracts, Purchasing, & Materials Management



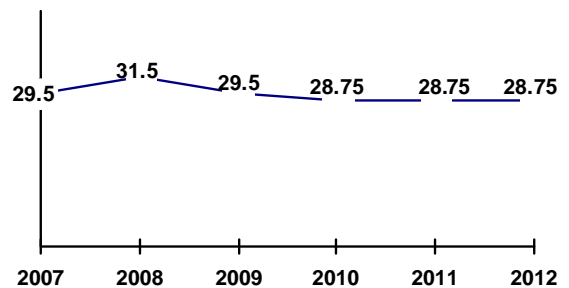
## 2010-11 & 2011-12 Authorized FTE Positions

Manager	1.00
Supervisors / Professionals	14.75
Administrative & Clerical	13.00

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**Total** 28.75

Staffing Trends



# 2010-11 & 2011-12 Budget

## Service Description

The Contracts, Purchasing and Material Management Division's goal is to provide equipment, services and information with the commitment to achieving the highest ethical, economic, and progressive contracts and purchasing standards possible. The division is responsible for contract administration and procurement for all District's departments. The District's warehouses receive, inventory, and distribute supplies, materials, and equipment to all departments in addition to inventory control and analysis and surplus disposition management.

### 2009-10 Performance Objectives

- ◆ Continue the cycle count program and maintain a 97% accuracy rate or better
- ◆ Obtain the 2008 & 2009 "Achievement of Excellence in Procurement" (AEP) award by meeting all National requirements.
- ◆ Research E-Procurement systems and complete a successful implementation by end of fiscal 2008.
- ◆ Successfully develop a PDSA (Professional Design Service Agreement) Contracts Program.
- ◆ Successfully revise Delegation of Authority 07-04 and have approved by all Committees and Board by end of fiscal 2009.

### 2009-10 Performance Results

- ◆ 97% accuracy rate achieved by the end of the fiscal year.
- ◆ AEP awards received.
- ◆ System researched and implemented.
- ◆ Program structure developed.
- ◆ DOA revision suspended until next fiscal year.

### 2010-11 & 2011-12 Performance Objectives

- ◆ Continue the cycle count program and maintain a 97% accuracy rate or better.
- ◆ Obtain the 2010 & 2011 "Achievement of Excellence in Procurement" (AEP) award by meeting all National requirements.
- ◆ Successfully develop a PDSA (Professional Design Service Agreement) Contracts Program by end of fiscal 2010.
- ◆ Successfully revise Delegation of Authority 07-04 and have approved by all Committees and Board.
- ◆ Successfully complete the Districts Chemical Sustainability study.

### Performance Measures

Summary	Performance Measures				Justification
	2008-09 Actual	2009-10 Projected	2010-11 Proposed	2011-12 Proposed	
◆ Cycle Count	97%	97%	97%	97%	APICS standard
◆ AEP Award	Obtained	Obtained	Obtain	Obtain	NPI, NAPM, NIGP, & CAPPO standards
◆ PDSA Program	N/A	In progress	Complete	Complete	Final phase of Contracts program
◆ New DOA	In progress	In progress	Complete	Complete	Inconsistencies in DOA necessitate revision
◆ Chemical Study	In progress	In progress	Complete	Complete	Chemical shortages

# Contracts, Purchasing, & Materials Management

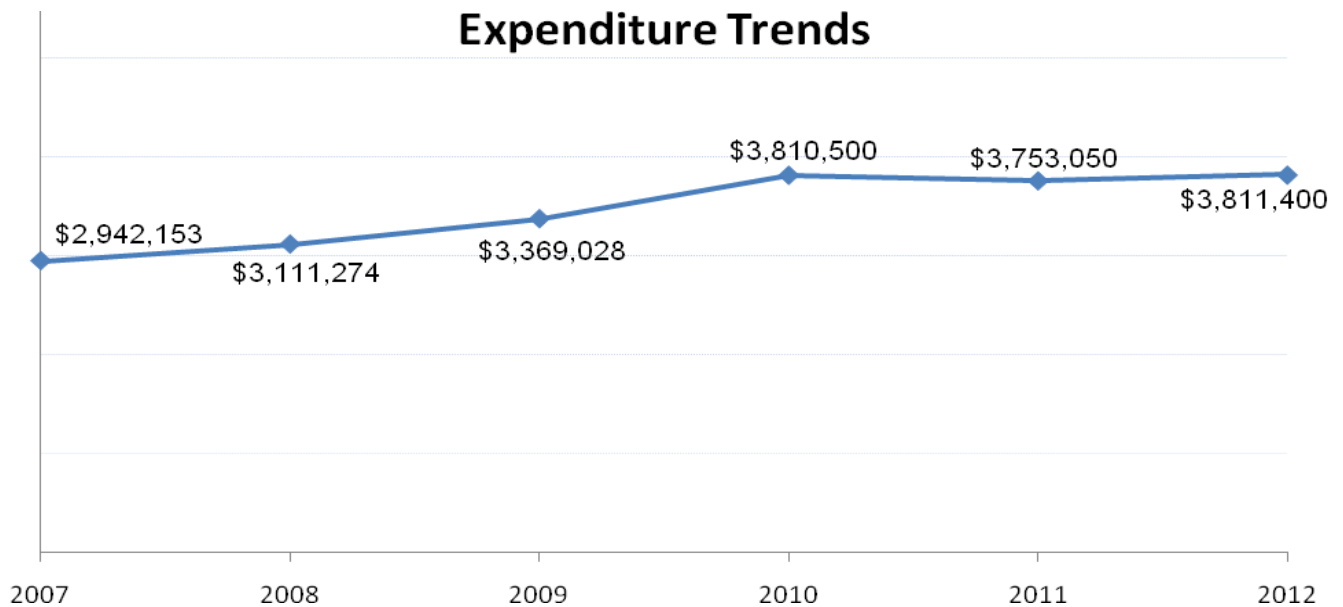
## Budget Overview

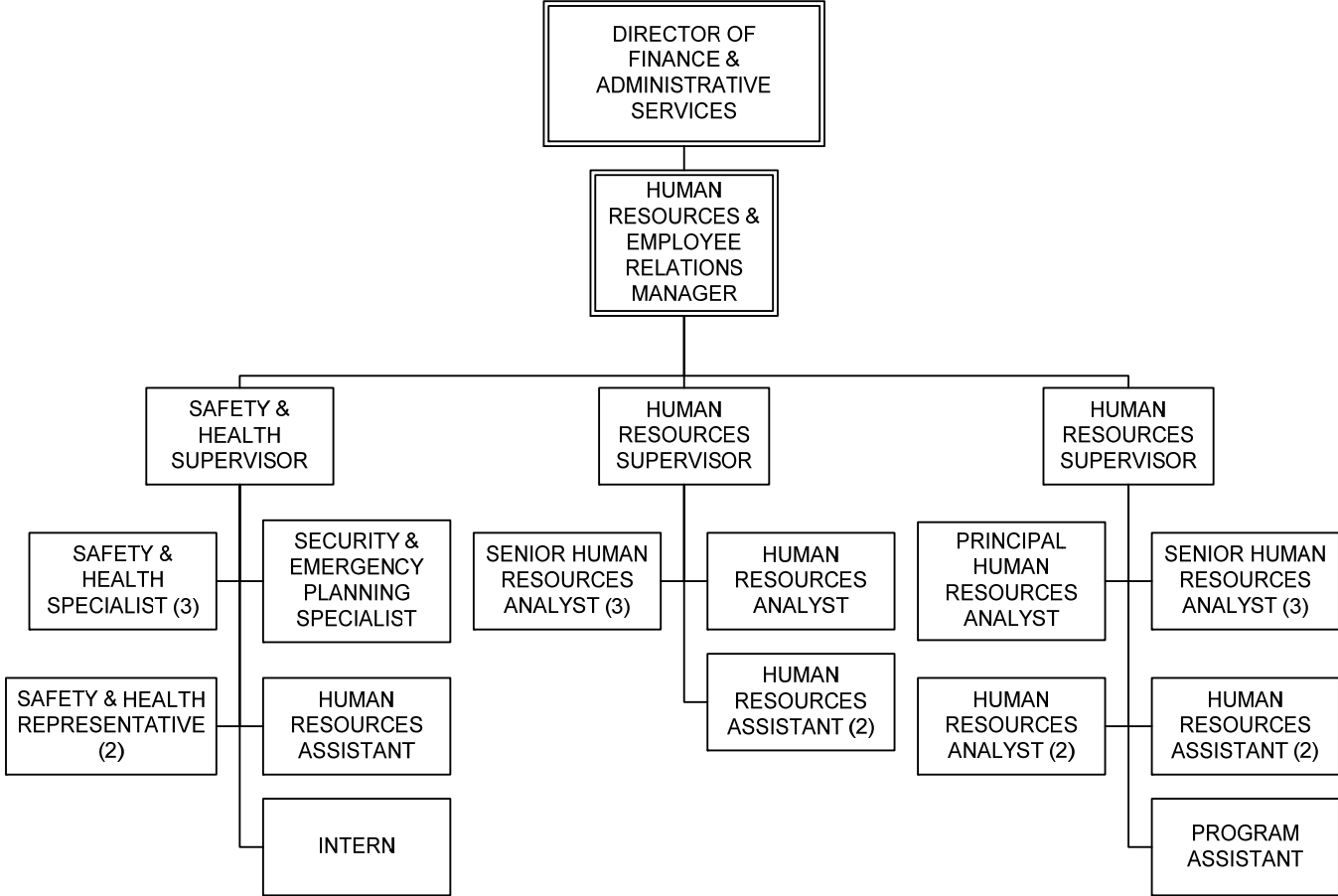
The FY 2010-11 & 2011-12 budgets for the Contracts, Purchasing, & Materials Management Division reflect a decrease of 2% and an increase of 2% over the prior year, respectively. These changes are primarily due to staff reallocations during FY 2009-10 in addition to reductions in temporary services and other professional services.

<b>2009-10 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 3,810,500</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(76,500)
Change in OCERS retirement costs	59,860
Change in group insurance costs	17,100
Other benefit cost adjustments	(1,000)
<b>Other Cost Adjustments:</b>	
Increase in office supplies	1,000
Decrease in minor furniture and fixtures	(1,000)
Decrease in notices & ads	(1,000)
Decrease in compressed natural gas	(1,500)
Increase in miscellaneous operating supplies	2,500
Decrease in temporary services	(26,770)
Decrease in other professional services	(25,000)
Decrease in freight	(5,000)
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(140)
<b>2010-11 Proposed Budget - Total Operating Requirements</b>	<b>\$ 3,753,050</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	-
Change in OCERS retirement costs	22,700
Change in group insurance costs	37,200
Other benefit cost adjustments	(1,300)
<b>Other Cost Adjustments:</b>	
No other significant cost changes	
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(250)
<b>2011-12 Proposed Budget - Total Operating Requirements</b>	<b>\$ 3,811,400</b>

# 2010-11 & 2011-12 Budget

Operating Expenses By Category	2008-09 Actual	2009-10 Revised Budget	2009-10 Projected	2010-11 Proposed	Budget % Change	2011-12 Proposed	Budget % Change
Personnel	\$ 3,083,584	\$ 3,641,540	\$ 3,411,700	\$ 3,641,000	(0.01%)	\$ 3,699,600	1.61%
Supplies	43,364	35,490	34,010	36,300	2.28%	36,050	(0.69%)
Professional & Contractual Services	185,585	77,270	61,610	25,000	(67.65%)	25,000	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	371	700	500	500	(28.57%)	500	-
Utilities	-	-	-	-	-	-	-
Other	56,124	55,500	50,420	50,250	(9.46%)	50,250	-
<b>Total</b>	<b>\$ 3,369,028</b>	<b>\$ 3,810,500</b>	<b>\$ 3,558,240</b>	<b>\$ 3,753,050</b>	<b>(1.51%)</b>	<b>\$ 3,811,400</b>	<b>1.55%</b>

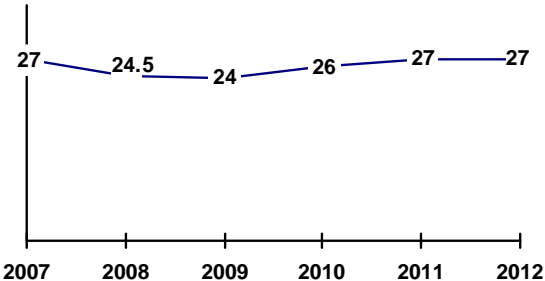




**2010-11 & 2011-12 Authorized FTE Positions**

Manager	1.00
Supervisors / Professionals	19.00
Administrative/Clerical	6.00
Interns	1.00
<b>Total</b>	<b>27.00</b>

**Staffing Trends**





# 2010-11 & 2011-12 Budget

## Service Description

We provide comprehensive safety and human resource services that safeguard and support our workforce in protecting public health and the environment.

2009-10 Performance Objectives	2009-10 Performance Results
◆ Meet the training level of service of 45 hours per employee.	◆ 51 hours per employee
◆ Continuous Development of Succession Management.	◆ Drafted and presented proposed programs for Professional and Administrative Employees
◆ Sustain the Leadership Academy through June 2010.	◆ All identified staff have been trained.
◆ Implement Strategic Plans developed for the Safety Division with measurable objectives.	◆ 70% completed with the remainder being planned for the 10-11 Fiscal year.
◆ Complete Security Capital Improvement Projects by 2009 Calendar year.	◆ J-108 has been implemented and should be done by 8/1/10.
◆ Monitor the Hazardous Waste generation for Plant 1 and Plant 2.	◆ Hazardous Waste program responsibility transferred to Division 620 ECRA.
◆ Implement a behavior based safety program to improve the safety culture for the District.	◆ Integrated into the Safety Strategic Plan
◆ Actively champion the Owner Controlled Insurance Program (OCIP) to gain a 1% return on Capital Improvement Projects.	◆ Completed
◆ Conduct two plant wide emergency evacuation drills per year for Plant 1 and 2.	◆ Completed

## 2010-11 & 2011-12 Performance Objectives

- ◆ Meet the training level of service of 45 hours per employee by June 2011 and June 2012.
- ◆ Continuous Development of Succession Management through June 2012.
- ◆ Development of Performance Management through June 2011.
- ◆ Implement Employee Outreach through June 2011.
- ◆ Enhance HR Technologies by June 2011.
- ◆ Implement Staffing Procedures through June 2012.
- ◆ 100% Completion of all Compliance Training
- ◆ Develop Job Safety Analysis for high frequency - high hazard jobs.
- ◆ Develop new Lockout/Tagout equipment specific procedures for high frequency locked out equipment.
- ◆ Reduce OSHA TRIR and LWD rate by 20% over previous calendar year.

Summary	Performance Measures				Justification
	2008-09 Actual	2009-10 Projected	2010-11 Proposed	2011-12 Proposed	
◆ Training level of service	53 hrs./empl	51 hrs./empl	45 hrs./empl	45 hrs./empl	OCSD Strategic Plan
◆ Succession Management	Implement	Sustain	Sustain	Sustain	HR Strategic Plan
◆ Performance Management	N/A	Implement	Sustain	N/A	HR Strategic Plan
◆ Employee Outreach	N/A	Implement	Sustain	N/A	HR Strategic Plan
◆ Technology Enhancements	N/A	Implement	Sustain	N/A	HR Strategic Plan
◆ Staffing Procedures	N/A	Implement	Sustain	Sustain	HR Strategic Plan

# Human Resources

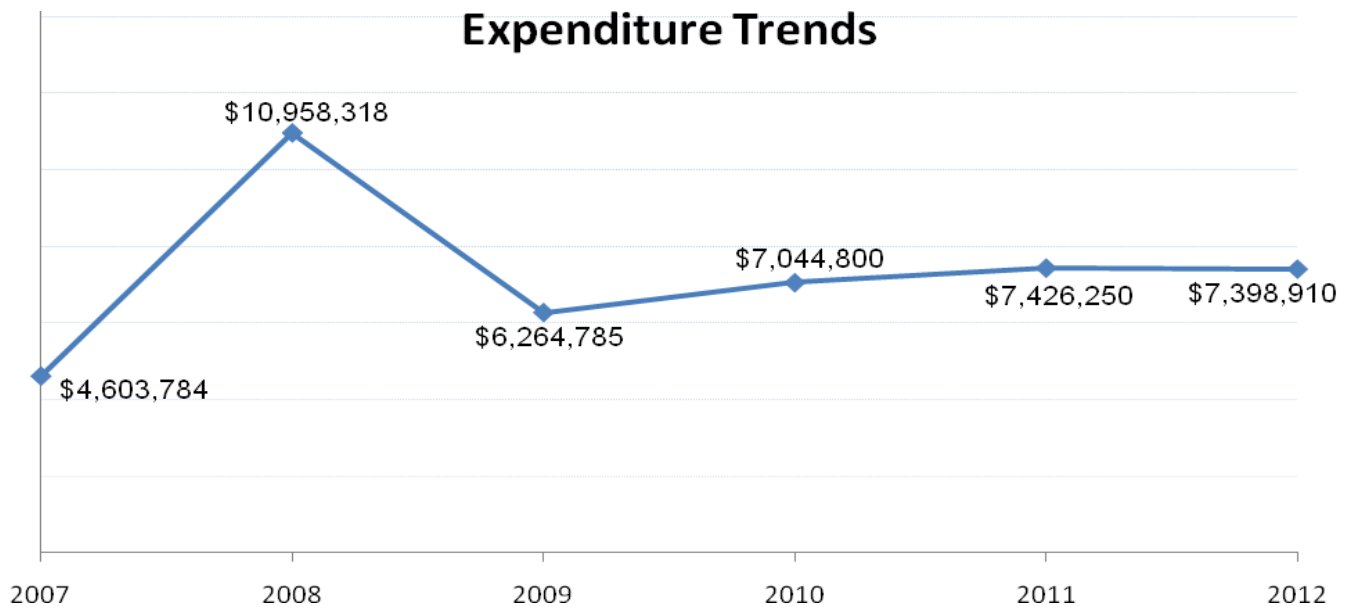
## Budget Overview

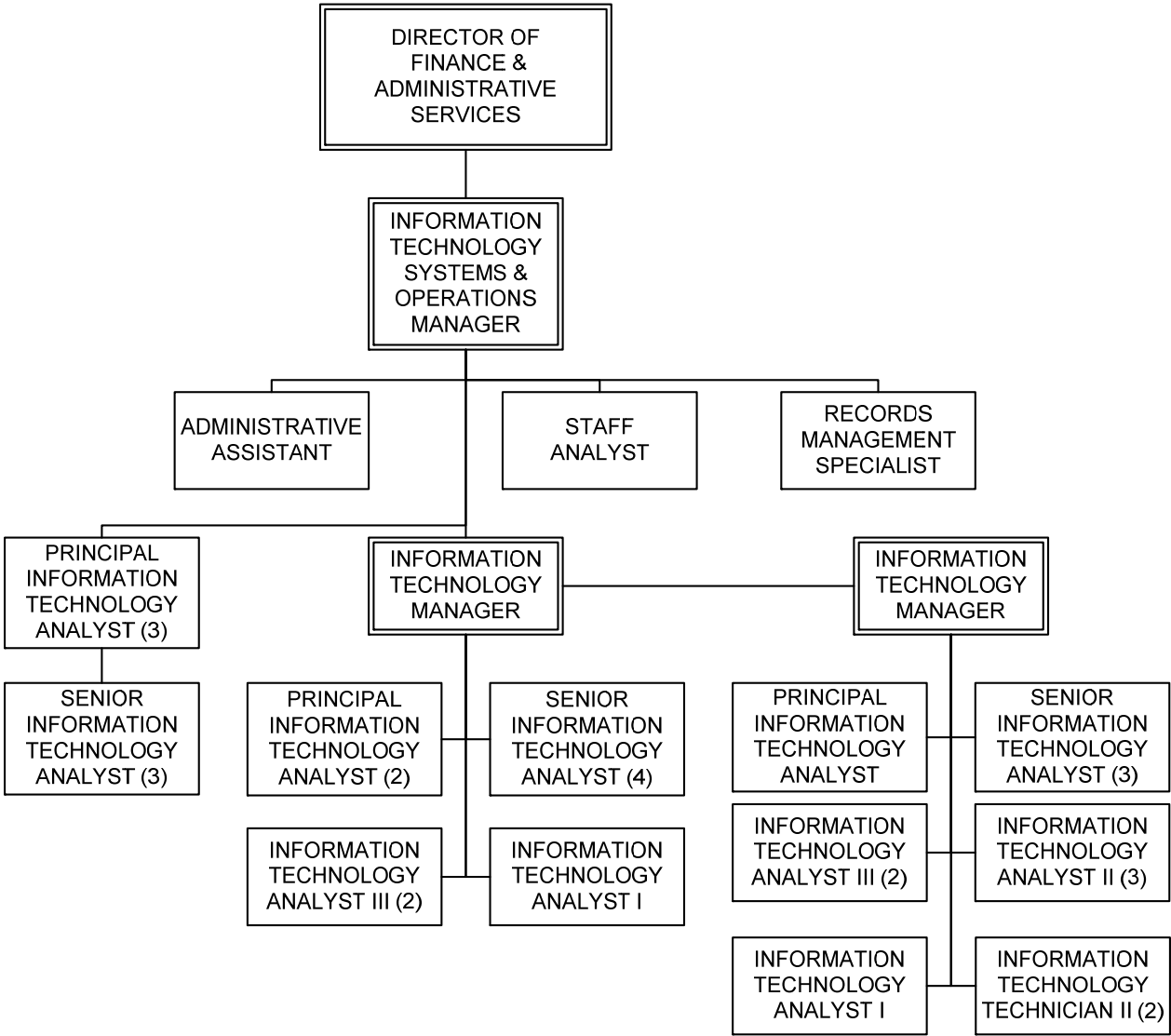
The FY 2010-11 & 2011-12 budgets for the Human Resources Division reflect an increase of 5% and a decrease of 0.4% over the prior year, respectively. The increase is mainly due to increases in security, legal, and other professional services. These increases are offset somewhat by a decrease in training costs.

<b>2009-10 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 7,044,800</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	81,400
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(38,800)
Change in OCERS retirement costs	66,000
Change in group insurance costs	28,000
Other benefit cost adjustments	(1,400)
<b>Other Cost Adjustments:</b>	
Increase in minor furniture and fixtures	20,000
Decrease in training	(226,800)
Increase in safety equipment and tools	65,100
Increase in security services	105,920
Decrease in other contractual services	(17,020)
Increase in legal services	100,000
Increase in labor negotiation services	40,000
Increase in other professional services	146,900
Increase in other non-operating expense	15,000
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(2,850)
<b>2010-11 Proposed Budget - Total Operating Requirements</b>	<b>\$ 7,426,250</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	-
Change in OCERS retirement costs	22,300
Change in group insurance costs	33,700
Other benefit cost adjustments	(1,200)
<b>Other Cost Adjustments:</b>	
Decrease in minor furniture and fixtures	(16,470)
Increase in safety equipment and tools	2,980
Increase in security services	7,710
Increase in legal services	4,340
Decrease in other professional services	(85,000)
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	4,300
<b>2011-12 Proposed Budget - Total Operating Requirements</b>	<b>\$ 7,398,910</b>

## 2010-11 & 2011-12 Budget

Operating Expenses By Category	2008-09 Actual	2009-10 Revised Budget	2009-10 Projected	2010-11 Proposed	Budget % Change	2011-12 Proposed	Budget % Change
Personnel	\$ 4,261,356	\$ 4,716,570	\$ 4,677,950	\$ 4,851,770	2.87%	\$ 4,906,570	1.13%
Supplies	1,098,712	1,429,460	668,760	1,283,880	(10.18%)	1,270,940	(1.01%)
Professional & Contractual Services	852,420	789,570	835,200	1,170,370	48.23%	1,099,560	(6.05%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	883	2,000	2,000	2,270	13.50%	2,310	1.76%
Utilities	(9)	-	-	-	-	-	-
Other	51,423	107,200	117,500	117,960	10.04%	119,530	1.33%
<b>Total</b>	<b>\$ 6,264,785</b>	<b>\$ 7,044,800</b>	<b>\$ 6,301,410</b>	<b>\$ 7,426,250</b>	<b>5.41%</b>	<b>\$ 7,398,910</b>	<b>(0.37%)</b>



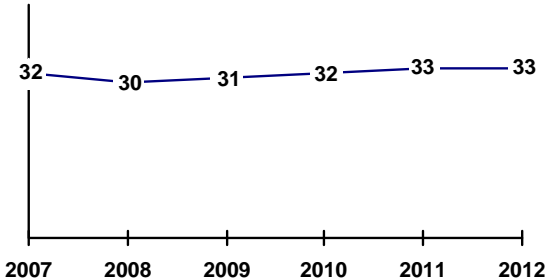


**2010-11 & 2011-12 Authorized FTE Positions**

Manager	3.0
Supervisors / Professionals	27.0
Technical Staff	2.0
Administrative/Clerical	1.0

**Total 33.0**

**Staffing Trends**



# 2010-11 & 2011-12 Budget

## Service Description

The Information Technology Division provides support to the users of District's Information Technology related assets and services as well as developing and implementing technology solutions that best meet the needs of the District. The Division procures and manages computer hardware/software and provides end user support with a Service Desk that performs computer and telecommunications installations, moves, and changes. The Division is also responsible for the design, installation, maintenance, troubleshooting, and upgrades of all networking infrastructure components and back-end computer system, wireless connectivity, plant radio/public address, fire/security, reprographics, and mailroom services. Additionally, this Division works closely with every Department and Division in developing an understanding of the organization's software application and information requirements and providing systems analysis and design, custom computer programming, system implementation and integration, and database/data warehousing availability and support.

### 2009-10 Performance Objectives

- ◆ Uphold and endorse OCSD's Strategic Plan Levels of Service (LOS); ascertain the measurement of IT Strategic Plan (ITSP) target achievement based on the importance and completion of goals supporting the LOS in the OCSD Strategic Plan.
- ◆ Complete 80% of ITSP Planned Annual Objectives
- ◆ Replace obsolete computing equipment.
- ◆ Reduce existing licenses/maintenance agreements by 10%.
- ◆ Maintain an average uptime of 90% for critical applications.

### 2009-10 Performance Results

- ◆ Prioritized list developed through the Governance process
- ◆ Completed 100%
- ◆ Replaced all obsolete equipment
- ◆ Reduced by 6.0%
- ◆ Exceeded target

### 2010-11 & 2011-12 Performance Objectives

- ◆ Uphold and endorse OCSD's Strategic Plan Levels of Service (LOS); ascertain the measurement of IT Strategic Plan (ITSP) target achievement based on the importance and completion of goals supporting the LOS in the OCSD Strategic Plan.
- ◆ Complete 80% of ITSP Planned Annual Objectives.
- ◆ Replace obsolete computing equipment.
- ◆ Maintain an average uptime of 90% for critical applications.

### Performance Measures

Summary	2008-09 Actual	2009-10 Projected	2010-11 Proposed	2011-12 Proposed	Justification
◆ Maintain internal SLA	expected	expected	expected	expected	In-house standard
◆ IT Strategic Plan Objectives	12 objectives	12 objectives	12 objectives	11 objectives	IT Strategic Plan
◆ Critical systems availability	90%	90%	90%	90%	Minimum business impact
◆ Security patches applied	48 hrs.	48 hrs.	48 hrs.	48 hrs.	Network security
◆ Replace obsolete computers	25% of total computers	25% of total computers	25% of total computers	25% of total computers	Service level agreement

# Information Technology

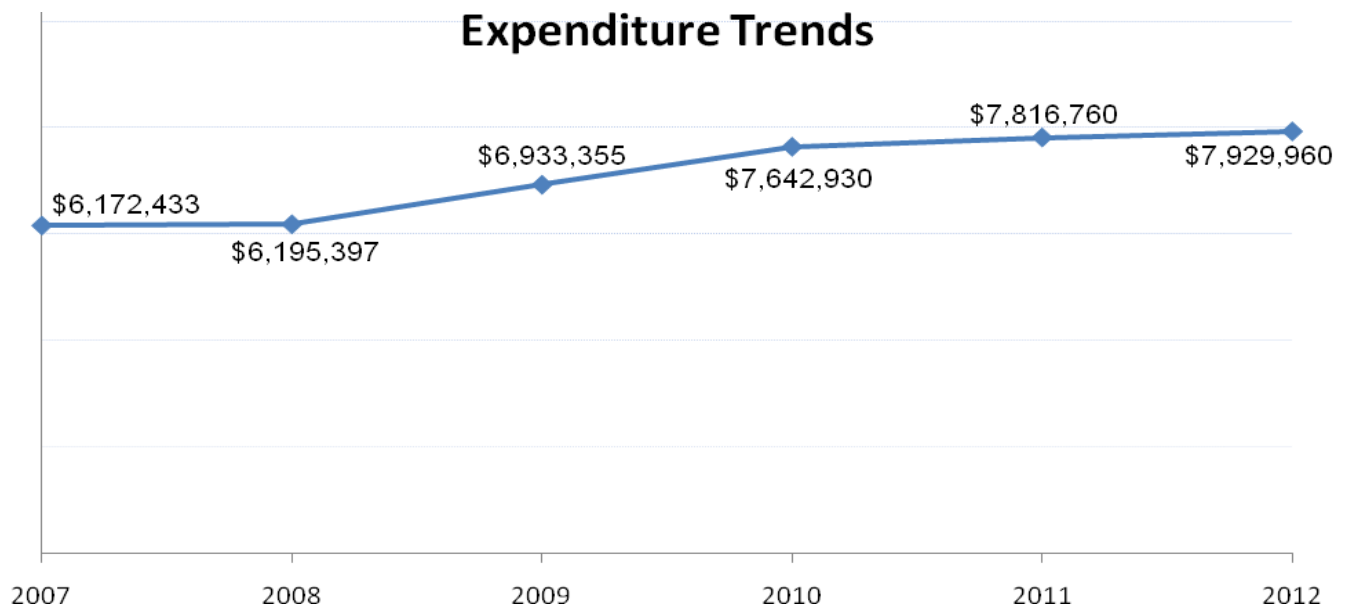
## Budget Overview

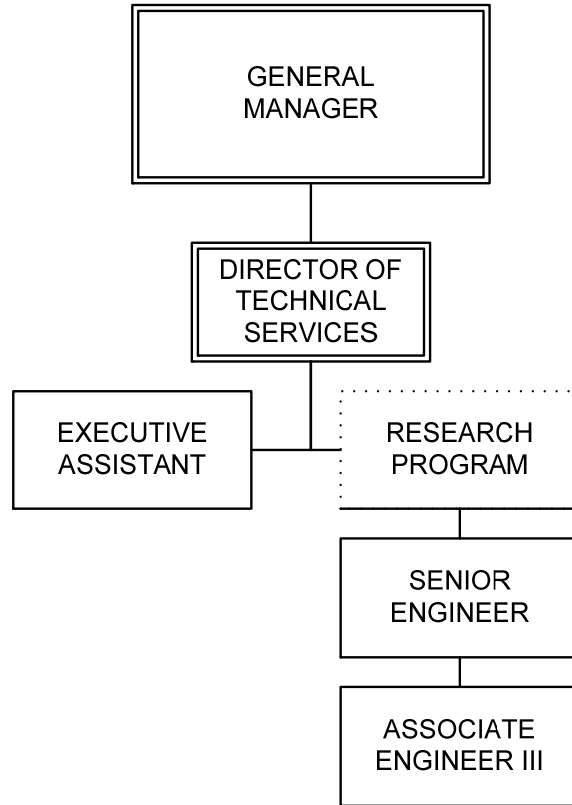
The FY 2010-11 & 2011-12 budgets for the Information Technology Division reflect increases of 2% and 1% over the prior year, respectively. The increases are primarily related to the transfer of 1 FTE position into this division in FY 2010-11 as well as increases in retirement and group insurance costs, and service maintenance agreements. These increases are partially offset by a reduction in the cost of small computer items.

<b>2009-10 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 7,642,930</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	91,400
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(4,000)
Change in OCERS retirement costs	102,890
Change in group insurance costs	33,400
Other benefit cost adjustments	4,900
<b>Other Cost Adjustments:</b>	
Decrease in small computer items	(109,100)
Decrease in in-house reproduction services	(24,000)
Decrease in meetings	(10,490)
Increase in legal services	15,000
Decrease in software program consulting	(5,000)
Increase in service maintenance agreements	50,000
Increase in telephone	34,000
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(5,170)
<b>2010-11 Proposed Budget - Total Operating Requirements</b>	<b>\$ 7,816,760</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	-
Change in OCERS retirement costs	32,500
Change in group insurance costs	42,800
Other benefit cost adjustments	(1,500)
<b>Other Cost Adjustments:</b>	
Increase in small computer items	25,000
Increase in software program consulting	5,000
Increase in service maintenance agreements	10,000
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(600)
<b>2011-12 Proposed Budget - Total Operating Requirements</b>	<b>\$ 7,929,960</b>

## 2010-11 & 2011-12 Budget

Operating Expenses By Category	2008-09 Actual	2009-10 Revised Budget	2009-10 Projected	2010-11 Proposed	Budget % Change	2011-12 Proposed	Budget % Change
Personnel	\$ 4,409,685	\$ 4,893,810	\$ 4,953,100	\$ 5,122,400	4.67%	\$ 5,196,200	1.44%
Supplies	830,443	977,840	862,900	826,860	(15.44%)	851,260	2.95%
Professional & Contractual Services	254,978	275,280	220,440	285,000	3.53%	290,000	1.75%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	1,151,494	1,230,000	1,225,000	1,282,500	4.27%	1,292,500	0.78%
Utilities	282,857	266,000	300,000	300,000	12.78%	300,000	-
Other	3,898	-	2,250	-	-	-	-
<b>Total</b>	<b>\$ 6,933,355</b>	<b>\$ 7,642,930</b>	<b>\$ 7,563,690</b>	<b>\$ 7,816,760</b>	<b>2.27%</b>	<b>\$ 7,929,960</b>	<b>1.45%</b>





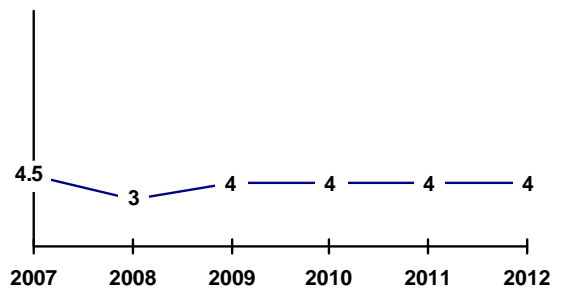
### 2010-11 & 2011-12 Authorized FTE Positions

Executive Manager	1.0
Supervisors/Professionals	2.0
Administrative / Clerical	1.0

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**Total** 4.0

Staffing Trends





# 2010-11 & 2011-12 Budget

## Service Description

The mission of the Technical Services Administration Division is to provide leadership on environmental issues for the District to oversee the functions of the Environmental Compliance and Regulatory Affairs Division, Environmental Sciences and Ocean Monitoring Division, Source Control Division, and the Research Program. This includes overseeing strategic planning of issue management and day to day operations. The Director of Technical Services is responsible for all regulatory issues related to air, land and water quality protection and provides support to the District's legislative advocacy and grants programs. The Director is the Department liaison with the Executive Management Team and the Board of Directors. The Technical Services Department provides environmental support services to other departments to accomplish the mission and goals of the District.

### 2009-10 Performance Objectives

- ◆ Ensure reporting divisions achieve 90%+ of the year's performance objectives.
- ◆ Ensure the Technical Services Department's expenditures are managed within 90% -100% of the proposed budget.
- ◆ Ensure reporting divisions achieve 90%+ of strategic goals and objectives.

### 2009-10 Performance Results

- ◆ Reporting divisions achieved 100% performance objectives as of December 2009.
- ◆ Total operating expenditures on target at 67% through February 28, 2010.
- ◆ 100% strategic goals and objectives are on track for completion by end of fiscal year.

### 2010-11 & 2011-12 Performance Objectives

- ◆ Ensure reporting divisions achieve 90%+ of the year's performance objectives.
- ◆ Ensure the Technical Services Department's expenditures are managed within 90% -100% of the proposed budget.
- ◆ Ensure reporting divisions achieve 90%+ of strategic goals and objectives.

### Performance Measures

Summary	2008-09 Actual	2009-10 Projected	2010-11 Proposed	2011-12 Proposed	Justification
◆ Performance objectives	90%	100%	90%	90%	In-house standard
◆ Manage expenditures	90-100%	90-100%	90-100%	90-100%	In-house standard
◆ Strategic goals and objectives	90%	100%	90%	90%	In-house standard

# Technical Services Administration & Research

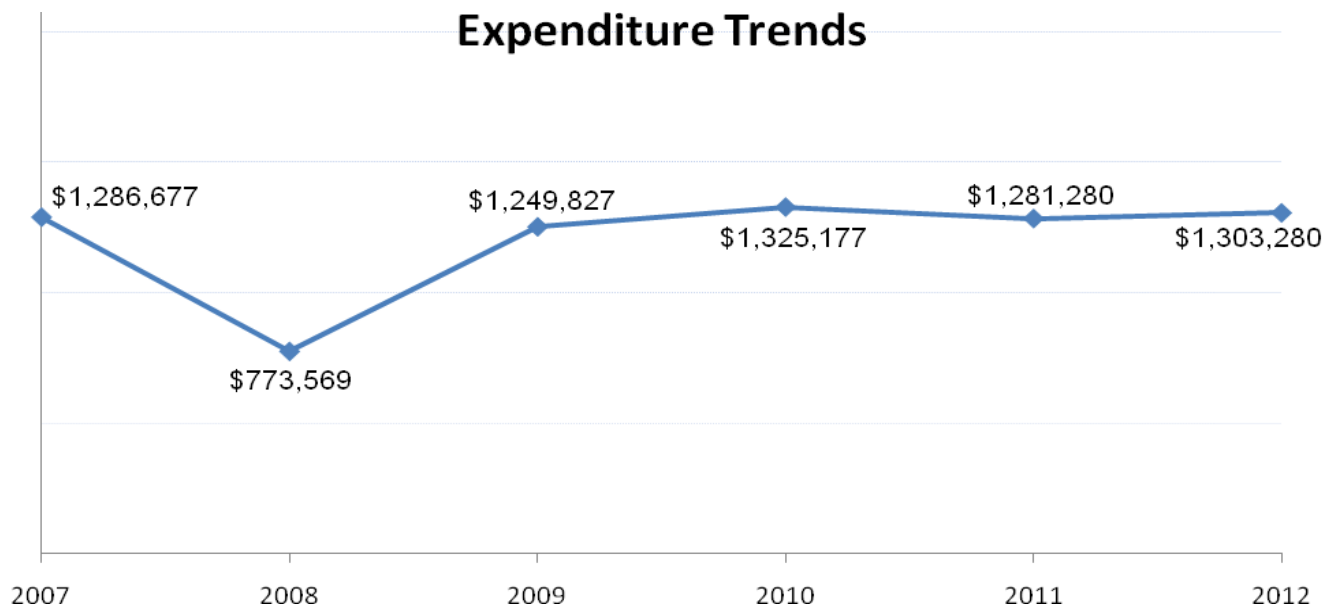
## Budget Overview

The FY 2010-11 & 2011-12 budgets for the Technical Services Administration and Research Division reflect a decrease of 3% and an increase of 2% from the prior year, respectively. The decrease is primarily due to a reduction in research costs to the Water Environment Research Foundation based on reduced flow assumptions. The increase in FY 2011-12 is mainly due to National Water Research Institute Panel costs.

<b>2009-10 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 1,325,177</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(29,800)
Change in OCERS retirement costs	3,100
Change in group insurance costs	2,200
Other benefit cost adjustments	5,300
<b>Other Cost Adjustments:</b>	
Decrease in research costs	(27,260)
Increase in other non-operating expense	1,000
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	1,563
<b>2010-11 Proposed Budget - Total Operating Requirements</b>	<b>\$ 1,281,280</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	-
Change in OCERS retirement costs	4,300
Change in group insurance costs	5,100
Other benefit cost adjustments	(100)
<b>Other Cost Adjustments:</b>	
Decrease in minor furniture and fixtures	(2,000)
Increase in research costs	15,000
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(300)
<b>2011-12 Proposed Budget - Total Operating Requirements</b>	<b>\$ 1,303,280</b>

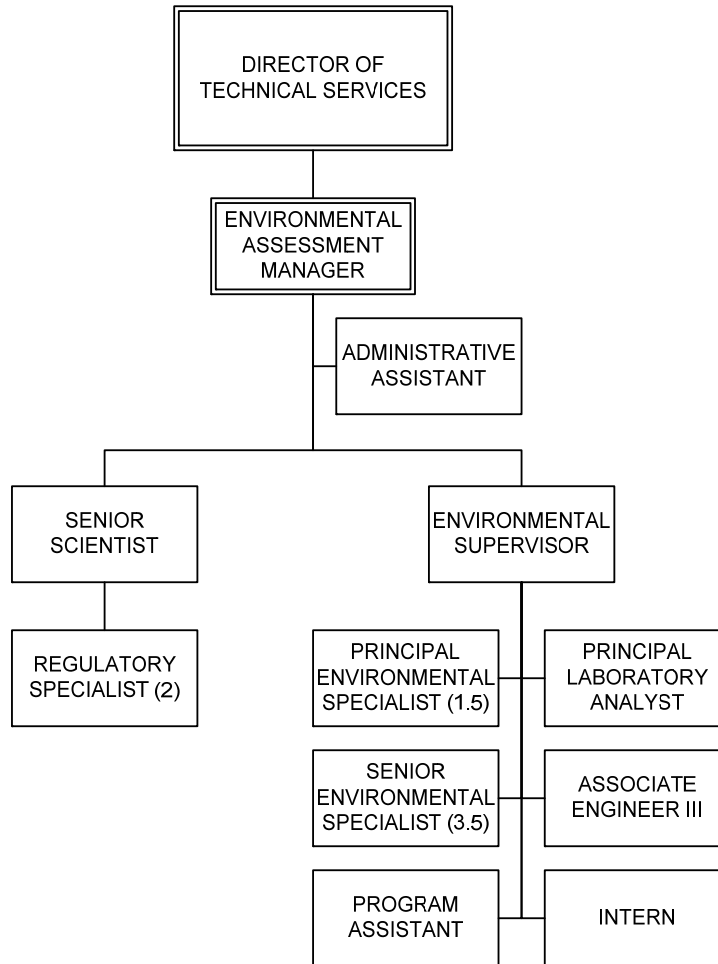
## 2010-11 & 2011-12 Budget

Operating Expenses By Category	2008-09 Actual	2009-10 Revised Budget	2009-10 Projected	2010-11 Proposed	Budget % Change	2011-12 Proposed	Budget % Change
Personnel	\$ 581,116	\$ 691,100	\$ 625,800	\$ 671,900	(2.78%)	\$ 681,200	1.38%
Supplies	6,995	13,777	8,760	15,340	11.34%	13,040	(14.99%)
Professional & Contractual Services	3,491	2,000	2,000	2,000	-	2,000	-
Research & Monitoring	658,206	618,260	618,260	591,000	(4.41%)	606,000	2.54%
Repairs & Maintenance	19	40	40	40	-	40	-
Utilities	-	-	-	-	-	-	-
Other	-	-	1,000	1,000	-	1,000	-
<b>Total</b>	<b>\$ 1,249,827</b>	<b>\$ 1,325,177</b>	<b>\$ 1,255,860</b>	<b>\$ 1,281,280</b>	<b>(3.31%)</b>	<b>\$ 1,303,280</b>	<b>1.72%</b>



# Environmental Compliance & Regulatory Affairs

620

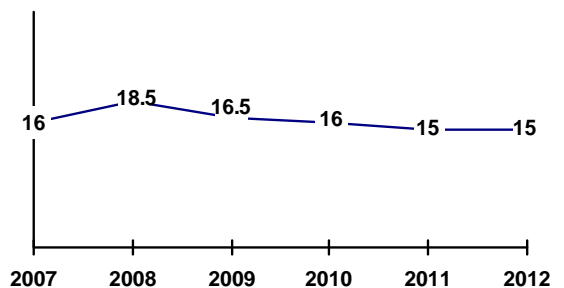


## 2010-11 & 2011-12 Authorized FTE Positions

Manager	1.00
Supervisors / Professionals	11.00
Administrative / Clerical	2.00
Intern	1.00

**Total** 15.00

Staffing Trends



# 2010-11 & 2011-12 Budget

## Service Description

The Environmental Compliance and Regulatory Affairs Division (ECRA) protects public health and the environment by securing and maintaining permits from regulatory agencies for activities that may impact greenhouse gas emissions (GHGs), air quality, land, and wastewater. ECRA is responsible for assuring that the Sanitation District maintains compliance with all wastewater, air quality/GHGs and residual-related rules, regulations and permit requirements; implementation of the Environmental Management System for biosolids; oversight of biosolids management contractors' operations; auditing and evaluating plant processes and compliance activities; evaluating and proactively participating in the development of new regulations; and building positive relationships with the regulatory community and the public.

### 2009-10 Performance Objectives

- ◆ Complete implementation of ECAP in all core environmental areas with active dashboard as required by the District's Strategic Initiative
- ◆ Meet 100% of regulatory deadlines for required compliance reports and permit applications
- ◆ Complete development of a Greenhouse Gas emission inventory protocol & represent OCSD's interest in the development of climate change regulations as required by the District's Strategic Initiative on Climate Change
- ◆ Monitor the development of technologies for the remaining one-third of the District's biosolids production and select a management option as part of the Sustainable Biosolids Program's Strategic Initiative

### 2009-10 Performance Results

- ◆ Done
- ◆ To date 100% compliance
- ◆ Ongoing
- ◆ Ongoing

### 2010-11 & 2011-12 Performance Objectives

- ◆ Meet 100% of regulatory deadlines for the submission of permits, permit renewals, and required reports under all federal, state and local requirements
- ◆ Maintain ECAP for all existing program areas, expand to include DMR and other NPDES reports
- ◆ Develop and maintain regulatory tracking mechanism covering all media
- ◆ Develop and issue (if appropriate) an RFP or other contract mechanism for biosolids management
- ◆ Propose and implement improvements to the hazardous and universal waste management program focusing on better employee training, waste minimization, and better contract management

### Performance Measures

Summary	2008-09 Actual	2009-10 Projected	2010-11 Proposed	2011-12 Proposed	Justification
◆ NPDES Permit Renewal	Complete renewal application	Conduct negotiation of permit	Implement new permit	Collect info for next permit	Required for continuous operation by regulatory agencies
◆ ECAP Implementation	Implement core environmental areas w/dashboard	Implement other areas as agreed to with mgmt	Update and add new NPDES elements	Update and maintain	Strategic Initiative Goal
◆ Evaluate biosolids compliance data/produce annual report by deadline	100%	100%	100%	100%	Regulatory Requirement
◆ Meet 100% of regulatory deadlines	100%	100%	100%	100%	In-house standard / Regulatory Requirement
◆ Implement new biosolids management technology for remaining 1/3 of OCSD biosolids	RFP process in progress	New mgmt option under contract	Issue RFP, if appropriate	N/A	Level of service conformance and Strategic Initiative
◆ Develop Greenhouse Gas emission inventory protocol / represent District's interest in development of climate change regulations	Submit annual GHG emissions inventory to CARB	Submit annual GHG emissions inventory to CARB	Submit annual GHG emissions inventory to CARB	Submit annual GHG emissions inventory to CARB	Regulatory requirement & part of District Strategic Initiative on Climate Change

# Environmental Compliance & Regulatory Affairs

## Budget Overview

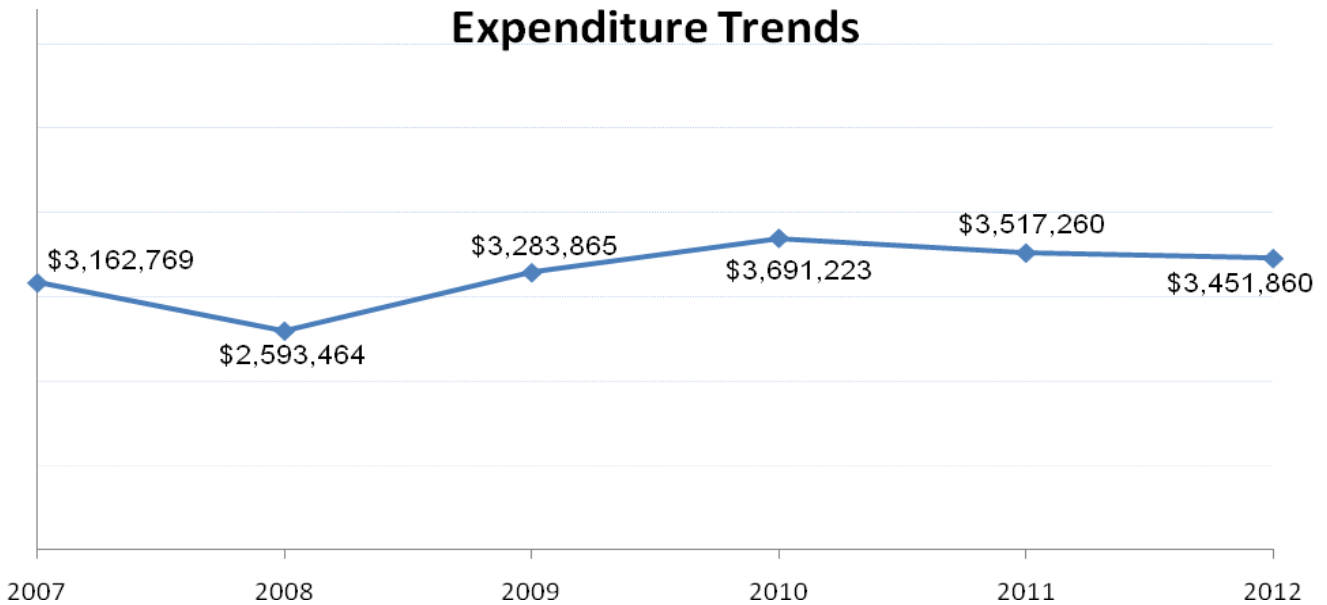
The FY 2010-11 & 2011-12 budgets for the Environmental Compliance & Regulatory Affairs Division reflect decreases of 5% and 2% over the prior year, respectively. The decrease is mainly due to staffing reallocations and downgrades resulting in a net reduction of 1 FTE position within this division. This decrease is partially offset by an increase in regulatory operating fees.

<b>2009-10 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 3,691,223</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	(214,500)
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	22,800
Change in OCERS retirement costs	(14,550)
Change in group insurance costs	(4,700)
Other benefit cost adjustments	18,400
<b>Other Cost Adjustments:</b>	
Decrease in in-house reproduction services	(2,500)
Decrease in meetings	(10,553)
Increase in property tax fees	10,000
Decrease in other waste disposal	(50,000)
Increase in other contractual services	30,000
Decrease in legal services	(5,000)
Decrease in auditing fees	(44,000)
Decrease in engineering services	(10,000)
Decrease in advocacy efforts	(5,000)
Increase in other professional services	20,000
Decrease in environmental monitoring & research costs	(30,000)
Increase in regulatory operating fees	120,000
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(4,360)
<b>2010-11 Proposed Budget - Total Operating Requirements</b>	<b>\$ 3,517,260</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	-
Change in OCERS retirement costs	14,200
Change in group insurance costs	18,000
Other benefit cost adjustments	(600)
<b>Other Cost Adjustments:</b>	
Decrease in safety equipment and tools	(2,000)
Decrease in other professional services	(95,000)
<b>Aggregate change in Other Categories:</b>	
No other cost changes	-
<b>2011-12 Proposed Budget - Total Operating Requirements</b>	<b>\$ 3,451,860</b>

# 2010-11 & 2011-12 Budget

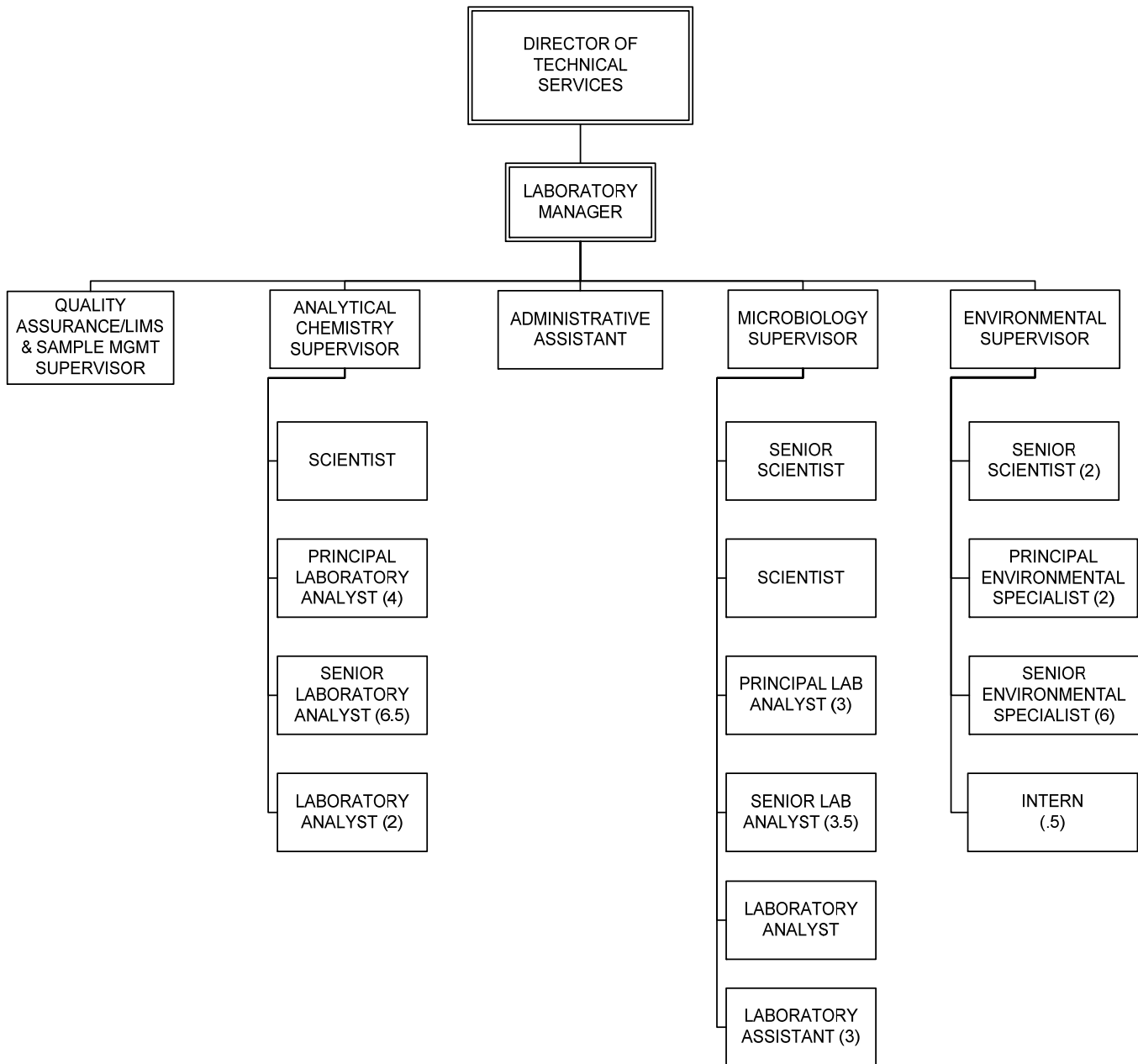
Operating Expenses By Category	2008-09 Actual	2009-10 Revised Budget	2009-10 Projected	2010-11 Proposed	Budget % Change	2011-12 Proposed	Budget % Change
Personnel	\$ 2,346,530	\$ 2,493,050	\$ 2,193,300	\$ 2,300,500	(7.72%)	\$ 2,332,100	1.37%
Supplies	54,500	53,173	41,840	49,560	(6.79%)	47,560	(4.04%)
Professional & Contractual Services	251,308	464,000	288,000	398,000	(14.22%)	303,000	(23.87%)
Research & Monitoring	165,056	175,000	120,000	145,000	(17.14%)	145,000	-
Repairs & Maintenance	1,615	4,500	2,000	4,500	-	4,500	-
Utilities	-	-	-	-	-	-	-
Other	464,856	501,500	605,660	619,700	23.57%	619,700	-
<b>Total</b>	<b>\$ 3,283,865</b>	<b>\$ 3,691,223</b>	<b>\$ 3,250,800</b>	<b>\$ 3,517,260</b>	<b>(4.71%)</b>	<b>\$ 3,451,860</b>	<b>(1.86%)</b>

## Expenditure Trends



# Environmental Laboratory and Ocean Monitoring

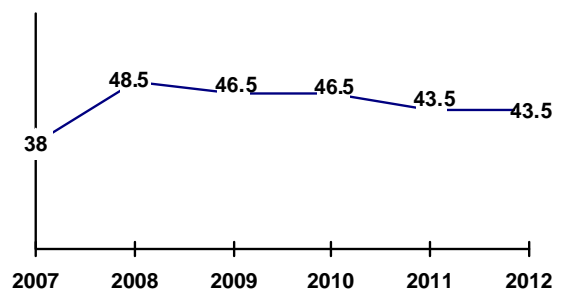
630



## 2010-11 & 2011-12 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	38.0
Administrative / Clerical	1.0
Technical Staff	3.0
Intern	0.5
<b>Total</b>	<b>43.5</b>

## Staffing Trends





# 2010-11 & 2011-12 Budget

## Service Description

Perform analytical procedures, monitoring, method development, data analysis and reporting for a broad range of programs and sample types, including wastewater treatment streams, industrial inputs, offshore and nearshore receiving waters, final effluent and air in order to demonstrate the effectiveness of wastewater treatment processes, the industrial source control program, compliance with water and air regulations and protection of the receiving water environment.

### 2009-10 Performance Objectives

- ◆ Meet test/FTE standards within 10% of FY 08-09. Meet benchmark standard within 10% variance. Meet turnaround time standard-10% variance.
- ◆ Compliance test standards 95% correct on first and 100% on second attempt.
- ◆ Complete GWR Phase III & IV; complete Phase V by May 2010.
- ◆ Manage division cost within 10% of budget.
- ◆ Collect/test all ocean monitoring samples as scheduled. File Annual Report by March 1.

### 2009-10 Performance Results

- ◆ YTD through February, performance above previous year and benchmark standards. Turnaround time standard met.
- ◆ 100% of all compliance test samples accurately analyzed on first attempt.
- ◆ Phase III & IV completed. Phase V-samples collected in March 2010.
- ◆ Through February, expenses 7% under budget.
- ◆ All samples collected on schedule. Annual Report filed with regulators on schedule.

### 2010-11 & 2011-12 Performance Objectives

- ◆ Meet with Operations and Source Control to ensure their analytical program is right sized, achievable for ELOM within existing resources, and turnaround time for analytical results meets their needs.
- ◆ Performance test standards 95% correct on first attempt and 100% on second.
- ◆ Manage division controllable cost to within 10% of budget, and complete in-sourcing of infaunal taxonomy program with a goal of \$75,000 reduction in core ocean monitoring.
- ◆ Support GWR special projects and routine monitoring requirements as defined by project goals.
- ◆ Collect and test all sediment and water quality ocean samples according to schedule. File Annual Report with regulators by March 1 deadline.

### Performance Measures

Summary	2008-09 Actual	2009-10 Projected	2010-11 Proposed	2011-12 Proposed	Justification
◆ Lab Standards	100%	100%	100%	100%	In house standard
◆ Lab Productivity	110%	100%	100%	100%	In house standard
◆ OMP Productivity	100%	100%	100%	100%	Compliance/in house standard
◆ Budget vs. actual	95%	95%	100%	100%	Percent of budget spent
◆ GWR Goals	100%	90%	90%	90%	Percent of goal complete

# Environmental Laboratory and Ocean Monitoring

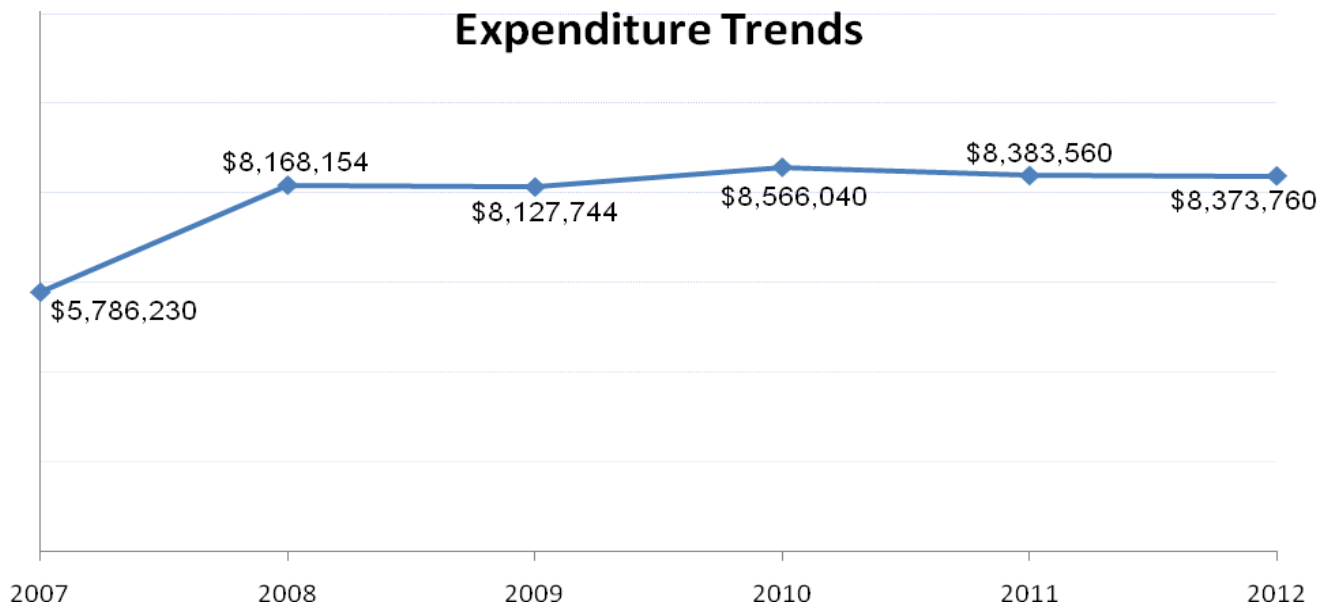
## Budget Overview

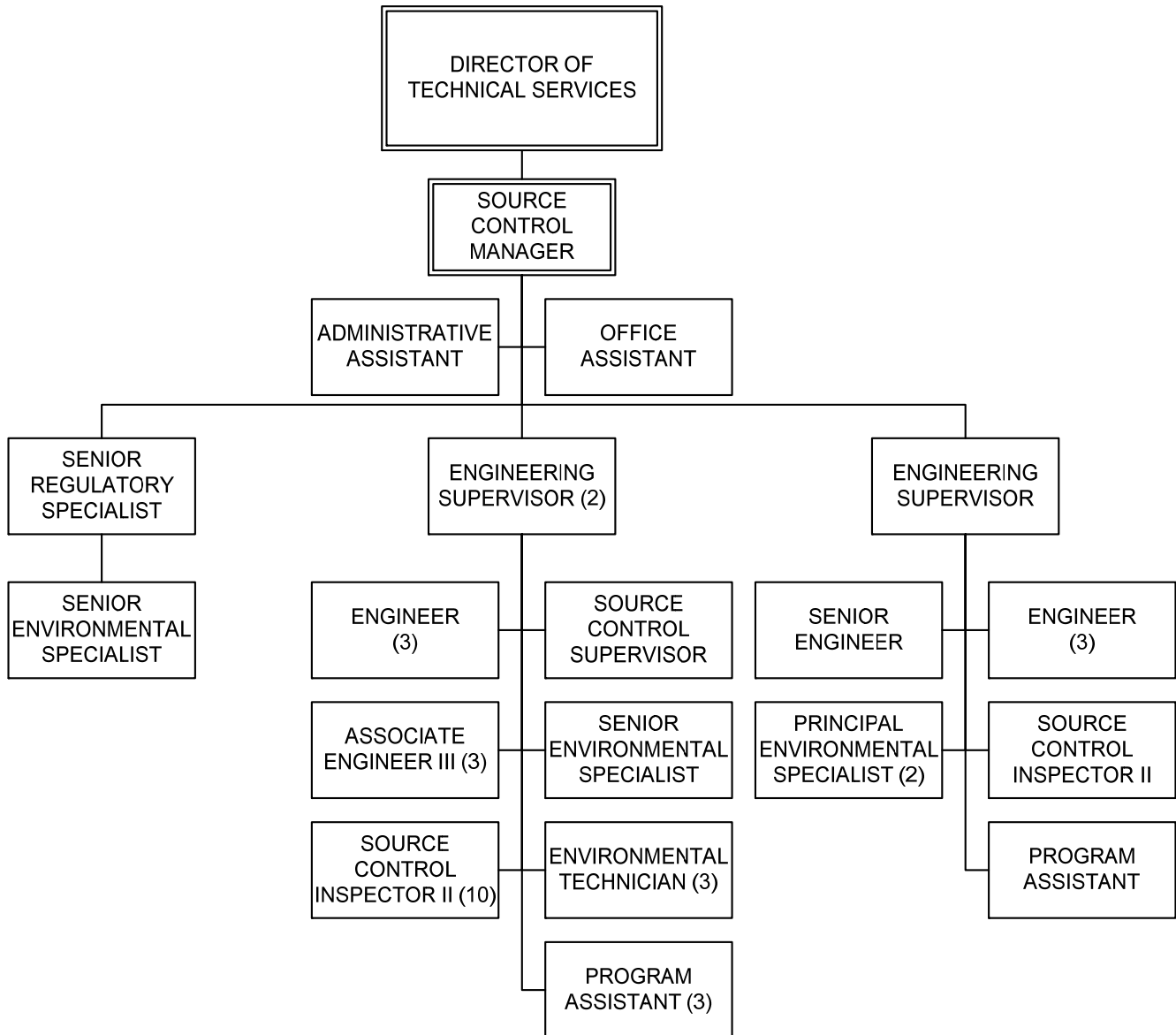
The FY 2010-11 & 2011-12 budgets for the Environmental Laboratory and Ocean Monitoring Division reflect decreases of 2% and 0.1% over the prior year, respectively. The decrease is mainly due to the reduction of 3 FTE positions which have been reallocated to other divisions. This decrease is partially offset by an increase in temporary services costs required due to an employee being called to active military service for one year.

<b>2009-10 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 8,566,040</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	(267,200)
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	66,300
Change in OCERS retirement costs	47,500
Change in group insurance costs	(9,000)
Other benefit cost adjustments	9,200
<b>Other Cost Adjustments:</b>	
Increase in outside reproduction services	6,000
Decrease in meetings	(3,420)
Increase in diesel fuel	3,500
Decrease in safety equipment and tools	(10,200)
Increase in lab chemicals and supplies	11,000
Decrease in outside lab services	(18,600)
Increase in temporary services	74,700
Decrease in environmental scientific consulting	(5,000)
Decrease in environmental monitoring & research costs	(58,250)
Decrease in repairs and maintenance	(3,700)
Increase in service maintenance agreements	26,300
Decrease in electricity costs	(50,000)
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(1,610)
<b>2010-11 Proposed Budget - Total Operating Requirements</b>	<b>\$ 8,383,560</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	-
Change in OCERS retirement costs	40,200
Change in group insurance costs	55,600
Other benefit cost adjustments	(2,000)
<b>Other Cost Adjustments:</b>	
Decrease in outside reproduction services	(6,000)
Decrease in diesel fuel	(3,500)
Increase in lab chemicals and supplies	11,000
Decrease in temporary services	(73,200)
Decrease in environmental monitoring & research costs	(34,850)
Decrease in service maintenance agreements	(8,700)
Increase in electricity costs	15,000
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(3,350)
<b>2011-12 Proposed Budget - Total Operating Requirements</b>	<b>\$ 8,373,760</b>

## 2010-11 & 2011-12 Budget

Operating Expenses By Category	2008-09 Actual	2009-10 Revised Budget	2009-10 Projected	2010-11 Proposed	Budget % Change	2011-12 Proposed	Budget % Change
Personnel	\$ 6,075,445	\$ 6,559,900	\$ 6,695,300	\$ 6,406,700	(2.34%)	\$ 6,500,500	1.46%
Supplies	691,883	721,540	694,740	727,610	0.84%	725,110	(0.34%)
Professional & Contractual Services	170,032	143,100	116,900	194,200	35.71%	121,000	(37.69%)
Research & Monitoring	525,358	385,200	328,000	326,950	(15.12%)	292,100	(10.66%)
Repairs & Maintenance	259,692	276,700	256,700	299,300	8.17%	291,250	(2.69%)
Utilities	345,964	410,000	340,000	360,000	(12.20%)	375,000	4.17%
Other	59,370	69,600	60,330	68,800	(1.15%)	68,800	-
<b>Total</b>	<b>\$ 8,127,744</b>	<b>\$ 8,566,040</b>	<b>\$ 8,491,970</b>	<b>\$ 8,383,560</b>	<b>(2.13%)</b>	<b>\$ 8,373,760</b>	<b>(0.12%)</b>





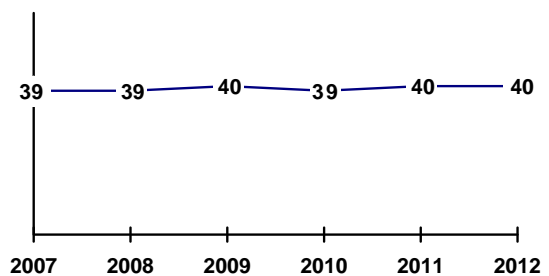
### 2010-11 & 2011-12 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	19.0
Administrative / Clerical	6.0
Technical Staff	14.0

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**Total** 40.0

### Staffing Trends



# 2010-11 & 2011-12 Budget

## Service Description

The Source Control Division is responsible for administering and enforcing the District's Ordinance and General Pretreatment Regulations by administering extensive permitting, monitoring, inspection, compliance screening, follow-up enforcement, and reporting programs to regulate industrial discharges into sewer facilities. During the past several years, the division's responsibilities and functions have been expanded to comply with the newly added mandates and the District's goal of participating in the overall management of the region's water resources and beneficial reuse of our biosolids. The expansion includes the addition of 1) Urban Runoff program to improve the condition of the regional coastal area, 2) Fat, Oil and Grease (FOG) Program to eliminate the sewerage blockages and spill resulted from grease discharges, and 3) Non-point Source Control Program to control pollutants of concern from drinking water perspective.

### 2009-10 Performance Objectives

- ◆ Conduct monitoring of industrial facilities within 95% of the benchmark.
- ◆ Conduct 100% enforcement action and follow-up monitoring within 30 days of each noncompliance event.
- ◆ Issue and renew 100% of the industrial wastewater permits prior to the expiration date.
- ◆ Continue to conduct Industrial Wastewater Treatment Operator Training Courses as budgeted.
- ◆ Continue to implement the fats, oil & grease (FOG) control program and strategies on a regional basis in conformance with the Wastewater Discharge Requirements Order.
- ◆ Continue to develop and implement a Non-point Source Control Program to control pollutants from drinking water perspective.
- ◆ Conformance with the biosolids EMS Program as it pertains to Source Control program.

### 2009-10 Performance Results

- ◆ Staff conducted monitoring of industrial facilities within an average of over 95% of the benchmark.
- ◆ Staff conducted 100% enforcement action and follow-up monitoring within 30 days of each noncompliance event.
- ◆ Staff issued and renewed 100% of the industrial wastewater permits prior to the expiration date.
- ◆ The Wastewater Treatment Operator Training Courses were completed successfully within the reduced budget.
- ◆ Staff implemented the fats, oil & grease (FOG) control program in conformance with the Wastewater Discharge Requirements Order.
- ◆ Staff continues to develop and implement a Non-point Source Control Program to control pollutants from drinking water perspective.
- ◆ Staff Conformed with the biosolids EMS Program as it pertains to Source Control program.

### 2010-11 & 2011-12 Performance Objectives

- ◆ Conduct monitoring of industrial facilities within 95% of this benchmark.
- ◆ Conduct 100% enforcement action and follow-up monitoring within 30 days of each noncompliance event.
- ◆ Issue and renew 100% of the industrial wastewater permits prior to the expiration date.
- ◆ Continue to conduct the Industrial Wastewater Treatment Operator Training Course.
- ◆ Continue to implement the fats, oil & grease (FOG) control program and strategies on a regional basis in conformance with the Wastewater Discharge Requirements Order.
- ◆ Continue to implement a Non-point Source Control Program to control pollutants from drinking water perspective.
- ◆ Conformance with the biosolids EMS program as it pertains to the Source Control Program.

### Performance Measures

Summary	2008-09	2009-10	2010-11	2011-12	Justification
	Actual	Projected	Proposed	Proposed	
◆ Field inspection performance	92%	95%	95%	95%	In-house standard
◆ Enforcement follow-up	100%	100%	100%	100%	In-house standard
◆ Permit issuance/renewal	100%	100%	100%	100%	In-house standard
◆ Industrial Wastewater Treatment Operator Training	100% of milestone	100% of milestone	100% of milestone	100% of milestone	In-house standard
◆ Fats, Oil & Grease Program	100% of milestone	100% of milestone	100% of milestone	100% of milestone	In-house standard
◆ Implementation of a Non-Point Source Control program	100% of milestone	100% of milestone	100% of milestone	100% of milestone	In-house standard
◆ Conformance with the biosolids EMS program	100% of milestone	100% of milestone	100% of milestone	100% of milestone	In-house standard

# Source Control

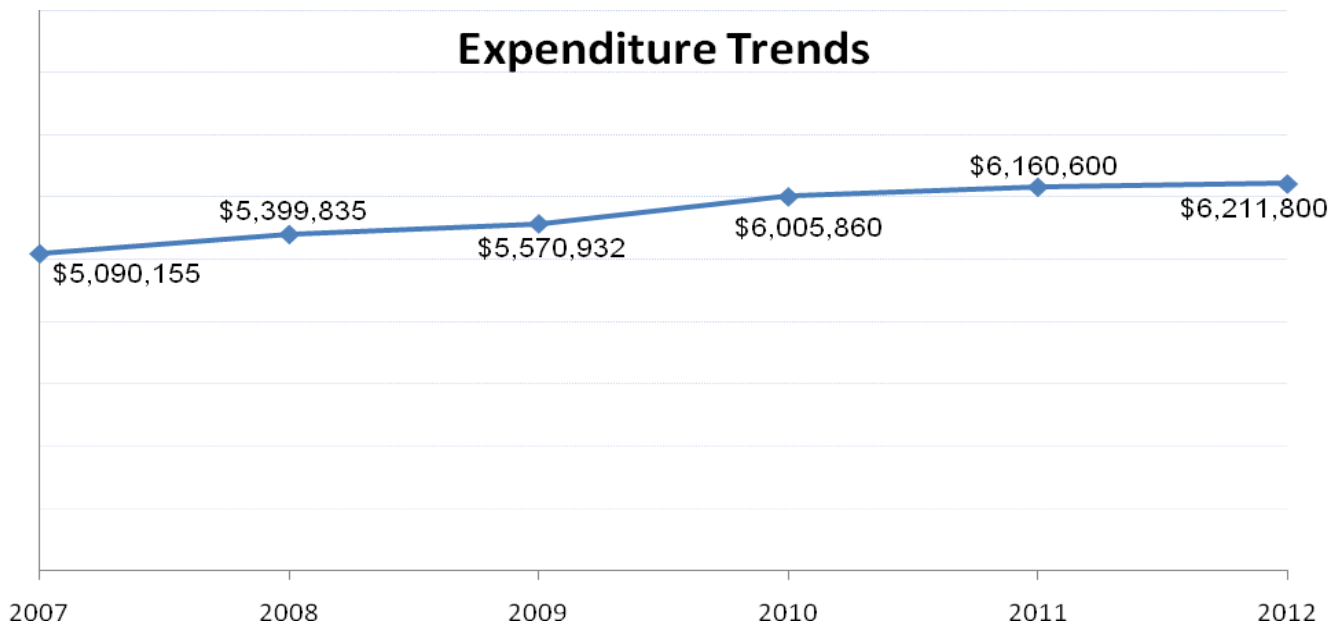
## Budget Overview

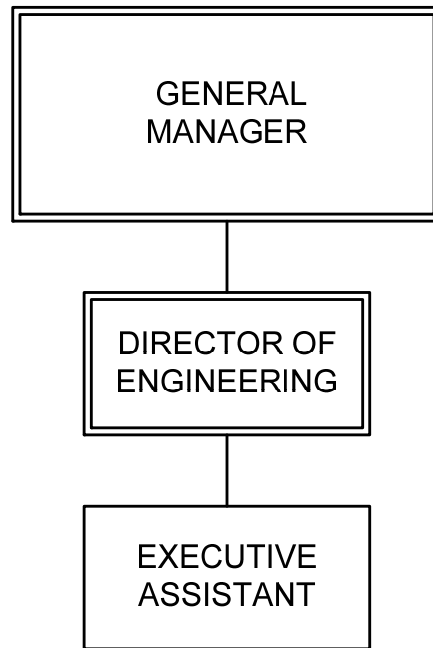
The fiscal year 2010-11 & 2011-12 budgets for the Source Control Division reflect increases of 3% and 1% over the prior year, respectively. The increase is mainly due to the combination of an increase of 1 FTE position along with an increase in other professional services costs that are expected to be partially reimbursed through grant funds. These increases are partially offset by decreases in reproduction and printing costs.

<b>2009-10 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 6,005,860</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	132,100
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(129,700)
Change in OCERS retirement costs	105,320
Change in group insurance costs	36,800
Other benefit cost adjustments	4,400
<b>Other Cost Adjustments:</b>	
Decrease in in-house reproduction services	(24,500)
Decrease in outside printing services	(44,000)
Increase in lab chemicals and supplies	15,000
Increase in environmental scientific consulting	10,000
Increase in other professional services	50,000
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(680)
<b>2010-11 Proposed Budget - Total Operating Requirements</b>	<b>\$ 6,160,600</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	-
Change in OCERS retirement costs	36,200
Change in group insurance costs	51,800
Other benefit cost adjustments	(1,800)
<b>Other Cost Adjustments:</b>	
Decrease in safety equipment and tools	(20,000)
Decrease in miscellaneous operating supplies	(15,000)
<b>Aggregate change in Other Categories:</b>	
No other cost changes	-
<b>2011-12 Proposed Budget - Total Operating Requirements</b>	<b>\$ 6,211,800</b>

# 2010-11 & 2011-12 Budget

Operating Expenses By Category	2008-09 Actual	2009-10 Revised Budget	2009-10 Projected	2010-11 Proposed	Budget % Change	2011-12 Proposed	Budget % Change
Personnel	\$ 5,323,704	\$ 5,646,580	\$ 5,742,900	\$ 5,795,500	2.64%	\$ 5,881,700	1.49%
Supplies	133,339	213,700	106,300	161,300	(24.52%)	126,300	(21.70%)
Professional & Contractual Services	107,881	138,780	90,000	197,000	41.95%	197,000	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	4,089	4,300	4,300	4,300	-	4,300	-
Utilities	-	-	-	-	-	-	-
Other	1,919	2,500	2,500	2,500	-	2,500	-
<b>Total</b>	<b>\$ 5,570,932</b>	<b>\$ 6,005,860</b>	<b>\$ 5,946,000</b>	<b>\$ 6,160,600</b>	<b>2.58%</b>	<b>\$ 6,211,800</b>	<b>0.83%</b>





## 2010-11 & 2011-12 Authorized FTE Positions

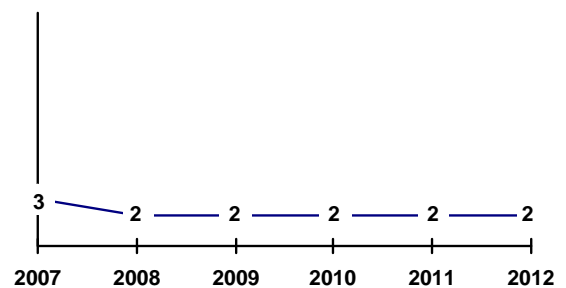
Executive Managers	1.0
Administrative / Clerical	1.0

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<b>Total</b>	<b><u>2.0</u></b>
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## Staffing Trends





# 2010-11 & 2011-12 Budget

## Service Description

The mission statement of this Department is to deliver world class engineered projects through skilled staff, technical excellence, proactive project planning, effective project delivery, effective communication, and critical thinking.

2009-10 Performance Objectives	2009-10 Performance Results
◆ Expend minimum of 90% of project annual cash flows.	◆ 100.5% for 2009-10 (projected).
◆ Ensure that reporting division's expenditures are managed to less than < 100% of proposed budgets.	◆ 2009-10 to be < 100% (projected).
◆ Ensure that reporting divisions achieve 90% of performance measures.	◆ Reporting divisions will achieve 90% of performance measures.

## 2010-11 & 2011-12 Performance Objectives

- ◆ Expend minimum of 90% of project annual cash flows.
- ◆ Ensure that reporting divisions' expenditures are managed to less than 100% of the proposed budgets.
- ◆ Ensure that reporting divisions achieve 90% of individual performance objectives.

Summary	Performance Measures				Justification
	2008-09 Actual	2009-10 Projected	2010-11 Proposed	2011-12 Proposed	
◆ Manage project annual cash flows (CIP) Min 90%	80.7%	100.5%	90% min.	90% min.	In-house standard
◆ Manage Division Budgets. (JO) < 100%	All Divisions met goal - exception Div. 770 @ 103.6%	All Divisions to meet goal – exception Div. 740 @ 102.6%	<100%	<100%	In-house standard
◆ Ensure reporting divisions achieve performance measures. Min. 90%	75%	85.7%	90% min.	90% min.	In-house standard

# Engineering Administration

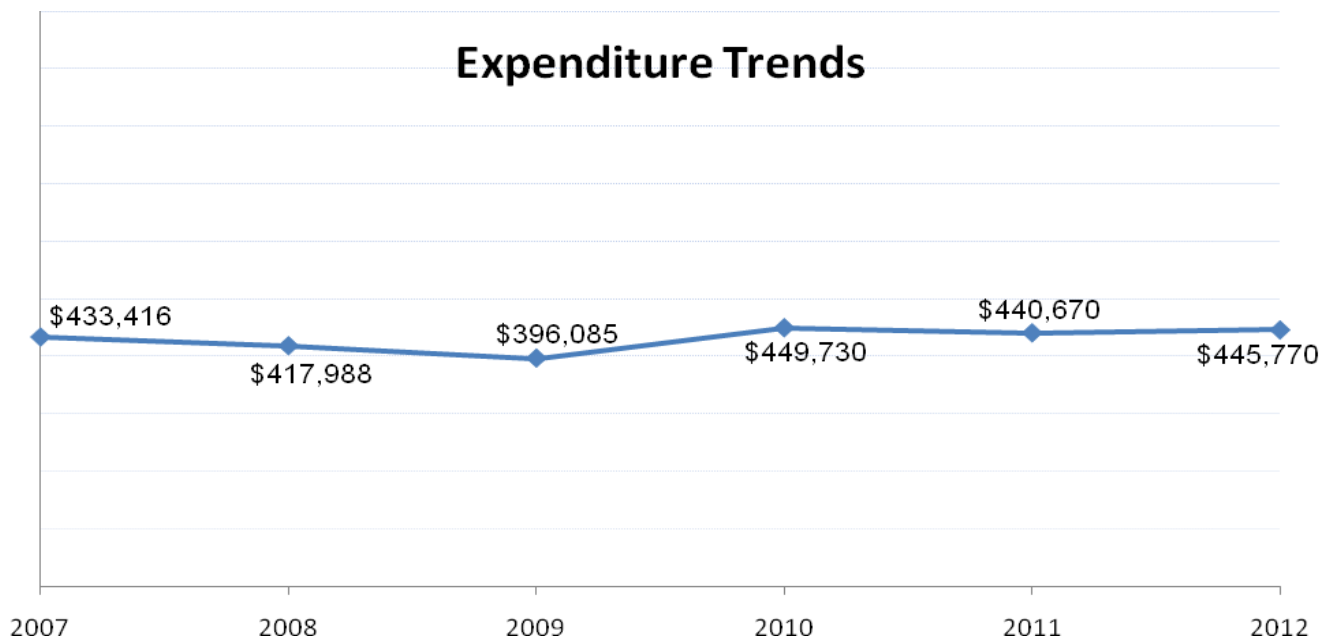
## Budget Overview

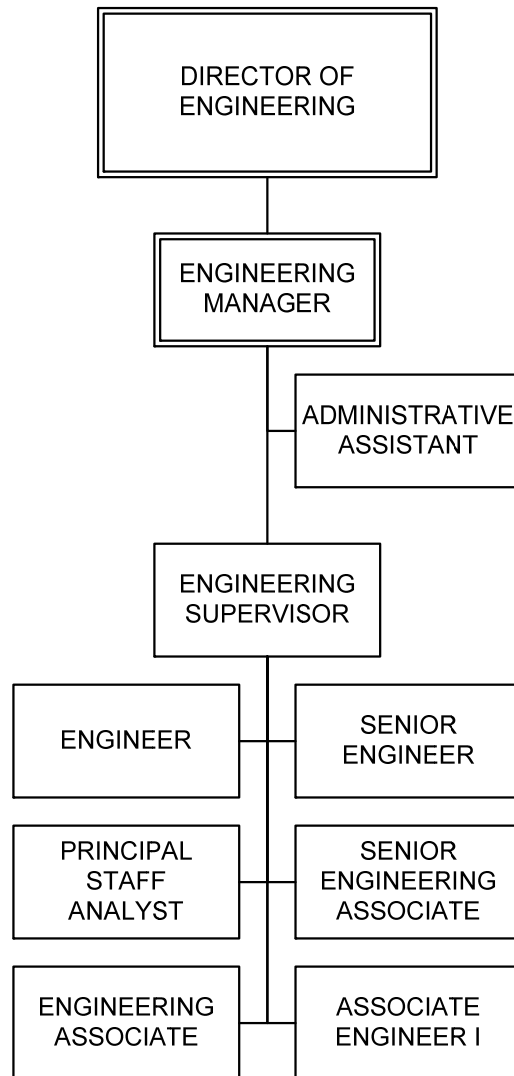
The FY 2010-11 & 2011-12 budgets for the Engineering Administration Division reflect a decrease of 2% and an increase of 1% over the prior year, respectively. There are no significant changes affecting the budget for this division.

<b>2009-10 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 449,730</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(10,100)
Change in OCERS retirement costs	4,100
Change in group insurance costs	1,100
Other benefit cost adjustments	(4,100)
<b>Other Cost Adjustments:</b>	
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(60)
<b>2010-11 Proposed Budget - Total Operating Requirements</b>	<b>\$ 440,670</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	-
Change in OCERS retirement costs	2,700
Change in group insurance costs	2,500
Other benefit cost adjustments	(100)
<b>Other Cost Adjustments:</b>	
<b>Aggregate change in Other Categories:</b>	
No other cost changes	-
<b>2011-12 Proposed Budget - Total Operating Requirements</b>	<b>\$ 445,770</b>

## 2010-11 & 2011-12 Budget

Operating Expenses By Category	2008-09 Actual	2009-10 Revised Budget	2009-10 Projected	2010-11 Proposed	Budget % Change	2011-12 Proposed	Budget % Change
Personnel	\$ 392,858	\$ 435,800	\$ 440,700	\$ 426,800	(2.07%)	\$ 431,900	1.19%
Supplies	4,464	3,930	3,580	3,870	(1.53%)	3,870	-
Professional & Contractual Services	(1,237)	10,000	10,000	10,000	-	10,000	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 396,085</b>	<b>\$ 449,730</b>	<b>\$ 454,280</b>	<b>\$ 440,670</b>	<b>(2.01%)</b>	<b>\$ 445,770</b>	<b>1.16%</b>



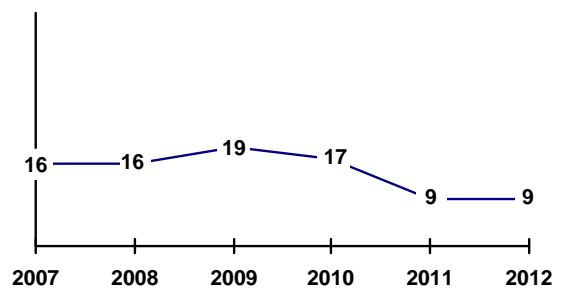


**2010-11 & 2011-12 Authorized FTE Positions**

Manager	1.0
Supervisors / Professionals	7.0
Administrative / Clerical	1.0

**Total 9.0**

**Staffing Trends**



# 2010-11 & 2011-12 Budget

## Service Description

The mission of the proposed Planning Division is responsible for master planning, water resources management, and California Environmental Quality Act review. The Division is also responsible for annexations, connection permitting, easements, and interagency agreements.

2009-10 Performance Objectives	2009-10 Performance Results
◆ Ensure that division's expenditures are managed to <100% of proposed budget.	◆ 102.6% of proposed budget (projected).
◆ Respond to 100% of environmental correspondence within the specified deadline of 30 - 45 days.	◆ Will respond to correspondence 100% within the 30-45 timeframe.
◆ Process 90% of connection permits within one day of request.	◆ Will process a minimum of 90% of connection permits within one day of request.
◆ Validate Facility Records (100%).	◆ Will meet goal for FY 2009-10; however, this goal being transferred.

## 2008-09 & 2009-10 Performance Objectives

- ◆ Ensure that the division's expenditures are managed to <100% of proposed budget.
- ◆ Respond to 100% of environmental correspondence within the specified deadline of 30-45 days.
- ◆ Process 95% of connection permits within one day of the request.

Summary	Performance Measures				Justification
	2008-09 Actual	2009-10 Projected	2010-11 Proposed	2011-12 Proposed	
◆ Division's Expenditures	88.03%	102.6%	<100%	<100%	In-house standard
◆ Environmental Correspondence	100% - Met Goal	Will meet Goal 100%	100%	100%	In-house standard
◆ Process Connection fees within one day	Met Min 90%	Will meet min 90%	Min 95%	Min 95%	In-house standard
◆ Validate Facility Records	100% - Met Goal	Will meet Goal 100%	N/A – Goal being transferred	N/A – Goal being transferred	In-house standard

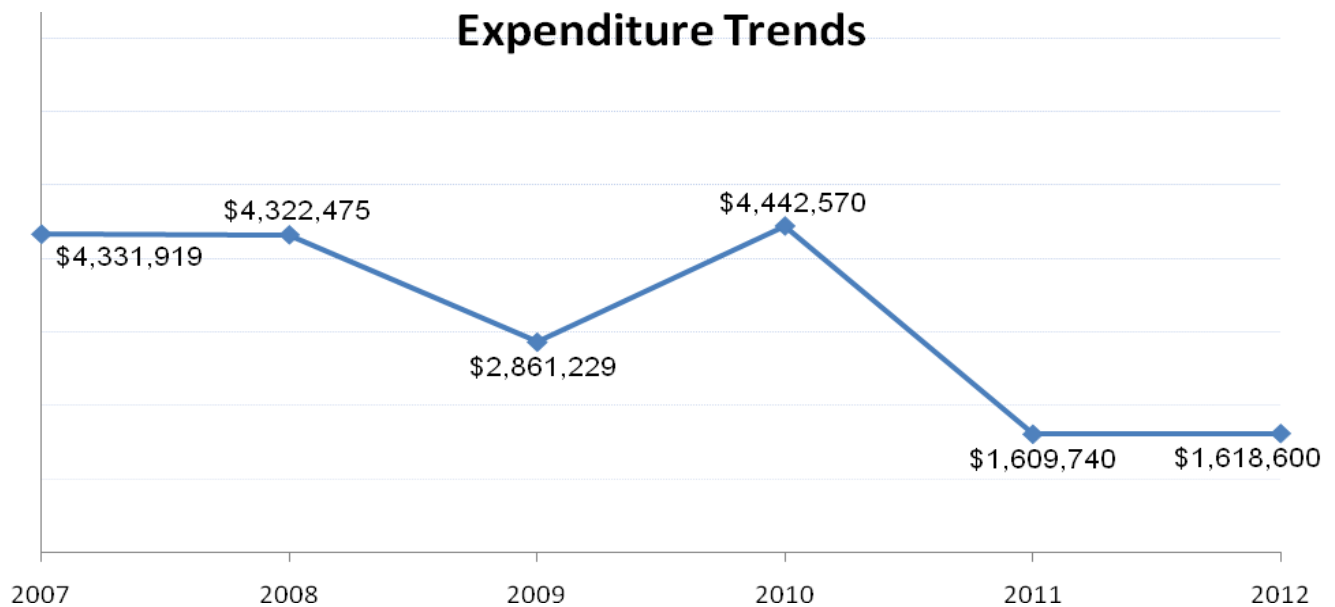
## Budget Overview

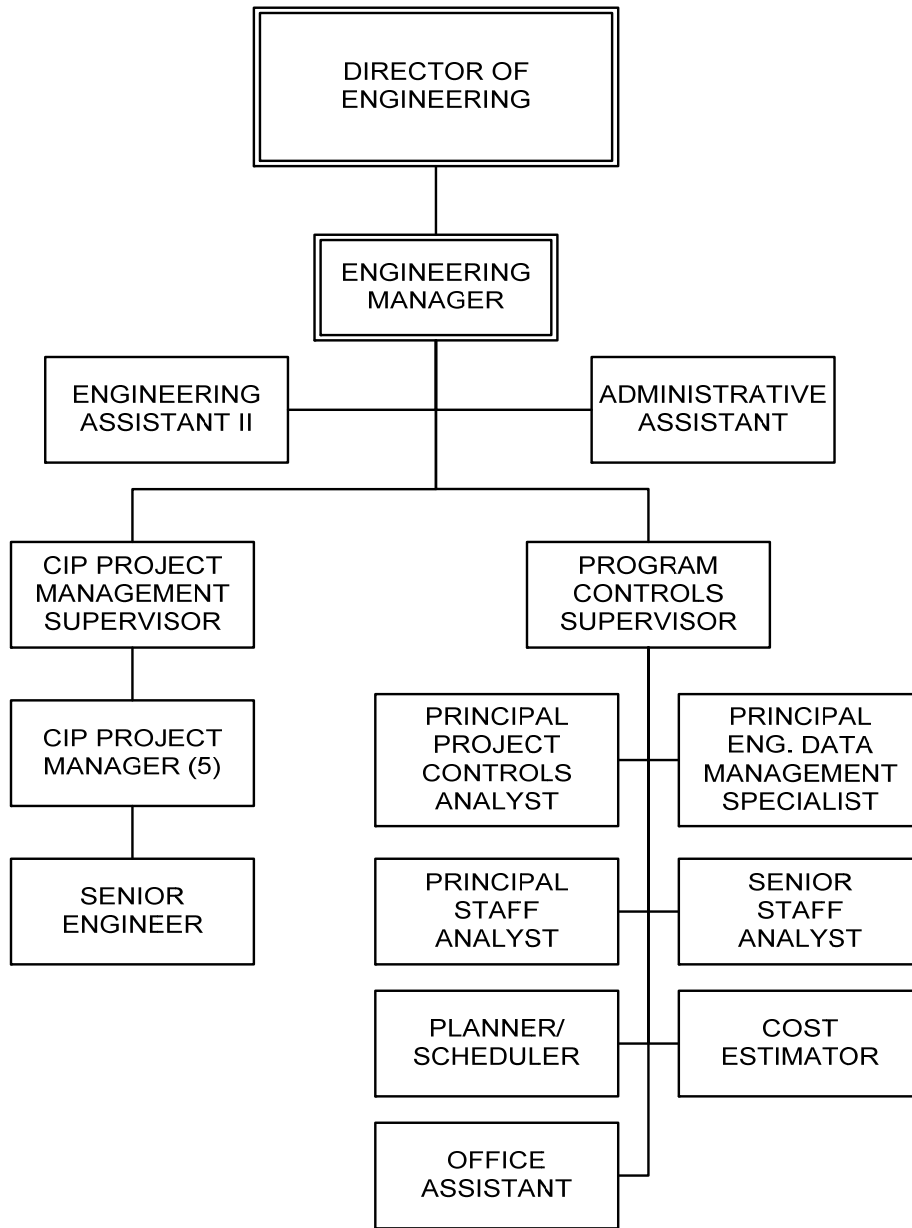
The FY 2010-11 & 2011-12 budgets for the Planning Division reflect a decrease of 64% and an increase of 1% over the prior year, respectively. The decrease is due to a reduction in the amount of capital grants that will be paid to member agencies in FY 2010-11 as well as the reallocation of 8 FTE positions most of which were transferred to the new Asset Management Division.

<b>2009-10 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 4,442,570</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	(769,100)
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(46,900)
Change in OCERS retirement costs	(193,600)
Change in group insurance costs	(95,800)
Other benefit cost adjustments	(6,100)
<b>Other Cost Adjustments:</b>	
Increase in memberships	2,190
Decrease in temporary services	(21,420)
Decrease in other professional services (transferred to Division 780)	(50,000)
Increase in legal services	5,000
Decrease in capital grants to member agencies	(1,655,530)
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(1,570)
<b>2010-11 Proposed Budget - Total Operating Requirements</b>	<b>\$ 1,609,740</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	-
Change in OCERS retirement costs	9,200
Change in group insurance costs	11,700
Other benefit cost adjustments	(400)
<b>Other Cost Adjustments:</b>	
Increase in memberships	4,860
Decrease in legal services	(15,000)
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(1,500)
<b>2011-12 Proposed Budget - Total Operating Requirements</b>	<b>\$ 1,618,600</b>

## 2010-11 & 2011-12 Budget

Operating Expenses By Category	2008-09 Actual	2009-10 Revised Budget	2009-10 Projected	2010-11 Proposed	Budget % Change	2011-12 Proposed	Budget % Change
Personnel	\$ 2,522,169	\$ 2,565,200	\$ 2,024,150	\$ 1,453,700	(43.33%)	\$ 1,474,200	1.41%
Supplies	86,987	109,690	102,400	110,590	0.82%	113,950	3.04%
Professional & Contractual Services	61,787	111,420	72,220	45,000	(59.61%)	30,000	(33.33%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	168	-	50	50	-	50	-
Utilities	-	-	-	-	-	-	-
Other	190,118	1,656,260	1,480,430	400	(99.98%)	400	-
<b>Total</b>	<b>\$ 2,861,229</b>	<b>\$ 4,442,570</b>	<b>\$ 3,679,250</b>	<b>\$ 1,609,740</b>	<b>(63.77%)</b>	<b>\$ 1,618,600</b>	<b>0.55%</b>



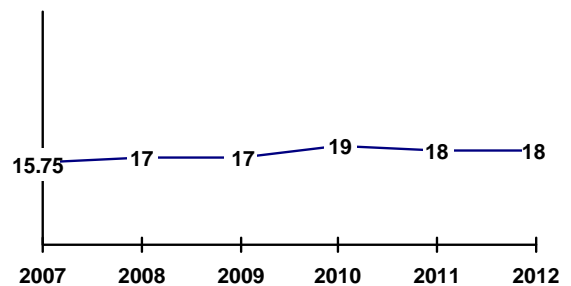


### 2010-11 & 2011-12 Authorized FTE Positions

Manager	1.00
Supervisors / Professionals	14.00
Administrative / Clerical	2.00
Engineering Insp. / Asst.	1.00

**Total** 18.00

### Staffing Trends





# 2010-11 & 2011-12 Budget

## Service Description

The mission of the Project Management Office Division (PMO) is to be responsible for managing the design and construction of new collection and treatment and disposal facilities plus the rehabilitation of older facilities to ensure the safe cost effective transport and treatment of influent/effluent. This division is responsible for the delivery of capital projects from the preliminary design stages through closeout of construction. The PMO provides standards, processes, and methodologies to improve project quality, cost and timeliness.

2009-10 Performance Objectives	2009-10 Performance Results
◆ Ensure that the division's JO expenditures are managed to less than 100% of the proposed budget.	◆ Will be managed to < 100%.
◆ Expend minimum 90% of project annual cash flow (CIP).	◆ 100.5% (projected).
◆ CIP utilization staff rate @ 80% min.	◆ 80% min.
◆ Meet 100% of project milestones.	◆ N/A – No longer tracking.
◆ Increase PMO level of maturity minimum of ½ point (1-5 point scale) based on the 9 Project Management Book of Knowledge (PMBOK) areas each FY year.	◆ No data - Model being restructured.
◆ Develop and implement an effective Lessons Learned Program.	◆ Lessons Learned Program completed and implemented - Program in place.
◆ Maintain or improve non-construction costs @ 31% or less.	◆ 33.6% (projected).

## 2010-11 & 2011-12 Performance Objectives

- ◆ Ensure that the division's JO expenditures are managed to less than 100% of the proposed budget.
- ◆ Expend minimum 90% of project annual cash flow (CIP).
- ◆ CIP Staff Utilization Rate 60% min.
- ◆ Maintain schedule performance index (SPI) of 1.0 or greater.
- ◆ Maintain or improve non-construction costs @ 35% or less.
- ◆ Develop framework to expand PM Principles of PMO to other project models at OCSD.

Summary	Performance Measures				Justification
	2008-09 Actual	2009-10 Projected	2010-11 Proposed	2011-12 Proposed	
◆ Manage JO budget	96.81%	<100%	<100%	<100%	In-house standard
◆ Expend min 90% of budget (CIP)	80.7%	100.5%	90% min	90% min	In-house standard
◆ CIP Staff Utilization Rate	74%	80% min	60% min	60% min	In-house standard
◆ Non Construction Costs	<31%	33.6%	<35%	<35%	In-house standard
◆ Schedule Performance Index ≥ 1.0	N/A	N/A	≥ 1.0	≥ 1.0	In-house standard
◆ Framework to expand PM Principles to other OCSD models	N/A	N/A	Develop framework	Implement	In-house standard

# Project Management Office

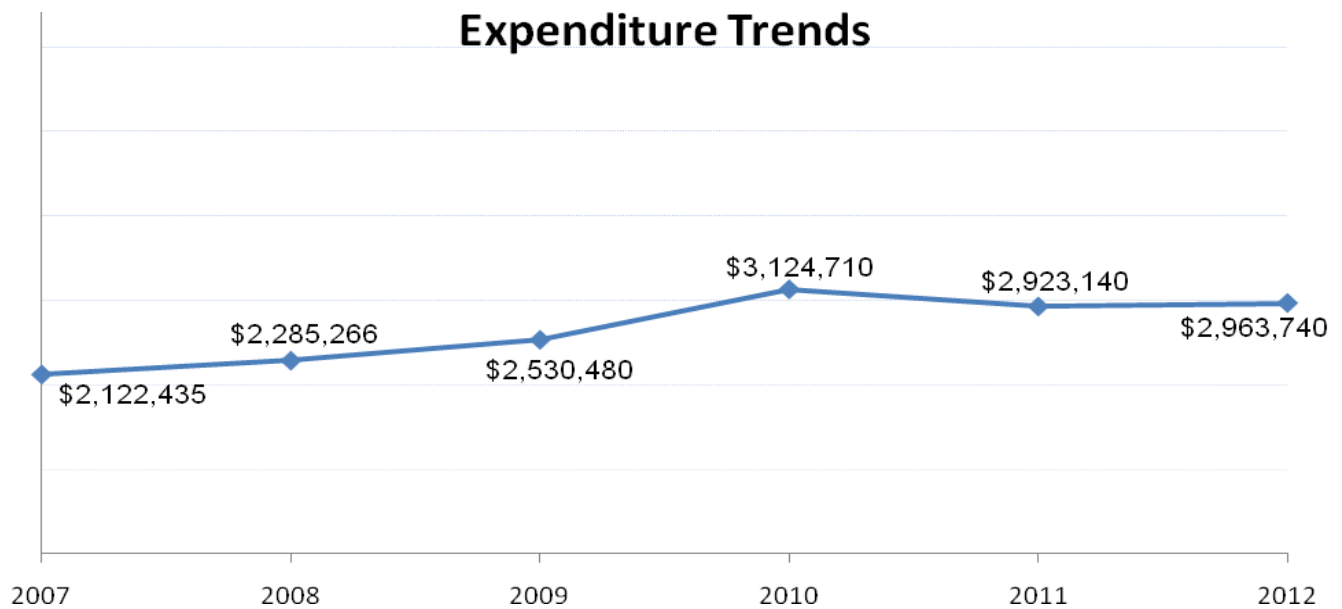
## Budget Overview

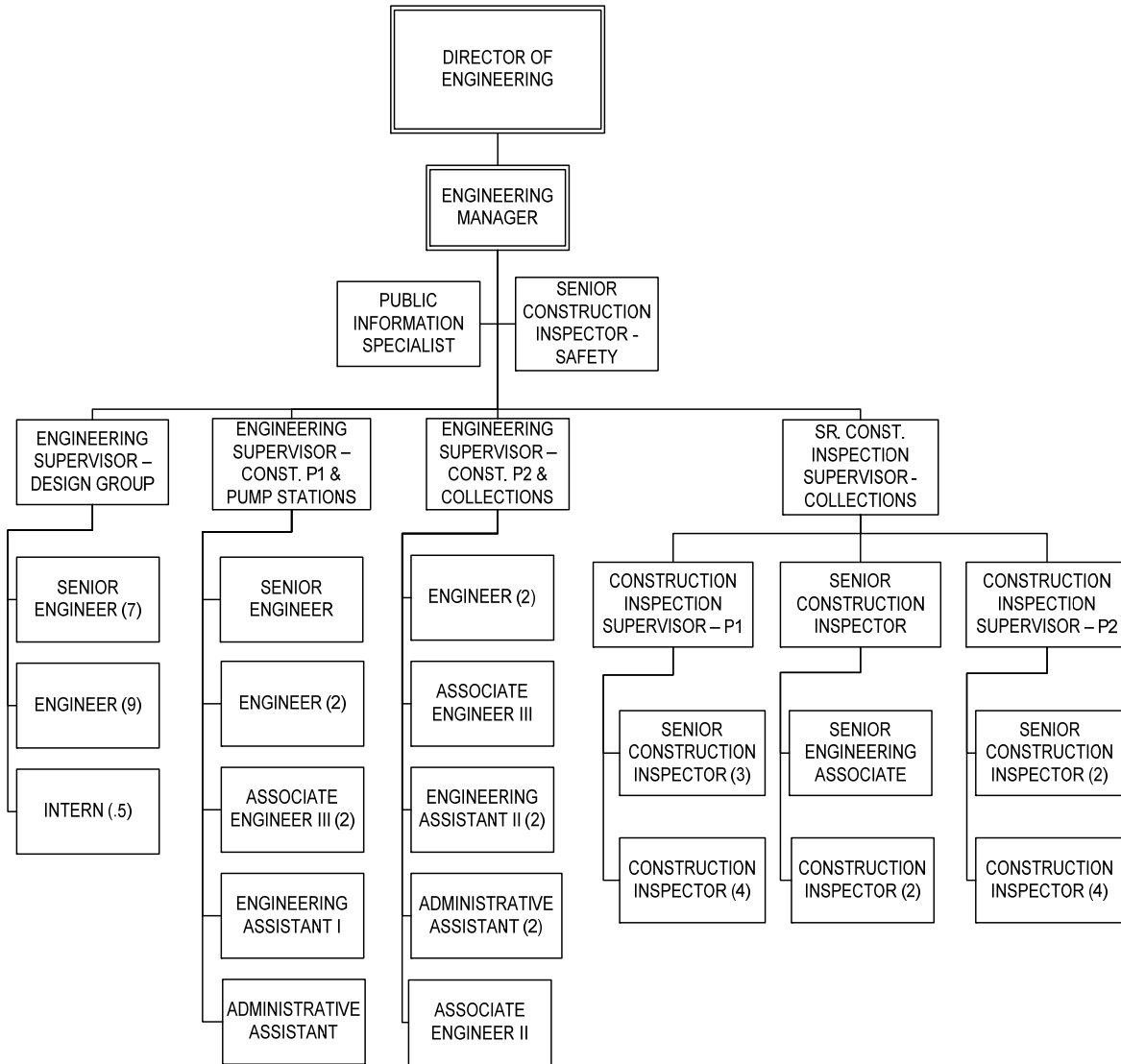
The FY 2010-11 & 2011-12 budgets for the Project Management Office Division reflect a decrease of 6% and an increase of 1% over the prior year, respectively. The decrease is mainly due to staffing reallocations and downgrades including a net reduction of 1 FTE position within this division.

<b>2009-10 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 3,124,710</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	(168,500)
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(10,800)
Change in OCERS retirement costs	760
Change in group insurance costs	(2,400)
Other benefit cost adjustments	(13,500)
<b>Other Cost Adjustments:</b>	
Decrease in office expense - supplies (costs transferred to Division 760)	(4,000)
Decrease in meetings	(2,000)
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(1,130)
<b>2010-11 Proposed Budget - Total Operating Requirements</b>	<b>\$ 2,923,140</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	-
Change in OCERS retirement costs	18,600
Change in group insurance costs	23,300
Other benefit cost adjustments	(800)
<b>Other Cost Adjustments:</b>	
No other significant cost changes	-
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(500)
<b>2011-12 Proposed Budget - Total Operating Requirements</b>	<b>\$ 2,963,740</b>

## 2010-11 & 2011-12 Budget

Operating Expenses By Category	2008-09 Actual	2009-10 Revised Budget	2009-10 Projected	2010-11 Proposed	Budget % Change	2011-12 Proposed	Budget % Change
Personnel	\$ 2,513,410	\$ 3,094,840	\$ 2,791,200	\$ 2,900,400	(6.28%)	\$ 2,941,500	1.42%
Supplies	16,475	28,170	16,260	21,990	(21.94%)	21,490	(2.27%)
Professional & Contractual Services	26	500	-	-	(100.00%)	-	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	569	1,200	350	750	(37.50%)	750	-
<b>Total</b>	<b>\$ 2,530,480</b>	<b>\$ 3,124,710</b>	<b>\$ 2,807,810</b>	<b>\$ 2,923,140</b>	<b>(6.45%)</b>	<b>\$ 2,963,740</b>	<b>1.39%</b>

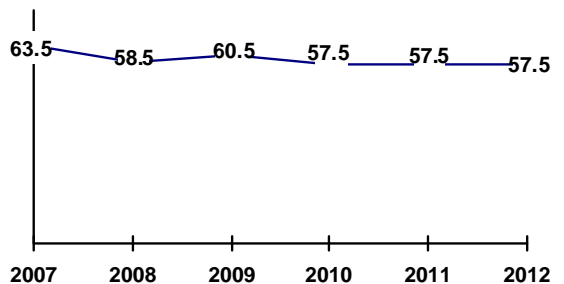




### 2010-11 & 2011-12 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	33.0
Administrative / Clerical	3.0
Engineering Insp. / Asst.	20.0
Interns	0.5
<b>Total</b>	<b>57.5</b>

### Staffing Trends



# 2010-11 & 2011-12 Budget

## Service Description

The mission at the Engineering and Construction Division is to provide administration, design, inspection and other necessary engineering services to the Project Management office and Planning Division for the Engineering Department and other District Divisions for the execution of projects which meet the operational needs of the District at a reasonable cost, in a timely manner and to an acceptable degree of quality.

### 2009-10 Performance Objectives

- ◆ Ensure the division's expenditures are managed to < 100% of the proposed budget.
- ◆ Return 80% of construction submittals by specified due date.
- ◆ Overall Staff Utilization rate > 75%.
- ◆ Reduce program change order performance towards COMP goal.
- ◆ Meet Full Secondary Consent Decree Dates.
- ◆ Support SARI project relocate by 2011.
- ◆ Implement CIP with no serious accidents.

### 2009-10 Performance Results

- ◆ Will be managed to < 100%.
- ◆ Will return a minimum of 80% by due date.
- ◆ Currently at 74% - projected to meet target goal.
- ◆ Change order cost to be within COMP Goal.
- ◆ Will meet dates.
- ◆ Continued support.
- ◆ 1 serious accident.

### 2010-11 & 2011-12 Performance Objectives

- ◆ Ensure the division's expenditures are managed to < 100% of the proposed budget.
- ◆ Overall CIP Staff Utilization rate > 75%.
- ◆ Reduce program change order performance towards COMP goal.
- ◆ Meet Full Secondary Consent Decree Dates.
- ◆ Support SARI project relocate by 2012.
- ◆ Implement CIP with no serious accidents.
- ◆ Respond to Public Complaints regarding construction projects within one working day.

### Performance Measures

Summary	2008-09 Actual	2009-10 Projected	2010-11 Proposed	2011-12 Proposed	Justification
◆ Manage division budget	94.23%	<100%	<100%	<100%	In-house standard
◆ Overall CIP Staff Utilization Rate	73% thru May 2009	Currently 74% - will meet goal	>75%	>75%	In-house standard
◆ Reduce Program Change Order	8.23%	7.98%	Meet COMP Goal	Meet COMP Goal	In-house standard
◆ Consent Decree Dates	Met Dates	Meet Dates	Meet Dates	Meet Dates	In-house standard
◆ Support SARI project relocation	Continued Support	Continued Support	Continued Support	Continued Support	In-house standard
◆ Implement CIP with no serious accidents	Zero Accidents	1 Serious Accident	Zero Accidents	Zero Accidents	In-house standard
◆ Respond to Public Complaints	N/A	N/A	Within 1 working day	Within 1 working day	In-house standard

# Engineering and Construction

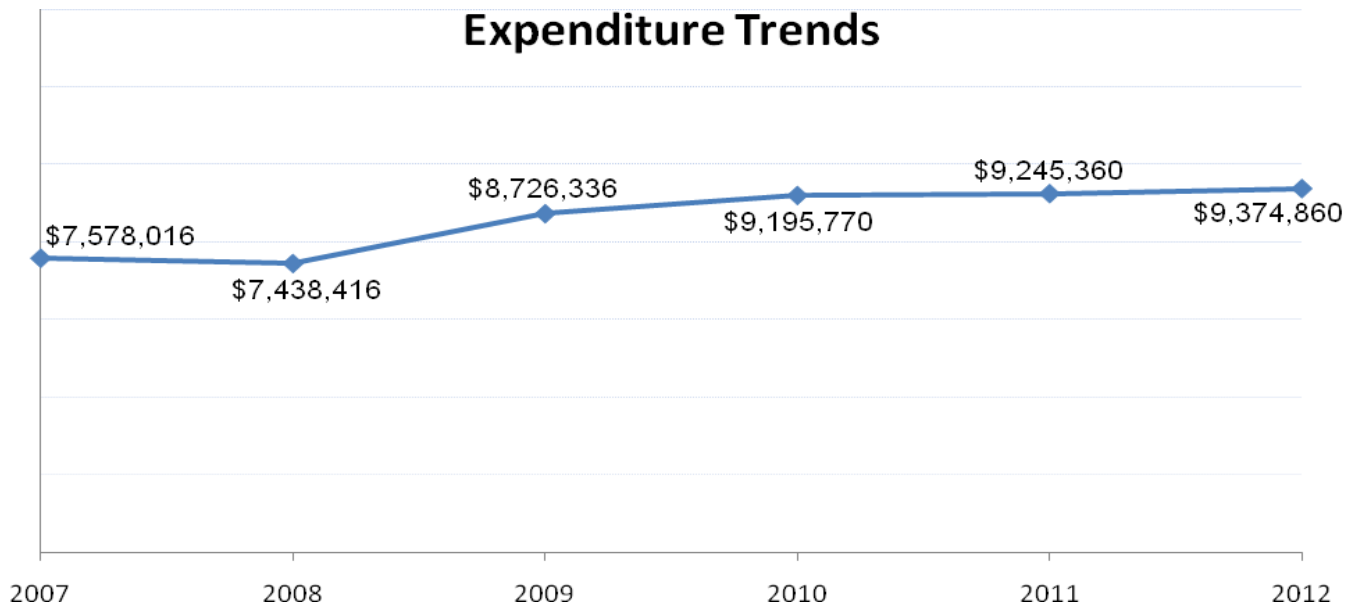
## Budget Overview

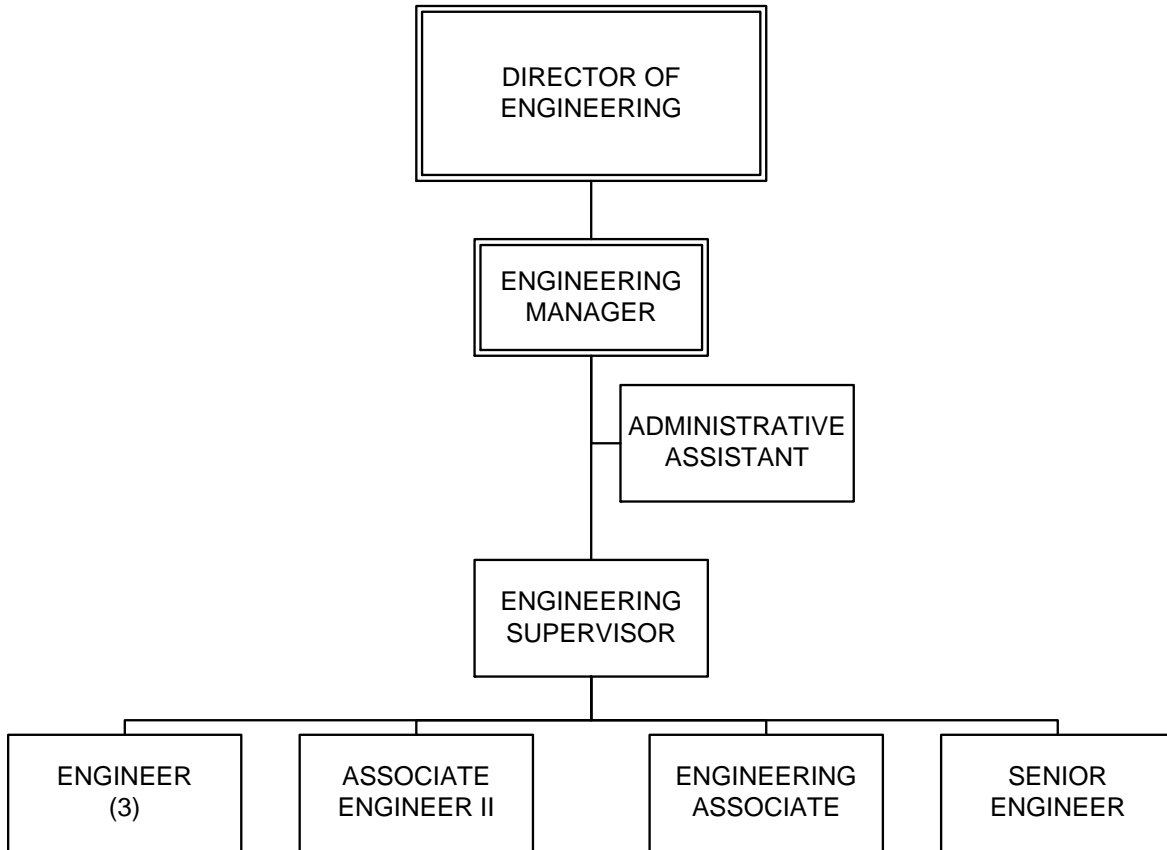
The FY 2010-11 & 2011-12 budgets for the Engineering and Construction Division reflect increases of 1% and 1% over the prior year, respectively. The increases are mainly due to anticipated retirement and group insurance cost adjustments.

<b>2009-10 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 9,195,770</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	12,000
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(51,100)
Change in OCERS retirement costs	107,970
Change in group insurance costs	24,800
Other benefit cost adjustments	27,300
<b>Other Cost Adjustments:</b>	
Increase in memberships	2,920
Increase in office expense - supplies (costs transferred from Division 750)	4,000
Increase in books and publications	2,570
Decrease in in-house reproduction services	(9,060)
Decrease in meetings	(3,200)
Increase in safety equipment and tools	3,460
Decrease in temporary services	(68,500)
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(3,570)
<b>2010-11 Proposed Budget - Total Operating Requirements</b>	<b>\$ 9,245,360</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	-
Change in OCERS retirement costs	56,900
Change in group insurance costs	73,900
Other benefit cost adjustments	(2,600)
<b>Other Cost Adjustments:</b>	
No other significant cost changes	
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	1,300
<b>2011-12 Proposed Budget - Total Operating Requirements</b>	<b>\$ 9,374,860</b>

## 2010-11 & 2011-12 Budget

Operating Expenses By Category	2008-09 Actual	2009-10 Revised Budget	2009-10 Projected	2010-11 Proposed	Budget % Change	2011-12 Proposed	Budget % Change
Personnel	\$ 8,481,015	\$ 9,044,030	\$ 9,298,100	\$ 9,165,000	1.34%	\$ 9,293,200	1.40%
Supplies	54,616	72,050	52,680	72,740	0.96%	74,040	1.79%
Professional & Contractual Services	170,276	68,500	10,700	-	(100.00%)	-	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	38	1,000	100	-	(100.00%)	-	-
Utilities	13,303	-	-	-	-	-	-
Other	7,088	10,190	6,500	7,620	(25.22%)	7,620	-
<b>Total</b>	<b>\$ 8,726,336</b>	<b>\$ 9,195,770</b>	<b>\$ 9,368,080</b>	<b>\$ 9,245,360</b>	<b>0.54%</b>	<b>\$ 9,374,860</b>	<b>1.40%</b>





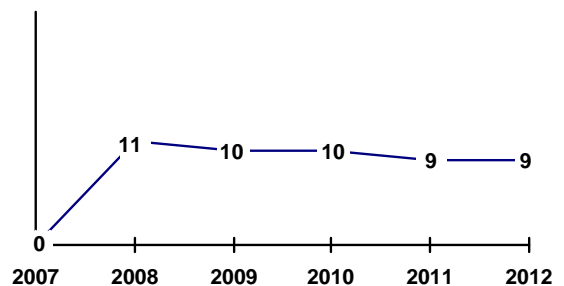
### 2010-11 & 2011-12 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	7.0
Administrative / Clerical	1.0

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**Total** 9.0

Staffing Trends





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# 2010-11 & 2011-12 Budget

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## Service Description

The mission of the Facilities Engineering Division is to provide engineering, design and construction services for completing fast-track type projects, special projects, repair project works, and/or emergency projects.

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### 2009-10 Performance Objectives

- ◆ Manage division expenditures to less than 100% of the budget amounts.
- ◆ Expend minimum 85% of CIP cash flow.
- ◆ Manage CIP change orders to no more than 20% of construction cost.
- ◆ Complete 25 projects.

### 2009-10 Performance Results

- ◆ Will be managed to <100%.
  - ◆ CIP expenditures @ 75% (projected).
  - ◆ Change order cost projected at 6.6%.
  - ◆ Projected to complete 30 projects.
- 

### 2010-11 & 2011-12 Performance Objectives

- ◆ Manage division expenditures to less than 100% of budget amounts.
  - ◆ Expend at least 85% of CIP cash flow.
  - ◆ Manage CIP change orders to less than 20% of construction costs.
- 

### Performance Measures

Summary	2008-09 Actual	2009-10 Projected	2010-11 Proposed	2011-12 Proposed	Justification
◆ Manage Division Operating Budget	103.6%	<100%	<100%	<100%	In-house standard
◆ Expend min 85% CIP project budget	114%	75%	85% min	85% min	In-house standard.
◆ Manage CIP Change Orders	2.8%	6.6%	<20%	<20%	In-house standard

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# Facilities Engineering

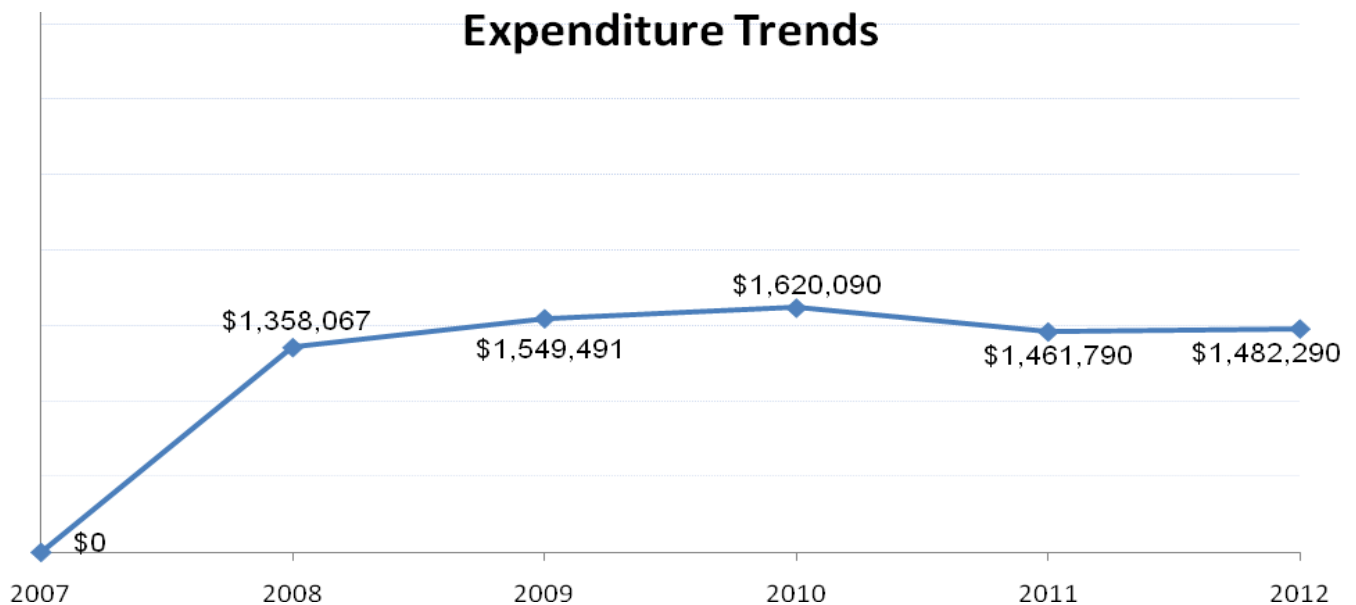
## Budget Overview

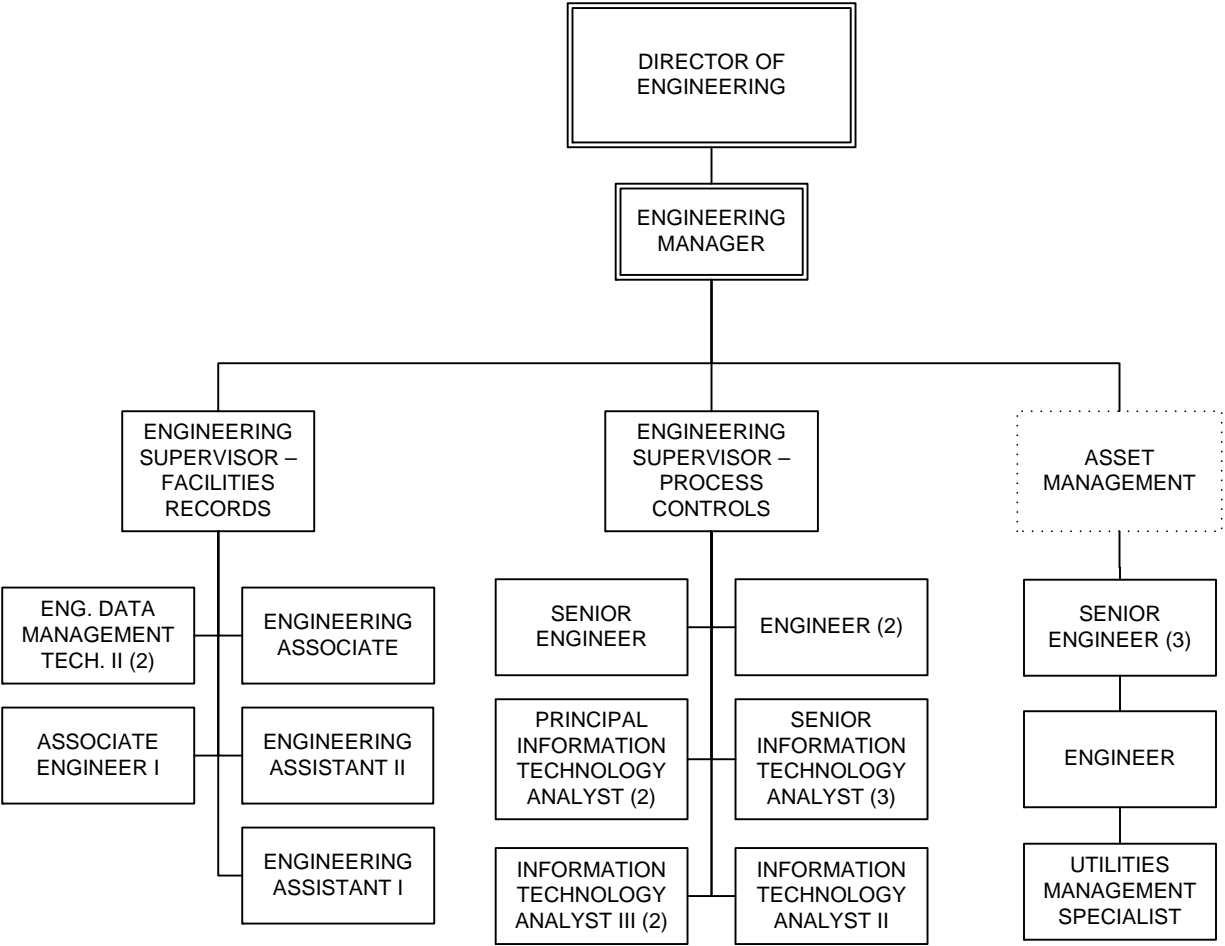
The FY 2010-11 & 2011-12 budgets for the Facilities Engineering Division reflect a decrease of 10% and an increase of 1% over the prior year, respectively. The decrease is due to a reduction of 1 FTE position with the reallocation of an engineer position to another division within the Engineering Department. The increase in FY 2011-12 is due to anticipated retirement and group insurance cost adjustments.

<b>2009-10 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 1,620,090</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	(102,500)
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(30,300)
Change in OCERS retirement costs	(11,040)
Change in group insurance costs	(7,500)
Other benefit cost adjustments	1,400
<b>Other Cost Adjustments:</b>	
Decrease in engineering services	(5,000)
 <b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(3,360)
<b>2010-11 Proposed Budget - Total Operating Requirements</b>	<b>\$ 1,461,790</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	-
Change in OCERS retirement costs	9,200
Change in group insurance costs	11,700
Other benefit cost adjustments	(400)
<b>Other Cost Adjustments:</b>	
 <b>Aggregate change in Other Categories:</b>	
No other cost changes	-
<b>2011-12 Proposed Budget - Total Operating Requirements</b>	<b>\$ 1,482,290</b>

## 2010-11 & 2011-12 Budget

Operating Expenses By Category	2008-09 Actual	2009-10 Revised Budget	2009-10 Projected	2010-11 Proposed	Budget % Change	2011-12 Proposed	Budget % Change
Personnel	\$ 1,517,233	\$ 1,584,040	\$ 1,497,400	\$ 1,434,100	(9.47%)	\$ 1,454,600	1.43%
Supplies	13,994	15,700	7,830	12,240	(22.04%)	12,240	-
Professional & Contractual Services	17,324	20,000	15,000	15,000	(25.00%)	15,000	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	940	350	250	450	28.57%	450	-
<b>Total</b>	<b>\$ 1,549,491</b>	<b>\$ 1,620,090</b>	<b>\$ 1,520,480</b>	<b>\$ 1,461,790</b>	<b>(9.77%)</b>	<b>\$ 1,482,290</b>	<b>1.40%</b>



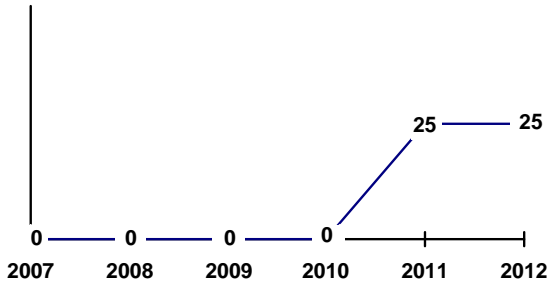


**2010-11 & 2011-12 Authorized FTE Positions**

Manager 1.0  
 Supervisors / Professionals 24.0

**Total 25.0**

**Staffing Trends**



# 2010-11 & 2011-12 Budget

## Service Description

The mission of the Asset Management Division is to maintain District facility installation and configuration records, create and maintain all District process control software, and to support the future Capital Improvement Program project sequencing and work scope development.

### 2009-10 Performance Objectives

- ◆ Maintain a safe work environment measured by an OSHA recordable rate less than 4.6.
- ◆ Maintain a SCADA availability greater than 99.9%.

### 2009-10 Performance Results

- ◆ OSHA recordable rate of 0 for Division staff.
- ◆ 100% availability for all three SCADA servers.

### 2010-11 & 2011-12 Performance Objectives

- ◆ Maintain a safe work environment measured by an OSHA recordable rate less than 4.6.
- ◆ Maintain all three supervisory control and data acquisition (SCADA) servers' availability above 99.9%.
- ◆ Create and maintain a District-wide Criticality and Condition table of critical District assets.
- ◆ Update the facilities records and libraries with new project information within 120 days of project delivery.
- ◆ Ensure that the Division's expenditures are managed to <100% of the approved budget.

### Performance Measures

Summary	2008-09 Actual	2009-10 Projected	2010-11 Proposed	2011-12 Proposed	Justification
◆ Safe Work Environment	0	0	4.6	4.6	In house standard
◆ SCADA Availability	100%	100%	99.9%	99.9%	Electrical Contractor Avg.
◆ Criticality Table	N/A	N/A	95%	95%	In house standard
◆ Facility Records	N/A	N/A	95%	95%	Federal Energy Standard
◆ Manage Division Budget	N/A	<100%	<100%	<100%	Industry Standard

# Asset Management

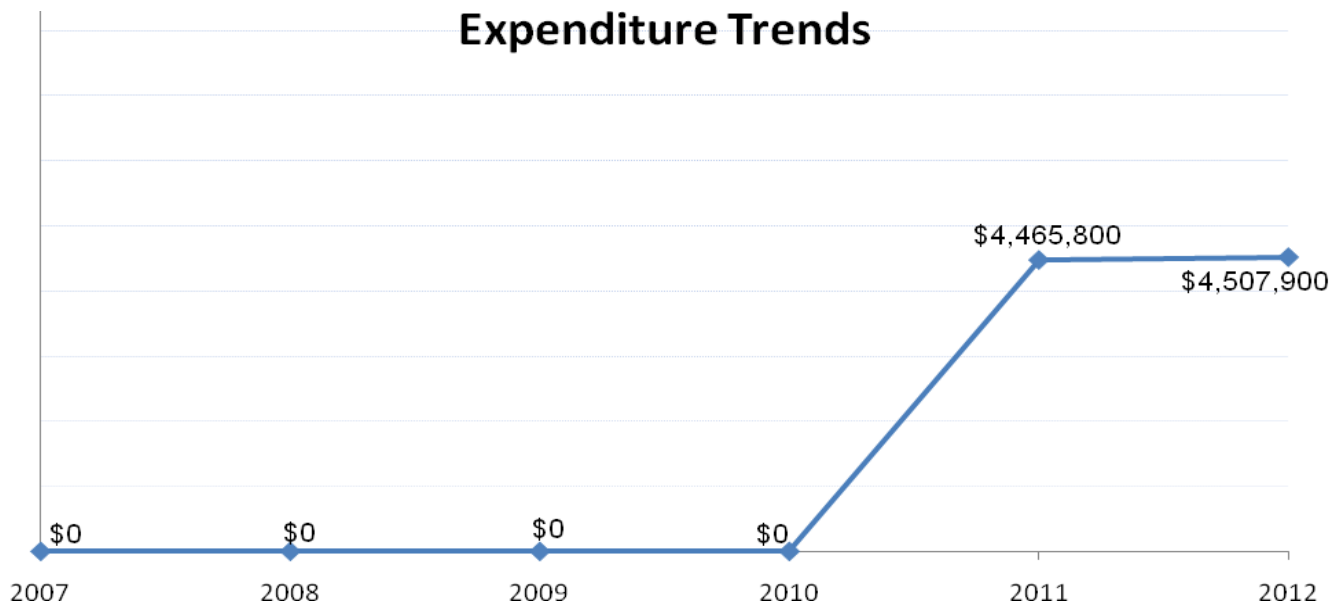
## Budget Overview

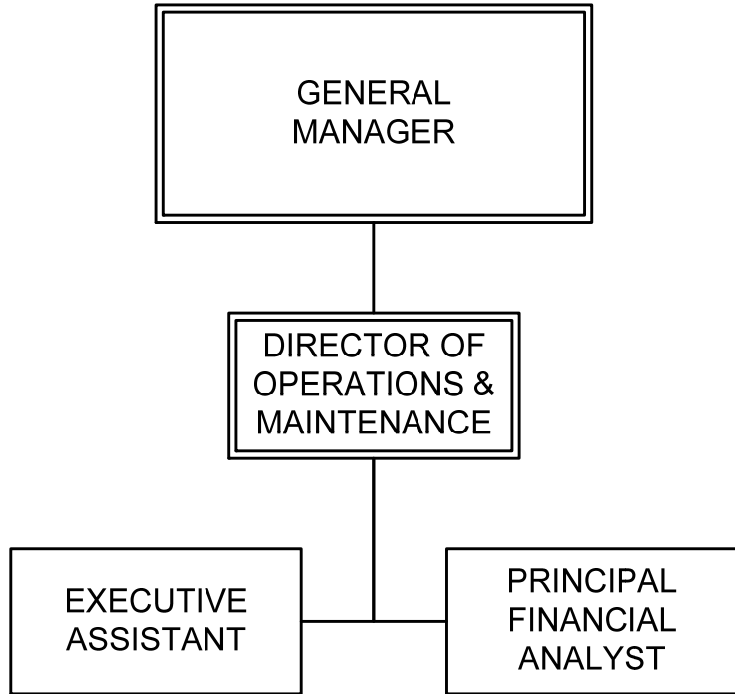
The FY 2010-11 budget for the newly created Asset Management Division is \$4,465,800. The major cost items included in this budget are 25 FTE positions reallocated from other divisions as well as costs for repairs and maintenance and engineering services. The FY 2011-12 budget reflects an increase of 1% over the prior year. This increase is due to retirement and group insurance cost adjustments.

<b>2009-10 Adjusted Budget - Total Operating Requirements</b>	<b>\$ -</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	2,818,900
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	65,000
Change in OCERS retirement costs	798,800
Change in group insurance costs	338,400
Other benefit cost adjustments	36,300
<b>Other Cost Adjustments:</b>	
Increase in office expense - supplies	6,000
Increase in minor furniture & fixtures	7,500
Increase in in-house reproduction services	9,000
Increase in outside printing services	15,000
Increase in meetings	5,450
Increase in safety equipment and tools	25,000
Increase in engineering services	100,000
Increase in software program consulting (costs transferred from Division 860)	50,000
Increase in repairs and maintenance	175,000
Increase in miscellaneous operating expense	5,000
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	10,450
<b>2010-11 Proposed Budget - Total Operating Requirements</b>	<b>\$ 4,465,800</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	-
Change in OCERS retirement costs	26,000
Change in group insurance costs	32,300
Other benefit cost adjustments	(1,200)
<b>Other Cost Adjustments:</b>	
Decrease in outside printing services	(15,000)
<b>Aggregate change in Other Categories:</b>	
No other cost changes	-
<b>2011-12 Proposed Budget - Total Operating Requirements</b>	<b>\$ 4,507,900</b>

# 2010-11 & 2011-12 Budget

Operating Expenses By Category	2008-09 Actual	2009-10 Revised Budget	2009-10 Projected	2010-11 Proposed	Budget % Change	2011-12 Proposed	Budget % Change
Personnel	\$ -	\$ -	\$ 1,899,160	\$ 4,057,400	-	\$ 4,114,500	1.41%
Supplies	-	-	43,500	72,300	-	57,300	(20.75%)
Professional & Contractual Services	-	-	55,000	150,000	-	150,000	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	100,000	175,000	-	175,000	-
Utilities	-	-	-	-	-	-	-
Other	-	-	7,300	11,100	-	11,100	-
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,104,960</b>	<b>\$ 4,465,800</b>	<b>-</b>	<b>\$ 4,507,900</b>	<b>0.94%</b>





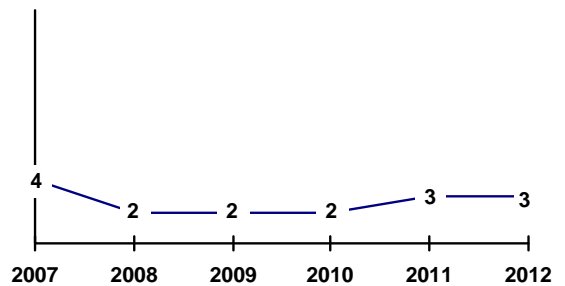
### 2010-11 & 2011-12 Authorized FTE Positions

Executive Manager	1.0
Supervisors / Professionals	1.0
Administrative / Clerical	1.0

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**Total** 3.0

Staffing Trends





# 2010-11 & 2011-12 Budget

## Service Description

The mission of the Operation & Maintenance Administration Division is to provide leadership and support, as well as management oversight and development of the Department. Ratepayer owned facilities and assets managed by the O&M divisions have a replacement value that exceeds \$ 6.5 Billion. The Director as a member of the Executive Management Team provides counsel and expertise in developing the necessary strategies to maintain alignment with the District's Strategic Plan, Levels of Service, and annual Divisional workplans in alignment with resource availability. The Director and staff also proactively network with the OCSD member cities and sewerage agencies and regional regulators on operational issues.

### 2009-10 Performance Objectives

### 2009-10 Performance Results

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>◆ Achieve 100% compliance with water, solids, air, and energy permits.</li> <li>◆ Achieve a compliance level of 80 to 100 percent of the Levels of Service (LOS) targets consistent with resource availability.</li> <li>◆ Manage O&amp;M expenditures to within 96-100% of approved budget.</li> <li>◆ Ensure that the annual OCSD City and Agency Collection Facilities O&amp;M survey is completed on schedule.</li> </ul> | <ul style="list-style-type: none"> <li>◆ In compliance.</li> <li>◆ In compliance.</li> <li>◆ Estimated to be at 83.01%.</li> <li>◆ In compliance.</li> </ul> |
|--|--|

### 2010-11 & 2011-12 Performance Objectives

- ◆ Achieve 100% compliance with water, solids, air, and energy permits.
- ◆ Achieve a compliance level of 80 percent to 100 percent of the Levels of Service (LOS) targets consistent with resource availability.
- ◆ Manage O&M expenditures to within 96 to 100 percent of approved budget.
- ◆ Ensure annual milestones of the Strategic Initiative for local sewer transfers are completed.

### Performance Measures

Summary	2008-09 Actual	2009-10 Projected	2010-11 Proposed	2011-12 Proposed	Justification
◆ Compliance with Permits	100%	100%	100%	100%	In-house standard for all facilities
◆ Budget compliance	89.49%	83.01%	96% - 100%	96% - 100%	In-house standard for O&M total
◆ LOS compliance	91%	81%	80-100%	80-100%	In-house standard
◆ Strategic Initiative milestone compliance	N/A	90-100%	90-100%	90-100%	In-house standard.

# Operations & Maintenance Administration

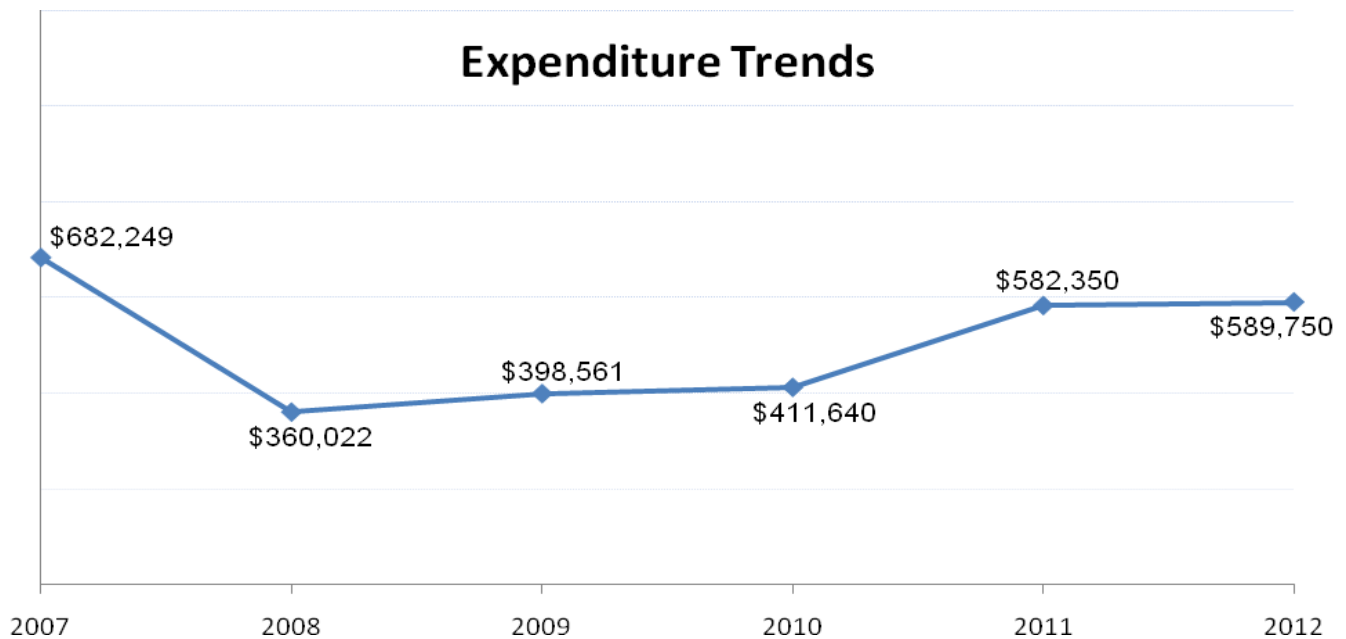
## Budget Overview

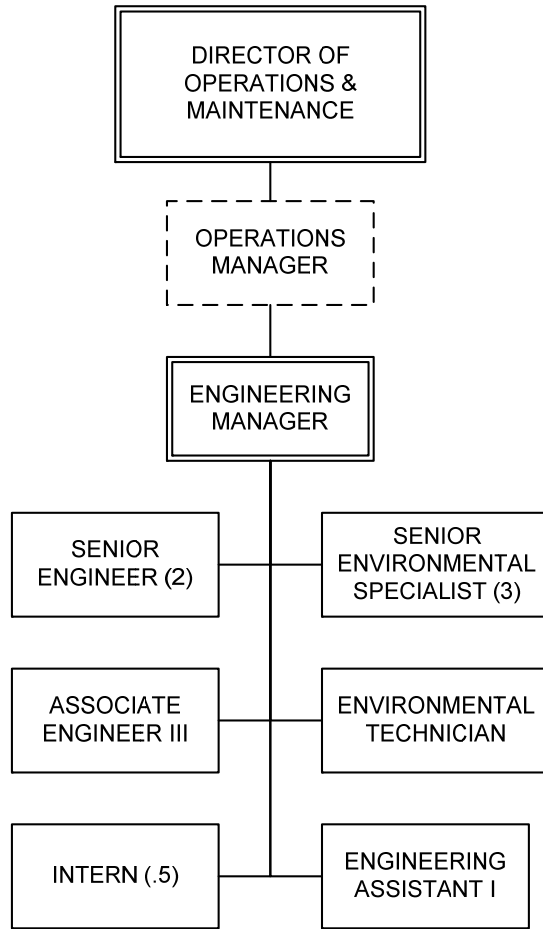
The FY 2010-11 & 2011-12 budgets for the Operations & Maintenance Administration Division reflect increases of 41% and 1% over the prior year, respectively. The increase is due to the transfer of 1 FTE Principal Financial Analyst position from the reorganized Odor and Corrosion Control Division.

<b>2009-10 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 411,640</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	103,300
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	15,700
Change in OCERS retirement costs	39,310
Change in group insurance costs	14,800
Other benefit cost adjustments	2,600
<b>Other Cost Adjustments:</b>	
Decrease in other professional services	(6,000)
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	1,000
<b>2010-11 Proposed Budget - Total Operating Requirements</b>	<b>\$ 582,350</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	-
Change in OCERS retirement costs	3,600
Change in group insurance costs	3,900
Other benefit cost adjustments	(100)
<b>Other Cost Adjustments:</b>	
<b>Aggregate change in Other Categories:</b>	
No other cost changes	-
<b>2011-12 Proposed Budget - Total Operating Requirements</b>	<b>\$ 589,750</b>

## 2010-11 & 2011-12 Budget

Operating Expenses By Category	2008-09 Actual	2009-10 Revised Budget	2009-10 Projected	2010-11 Proposed	Budget % Change	2011-12 Proposed	Budget % Change
Personnel	\$ 392,014	\$ 396,890	\$ 514,300	\$ 572,600	44.27%	\$ 580,000	1.29%
Supplies	5,416	7,250	7,100	7,750	6.90%	7,750	-
Professional & Contractual Services	-	6,000	-	-	(100.00%)	-	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	1,131	1,500	1,500	2,000	33.33%	2,000	-
<b>Total</b>	<b>\$ 398,561</b>	<b>\$ 411,640</b>	<b>\$ 522,900</b>	<b>\$ 582,350</b>	<b>41.47%</b>	<b>\$ 589,750</b>	<b>1.27%</b>





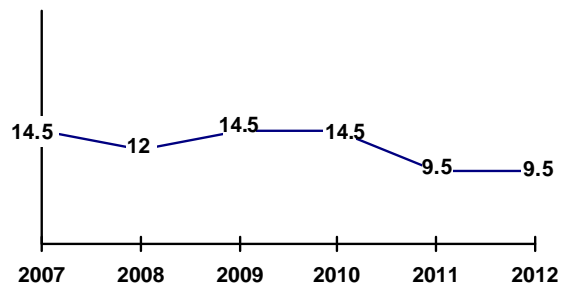
**2010-11 & 2011-12 Authorized FTE Positions**

Manager	1.0
Supervisors / Professionals	7.0
Engineering Insp. / Asst.	1.0
Intern	0.5

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**Total** **9.5**

**Staffing Trends**



# 2010-11 & 2011-12 Budget

## Service Description

The Division provides service to minimize odor impacts on neighbors throughout the regional collection system and treatment plants. We provide services to assess corrosion, recommend solutions, and support repairs. We also track key performance indicators and prepare monthly and annual O&M reports.

2009-10 Performance Objectives	2009-10 Performance Results
◆ Manage the division's joint operating expenses budget to ≤ 100%	◆ Division 820 budget is projected to be 92%.
◆ Ensure the utility, chemical, and oxygen service contracts are managed to less than 100% of the approved operating budget.	◆ These contracts are projected to be 76% of the approved operating budget.
◆ Assist Operations in achieving optimization through ≥ 2% reduction in chemical dosing without decreasing level of service.	◆ Project ≥ 5% reduction as compared to chemical usage from previous year.
◆ Ensure continuous odor and corrosion treatment in the Collection System to achieve Level of Service and internal targets for 100% of time based upon average.	◆ Project odor control level of service will be achieved 85% of time, based upon average.

## 2010-11 & 2011-12 Performance Objectives

- ◆ Ensure continuous odor and corrosion treatment in the Collection System to achieve the Level of Service for 86-87% of time based upon average.
- ◆ Complete 8 or more corrosion projects to assess or repair critical assets.
- ◆ For odor complaints turned over to Division 820, respond within 24 hours.
- ◆ Implement a tool to quantify off-site odor impact in terms of dilutions to threshold (D/T).
- ◆ Prepare 100% of identified reports.

Summary	Performance Measures				Justification
	2008-09 Actual	2009-10 Projected	2010-11 Proposed	2011-12 Proposed	
◆ Collection system odor level of service	N/A	85%	86%	87%	Level of Service
◆ Corrosion Evaluations	N/A	N/A	8	8	In-house Standard
◆ Respond within 24 hours to complaints	N/A	N/A	Within 24 hrs	Within 24 hrs	Level of Service
◆ Implement odor tool	N/A	N/A	1	1	Level of Service
◆ Prepare Reports	N/A	N/A	100%	100%	In-house standard

# Odor & Corrosion Control

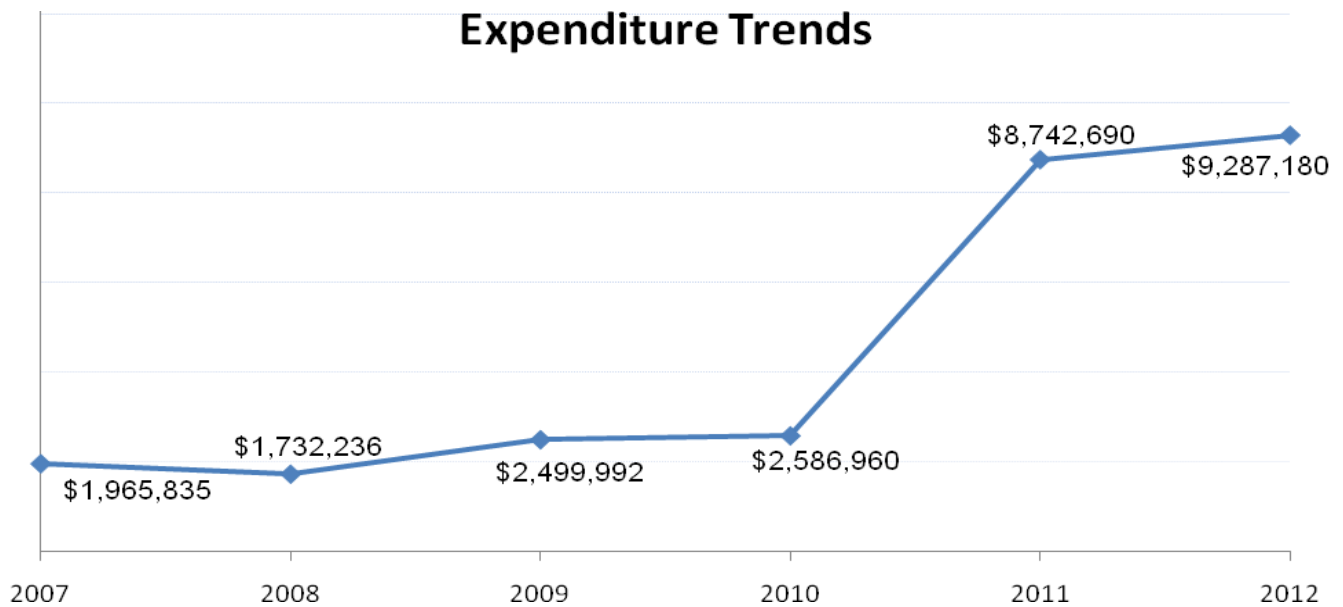
## Budget Overview

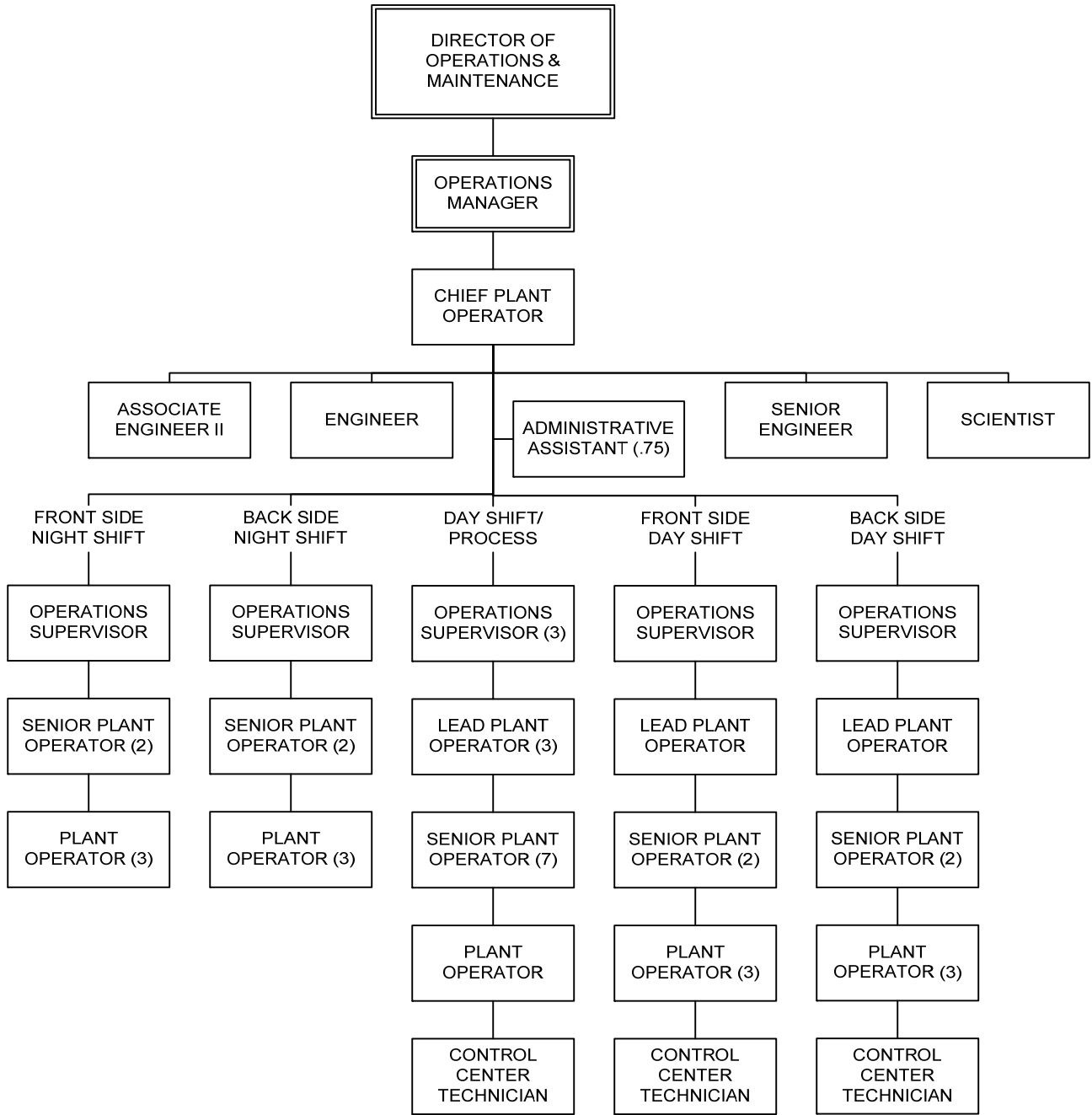
The FY 2010-11 & 2011-12 budgets for the Odor and Corrosion Control Division reflect increases of 238% and 6% over the prior year, respectively. The large increase is due to the transfer of odor control chemical costs from the Collection Facilities Operations & Maintenance Division. This increase is partially offset by the transfer of 5 FTE positions from this refocused and reorganized division.

<b>2009-10 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 2,586,960</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	(580,600)
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	42,200
Change in OCERS retirement costs	(113,770)
Change in group insurance costs	(58,100)
Other benefit cost adjustments	17,700
<b>Other Cost Adjustments:</b>	
Decrease in minor furniture and fixtures	(7,100)
Increase in odor control chemicals (costs transferred from Division 870)	6,518,600
Decrease in safety equipment and tools	(3,700)
Increase in temporary services	4,220
Decrease in other contractual services	(27,800)
Increase in engineering services	4,000
Decrease in other professional services	(60,300)
Increase in service maintenance agreements	422,100
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(1,720)
<b>2010-11 Proposed Budget - Total Operating Requirements</b>	<b>\$ 8,742,690</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	-
Change in OCERS retirement costs	9,400
Change in group insurance costs	11,700
Other benefit cost adjustments	(400)
<b>Other Cost Adjustments:</b>	
Increase in odor control chemicals	565,300
Increase in engineering services	5,000
Decrease in other professional services	(44,400)
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(2,110)
<b>2011-12 Proposed Budget - Total Operating Requirements</b>	<b>\$ 9,287,180</b>

## 2010-11 & 2011-12 Budget

Operating Expenses By Category	2008-09 Actual	2009-10 Revised Budget	2009-10 Projected	2010-11 Proposed	Budget % Change	2011-12 Proposed	Budget % Change
Personnel	\$ 2,255,199	\$ 2,204,870	\$ 1,992,100	\$ 1,512,300	(31.41%)	\$ 1,533,000	1.37%
Supplies	39,149	44,060	48,600	6,551,740	14770.04%	7,111,620	8.55%
Professional & Contractual Services	173,769	306,780	197,600	229,400	(25.22%)	190,000	(17.18%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	18,984	25,650	15,900	445,400	1636.45%	448,710	0.74%
Utilities	299	-	-	-	-	-	-
Other	12,592	5,600	2,850	3,850	(31.25%)	3,850	-
<b>Total</b>	<b>\$ 2,499,992</b>	<b>\$ 2,586,960</b>	<b>\$ 2,257,050</b>	<b>\$ 8,742,690</b>	<b>237.95%</b>	<b>\$ 9,287,180</b>	<b>6.23%</b>





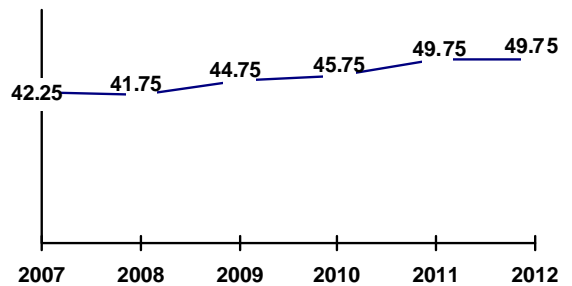
**Staffing Trends**

**2010-11 & 2011-12 Authorized FTE Positions**

Manager	1.00
Supervisors / Professionals	12.00
Operations & Maintenance	36.00
Administrative / Clerical	0.75

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**Total** 49.75





# 2010-11 & 2011-12 Budget

## Service Description

To safely, reliably, and cost effectively operate Plants Nos. 1 and 2 to meet all regulatory requirements for the land, air, and water environments of Orange County and the 2.5 million residents we serve.

### 2009-10 Performance Objectives

- ◆ Achieve 100% NPDES Compliance
- ◆ Maintain 30 day geometric mean for total coliform at the final sampler at or below 100,000 MPN
- ◆ Maintain overtime at less than 10% of the total hours worked
- ◆ Maintain total accident rate below 5.2 accidents per 100 employees

### 2009-10 Performance Results

- ◆ 100% NPDES Compliance
- ◆ 30 day geometric mean has consistently been maintained below 100,000 MPN at the final sampler
- ◆ Overtime has been consistently held below 10% of total hours worked
- ◆ The total accident rate is below 5.0 accidents per 100 employees

### 2010-11 & 2011-12 Performance Objectives

- ◆ Achieve 100% NPDES Compliance
- ◆ Maintain 30 day geometric mean for total coliform at the final sampler at or below 100,000 MPN
- ◆ Maintain overtime at less than 9% of the total hours worked
- ◆ Maintain total accident rate below 5.2 accidents per 100 employees
- ◆ Staff attendance at safety training at 90% or higher
- ◆ Successfully complete P1-102 commissioning

### Performance Measures

Summary	2008-09 Actual	2009-10 Projected	2010-11 Proposed	2011-12 Proposed	Justification
◆ Compliance	< 100%	100%	100%	100%	Permit Requirement
◆ 30 Day Geo Mean	<100,000	<100,000	<=100,000	<=100,000	In-house standard
◆ Overtime %	<= 10%	<= 10%	<= 9%	<= 9%	In-house standard
◆ Accident Rate	>5.2	< 5.2	< 5.2	< 5.2	Industry standard
◆ Safety Training	N/A	N/A	>90%	>90%	In-house standard
◆ P1-102 Comiss.	N/A	N/A	N/A	June 2012	In-house target

# Plant No. 1 Operations

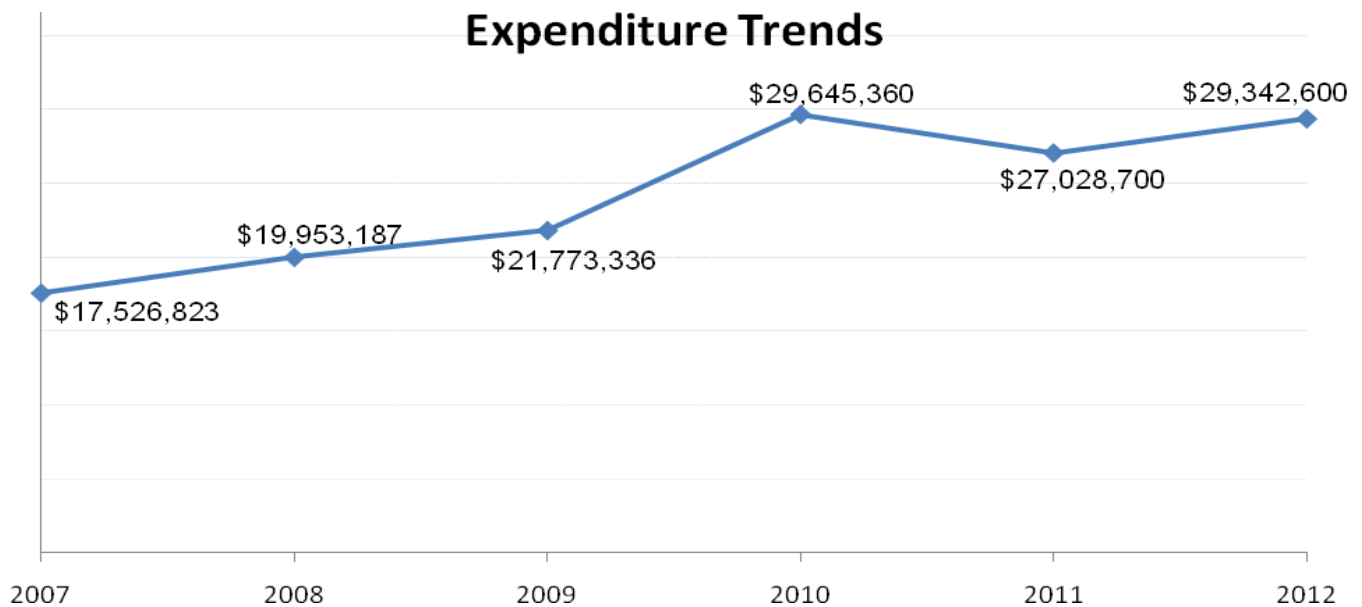
## Budget Overview

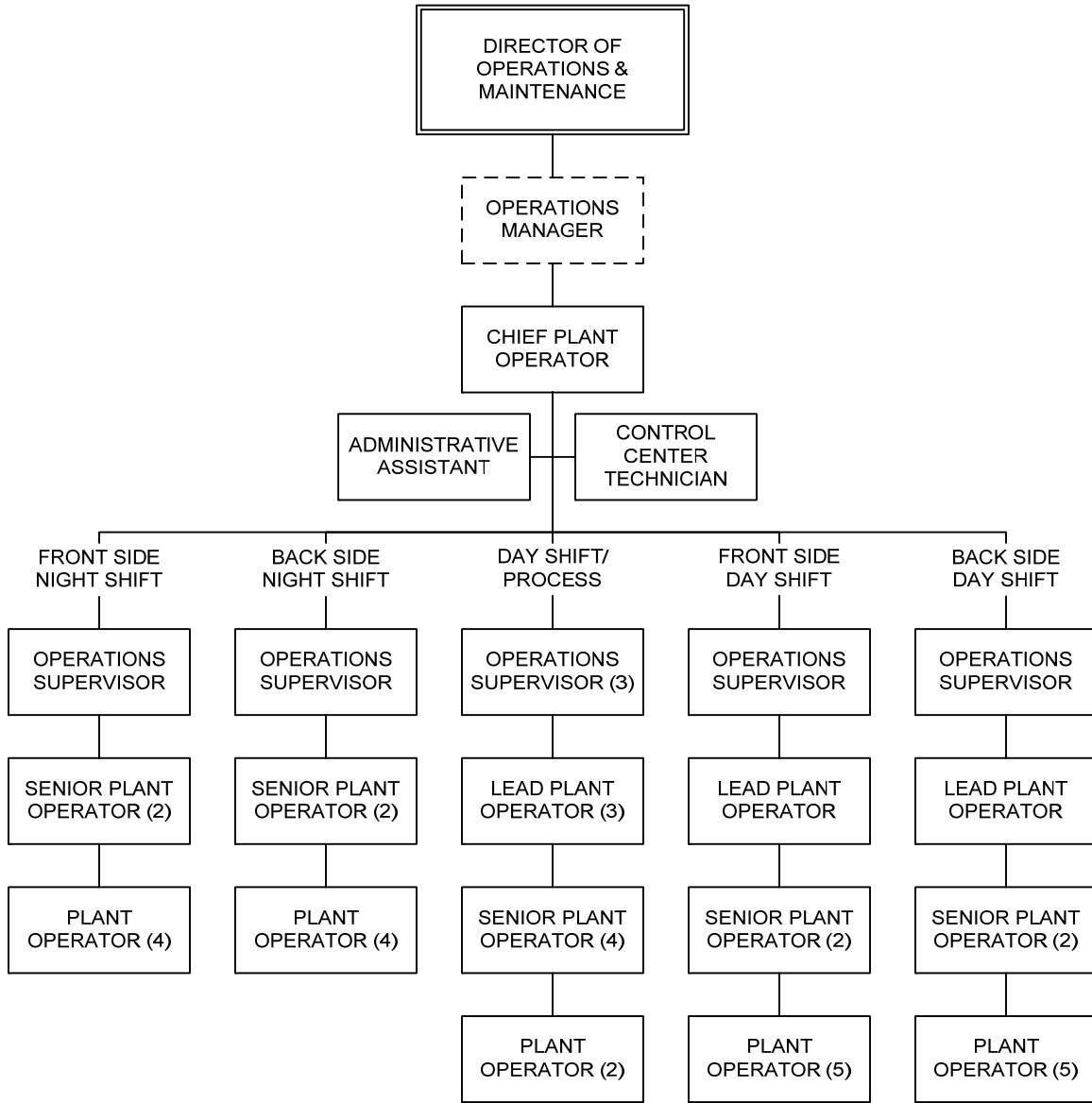
The FY 2010-11 & 2011-12 budgets for the Plant Number 1 Operations Division reflect a decrease of 9% and an increase of 9% over the prior year, respectively. The decrease is mainly the result of decreases in the cost for solids removal, various chemicals, and utilities. These decreases are partially offset by the transfer of 4 FTE positions from the reorganized Odor and Corrosion Control Division. The increase in FY 2011-12 is largely due to increases in solids removal and electricity costs due to new process systems coming on line.

<b>2009-10 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 29,645,360</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	448,100
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	318,500
Change in OCERS retirement costs	283,690
Change in group insurance costs	87,500
Other benefit cost adjustments	5,800
<b>Other Cost Adjustments:</b>	
Decrease in chemical coagulants	(350,600)
Decrease in odor control chemicals	(653,600)
Decrease in disinfection chemicals	(137,000)
Increase in safety equipment and tools	15,000
Decrease in solids removal costs	(1,625,000)
Decrease in temporary services	(35,700)
Decrease in other contractual services	(485,000)
Increase in engineering services	65,000
Increase in natural gas costs	18,000
Decrease in electricity costs	(562,000)
Decrease in water costs	(26,000)
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	16,650
<b>2010-11 Proposed Budget - Total Operating Requirements</b>	<b>\$ 27,028,700</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	-
Change in OCERS retirement costs	42,200
Change in group insurance costs	64,500
Other benefit cost adjustments	(2,200)
<b>Other Cost Adjustments:</b>	
Increase in chemical coagulants	540,000
Increase in odor control chemicals	106,200
Increase in disinfection chemicals	52,000
Increase in solids removal costs	925,000
Increase in other waste disposal	19,600
Increase in natural gas costs	25,000
Increase in electricity costs	520,000
Increase in water costs	26,800
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(5,200)
<b>2011-12 Proposed Budget - Total Operating Requirements</b>	<b>\$ 29,342,600</b>

## 2010-11 & 2011-12 Budget

Operating Expenses By Category	2008-09 Actual	2009-10 Revised Budget	2009-10 Projected	2010-11 Proposed	Budget % Change	2011-12 Proposed	Budget % Change
Personnel	\$ 5,355,826	\$ 5,975,110	\$ 6,259,600	\$ 7,118,700	19.14%	\$ 7,223,200	1.47%
Supplies	4,860,981	7,701,450	5,989,900	6,589,400	(14.44%)	7,282,300	10.52%
Professional & Contractual Services	9,014,146	12,223,600	9,486,000	10,130,400	(17.12%)	11,075,000	9.32%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	69,571	28,000	13,500	42,500	51.79%	42,600	0.24%
Utilities	2,467,430	3,713,200	2,728,400	3,143,200	(15.35%)	3,715,000	18.19%
Other	5,382	4,000	3,050	4,500	12.50%	4,500	-
<b>Total</b>	<b>\$ 21,773,336</b>	<b>\$ 29,645,360</b>	<b>\$ 24,480,450</b>	<b>\$ 27,028,700</b>	<b>(8.83%)</b>	<b>\$ 29,342,600</b>	<b>8.56%</b>



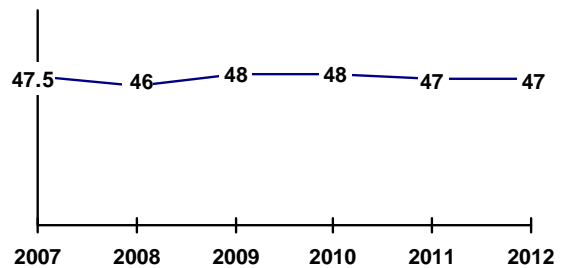


### 2010-11 & 2011-12 Authorized FTE Positions

Supervisors / Professionals	8.0
Administrative / Clerical	1.0
Operations & Maintenance	38.0

**Total** 47.0

Staffing Trends



# 2010-11 & 2011-12 Budget

## Service Description

To safely, reliably, and cost effectively operate Plants Nos. 1 and 2 to meet all regulatory requirements for the land, air, and water environments of Orange County and the 2.5 million residents we serve.

### 2009-10 Performance Objectives

- ◆ Achieve 100% NPDES Compliance
- ◆ Maintain 30 day geometric mean for total coliform at the final sampler at or below 100,000 MPN
- ◆ Maintain overtime at less than 10% of the total hours worked
- ◆ Maintain total accident rate below 5.2 accidents per 100 employees

### 2009-10 Performance Results

- ◆ 100% NPDES Compliance
- ◆ 30 day geometric mean has consistently been maintained below 100,000 MPN at the final sampler
- ◆ Overtime has been consistently held below 10% of total hours worked
- ◆ The total accident rate is below 5.0 accidents per 100 employees

### 2010-11 & 2011-12 Performance Objectives

- ◆ Achieve 100% NPDES Compliance
- ◆ Maintain 30 day geometric mean for total coliform at the final sampler at or below 100,000 MPN
- ◆ Maintain overtime at less than 9% of the total hours worked
- ◆ Maintain total accident rate below 5.2 accidents per 100 employees
- ◆ Staff attendance at safety training at 90% or higher
- ◆ Successfully complete P2-90 commissioning

### Performance Measures

Summary	2008-09 Actual	2009-10 Projected	2010-11 Proposed	2011-12 Proposed	Justification
◆ Compliance	< 100%	100%	100%	100%	Permit Requirement
◆ 30 Day Geo Mean	<100,000	<100,000	<=100,000	<=100,000	In-house standard
◆ Overtime %	<= 10%	<= 10%	<= 9%	<= 9%	In-house standard
◆ Accident Rate	>5.2	< 5.2	< 5.2	< 5.2	Industry standard
◆ Safety Training	N/A	N/A	>90%	>90%	In-house standard
◆ P2-90 Commiss.	N/A	N/A	Feb. 2011	N/A	In-house target

# Plant No. 2 Operations

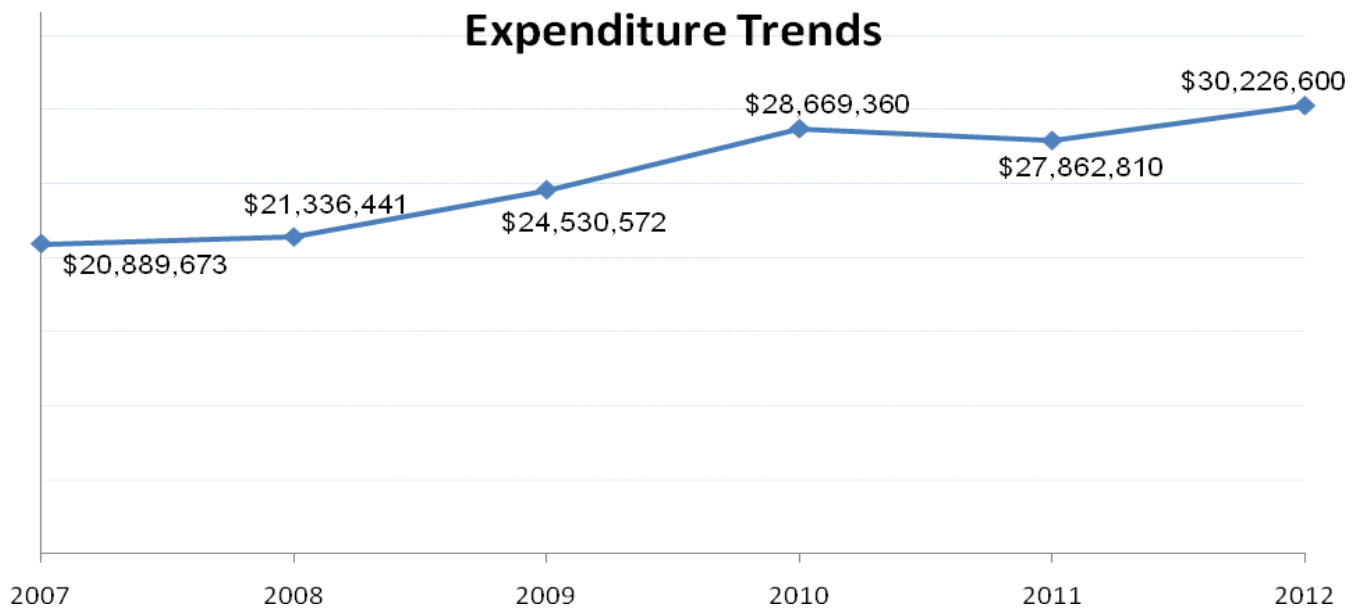
## Budget Overview

The FY 2010-11 & 2011-12 budgets for the Plant Number 2 Operations Division reflect a decrease of 3% and an increase of 8% over the prior year, respectively. The decrease is mainly the result of decreases in the cost for disinfection chemicals and solids removal. The increase in FY 2011-12 is largely due to increases in solids removal and electricity costs due to new process systems coming on line. These increases are offset somewhat by a further reduction in the cost for disinfection chemicals.

<b>2009-10 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 28,669,360</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	(71,400)
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	233,500
Change in OCERS retirement costs	131,880
Change in group insurance costs	21,000
Other benefit cost adjustments	25,600
<b>Other Cost Adjustments:</b>	
Increase in chemical coagulants	777,500
Increase in odor control chemicals	49,400
Decrease in disinfection chemicals	(1,324,100)
Decrease in solids removal costs	(1,200,000)
Increase in other waste disposal	39,600
Decrease in oxygen plant operations	(62,000)
Decrease in temporary services	(35,700)
Increase in engineering services	65,000
Increase in repairs and maintenance	22,000
Increase in natural gas costs	239,000
Increase in electricity costs	226,000
Increase in water costs	16,400
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	39,770
<b>2010-11 Proposed Budget - Total Operating Requirements</b>	<b>\$ 27,862,810</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	-
Change in OCERS retirement costs	38,800
Change in group insurance costs	60,900
Other benefit cost adjustments	(2,100)
<b>Other Cost Adjustments:</b>	
Increase in chemical coagulants	620,200
Increase in odor control chemicals	56,800
Decrease in disinfection chemicals	(1,122,900)
Increase in solids removal costs	1,410,000
Increase in other waste disposal	80,400
Increase in oxygen plant operations	98,000
Increase in natural gas costs	69,000
Increase in electricity costs	1,040,000
Increase in water costs	20,600
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(5,910)
<b>2011-12 Proposed Budget - Total Operating Requirements</b>	<b>\$ 30,226,600</b>

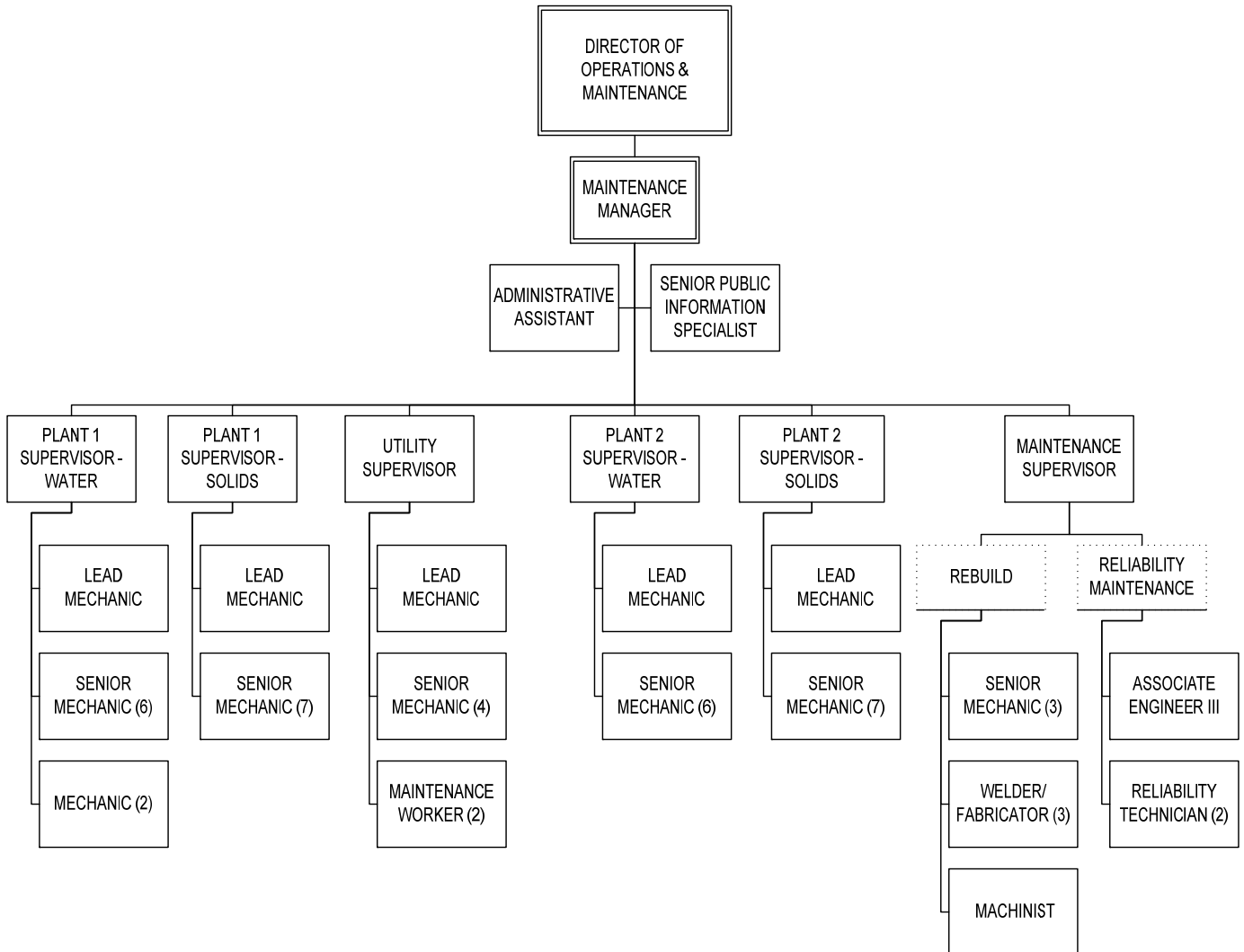
## 2010-11 & 2011-12 Budget

Operating Expenses By Category	2008-09 Actual	2009-10 Revised Budget	2009-10 Projected	2010-11 Proposed	Budget % Change	2011-12 Proposed	Budget % Change
Personnel	\$ 5,743,849	\$ 6,258,420	\$ 6,238,200	\$ 6,599,000	5.44%	\$ 6,696,600	1.48%
Supplies	7,501,648	9,886,740	7,507,000	9,426,560	(4.65%)	8,974,750	(4.79%)
Professional & Contractual Services	8,847,138	9,927,700	8,025,000	8,734,600	(12.02%)	10,323,000	18.19%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	34,441	29,000	22,190	53,000	82.76%	53,000	-
Utilities	2,279,192	2,565,000	2,535,540	3,046,400	18.77%	4,176,000	37.08%
Other	124,304	2,500	2,330	3,250	30.00%	3,250	-
<b>Total</b>	<b>\$ 24,530,572</b>	<b>\$ 28,669,360</b>	<b>\$ 24,330,260</b>	<b>\$ 27,862,810</b>	<b>(2.81%)</b>	<b>\$ 30,226,600</b>	<b>8.48%</b>



# Mechanical and Reliability Maintenance

850



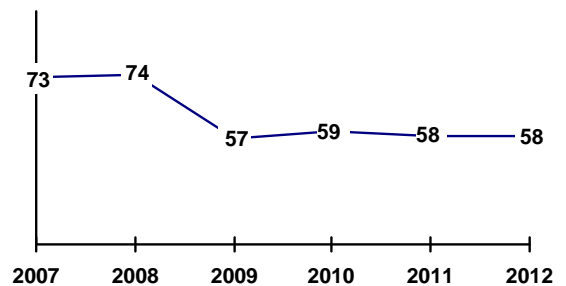
## 2010-11 & 2011-12 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	8.0
Operations & Maintenance	48.0
Administrative / Clerical	1.0

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**Total** 58.0

## Staffing Trends





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# 2010-11 & 2011-12 Budget

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## Service Description

To provide appropriate maintenance support for wastewater treatment processes in a safe, efficient, and effective manner so that OCSD can meet all discharge requirements.

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### 2009-10 Performance Objectives

- ◆ Maintain a work order backlog no greater than 6 weeks based on available on-site technical staff hours for the division.
- ◆ Maintain overtime of no greater than 7 percent of total hours worked.
- ◆ Maintain an Injury Case Rate below 4.6.

### 2009-10 Performance Results

- ◆ Through 8 months the average backlog was 7.06 weeks.
  - ◆ Through 7 months the overtime percentage was 8.68 percent.
  - ◆ Through 7 months the case rate is 6.8 percent.
- 

### 2010-11 & 2011-12 Performance Objectives

- ◆ Maintain a total work order backlog of no greater than 6 weeks
  - ◆ Maintain overtime between 5% and 7% of total hours worked
  - ◆ Maintain an Injury Case Rate below 5.5
- 

### Performance Measures

Summary	2008-09 Actual	2009-10 Projected	2010-11 Proposed	2011-12 Proposed	Justification
◆ Work Order Backlog	8.19	8 Weeks	<6Wks	<6Wks	Industry Standard
◆ Overtime	14.68%	8%	5-7%	5-7%	In-House Standard Based on Industry Standards
◆ Injury Case Rate	7.8	2.0	5.5	5.5	Industry Standard

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# Mechanical and Reliability Maintenance

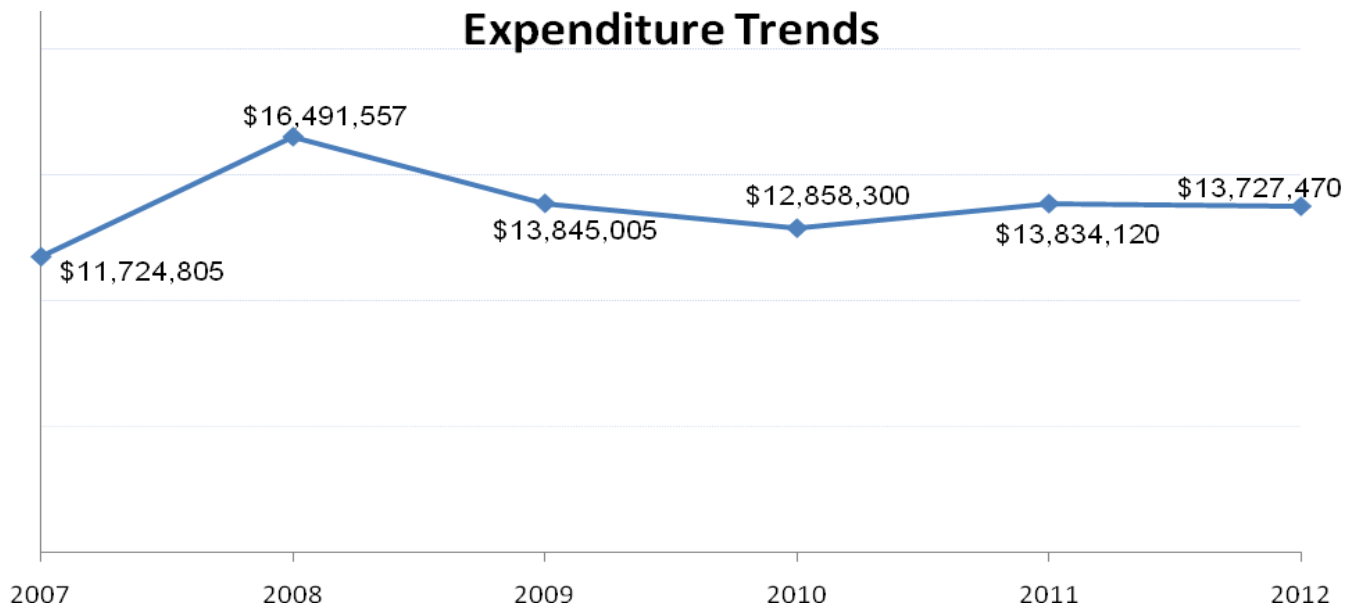
## Budget Overview

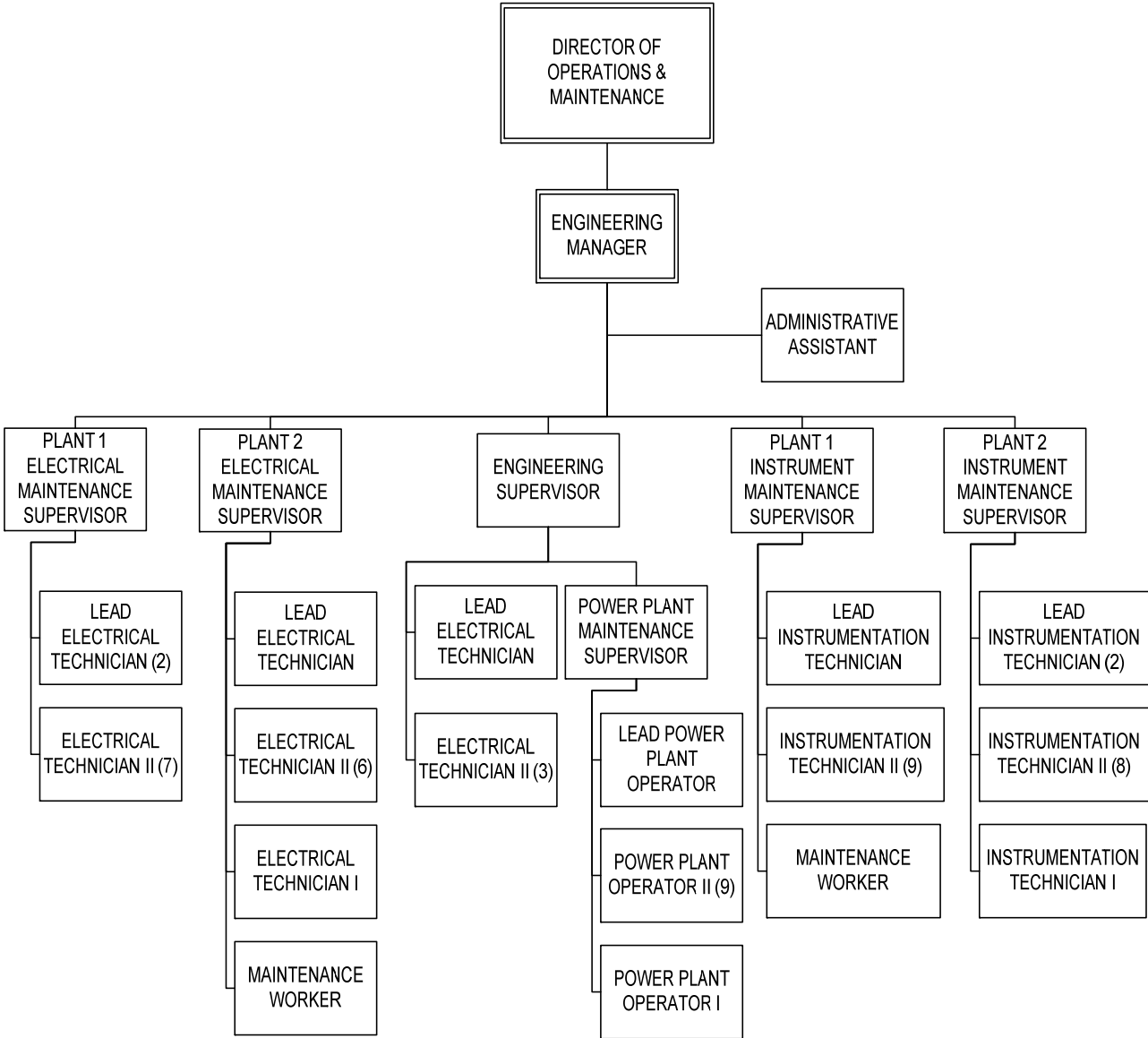
The FY 2010-11 & 2011-12 budgets for the Mechanical and Reliability Maintenance Division reflect an increase of 8% and a decrease of 1% from the prior year, respectively. The increase is primarily due to an increase in repairs and maintenance costs for rebuild of belt presses and rehabilitation of 4 digesters at Plant No. 2.

<b>2009-10 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 12,858,300</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	(119,700)
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	220,600
Change in OCERS retirement costs	120,400
Change in group insurance costs	15,900
Other benefit cost adjustments	33,900
<b>Other Cost Adjustments:</b>	
Increase in gas, diesel, & oil	16,300
Increase in safety equipment and tools	12,450
Decrease in other waste disposal	(25,000)
Decrease in temporary services	(12,850)
Decrease in engineering services	(100,000)
Increase in repairs and maintenance	849,000
Decrease in service maintenance agreements	(16,000)
Decrease in loss on obsolete inventory	(22,400)
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	3,220
<b>2010-11 Proposed Budget - Total Operating Requirements</b>	<b>\$ 13,834,120</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	-
Change in OCERS retirement costs	43,500
Change in group insurance costs	75,200
Other benefit cost adjustments	(2,600)
<b>Other Cost Adjustments:</b>	
Decrease in safety equipment and tools	(45,800)
Decrease in repairs and maintenance	(189,000)
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	12,050
<b>2011-12 Proposed Budget - Total Operating Requirements</b>	<b>\$ 13,727,470</b>

## 2010-11 & 2011-12 Budget

Operating Expenses By Category	2008-09 Actual	2009-10 Revised Budget	2009-10 Projected	2010-11 Proposed	Budget % Change	2011-12 Proposed	Budget % Change
Personnel	\$ 6,311,759	\$ 7,307,600	\$ 7,198,300	\$ 7,578,700	3.71%	\$ 7,694,800	1.53%
Supplies	411,047	374,450	366,450	395,920	5.73%	355,570	(10.19%)
Professional & Contractual Services	1,405,149	1,237,850	459,400	1,100,000	(11.14%)	1,100,000	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	5,645,449	3,853,000	4,067,000	4,686,000	21.62%	4,499,500	(3.98%)
Utilities	26,039	19,000	25,000	26,000	36.84%	28,000	7.69%
Other	45,562	66,400	44,000	47,500	(28.46%)	49,600	4.42%
<b>Total</b>	<b>\$ 13,845,005</b>	<b>\$ 12,858,300</b>	<b>\$ 12,160,150</b>	<b>\$ 13,834,120</b>	<b>7.59%</b>	<b>\$ 13,727,470</b>	<b>(0.77%)</b>





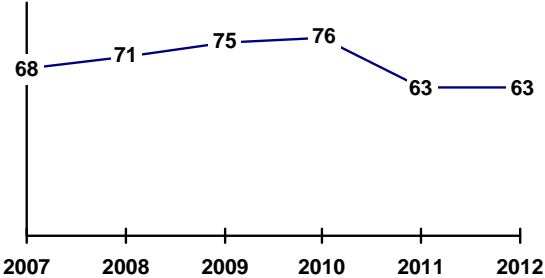
**2010-11 & 2011-12 Authorized FTE Positions**

Manager	1.0
Supervisors / Professionals	6.0
Administrative / Clerical	1.0
Operations & Maintenance	55.0

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**Total 63.0**

**Staffing Trends**



# 2010-11 & 2011-12 Budget

## Service Description

We protect public health and the environment by providing reliable power distribution, power generation, and electrical and instrument maintenance. Our professional, highly skilled staff use best practices and technology to provide Collections, Plant Operations, and District staff with electrical power, control systems, and environmental controls that are safe, on line, and available for use.

### 2009-10 Performance Objectives

- ◆ Maintain electrical power availability at the distribution level greater than 99.9% (8 hr/yr of unplanned outage).
- ◆ Maintain a Total Injury Frequency Rate (TIFR) at or below Industry Average of 6.0.
- ◆ Maintain an average Federal Energy Regulatory Commission (FERC) efficiency rating for the Central Generation Plants greater than 34%.
- ◆ Maintain a work order backlog of less than 6 weeks.

### 2009-10 Performance Results

- ◆ The power availability has been 100% through February.
- ◆ The Total Injury Frequency Rate has been less than 2 thus far.
- ◆ The facilities have averaged 35% efficiency.
- ◆ The average work order backlog is currently 4.2 weeks.

### 2010-11 & 2011-12 Performance Objectives

- ◆ Maintain electrical power availability at the distribution level greater than 99.9% (8 hr/yr of unplanned outage).
- ◆ Maintain a safe work environment measure by a National Case Rate lower than the national standard for Electrical Contractors.
- ◆ Maintain an average Federal Energy Regulatory Commission (FERC) efficiency rating for the Central Generation Plants greater than 34%.
- ◆ Maintain a workorder backlog of less than 6 weeks for Instrument and Electrical Maintenance.

### Performance Measures

Summary	2008-09 Actual	2009-10 Projected	2010-11 Proposed	2011-12 Proposed	Justification
◆ Power Availability	100%	100%	>99.9%	>99.9%	In house standard
◆ Safe Work Environment	4.6	<2	<6.0	<6.0	Electrical Contractor Avg.
◆ Cen Gen Efficiency	36%	35%	>34%	>34%	Federal Energy Standard
◆ Backlog	4.5	4.8	<6 weeks	<6 weeks	Industry Standard

# Instrumentation & Electrical Maintenance

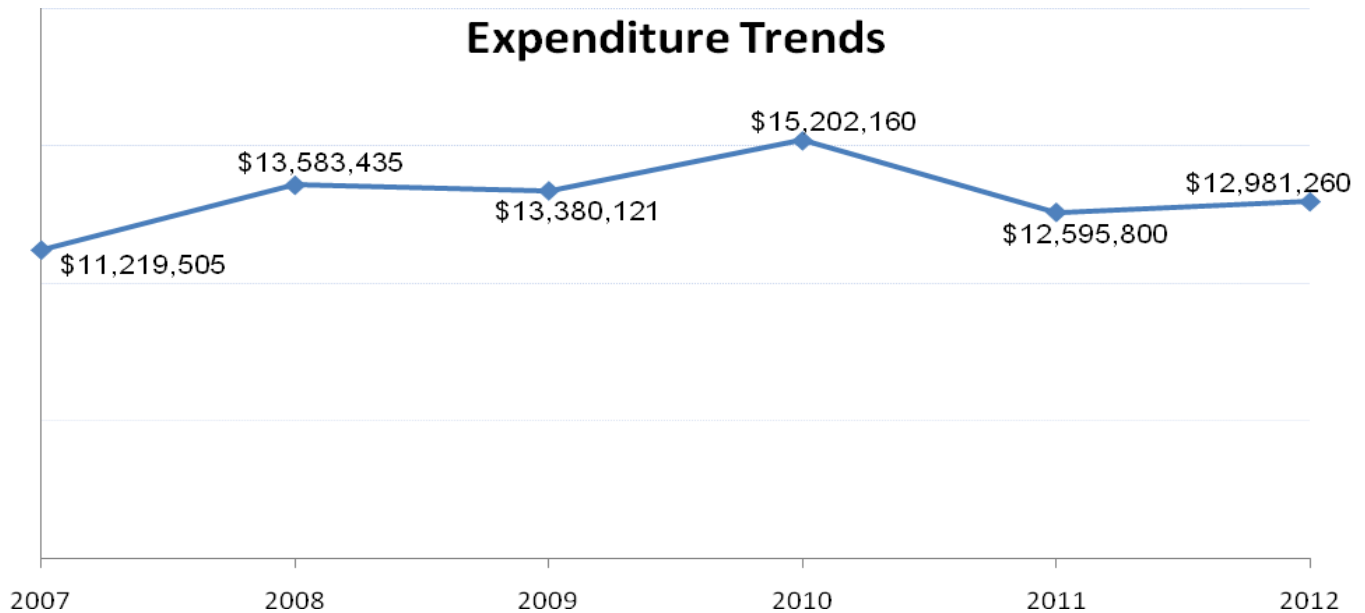
## Budget Overview

The FY 2010-11 & 2011-12 budgets for the Instrumentation and Electrical Maintenance Division reflect a decrease of 17% and an increase of 3% over the prior year, respectively. The reduction is primarily due to the net transfer of 13 FTE positions to the newly formed Asset Management Division within the Engineering Department as well as decreased costs for repairs and maintenance, natural gas, and GAP water.

<b>2009-10 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 15,202,160</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	(1,541,500)
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	208,100
Change in OCERS retirement costs	(182,840)
Change in group insurance costs	(125,300)
Other benefit cost adjustments	(62,500)
<b>Other Cost Adjustments:</b>	
Increase in minor furniture and fixtures	25,690
Increase in safety equipment and tools	10,900
Increase in engineering services	135,000
Decrease in software program consultants (costs transferred to Division 780)	(63,000)
Decrease in repairs and maintenance	(436,000)
Increase in service maintenance agreements	13,000
Decrease in natural gas costs	(331,000)
Decrease in GAP water costs	(178,900)
Decrease in loss on obsolete inventory	(50,000)
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(28,010)
<b>2010-11 Proposed Budget - Total Operating Requirements</b>	<b>\$ 12,595,800</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	-
Change in OCERS retirement costs	52,700
Change in group insurance costs	81,600
Other benefit cost adjustments	(2,900)
<b>Other Cost Adjustments:</b>	
Decrease in minor furniture and fixtures	(41,240)
Decrease in safety equipment and tools	(13,000)
Decrease in engineering services	(175,000)
Increase in repairs and maintenance	160,000
Increase in natural gas costs	325,000
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(1,700)
<b>2011-12 Proposed Budget - Total Operating Requirements</b>	<b>\$ 12,981,260</b>

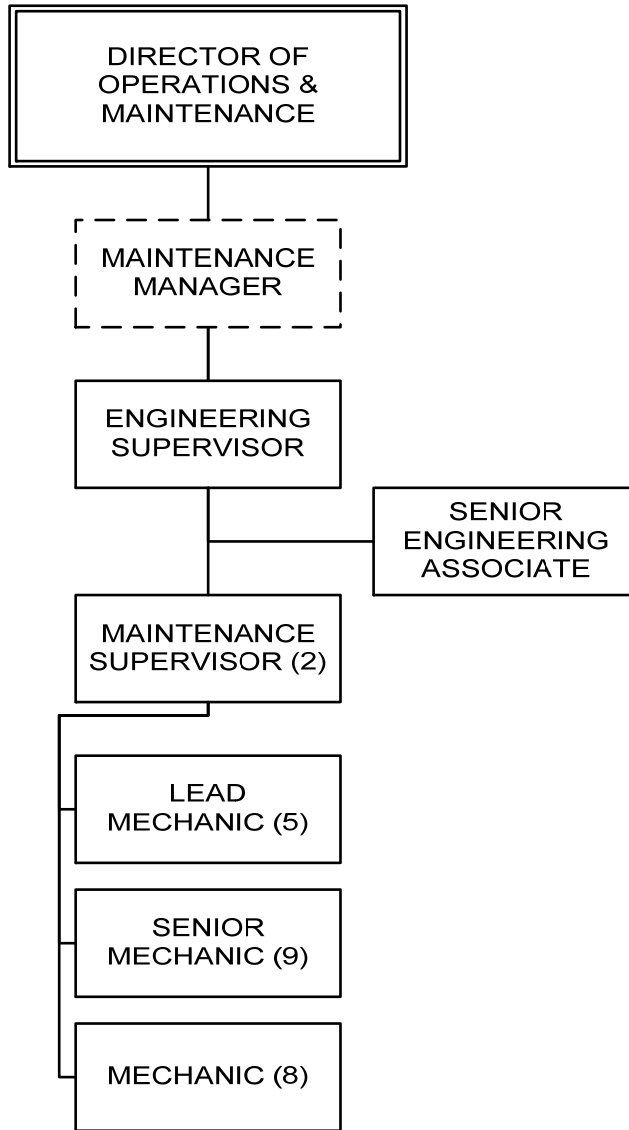
## 2010-11 & 2011-12 Budget

Operating Expenses By Category	2008-09 Actual	2009-10 Revised Budget	2009-10 Projected	2010-11 Proposed	Budget % Change	2011-12 Proposed	Budget % Change
Personnel	\$ 10,163,634	\$ 10,774,040	\$ 10,014,090	\$ 9,070,000	(15.82%)	\$ 9,201,400	1.45%
Supplies	272,289	280,420	242,280	286,640	2.22%	234,600	(18.16%)
Professional & Contractual Services	37,761	103,000	8,000	175,000	69.90%	-	(100.00%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	1,733,093	1,943,000	1,397,000	1,520,000	(21.77%)	1,675,000	10.20%
Utilities	1,153,188	2,024,900	1,159,000	1,515,000	(25.18%)	1,840,000	21.45%
Other	20,156	76,800	26,800	29,160	(62.03%)	30,260	3.77%
<b>Total</b>	<b>\$ 13,380,121</b>	<b>\$ 15,202,160</b>	<b>\$ 12,847,170</b>	<b>\$ 12,595,800</b>	<b>(17.14%)</b>	<b>\$ 12,981,260</b>	<b>3.06%</b>



# Collection Facilities Operations & Maintenance

870

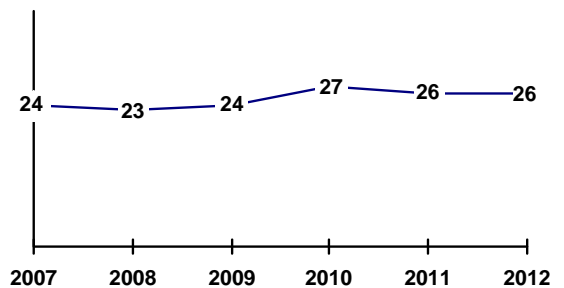


## 2010-11 & 2011-12 Authorized FTE Positions

Supervisors / Professionals 4.0  
 Operations & Maintenance 22.0

**Total 26.0**

Staffing Trends





# 2010-11 & 2011-12 Budget

## Service Description

To protect public health and the environment by operating and maintaining the regional sewer collection facilities in a safe and professional manner and reporting results in accordance with California Integrated Water Quality System and the State of California Waste Discharge Requirements for Sanitary Sewers.

### 2009-10 Performance Objectives

- ◆ Ensure division expenditures are managed within 96-100% of the approved budget.
- ◆ Keep preventable manhole overflows due to mainline blockages below the national average of 2.1 per hundred miles per year or less than 13 per year.
- ◆ Achieve 90% wrench time for pump station crew.
- ◆ Complete an average of 90% of scheduled maintenance in troubled spot areas.
- ◆ Complete 80% of weekly production targets for contractors on small diameter (12" and smaller) sewer cleaning.
- ◆ 100% Compliance of mandatory safety training with zero "no shows".

### 2009-10 Performance Results

- ◆ Expect to achieve 90% expenditure.
- ◆ Through 8 months manhole overflows were at 7 spills which represents 0.83 spills per 100 miles.
- ◆ Through 7 months achieved an average of 82%.
- ◆ Through 7 months achieved an average of 82%.
- ◆ Through 7 months achieved an average of 94%.
- ◆ Achieved 100% compliance (zero no shows).

### 2010-11 & 2011-12 Performance Objectives

- ◆ Keep preventable sanitary sewer overflows due to mainline blockages below the national average of 2.1 per hundred miles per year or less than 13 per year.
- ◆ Maintain an Injury Case Rate below 5.5.

### Performance Measures

Summary	2008-09 Actual	2009-10 Projected	2010-11 Proposed	2011-12 Proposed	Justification
◆ Injury Case Rate	N/A	N/A	<5.5	<5.5	National Standard WDR/ASCE/EPA Report
◆ Preventable overflows	8 spills	6 spills	< 13/yr	< 13/yr	
◆ Pump Station Scheduled Maintenance	N/A – previous wrench time 74%	87%	> 90%	> 90%	In-house standard
◆ Trouble Spot Scheduled Maintenance	78%	87%	> 90%	> 90%	In-house standard

# Collection Facilities Operations & Maintenance

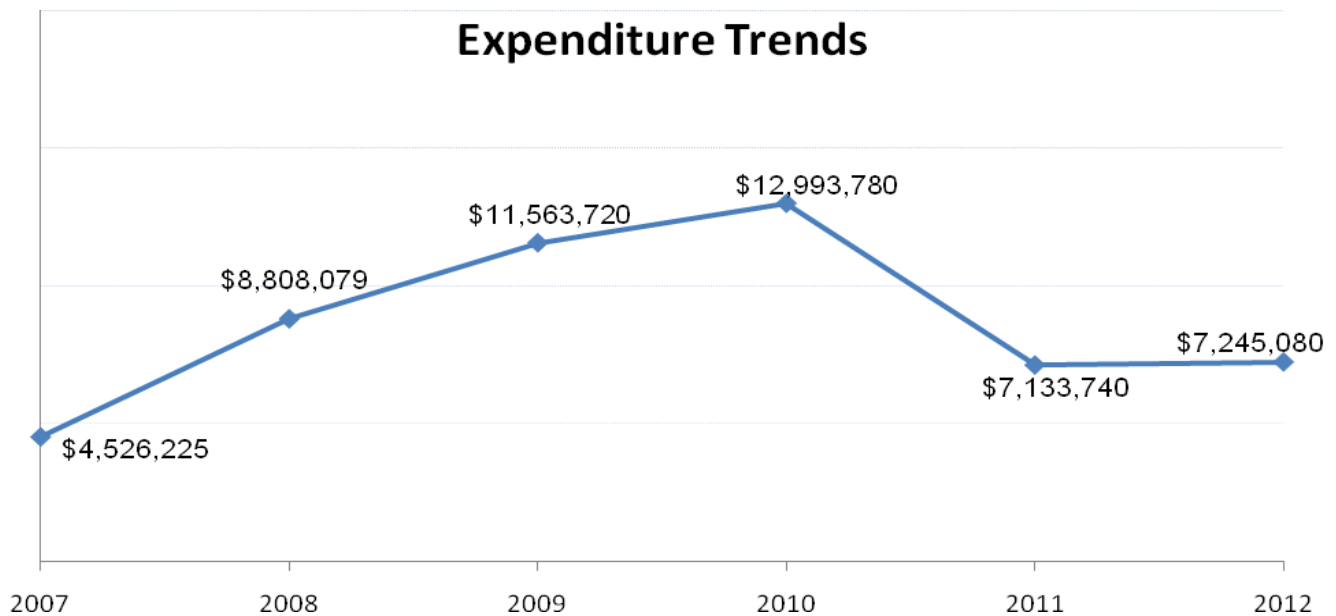
## Budget Overview

The FY 2010-11 & 2011-12 budgets for the Collection Facilities Operations & Maintenance Division reflect a decrease of 45% and an increase of 2% over the prior year, respectively. The reduction is primarily due to the transfer of odor control chemical costs to the newly reorganized and refocused Odor and Corrosion Control Division.

<b>2009-10 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 12,993,780</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	(89,900)
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	152,600
Change in OCERS retirement costs	59,630
Change in group insurance costs	17,500
Other benefit cost adjustments	(20,500)
<b>Other Cost Adjustments:</b>	
Decrease in odor control chemicals (costs transferred to Division 820)	(5,883,730)
Increase in safety equipment and tools	11,600
Decrease in other contractual services	(74,570)
Decrease in legal services	(60,000)
Increase in engineering services	32,500
Decrease in other professional services	(35,000)
Decrease in repairs & maintenance costs	(85,000)
Increase in electricity costs of pump stations primarily	106,620
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	8,210
<b>2010-11 Proposed Budget - Total Operating Requirements</b>	<b>\$ 7,133,740</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	-
Change in OCERS retirement costs	19,700
Change in group insurance costs	33,700
Other benefit cost adjustments	(1,200)
<b>Other Cost Adjustments:</b>	
Increase in safety equipment and tools	35,400
Decrease in other professional services	(25,000)
Increase in electricity costs of pump stations primarily	43,240
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	5,500
<b>2011-12 Proposed Budget - Total Operating Requirements</b>	<b>\$ 7,245,080</b>

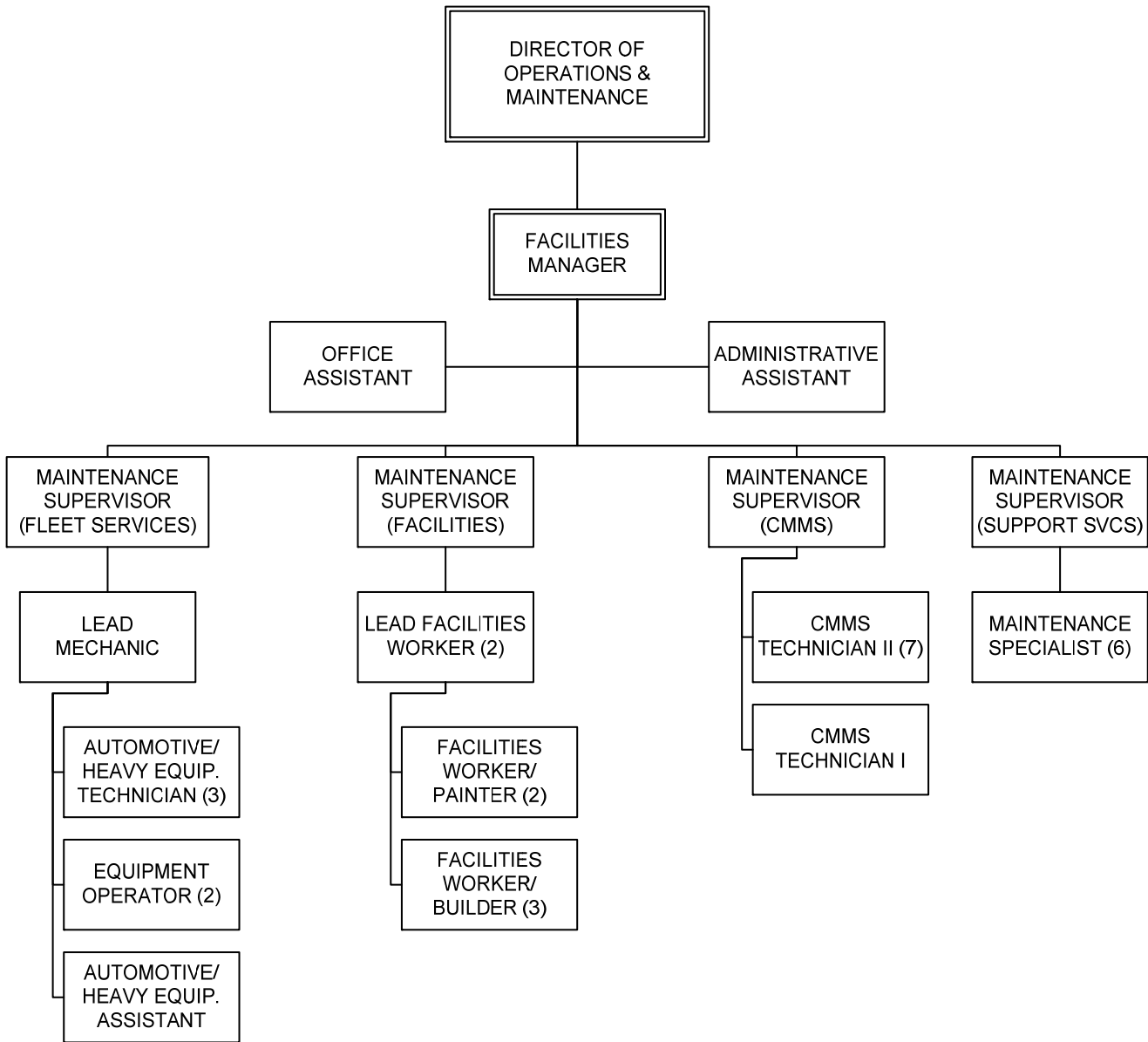
# 2010-11 & 2011-12 Budget

Operating Expenses By Category	2008-09 Actual	2009-10 Revised Budget	2009-10 Projected	2010-11 Proposed	Budget % Change	2011-12 Proposed	Budget % Change
Personnel	\$ 2,902,659	\$ 3,166,070	\$ 2,994,900	\$ 3,285,400	3.77%	\$ 3,337,600	1.59%
Supplies	5,144,781	5,975,530	5,937,870	111,810	(98.13%)	147,210	31.66%
Professional & Contractual Services	2,287,952	2,211,380	1,700,000	2,074,310	(6.20%)	2,054,310	(0.96%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	689,254	1,015,000	750,000	930,000	(8.37%)	930,000	-
Utilities	536,813	625,000	687,830	729,120	16.66%	772,860	6.00%
Other	2,261	800	2,430	3,100	287.50%	3,100	-
<b>Total</b>	<b>\$ 11,563,720</b>	<b>\$ 12,993,780</b>	<b>\$ 12,073,030</b>	<b>\$ 7,133,740</b>	<b>(45.10%)</b>	<b>\$ 7,245,080</b>	<b>1.56%</b>



# Facilities Maintenance & Fleet Services

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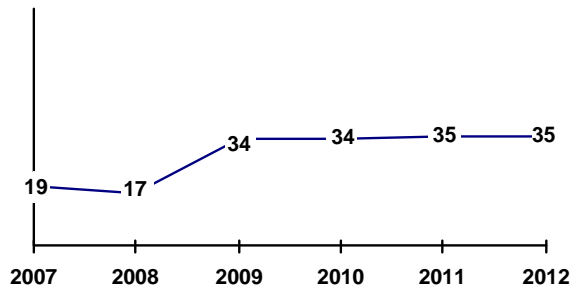


## 2010-11 & 2011-12 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	4.0
Operations & Maintenance	28.0
Administrative / Clerical	2.0

**Total** 35.0

Staffing Trends



# 2010-11 & 2011-12 Budget

## Service Description

The mission of the Division, consisting of two subdivisions, is to provide cost-effective, quality focused asset management with staff and / or contractors in the following areas: Grounds, Custodial, Painting, Signage and Structure Maintenance including their appurtenances. Computerized Maintenance Management System (CMMS) support, Vehicles and mobile equipment, mobile crane support and motor pool management. The Division acts as a liaison between O&M divisions and others stakeholders in the areas of procurement, change management, project management and contractual services.

### 2009-10 Performance Objectives

- ◆ Volatile Organic Compound (VOC's). 100% records compliance for painting / coatings glues, solvents and other VOC's.
- ◆ Safe and Reliable vehicle and equipment operations. Zero incidents or accidents and 10% rework as a result of Fleet Services staff's performance.
- ◆ Clean work environment, facilities maintenance. In house survey publishes with results meeting at or above a minimum of 80% very satisfied or extremely satisfied.
- ◆ Vehicle and equipment emissions. Fleet Services to maintain 100% of compliance with state regulations.
- ◆ Total Injury Frequency Rate. Maintain a frequency rate of less than 6.0.

### 2009-10 Performance Results

- ◆ 100% compliance with the reporting and records of all VOC usage.
- ◆ No reported incidents and accidents in the Fleet Services performance. Less than 10% or rework as a result of Fleet Technician's performance.
- ◆ No in house survey distributed in FY2009-10. Performance Objective to be implemented in FY 2010-11
- ◆ 100% compliance with vehicle and equipment conversions, reporting and records with state regulations.
- ◆ Division 880 has maintained a TIFR of 0.0 for the current FY 2009-10.

### 2010-11 & 2011-12 Performance Objectives

- ◆ Volatile Organic Compound (VOC's). 100% compliance in recording of all painting / coatings glues, solvents and other VOC's. 100% compliance in recording of all Under Ground Storage Tanks (UST).
- ◆ Clean work environment, facilities maintenance. In house survey publishes with results meeting at or above a minimum of 80% very satisfied or extremely satisfied.
- ◆ Vehicle and equipment emissions. Fleet Services to maintain 100% compliance with state regulations.
- ◆ Maintain a Total Injury Frequency Rate of less than 6.0.

### Performance Measures

Summary	2008-09 Actual	2009-10 Projected	2010-11 Proposed	2011-12 Proposed	Justification
◆ Volatile Organic Compounds compliance	100%	100%	100%	100%	Compliance with AQMD regulations.
◆ Maintain TIFR <6.0	N/A	0.0	<6.0	<6.0	National Standard
◆ Vehicle & equipment emissions and compliance	100%	100%	100%	100%	Compliance with CARB regulations.
◆ Facilities clean work environment (Survey)	N/A	N/A	>80% very satisfied	>80% very satisfied	In house standard

# Facilities Maintenance & Fleet Services

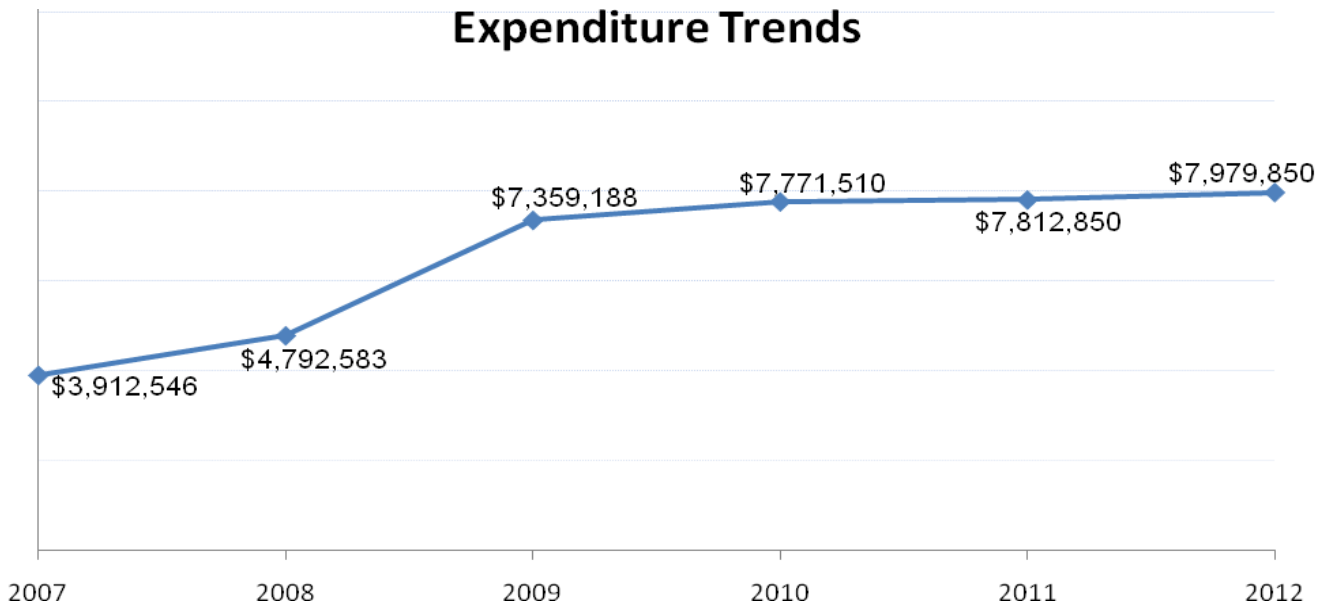
## Budget Overview

The FY 2010-11 & 2011-12 budgets for the Facilities Maintenance and Fleet Services Division reflect increases of 1% and 2% over the prior year, respectively. The small increase is the result of a net addition of 1 FTE position due to staff reallocations. This increase is largely offset by decreases in compressed natural gas costs and groundskeeping contractual services.

<b>2009-10 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 7,771,510</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	73,200
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	173,400
Change in OCERS retirement costs	128,420
Change in group insurance costs	37,000
Other benefit cost adjustments	1,300
<b>Other Cost Adjustments:</b>	
Decrease in vehicle fuel & lubricants	(60,000)
Decrease in non-generator diesel fuel	(9,000)
Decrease in compressed natural gas	(155,000)
Decrease in groundskeeping contractual services	(110,000)
Decrease in janitorial services	(30,000)
Decrease in temporary services	(15,000)
Increase in engineering services	25,000
Decrease in services maintenance agreements	(10,000)
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(7,980)
<b>2010-11 Proposed Budget - Total Operating Requirements</b>	<b>\$ 7,812,850</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	-
Change in OCERS retirement costs	29,800
Change in group insurance costs	45,300
Other benefit cost adjustments	(1,600)
<b>Other Cost Adjustments:</b>	
Increase in vehicle fuel & lubricants	10,000
Increase in groundskeeping contractual services	5,000
Increase in janitorial services	10,000
Increase in repairs and maintenance costs	50,000
Increase in services maintenance agreements	10,000
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	8,500
<b>2011-12 Proposed Budget - Total Operating Requirements</b>	<b>\$ 7,979,850</b>

# 2010-11 & 2011-12 Budget

Operating Expenses By Category	2008-09 Actual	2009-10 Revised Budget	2009-10 Projected	2010-11 Proposed	Budget % Change	2011-12 Proposed	Budget % Change
Personnel	\$ 4,496,909	\$ 4,601,280	\$ 4,758,300	\$ 5,014,600	8.98%	\$ 5,088,100	1.47%
Supplies	466,662	577,730	337,670	344,920	(40.30%)	360,420	4.49%
Professional & Contractual Services	910,380	945,000	825,000	815,000	(13.76%)	833,000	2.21%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	1,481,456	1,645,000	1,375,000	1,635,000	(0.61%)	1,695,000	3.67%
Utilities	-	-	-	-	-	-	-
Other	3,781	2,500	2,450	3,330	33.20%	3,330	-
<b>Total</b>	<b>\$ 7,359,188</b>	<b>\$ 7,771,510</b>	<b>\$ 7,298,420</b>	<b>\$ 7,812,850</b>	<b>0.53%</b>	<b>\$ 7,979,850</b>	<b>2.14%</b>



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# Self-Insurance Program Overview

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## ***SELF-FUNDED INSURANCE PLANS***

The District is partially self-insured for general liability and workers' compensation. The General Liability and Property program and the Workers' Compensation program have been in existence since 1979. The annual in-lieu premiums and charges to the Revenue Areas or Operating Divisions are the revenue sources within these programs. Expenses primarily consist of claim settlements, legal fees and excess loss insurance premiums. Ending Reserve Balances are projected at \$57,500,000 in FY 2010-11 and \$57,000,000 in FY2011-12.

### ***General Liability and Property***

- The District's current outside excess general liability insurance coverage is \$30 million with a self-insured retention of \$250,000.
- The District's current property insurance coverage is \$1 billion for perils of fire and \$300 million for perils of flood, subject to a self-insured retention of \$250,000. The District is completely self-insured for earthquake.
- In order to maintain a reserve balance of \$55.5 million for FY 2010-11 and \$55.0 million for FY 2011-12 for the Property and General Liability program, appropriations for in-lieu premiums charged to the Revenue Areas are recommended at \$939,500 and \$1,082,100 for FY 2010-11 and FY 2011-12, respectively.

### ***Workers' Compensation***

- The District's current outside excess workers' compensation coverage is subject to statutory limits (currently unlimited) with a self-insured retention of \$500,000 per occurrence.
- In order to maintain the reserve balance of \$2 million for the Workers' Compensation program and to return the temporary transfer of \$500,000 made from the General Liability and Property program reserve in FY 2009-10, appropriations for in-lieu premiums charged to operating divisions are recommended at \$578,700 and \$550,000 for FY 2010-11 and FY 2011-12, respectively.



# 2010-11 & 2011-12 Budget

## Total of the Self-Insurance Programs

DESCRIPTION OR ACCOUNT TITLE	2008-09 Actuals	2009-10 Budget	2009-10 Projected	2010-11 Proposed	2011-12 Proposed
<b>Beginning Reserves</b>	\$ 58,433,223	\$ 57,683,000	\$ 58,083,400	\$ 57,968,900	\$ 57,500,000
<b>Revenues</b>					
In-Lieu Premiums	1,020,220	1,617,100	1,437,100	1,518,200	1,632,100
Miscellaneous Other Revenue	354,557	-	173,500	-	-
Claims Reimbursement from Other Funds	-	-	-	-	-
Transfer In	-	500,000	500,000	500,000	-
Service Department Allocation	24,096	24,100	24,100	24,100	24,100
<b>Total Revenues</b>	<b>1,398,873</b>	<b>2,141,200</b>	<b>2,134,700</b>	<b>2,042,300</b>	<b>1,656,200</b>
<b>Expenses</b>					
Benefits/Claims	467,500	628,000	300,000	425,000	450,000
Contractual Services	20,736	31,200	46,200	46,200	46,200
Legal Services	216,358	340,000	280,000	335,000	335,000
Professional Services	4,860	15,000	11,500	15,000	15,000
Transfer Out	-	500,000	500,000	500,000	-
<b>Subtotal</b>	<b>709,454</b>	<b>1,514,200</b>	<b>1,137,700</b>	<b>1,321,200</b>	<b>846,200</b>
Policy Premium Expense	1,039,202	1,310,000	1,111,500	1,190,000	1,310,000
<b>Total Expenses</b>	<b>1,748,656</b>	<b>2,824,200</b>	<b>2,249,200</b>	<b>2,511,200</b>	<b>2,156,200</b>
<b>Excess Revenue (Expenses)</b>	<b>(349,783)</b>	<b>(683,000)</b>	<b>(114,500)</b>	<b>(468,900)</b>	<b>(500,000)</b>
<b>Ending Reserves</b>	<b>\$ 58,083,440</b>	<b>\$ 57,000,000</b>	<b>\$ 57,968,900</b>	<b>\$ 57,500,000</b>	<b>\$ 57,000,000</b>

# Self-Insurance Program

## General Liability and Property Self-Insurance Program

DESCRIPTION OR ACCOUNT TITLE	2008-09 Actuals	2009-10 Budget	2009-10 Projected	2010-11 Proposed	2011-12 Proposed
<b>Beginning Reserves</b>	\$ 56,223,129	\$ 56,000,000	\$ 56,409,100	\$ 55,542,600	\$ 55,500,000
<b><u>Revenues</u></b>					
In-Lieu Premiums	912,120	1,082,100	902,100	939,500	1,082,100
Miscellaneous Other Revenue	352,570	-	-	-	-
Claims Reimbursement from Other Funds	-	-	-	-	-
Transfer In	-	-	-	500,000	-
Service Department Allocation	24,096	24,100	24,100	24,100	24,100
<b>Total Revenues</b>	<b>1,288,786</b>	<b>1,106,200</b>	<b>926,200</b>	<b>1,463,600</b>	<b>1,106,200</b>
<b><u>Expenses</u></b>					
Benefits/Claims	27,566	200,000	100,000	200,000	200,000
Contractual Services	1,200	1,200	1,200	1,200	1,200
Legal Services	196,687	300,000	250,000	300,000	300,000
Professional Services	2,610	5,000	1,500	5,000	5,000
Transfer Out	-	500,000	500,000	-	-
<b>Subtotal</b>	<b>228,063</b>	<b>1,006,200</b>	<b>852,700</b>	<b>506,200</b>	<b>506,200</b>
Policy Premium Expense	874,747	1,100,000	940,000	1,000,000	1,100,000
<b>Total Expenses</b>	<b>1,102,810</b>	<b>2,106,200</b>	<b>1,792,700</b>	<b>1,506,200</b>	<b>1,606,200</b>
<b>Excess Revenue (Expenses)</b>	<b>185,976</b>	<b>(1,000,000)</b>	<b>(866,500)</b>	<b>(42,600)</b>	<b>(500,000)</b>
<b>Ending Reserves</b>	<b>\$ 56,409,105</b>	<b>\$ 55,000,000</b>	<b>\$ 55,542,600</b>	<b>\$ 55,500,000</b>	<b>\$ 55,000,000</b>

# 2010-11 & 2011-12 Budget

## Workers' Compensation Self-Insurance Program

DESCRIPTION OR ACCOUNT TITLE	2008-09 Actuals	2009-10 Budget	2009-10 Projected	2010-11 Proposed	2011-12 Proposed
<b>Beginning Reserves</b>	\$ 2,210,094	\$ 1,683,000	\$ 1,674,300	\$ 2,426,300	\$ 2,000,000
<b><u>Revenues</u></b>					
In-Lieu Premiums	108,100	535,000	535,000	578,700	550,000
Miscellaneous Other Revenue	1,987	-	173,500	-	-
Transfer In	-	500,000	500,000	-	-
Service Department Allocation	-	-	-	-	-
<b>Total Revenues</b>	110,087	1,035,000	1,208,500	578,700	550,000
<b><u>Expenses</u></b>					
Benefits/Claims	439,934	428,000	200,000	225,000	250,000
Contractual Services	19,536	30,000	45,000	45,000	45,000
Legal Services	19,671	40,000	30,000	35,000	35,000
Professional Services	2,250	10,000	10,000	10,000	10,000
Transfer Out	-	-	-	500,000	-
<b>Subtotal</b>	481,391	508,000	285,000	815,000	340,000
Policy Premium Expense	164,455	210,000	171,500	190,000	210,000
<b>Total Expenses</b>	645,846	718,000	456,500	1,005,000	550,000
<b>Excess Revenue (Expenses)</b>	(535,759)	317,000	752,000	(426,300)	-
<b>Ending Reserves</b>	\$ 1,674,335	\$ 2,000,000	\$ 2,426,300	\$ 2,000,000	\$ 2,000,000

## CIP BUDGET REQUEST SUMMARY

Each year, the Board of Directors, through their committee process, reviews and approves the Capital Improvement Program (CIP) prepared by staff for both sewage collection system projects (collections) and the joint works treatment and disposal system projects.

Many of the District's projects take several years to complete the planning, design and construction cycle. The budget for a construction project covers the life of the project. This budget is reevaluated each year for the purpose of managing annual cash flows. Thus, many of the projects in the CIP Budget for 2010-12 are continuing projects that were approved in prior years.

In December 2009, the District adopted a new Master Plan, a planning effort to define District's goals, responsibilities, and requirements over the next twenty years, and including projections through the assumed "build-out" of the District's service area to the year 2050. Critical factors such as population growth, new construction, the volume of wastewater delivered to the plants and viable water conservation and reclamation programs have been reevaluated.

The incorporation of the 2009 Master Plan into the CIP includes the addition of 65 new CIP projects totaling \$615.7 million through the year 2030. Also, 23 planned projects were revised resulting in an additional \$169.3 million through the year 2030. Lastly, the Master Plan continues to support ongoing efforts to upgrade the treatment facilities to meet secondary treatment standards approved by the Board of Directors on July 17, 2002.

The CIP includes 3 projects totaling \$627 million to upgrade the District's treatment plants to meet secondary treatment standards. Implementation of secondary treatment standards is scheduled to be completed by December 31, 2012.

In conjunction with preparation for the 2010-12 Budget, District staff has developed and reviewed with the Board of Directors a capital program to deliver the levels of service desired by the Board of Directors. These levels of service and resulting capital projects are included in the District's 5-year Strategic Plan.

In addition, District staff has reviewed each CIP project to ensure that the scope of the project was appropriate, and that the cost estimates were accurate. The validated CIP includes 111 large

capital projects and 65 special projects with a 20-year expenditure of \$3.0 billion. This total represents a \$1.0 billion increase from the 2009-10 CIP estimate. This increase is attributed to the incorporation of the new Master Plan.

The proposed 2010-11 CIP budget is organized by treatment process. The funds requested for the current cash flow budget total \$179.6 million, a decrease of 30.7 percent from last year's cash flow request of \$259.1 million. The current year cash flow is part of an overall total cost of \$3.0 billion for active projects.

Following is a chart of the 2010-11 Proposed CIP Cash Flows and the total Project Costs for all proposed projects, by project phase, in millions:

	2010-11	Total
<u>Current Status</u>	<u>Cash Flow</u>	<u>Project Costs</u>
Future	\$0.0	\$967.0
Planning	47.3	617.4
Design	106.7	985.0
Construction	24.1	380.2
Capital Equipment	1.5	16.0
Total	<u>\$179.6</u>	<u>\$2,965.6</u>

There are currently 44 projects in the Planning Phase with proposed capital outlay spending in 2010-11. Two of the larger 2010-11 cash flow projects in the Planning Phase are the Digester Rehabilitation at Plant No. 2 and the Research Program with current year projected expenditures of \$1.12 million and \$1.00 million respectively. A total of \$197.6 million in capital outlay, currently listed within the Planning Phase, is being projected for future budgets based on the capital improvement needs that are identified through the 2009 Master Plan and the annual CIP validation effort.

There are currently 15 projects in the Design Phase with proposed capital outlay spending in 2010-11. The two largest projects in the Design Phase are the Sludge Dewatering and Odor Control at Plant No. 1 Project and the Solids Thickening and Processing Upgrades at Plant No. 2 with projected current year expenditures of \$5.53 million and \$3.42 million respectively.

There are currently 37 projects in the Construction Phase with proposed capital outlay spending in 2010-11. The two most significant projects in the construction phase are the New Secondary Treatment System at Plant No. 1 and the Trickling Filters at Plant No. 2 with projected FY 2010-11

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## 2010-11 & 2011-12 Budget

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expenditures of \$32.5 million and \$19.6 million respectively.

Standard contingency factors have been applied to improve cost estimates. The rates of 20, 20, and 10 percent have been applied respectively to the estimates made during the project development, design, and construction project phases. This reflects standard practice for estimating construction project costs.

Following within this section are individual capital improvement project detail sheets that have been provided to give the reader a brief overview of each project, the budget for the next five years, and the budget for the total project.

Each project went through an extensive validation and prioritization process. Projects have been prioritized based on risk exposure if the project was deferred. Projects that would present a higher risk if they were delayed are given a higher priority.

The impact of proposed CIP projects on the District's operating budget was evaluated as well. The addition of new facilities, especially as related to meeting secondary treatment standards, will have a significant impact on the District's operating budget. Overall, the projects included in this CIP budget are expected to lead to an estimated net increase in operating costs of \$10.3 million per year.

### **The Treatment Process:**

The Treatment Process Diagram (Section 8-Page 3) illustrates the stages of wastewater treatment in relation to the flow of wastewater through the treatment process. The icons in the legend are shown as graphics in the individual CIP Detail Sheets to give the reader insight about where a project correlates to the treatment process.

Wastewater is collected from 15 off-site pump stations or gravity sewers in outlying areas that total 480 square miles. Influent wastewater undergoes Preliminary Treatment upon entry to the treatment plants where it is filtered through bar screens and grit chambers. Primary Treatment consists of large clarifying basins where solids are settled out and sent to Solids Processing. Treated wastewater is pumped either to Secondary Treatment where it is aerated and additional solids are settled out, or to advanced primary, a physical-chemical process.

The resulting water from these processes is blended to become final effluent.

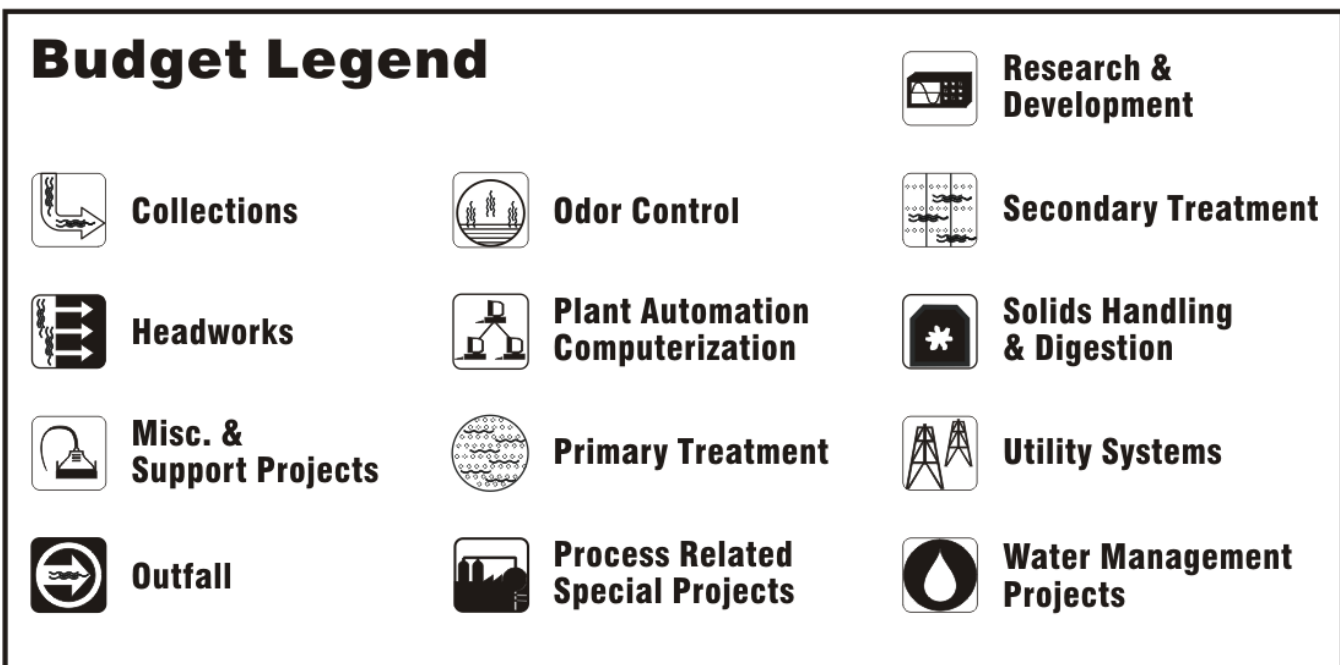
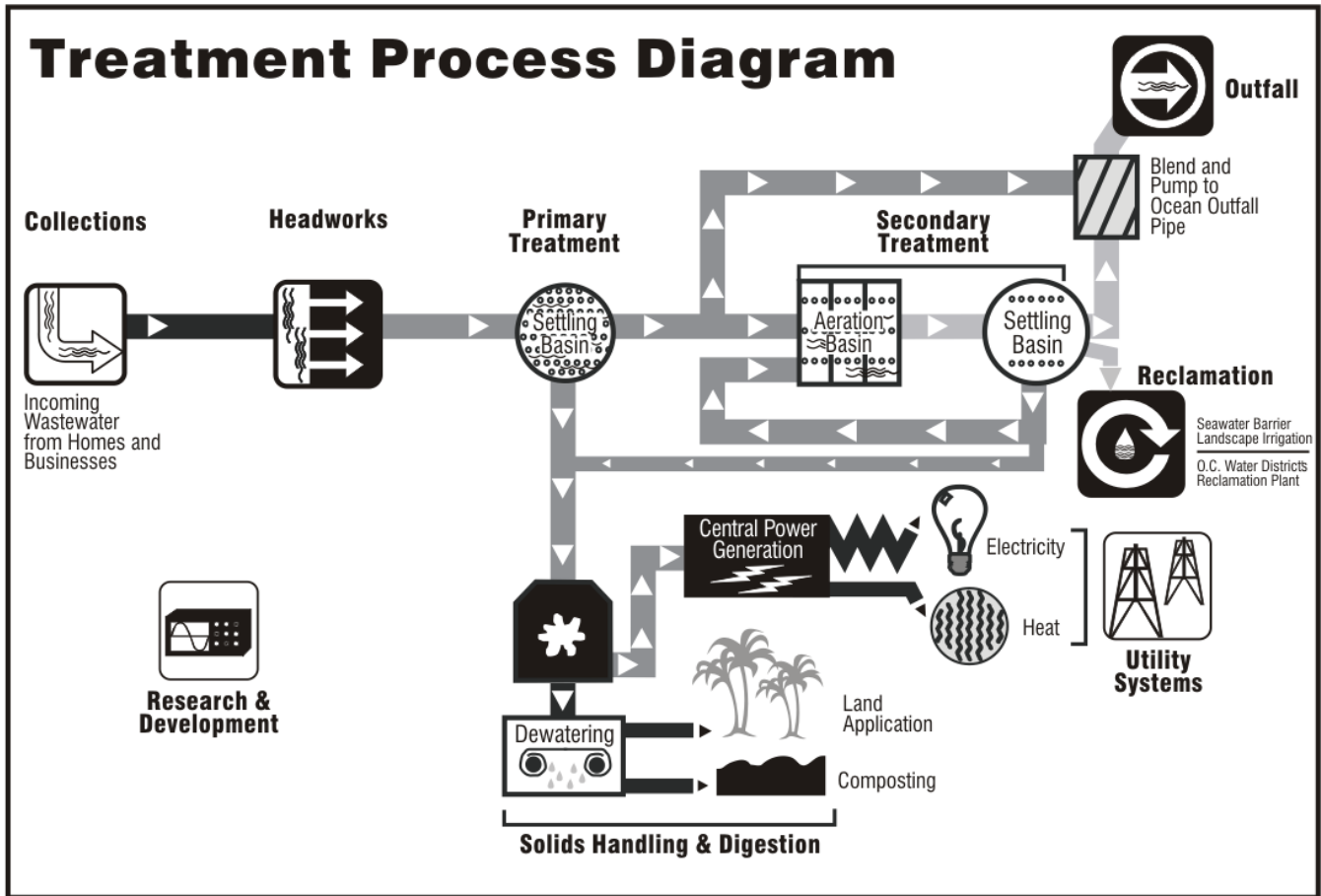
Methane gas generated during the natural decomposition of the solids in the Digesters is used to fuel the Central Power Generation and produce electricity used to operate both treatment plants.

Solids are dewatered to a 20 percent solids consistency, called biosolids, and recycled for direct land application, composting or landfill.

Approximately 90 million gallons per day of secondary effluent from Reclamation Plant No. 1 is sent to Orange County Water District (OCWD) for reclamation in its two treatment and distribution systems.

The first is OCWD's Groundwater Replenishment System (GWRS). GWRS is the largest water purification project of its kind in the world and its construction was funded jointly by OCWD and OCSD. At 70 million gallons per day, the GWR System generates enough pure water to meet the needs of 500,000 people.

The second is OCWD's Green Acres Project (GAP) which is a water recycling effort that provides reclaimed water for landscape irrigation at parks, schools and golf courses as well as for industrial uses, such as carpet dying. The total annual demand for GAP water is about 7.5 million gallons per day.



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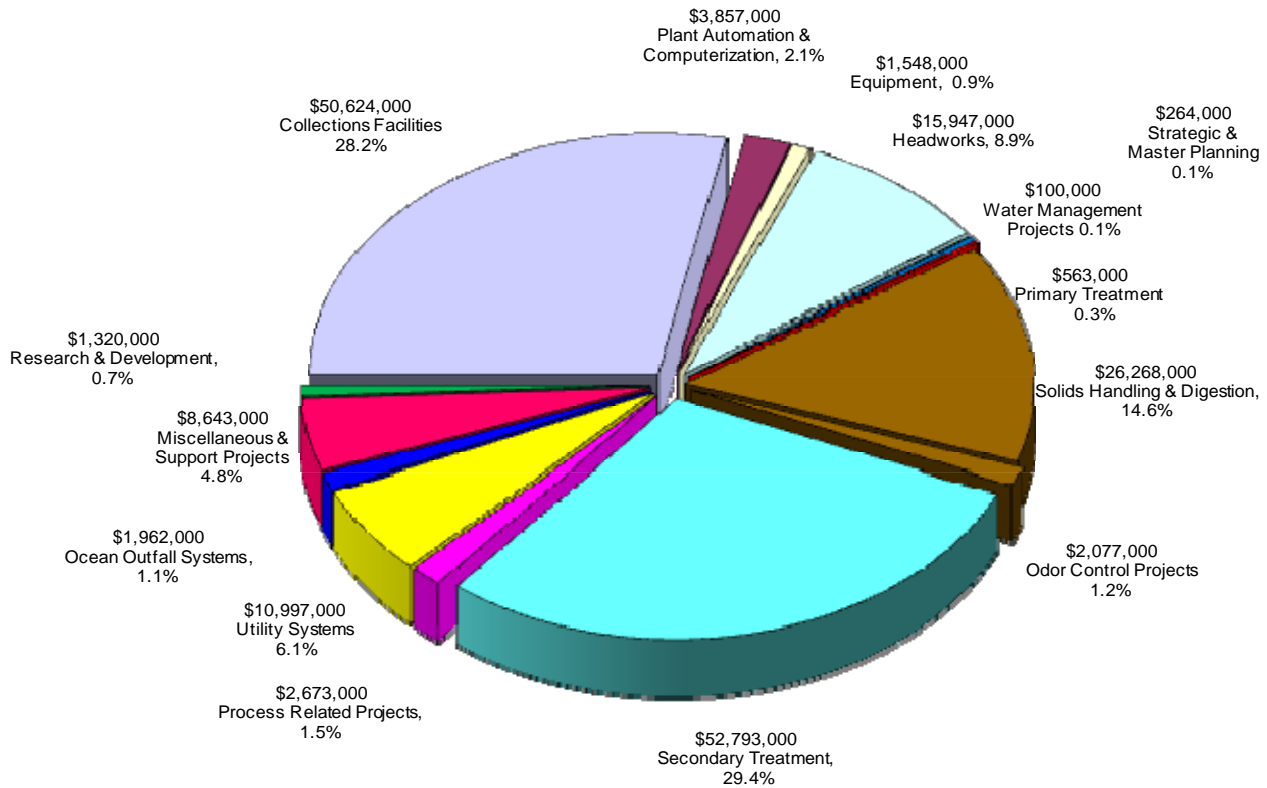
# 2010-11 & 2011-12 Budget

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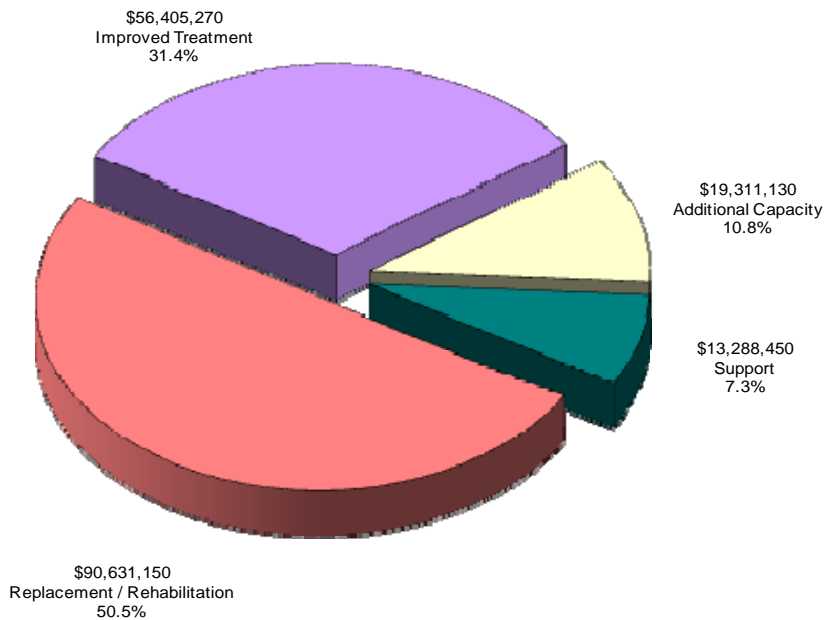
## Project Summary FY 2010-11

<u>Item</u>	<u>Replacement/ Rehabilitation</u>	<u>Improved Treatment</u>	<u>Additional Capacity</u>	<u>Support</u>	<u>Total Budget</u>
Collections Facilities	41,819,400	253,200	3,698,200	4,853,200	50,624,000
Headworks	12,115,750	3,831,250	-	-	15,947,000
Primary Treatment	505,000	58,000	-	-	563,000
Secondary Treatment	619,500	41,380,620	10,792,880	-	52,793,000
Solids Handling & Digestion	18,618,100	3,943,350	3,706,550	-	26,268,000
Ocean Outfall Systems	1,937,000	-	-	25,000	1,962,000
Utility Systems	6,677,500	4,012,500	1,000	306,000	10,997,000
Odor Control Related Projects	807,600	1,269,400	-	-	2,077,000
Plant Automation & Computerization	1,621,200	-	310,500	1,925,300	3,857,000
Process Related Special Projects	-	12,000	-	2,661,000	2,673,000
Miscellaneous & Support Projects	5,273,100	484,950	10,000	2,874,950	8,643,000
Water Management Projects	-	-	100,000	-	100,000
Strategic & Master Planning	-	264,000	-	-	264,000
Research & Development	250,000	509,000	305,000	256,000	1,320,000
Equipment	<u>387,000</u>	<u>387,000</u>	<u>387,000</u>	<u>387,000</u>	<u>1,548,000</u>
<b>Total</b>	<b><u>\$ 90,631,150</u></b>	<b><u>\$ 56,405,270</u></b>	<b><u>\$ 19,311,130</u></b>	<b><u>\$ 13,288,450</u></b>	<b><u>\$ 179,636,000</u></b>

# Summary of Capital Requirements



## Total FY 2010-11 Capital Improvement Expenditure by Process - \$179,636,000



## Total FY 2010-11 Capital Improvement Expenditure by Type - \$179,636,000



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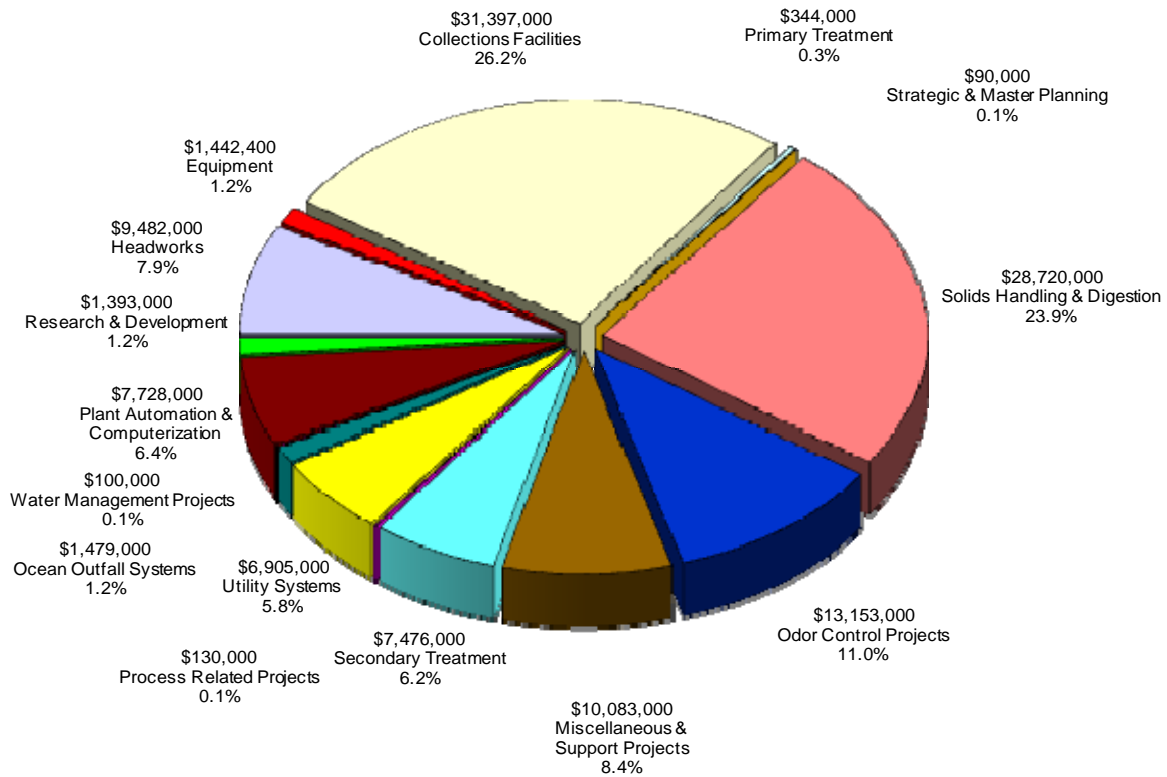
# 2010-11 & 2011-12 Budget

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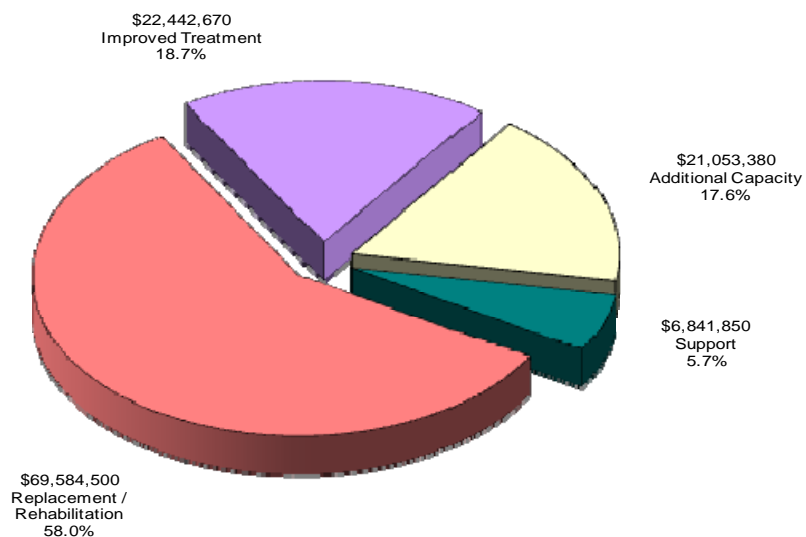
## Project Summary FY 2011-12

<u>Item</u>	<u>Replacement/ Rehabilitation</u>	<u>Improved Treatment</u>	<u>Additional Capacity</u>	<u>Support</u>	<u>Total Budget</u>
Collections Facilities	17,461,800	198,750	13,671,700	64,750	31,397,000
Headworks	7,160,000	2,176,500	145,500	-	9,482,000
Primary Treatment	344,000	-	-	-	344,000
Secondary Treatment	1,562,000	4,039,270	1,874,730	-	7,476,000
Solids Handling & Digestion	21,021,950	3,495,600	4,202,450	-	28,720,000
Ocean Outfall Systems	1,454,000	-	-	25,000	1,479,000
Utility Systems	3,886,750	2,758,250	85,000	175,000	6,905,000
Odor Control Related Projects	4,810,600	8,342,400	-	-	13,153,000
Plant Automation & Computerization	3,388,000	-	289,000	4,051,000	7,728,000
Process Related Special Projects	-	12,000	-	118,000	130,000
Miscellaneous & Support Projects	7,884,800	476,100	20,000	1,702,100	10,083,000
Water Management Projects	-	-	100,000	-	100,000
Strategic & Master Planning	-	-	-	90,000	90,000
Research & Development	250,000	583,200	304,400	255,400	1,393,000
Equipment	<u>360,600</u>	<u>360,600</u>	<u>360,600</u>	<u>360,600</u>	<u>1,442,400</u>
<b>Total</b>	<b><u>\$ 69,584,500</u></b>	<b><u>\$ 22,442,670</u></b>	<b><u>\$ 21,053,380</u></b>	<b><u>\$ 6,841,850</u></b>	<b><u>\$ 119,922,400</u></b>

# Summary of Capital Requirements



## Total FY 2011-12 Capital Improvement Expenditure by Process - \$119,922,400



## Total FY 2011-12 Capital Improvement Expenditure by Type - \$119,922,400

# 2010-11 & 2011-12 Budget

## Summary of Capital Requirements – Collection System Improvement Projects

	Project Number	Project Phase 7/1/10	Total Project Budget	Est. Cost to Date 6/30/10	2010-11 Cashflow Budget	2011-12 Cashflow Budget	Future Budget	Page Number
<b>Collections</b>								
Raitt and Bristol Street Sewer Extension	01-101	Planning	9,906,000	253,000			9,653,000	14
Santa Ana Trunk Sewer Rehab.	01-17	Planning	21,156,000	1,031,000	160,000	840,000	19,125,000	15
Santa Ana River Interceptor Realignment and Prot.	02-41	Design	11,404,000	8,686,000	744,000	956,000	1,018,000	16
Santa Ana River Interceptor (SARI) Inspection and Mitigation	02-41-7	Planning	900,000		500,000	200,000	200,000	17
Taft Branch Improvements	02-49	Planning	3,143,000	13,000			3,130,000	N/A
Newhope-Placentia Trunk Grade Separation Replacement	02-65	Planning	2,392,000	82,000		138,000	2,172,000	18
Fullerton-Brea Interceptor Sewer Relief	02-71	Planning	2,287,000			30,000	2,257,000	19
Newhope-Placentia Trunk Replacement	02-72	Planning	66,696,000				66,696,000	N/A
Yorba Linda Pumping Station Abandonment	02-73	Planning	9,566,000				9,566,000	N/A
Rehabilitation of the Westside Pump Station	03-52	Design	11,668,000	10,190,000	1,226,000	252,000		20
Westside Relief Interceptor Relief	03-55	Planning	26,482,000				26,482,000	N/A
Rehabilitation of Magnolia Trunk Sewer	03-58	Planning	26,721,000	2,526,000	17,723,000	3,448,000	3,024,000	21
Miller-Holder Trunk Sewer Relief	03-59	Planning	17,324,000				17,324,000	N/A
Beach Trunk/Knott Interceptor Sewer Relief	03-60	Planning	25,055,000				25,055,000	N/A
Miller-Holder and Knott Trunks Odor Control Project	03-61	Planning	1,795,000				1,795,000	N/A
Seal Beach Pumping Station Upgrade and Rehabilitation	03-62	Planning	14,023,000				14,023,000	N/A
Seal Beach Pumping Station Force Main Rehabilitation	03-63	Planning	11,032,000			152,000	10,880,000	N/A
Rehabilitation of 3-6, 3-8, and 3-21-1 Sewers	03-64	Planning	71,312,000				71,312,000	N/A
Balboa Trunk Sewer Rehabilitation	05-47	Planning	8,514,000	1,056,000	416,000	2,190,000	4,852,000	22
Replacement of the Bitter Point Pump Station	05-49	Design	32,084,000	14,287,000	11,840,000	3,882,000	2,075,000	23
Replacement of the Rocky Point Pump Station	05-50	Design	20,360,000	11,758,000	7,183,000	565,000	854,000	24
Bitter Point Force Main Rehabilitation	05-58	Design	25,883,000	23,366,000	1,539,000	978,000		25
Newport Force Main Condition Assessment	05-60	Planning	22,591,000	1,619,000	1,072,000	633,000	19,267,000	26
Bayside Drive Improvement	05-61	Planning	3,415,000	3,113,000	302,000			27
Dover Drive Trunk Sewer Relief	05-63	Planning	13,346,000	1,788,000	1,099,000	9,120,000	1,339,000	28
Lido Pumping Station Upgrade and Rehabilitation	05-65	Planning	1,515,000		13,000	114,000	1,388,000	29
Crystal Cove Pumping Station Upgrade and Rehabilitation	05-66	Planning	7,379,000				7,379,000	N/A
Bay Bridge Pumping Station Upgrade and Rehabilitation	05-67	Planning	46,852,000				46,852,000	N/A
District 6 Trunk Sewer Relief	06-17	Planning	5,126,000	6,000		48,000	5,072,000	30
Southwest Costa Mesa Trunk	06-19	Planning	13,309,000		94,000	491,000	12,724,000	31
Gisler-Redhill System Improvements, Reach B	07-37	Design	9,622,000	1,675,000	406,000	6,869,000	672,000	32
Rehabilitation of College Ave. Pump Station	07-47	Planning	11,445,000	11,162,000	283,000			33
Browning Subtrunk Sewer Relief	07-60	Planning	11,172,000				11,172,000	N/A
County Island Annexation and CEQA Documentation	07-61	Planning	300,000	259,000	41,000			34
Von Karman Trunk Sewer Relief	07-62	Planning	433,000				433,000	N/A
MacArthur Pumping Station Upgrade and Rehabilitation	07-63	Planning	7,028,000				7,028,000	N/A
Edinger/Bolsa Chica Trunk Improvements	11-25	Planning	6,030,000				6,030,000	N/A
Coast Trunk Sewer Rehabilitation	11-26	Design	9,121,000	9,110,000	11,000			35
Wintersburg Channel Siphon Protection Project	11-32	Planning	75,000		75,000			36
Edinger Pumping Station Upgrade and Rehabilitation	11-33	Planning	11,474,000				11,474,000	N/A
North County Collections Yard	15-04	Planning	12,270,000	6,950,000	4,709,000	16,000	595,000	37
Facilities Engineering Projects - Collections	FE-Collect	Planning	8,520,000	5,145,000	688,000	325,000	2,362,000	38
Replacement of the Ellis Ave. Pump Stn	I-10	Design	79,337,000	78,987,000	350,000			39
Siphon and Manhole Upgrade Feasibility Study	SP-138	Planning	300,000		150,000	150,000		40
<b>Total Collections Projects</b>			<b>700,363,000</b>	<b>193,062,000</b>	<b>50,624,000</b>	<b>31,397,000</b>	<b>425,280,000</b>	

# Summary of Capital Requirements

## Summary of Capital Requirements – Treatment System Improvement Projects

	Project Number	Project Phase 7/1/10	Total Project Budget	Est. Cost to Date 6/30/10	2010-11 Cashflow Budget	2011-12 Cashflow Budget	Future Budget	Page Number
<b>Headworks</b>								
Headworks Rehab. and Expansion at Plant No. 1	P1-105	Planning	43,404,000			485,000	42,919,000	N/A
Headworks Expansion	P1-120	Planning	222,804,000				222,804,000	N/A
Headworks Rehabilitation/Refurbishment	P1-71	Design	8,374,000	7,364,000	622,000	388,000		41
Headworks Improvements at Plant No. 2	P2-66	Const./Impl.	257,733,000	232,549,000	15,325,000	8,609,000	1,250,000	42
<b>Headworks Total</b>			<b>532,315,000</b>	<b>239,913,000</b>	<b>15,947,000</b>	<b>9,482,000</b>	<b>266,973,000</b>	
<b>Primary Treatment</b>								
Primary Clarifiers 6-31 Evaluation and Optimization Study	P1-116	Planning	150,000	92,000	58,000			43
Primary Effluent Pipeline Joint Repairs	P1-118	Planning	3,246,000				3,246,000	N/A
Primary Treatment Rehab/Refurb	P2-80	Planning	38,923,000	38,399,000	330,000	194,000		44
Primary Treatment Area Rehabilitation Study	SP-137	Planning	300,000		150,000	150,000		45
54-inch Primary Effluent Butterfly Valve Use Study	SP-144	Planning	25,000		25,000			46
<b>Primary Treatment Total</b>			<b>42,644,000</b>	<b>38,491,000</b>	<b>563,000</b>	<b>344,000</b>	<b>3,246,000</b>	
<b>Secondary Treatment</b>								
New Secondary Treatment System at Plant No. 1	P1-102	Design	260,300,000	222,158,000	32,461,000	5,681,000		47
Activated Sludge Plant No.1 Upgrades	P1-117	Planning	20,673,000				20,673,000	N/A
Activated Sludge Plant Rehabilitation	P1-82	Const./Impl.	46,761,000	46,438,000	323,000			48
Trickling Filters at Plant No. 2	P2-90	Design	223,238,000	197,943,000	19,551,000	233,000	5,511,000	49
Oxygen Plant Rehabilitation at Plant No. 2	SP-129	Planning	2,500,000	92,000	458,000	1,562,000	388,000	50
<b>Secondary Treatment Total</b>			<b>553,472,000</b>	<b>466,631,000</b>	<b>52,793,000</b>	<b>7,476,000</b>	<b>26,572,000</b>	
<b>Solids Handling &amp; Digestion</b>								
Sludge Digester Rehabilitation at Plant 1	P1-100	Design	55,515,000	7,985,000	15,477,000	18,314,000	13,739,000	51
Sludge Dewatering and Odor control at Plant 1	P1-101	Design	143,549,000	13,880,000	5,529,000	6,397,000	117,743,000	52
Digester Ferric Chloride System Rehabilitation	P2-105	Planning	2,627,000	35,000	207,000	462,000	1,923,000	53
Demolition of Digesters A and B	P2-110	Planning	4,756,000				4,756,000	N/A
Solids Storage Silo Rehabilitation	P2-114	Planning	37,604,000				37,604,000	N/A
Solids Thickening and Processing Upgrades	P2-89	Planning	61,135,000	5,082,000	3,425,000	1,919,000	50,709,000	54
Plant No. 2 Primary Sludge Feed System Project	P2-91	Const./Impl.	26,524,000	25,943,000	244,000	337,000		55
Digester Rehabilitation at Plant No. 2	P2-91-1	Planning	45,637,000	116,000	1,127,000	444,000	43,950,000	56
Sludge Dewatering and Odor Control at Plant 2	P2-92	Planning	63,183,000	75,000	259,000	570,000	62,279,000	57
Replacement of Drying Beds and Truck Wash at Plant	P2-97	Planning	4,443,000	71,000		277,000	4,095,000	58
Food Waste Collection and Treatment Study	SP-171	Planning	100,000				100,000	N/A
Digesters 5 and 6 Conversion and Use Study	SP-172	Planning	100,000				100,000	N/A
<b>Solids Handling &amp; Digestion Total</b>			<b>445,173,000</b>	<b>53,187,000</b>	<b>26,268,000</b>	<b>28,720,000</b>	<b>336,998,000</b>	

# 2010-11 & 2011-12 Budget

## Summary of Capital Requirements –Treatment System Improvement Projects

	Project Number	Project Phase 7/1/10	Total Project Budget	Est. Cost to Date 6/30/10	2010-11 Cashflow Budget	2011-12 Cashflow Budget	Future Budget	Page Number
<b>Ocean Outfall Systems</b>								
Final Effluent Sampler and Building Area Upgrades	J-110	Planning	2,661,000	52,000	78,000	331,000	2,200,000	59
Outfall Land Section and OOBs Piping Rehabilitation	J-112	Const./Impl.	7,540,000	521,000	1,499,000	1,043,000	4,477,000	60
Outfall Piping Rehabilitation Program Study	J-113	Planning	370,000	36,000	80,000	80,000	174,000	61
Ocean Outfall Booster Station Rehabilitation (Electrical)	J-114	Planning	13,059,000	60,000			12,999,000	N/A
66-inch Interplant Effluent Pipeline Rehabilitation	J-116	Planning	62,052,000				62,052,000	N/A
Ocean Outfall Booster Station Rehabilitation (Mechanical)	J-117	Planning	4,559,000				4,559,000	62
Outfall Beach Box Rehabilitation Evaluation	J-119	Planning	330,000	50,000	280,000			63
Ocean Outfall Easement Renewal	SP-143	Planning	25,000		25,000			64
Outfall Pumping Cooling Water Bypass Study	SP-154	Planning	25,000			25,000		N/A
Alternative Effluent Disinfection Study	SP-156	Planning	100,000				100,000	N/A
Santa Ana River Flap Gates Access Study	SP-159	Planning	50,000				50,000	N/A
Interplant Effluent Pipeline Alternate Use Study	SP-164	Planning	10,000				10,000	N/A
<b>Ocean Outfall Systems Total</b>			<b>90,781,000</b>	<b>719,000</b>	<b>1,962,000</b>	<b>1,479,000</b>	<b>86,621,000</b>	
<b>Utility Systems</b>								
Interplant Gas Line Rehabilitation	J-106	Design	4,504,000	863,000	3,227,000	147,000	267,000	65
Cengen Cooling Water System Replacement	J-109	Planning	10,023,000	1,061,000	1,093,000	2,739,000	5,130,000	66
Cengen Emissions Control Project	J-111	Planning	30,279,000			2,381,000	27,898,000	67
UPS System Upgrades	J-121	Planning	13,012,000				13,012,000	N/A
Air Quality Improvements	J-79	Const./Impl.	11,668,000	10,385,000	1,114,000	169,000		68
Central Generation Automation	J-79-1	Design	21,049,000	16,353,000	3,818,000	79,000	799,000	69
Electrical Power Distribution System Improvements	J-98	Planning	9,773,000				9,773,000	N/A
Power Building 3A Backup Power Reliability Project	P1-111	Planning	502,000	80,000	35,000	64,000	323,000	70
Plant Water System Rehabilitation at Plant No.1	P1-112	Planning	3,344,000	32,000	210,000	138,000	2,964,000	71
Flare Addition	P1-119	Planning	2,083,000				2,083,000	N/A
Gas Compressor Upgrades	P1-121	Planning	27,181,000				27,181,000	N/A
Plant 1 66kV Substation	P1-97	Design	15,153,000	15,151,000	2,000			72
Plant Water System Rehabilitation at Plant No.2	P2-101	Planning	3,659,000	34,000	232,000	294,000	3,099,000	73
Additional High Pressure Flare	P2-103	Planning	1,993,000				1,993,000	74
15 kV Upgrades at Plant No. 2	P2-108	Planning	3,238,000		11,000	394,000	2,833,000	75
Gas Compressor Upgrades	P2-109	Planning	22,362,000				22,362,000	N/A
SCE Feed Reliability Improvements	P2-111	Planning	22,490,000				22,490,000	N/A
Energy Load Management and Shedding System	P2-112	Planning	16,517,000				16,517,000	N/A
Gas Holder Demolition	P2-113	Planning	1,026,000				1,026,000	N/A
Secondary Area Cable Tray Upgrades	P2-116	Planning	2,154,000				2,154,000	N/A
Headworks Area Cable Tray Upgrades	P2-117	Planning	3,015,000				3,015,000	N/A
Fuel Cell Feasibility Study	SP-132	Planning	100,000	35,000	65,000			76
Fuel Cell Hydrogen Gas Generation Research	SP-134	Planning	600,000	360,000	240,000			77

# Summary of Capital Requirements

## Summary of Capital Requirements –Treatment System Improvement Projects

	Project Number	Project Phase 7/1/10	Total Project Budget	Est. Cost to Date 6/30/10	2010-11 Cashflow Budget	2011-12 Cashflow Budget	Future Budget	Page Number
<b>Utility Systems Projects (Continued.)</b>								
Digester Gas Facilities Assessment	SP-141	Planning	100,000		50,000	50,000		78
Utility Water Systems Study	SP-146	Planning	475,000			200,000	275,000	N/A
Plant Air System Master Plan	SP-148	Planning	220,000			100,000	120,000	N/A
Electrical System Base Map	SP-149	Planning	220,000			100,000	120,000	N/A
Uninterruptible Power System (UPS) Study	SP-150	Planning	100,000			50,000	50,000	N/A
Sidestream Pumping System and Water Characterization Study	SP-155	Planning	170,000				170,000	N/A
Standby Power Generation Study	SP-158	Planning	100,000				100,000	N/A
Communication Radio System Replacement	SP-165	Planning	900,000		900,000			79
Power Outage Recovery Plan	SP-170	Planning	100,000				100,000	N/A
Potable Water Quality Study	SP-175	Planning	25,000				25,000	N/A
<b>Utility Systems Total</b>			<b>228,135,000</b>	<b>44,394,359</b>	<b>10,997,000</b>	<b>6,905,000</b>	<b>165,879,000</b>	
<b>Odor Control Related Projects</b>								
Coyote Hills Golf Course Odor Control Station	02-74	Planning	8,365,000				8,365,000	N/A
Rehabilitation of Odor Control Facilities	J-71-8	Design	44,124,000	7,018,000	913,000	6,783,000	29,410,000	80
Trickling Filter Odor Control at Plant No. 1	P1-113	Planning	5,182,000		337,000	628,000	4,217,000	81
Primary Scrubber Rehabilitation at Plant No.1	P1-114	Planning	41,732,000				41,732,000	N/A
Solids Storage Building Odor Control Project	P2-102	Planning	10,720,000		152,000	816,000	9,752,000	82
Chemical Scrubber Conversions and Piping System Improvements	P2-106	Const./Impl.	3,261,000	100,000	625,000	2,032,000	504,000	83
Primary Treatment Odor Control Upgrades	P2-98	Planning	35,691,000			2,844,000	32,847,000	84
Wastehauler Odor Control	SP-140	Planning	100,000		50,000	50,000		85
Odor Control Master Plan	SP-166	Planning	2,400,000				2,400,000	N/A
<b>Odor Control Related Projects Total</b>			<b>151,575,000</b>	<b>7,118,000</b>	<b>2,077,000</b>	<b>13,153,000</b>	<b>129,227,000</b>	
<b>Process Related Special Projects</b>								
Plant O&M Manual & SOP Project - Phase I	SP-53	Planning	3,750,000	2,455,000	1,295,000			86
Corrosion Management	SP-68-1	Design	4,667,000	3,183,000	1,366,000	118,000		87
Special Projects: Biotrickling Filter (BTF)	SP-90-7	Const./Impl.	29,000	5,000	12,000	12,000		88
<b>Process Related Special Projects Total</b>			<b>8,446,000</b>	<b>5,643,000</b>	<b>2,673,000</b>	<b>130,000</b>	<b>-</b>	
<b>Plant Automation &amp; Computerization</b>								
Power Monitoring and Control Systems	J-33-3	Planning	12,013,000	2,852,000	943,000	5,382,000	2,836,000	89
Strategic Information Architecture (SIA)	SP-03	Const./Impl.	1,995,000	730,000	250,000	250,000	765,000	90
Internet/Intranet Development	SP-09	Const./Impl.	650,000	345,000	60,000	60,000	185,000	91
CMMS System Replacement	SP-100	Const./Impl.	3,789,000	1,391,000	1,242,000	1,156,000		92
PDS2D Software Replacement	SP-103	Planning	250,000		50,000	50,000	150,000	93
Geographic Information System	SP-15	Const./Impl.	4,047,000	827,000	690,000	690,000	1,840,000	94
Process SCADA Modbus Ethernet Redundancy	SP-160	Planning	1,055,000				1,055,000	N/A
VAX Server Migration to Modbus Ethernet	SP-161	Planning	1,146,000				1,146,000	N/A
Network Equipment Upgrade	SP-89	Const./Impl.	1,157,000	255,000	622,000	140,000	140,000	95
<b>Plant Automation &amp; Computerization Total</b>			<b>26,102,000</b>	<b>6,400,000</b>	<b>3,857,000</b>	<b>7,728,000</b>	<b>8,117,000</b>	

# 2010-11 & 2011-12 Budget

## Summary of Capital Requirements –Treatment System Improvement Projects

	Project Number	Project Phase 7/1/10	Total Project Budget	Est. Cost to Date 6/30/10	2010-11 Cashflow Budget	2011-12 Cashflow Budget	Future Budget	Page Number
<b>Miscellaneous &amp; Support Projects</b>								
Facilities Engineering Projects - Joint	FE-J	Planning	23,910,000	3,844,000	1,310,000	1,290,000	17,466,000	96
Facilities Engineering Projects - Plant 1	FE-P1	Planning	20,910,000	10,429,000	1,135,000	1,127,000	8,219,000	97
Facilities Engineering Projects - Plant 2	FE-P2	Planning	20,910,000	7,032,000	788,000	757,000	12,333,000	98
Temporary Upgrades To Plant Security Barriers	J-108	Planning	2,385,000	993,000	1,092,000	108,000	192,000	99
Emergency Operation Center	J-115	Planning	100,000				100,000	100
Contracts and Purchasing Building Extension	J-118	Planning	3,589,000				3,589,000	101
Operations Center Entrance/Building Repairs	J-122	Planning	2,325,000		450,000	1,150,000	725,000	102
Title 24 Access Compliance Improvements at Plant No. 1	P1-115	Planning	10,000,000	42,000	268,000	1,085,000	8,605,000	103
Plant No. 2 Landscaping Project	P2-96	Planning	545,000	90,000	255,000	200,000		104
Integrated Security Access Control System	SP-128	Planning	450,000		90,000	90,000	270,000	105
2009 NPDES Permit Renewal	SP-133	Planning	150,000	100,000	50,000			106
Software and Computer Equipment Replacement Project	SP-135	Const./Impl.	2,700,000	50,000	270,000	270,000	2,110,000	107
Land Records Information System	SP-136	Planning	410,000	20,000	195,000	195,000		108
Roof Condition Assessment and Rehabilitation Study	SP-142	Planning	75,000		39,000	36,000		109
Facility Assets Assessment	SP-145	Planning	5,000,000		500,000	1,500,000	3,000,000	110
Administrative Facilities Master Plan	SP-147	Planning	250,000		50,000	100,000	100,000	111
Laboratory Water Piping Replacement	SP-153	Planning	1,005,000		13,000	112,000	880,000	112
Stormwater Master Plan	SP-167	Planning	300,000				300,000	N/A
Small Cap. Equip. Replacement Project	SP-34	Const./Impl.	11,700,000	1,500,000	1,700,000	1,700,000	6,800,000	113
Asset Management Program	SP-68-2	Design	4,800,000	2,683,000	370,000	363,000	1,384,000	114
Warehouse Reinvention Project	SP-77	Const./Impl.	600,000	532,000	68,000			115
<b>Miscellaneous &amp; Support Projects Total</b>			<b>112,114,000</b>	<b>27,315,000</b>	<b>8,643,000</b>	<b>10,083,000</b>	<b>66,073,000</b>	
<b>Water Management Projects</b>								
Initial Expansion of the Groundwater Replenishment System	SP-139	Design	300,000		100,000	100,000	100,000	116
Effluent Reuse Study	SP-173	Planning	60,000				60,000	N/A
<b>Water Management Projects Total</b>			<b>360,000</b>	<b>-</b>	<b>100,000</b>	<b>100,000</b>	<b>160,000</b>	
<b>Strategic &amp; Master Planning</b>								
Orange County Biosolids Production Siting Study	SP-105	Planning	400,000	136,000	264,000			117
Uniform Level of Service Standards	SP-151	Planning	80,000			40,000	40,000	N/A
Climate Change Impact Study	SP-152	Planning	100,000			50,000	50,000	N/A
Plant No. 2 Soil Liquefaction Study	SP-177	Planning	250,000				250,000	N/A
<b>Strategic &amp; Master Planning Total</b>			<b>830,000</b>	<b>136,000</b>	<b>264,000</b>	<b>90,000</b>	<b>340,000</b>	

# Summary of Capital Requirements

## Summary of Capital Requirements –Treatment System Improvement Projects

Project Number	Project Phase 7/1/10	Total Project Budget	Est. Cost to Date 6/30/10	2010-11 Cashflow Budget	2011-12 Cashflow Budget	Future Budget	Page Number
<b>Research &amp; Development</b>							
Process SCADA Replacement	J-120	Planning	20,283,000			20,283,000	N/A
Process SCADA Network Upgrades	P2-107	Planning	8,697,000			8,697,000	N/A
USBR Brine Management Grant Project	SP-116	Planning	315,000	130,000	55,000	130,000	118
Research Strategic Plan	SP-120	Planning	365,000	308,000	20,000	18,000	119
Superoxygenation of Primary Influent	SP-121	Planning	850,000	360,000	245,000	245,000	120
Operational Research Projects (annual allocation)	SP-125	Planning	10,040,000	250,000	1,000,000	1,000,000	121
Process SCADA Link to Pump Stations	SP-157	Planning	100,000			100,000	N/A
North County Yard Information Continuity	SP-162	Planning	666,000			666,000	N/A
Data Storage Addition	SP-163	Planning	444,000			444,000	N/A
Treatment Plant Hydraulic Assessment	SP-168	Planning	300,000			300,000	N/A
Information Systems Upgrades and Replacements	SP-169	Planning	12,510,000			12,510,000	N/A
Information Technology Data Center Replacement	SP-174	Planning	2,566,000			2,566,000	N/A
Information Technology Workroom Replacement	SP-176	Planning	180,000			180,000	N/A
<b>Research &amp; Development Projects Total</b>			<b>57,316,000</b>	<b>1,048,000</b>	<b>1,320,000</b>	<b>1,393,000</b>	<b>53,555,000</b>
<b>Total Treatment and Disposal Projects</b>			<b>2,249,263,000</b>	<b>890,995,359</b>	<b>127,464,000</b>	<b>87,083,000</b>	<b>1,143,761,000</b>
<b>Capital Equipment Purchases</b>			<b>16,000,000</b>	<b>1,000,000</b>	<b>1,548,000</b>	<b>1,442,400</b>	<b>12,009,600</b>
<b>Total Collection, Treatment and Disposal Projects</b>			<b>\$ 2,965,626,000</b>	<b>\$ 1,085,057,359</b>	<b>\$ 179,636,000</b>	<b>\$ 119,922,400</b>	<b>\$ 1,581,050,600</b>



# 2010-11 & 2011-12 Budget

<b>Project Name &amp; Number</b>	<b>Raitt and Bristol Street Sewer Extension - 01-101</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

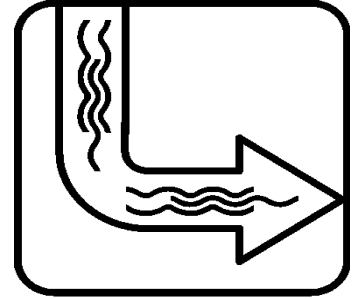
This project will replace 2,360 linear feet of 21-inch City of Santa Ana sewer with a 24-inch Sanitation District's sewer line and a parallel 8-inch City of Santa Ana sewer line to allow for redirecting all house lateral connections. The sewer line is located along Myrtle street, between Raitt and Bristol Streets in the City of Santa Ana.

**Justification**

The Sanitation District's strategic plan update conducted in 2006 indicated that the Raitt & Bristol Streets Sewer will surcharge under the 2010 wet weather flow conditions, therefore, the existing sewer pipes need to be upsized to eliminate bottlenecks and avoid a potential spill. In addition to the capacity deficiency, this project will transfer ownership of the newly constructed pipeline to the Sanitation District.

The project's budget has been increased from \$4,450,000 to \$9,906,000 to reflect project scope changes, contingency increase and the revised project cost estimate.

The project's construction cost budget is \$6,100,000. This project will increase operational budgets by \$5,000 annually.



**Collections  
Facilities**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	253,000	253,000						
Preliminary Design	338,000						338,000	
Design	1,065,000						637,000	428,000
Const. & Installation	7,393,000							7,393,000
Commission	125,000							125,000
Close-Out	122,000							122,000
Contingency	610,000							610,000
<b>Total</b>	<b>9,906,000</b>	<b>253,000</b>					<b>975,000</b>	<b>8,678,000</b>

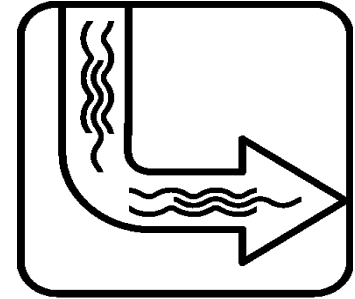
Reimbursable Costs N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Santa Ana Trunk Sewer Rehab. - 01-17</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

This project will rehabilitate the existing Santa Ana Trunk sewer from the Sanitation District's Reclamation Plant 1 to Bristol Street in the Cities of Fountain Valley, Costa Mesa and Santa Ana. The scope of the project includes rehabilitation of over 30 concrete manholes, and approximately 17,000 feet of 42-inch and 48-inch unlined concrete pipe. It is likely that a liner will be installed in the pipe to protect the concrete from hydrogen sulfide corrosion. The manholes may be coated with a protective liner, or replaced. This project will increase the life expectancy of the trunk sewer by 25-30 years. By rehabilitating the sewer rather than replacing the sewer, community disruption will be kept to a minimum and capital savings will be realized.



**Collections  
Facilities**

**Justification**

The sewer was originally constructed in 1955, and the estimated life of this type of pipe is 40 to 50 years. During routine cleaning of the sewer, it has been noted that the sewer and manholes are deteriorating due to corrosive sewer gases. These manholes were not originally constructed with protective linings. The project is timed to allow the sewer and access manholes to be repaired and minimize the risks from potential failures.

An inspection of this sewer was performed in 2001. Staff has concluded that a protective liner should be installed in this pipeline by 2010 in order to prevent the corrosion from reaching the reinforcing steel. If corrosion advances to this degree, the method of repair will be significantly more expensive.

The project's construction cost budget is \$13,753,046. This project will not have an impact on operational budgets.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	180,000	180,000						
Preliminary Design	1,377,000	720,000	160,000	497,000				
Design	1,803,000			343,000	1,396,000	64,000		
Const. & Installation	15,245,000	131,000				1,601,000	12,716,000	797,000
Commission	131,000							131,000
Close-Out	97,000							97,000
Contingency	2,323,000							2,323,000
<b>Total</b>	<b>21,156,000</b>	<b>1,031,000</b>	<b>160,000</b>	<b>840,000</b>	<b>1,396,000</b>	<b>1,665,000</b>	<b>12,716,000</b>	<b>3,348,000</b>

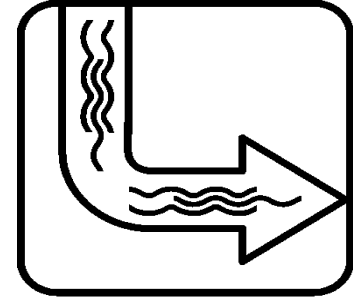
Reimbursable Costs    N/A

# 2010-11 & 2011-12 Budget

<b>Project Name &amp; Number</b>	<b>Santa Ana River Interceptor Realignment and Prot. - 02-41</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

This project provides for the protection and relocation of the Santa Ana River Interceptor (SARI), currently located within the floodplain of the Santa Ana River between Weir Canyon Road and the County line. This project is intended to protect approximately 4 miles of pipeline and manholes from failure due to high storm water releases from Prado Dam in major flood events. The most recent United States Army Corps of Engineers (USACE) study of the project was completed in October 2005. The current budget only reflects funds necessary for OCSD support of the project.



**Collections  
Facilities**

**Justification**

The existing pipeline has been subjected to continued scour of overlying soil and sediments since it was constructed in the mid 1970's. Hydraulic analyses of the river after the Prado Dam improvements are completed indicated that the pipeline could be washed away during dam releases above 5,000 cubic feet per second. The Prado Dam improvements will allow for releases of up to 30,000 cubic feet per second. If this pipeline reach from Weir Canyon Road to the Orange/San Bernardino County line is not relocated or protected prior to the completion of the Prado Dam improvements, then the line could fail during a flood event.

The project budget has been increased from \$10,828,000 to \$11,404,000 to reflect project scope changes and the revised project cost estimate.

This project will not have an impact on operational budgets.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	183,000	183,000						
Preliminary Design	2,341,000	2,341,000						
Design	6,480,000	5,810,000	670,000					
Const. & Installation	1,245,000	116,000	74,000	784,000	271,000			
Commission	504,000	234,000		172,000	98,000			
Close-Out	140,000	2,000			8,000	124,000	6,000	
Contingency	511,000						511,000	
<b>Total</b>	<b>11,404,000</b>	<b>8,686,000</b>	<b>744,000</b>	<b>956,000</b>	<b>377,000</b>	<b>124,000</b>	<b>517,000</b>	

Reimbursable Costs      \$4,817,000

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Santa Ana River Interceptor (SARI) Inspection and Mitigation - 02-41-7</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>New</b>

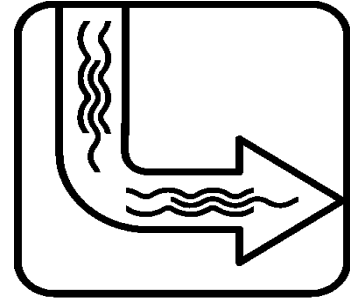
**Description**

This project provides funding for the inspection, repair designs, and mitigation monitoring for the existing Santa Ana River Interceptor (SARI) until Project 2-41 is complete. Project 2-41 is relocating a portion of the SARI located within the floodplain of the Santa Ana River between Weir Canyon Road and the County Line.

**Justification**

The existing pipeline has been subjected to continued scour of overlying soil and sediments and could be washed away during high storm releases from Prado Dam. If this pipeline reach from Weir Canyon Road to the Orange/San Bernardino County line is not maintained and protected while efforts are being made to relocate SARI, then this line could fail during a major flood event causing a wastewater spill of environmentally disastrous proportions.

This project will not impact the operational budgets.



## Collections Facilities

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	900,000		500,000	200,000	200,000			
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
<b>Total</b>	<b>900,000</b>		<b>500,000</b>	<b>200,000</b>	<b>200,000</b>			

Reimbursable Costs    N/A

# 2010-11 & 2011-12 Budget

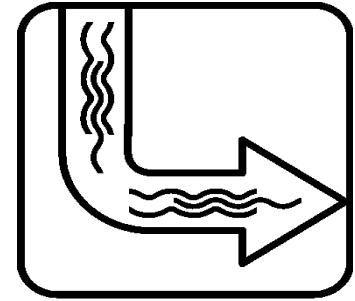
<b>Project Name &amp; Number</b>	<b>Newhope-Placentia Trunk Grade Separation Replacement - 02-65</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

This project will replace a section of the OCSD's Newhope-Placentia Trunk and Wastewater Disposal Company Sewers in State College Boulevard between Orangethorpe and Commonwealth. The project is being done with the City of Fullerton as part of a railroad grade separation project.

**Justification**

The existing sewers need to be relocated to accommodate the undergrounding of State College Boulevard below the railroad tracks at the intersection of Valencia Drive and State College Boulevard. These improvements will also accommodate the projected increases in flow for this section of sewer from planned developments and growth and be designed to convey potential wet weather surcharges. The project is anticipated to be constructed by the City of Fullerton's contractor performing the roadwork under the railroad. The original project and budget were to upsize a large stretch of sewer that will be hydraulically deficient. The remaining portion of the sewer upsizing was rebudgeted under a new CIP project.



**Collections  
Facilities**

The impacts to operational budgets have not yet been determined.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	2,388,000	80,000		138,000	2,170,000			
Preliminary Design	2,000	2,000						
Design	2,000				2,000			
Const. & Installation								
Commission								
Close-Out								
Contingency								
<b>Total</b>	<b>2,392,000</b>	<b>82,000</b>		<b>138,000</b>	<b>2,172,000</b>			

Reimbursable Costs N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Fullerton-Brea Interceptor Sewer Relief - 02-71</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

This project increases the capacity of the Fullerton-Brea Interceptor sewer to provide for future flows.

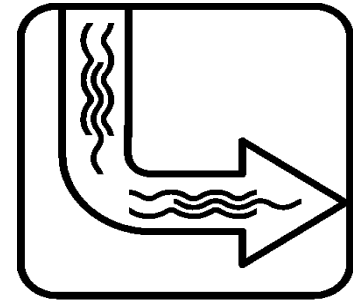
The existing 2,200 feet of 12-inch pipeline runs southerly from Evergreen, along Maple, to south of Bastanchury, in the City of Fullerton.

**Justification**

The need for this project was identified in the January 2006 Draft Strategic Plan Update. Based on current flow projections and hydraulic modeling, this project must be completed by 2015.

The project budget has been increased from \$996,000 to \$2,287,000 to reflect the revised project cost estimate.

The project's construction cost budget is \$1,383,000. The impacts to operational budgets have not yet been determined.



## Collections Facilities

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	2,000			2,000				
Preliminary Design	35,000			28,000	7,000			
Design	256,000				256,000			
Const. & Installation	1,637,000				16,000	1,621,000		
Commission	30,000					30,000		
Close-Out	51,000					33,000	18,000	
Contingency	276,000						276,000	
<b>Total</b>	<b>2,287,000</b>			30,000	279,000	1,684,000	294,000	

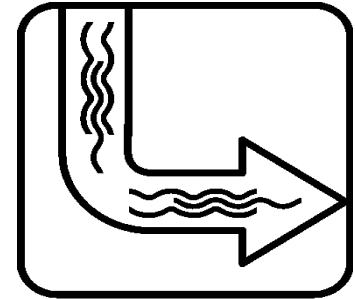
Reimbursable Costs    N/A

# 2010-11 & 2011-12 Budget

<b>Project Name &amp; Number</b>	<b>Rehabilitation of the Westside Pump Station - 03-52</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

This project will rehabilitate the existing Westside Pump Station and increase the station's capacity to meet current and projected peak wet-weather flows. The existing station is located in Roosmoor. The work includes the addition of pumping capacity and bringing the pumping station into compliance with the latest applicable electrical and safety codes. Compliance requires that the electrical facilities be effectively sealed from the lower sections of the pumping station. At the Westside Pumping Station, this requires the construction of a separate access stairwell to the lower section of the pumping station, replacement of the pumps and controls, and modification of ventilation systems.



**Collections  
Facilities**

**Justification**

The Westside Pump Station was originally constructed in 1970. The existing pumping station does not comply with current electrical and safety codes and is at capacity. The pumping station needs to be upgraded and expanded to serve redevelopment in the City of Seal Beach and the unincorporated area of Orange County known as Rossmoor.

The project budget has been increased from \$11,275,000 to \$11,668,000 to reflect project scope changes and the revised project cost estimate.

The project's construction cost budget is \$6,473,500. This project will not have an impact on operational budgets.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	69,000	69,000						
Preliminary Design	825,000	825,000						
Design	1,374,000	1,374,000						
Const. & Installation	8,726,000	7,690,000	1,036,000					
Commission	260,000	232,000	28,000					
Close-Out	164,000		162,000	2,000				
Contingency	250,000			250,000				
<b>Total</b>	<b>11,668,000</b>	<b>10,190,000</b>	<b>1,226,000</b>	<b>252,000</b>				

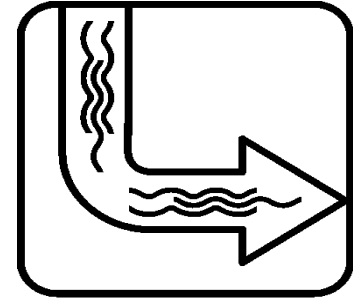
Reimbursable Costs N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Rehabilitation of Magnolia Trunk Sewer - 03-58</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

This project will perform condition assessment, design and construction to rehabilitate a portion of the existing Magnolia Trunk Sewer, along Bushard and Magnolia Streets and between Ellis Avenue and Westminster Avenue, in the Cities of Fountain Valley, Westminster and Garden Grove. The entire twelve miles of trunk sewer were assessed and required improvements will be prioritized for design and construction. Based on the District's current understanding of existing conditions, it is anticipated that 2-3 miles of sewer will require rehabilitation.



**Collections  
Facilities**

**Justification**

The sewer was originally constructed in 1961; the estimated life of this type of pipe is 40 to 50 years. During routine cleaning of the sewer, it has been noted that the sewer liner had significant defects and the concrete pipe behind the liner was deteriorating due to corrosive sewer gases. The Magnolia Trunk Sewer was scheduled for rehabilitation under a previous project, Contract No. 03-35R. When repairs were started under this project, the damages to the liner and pipe concrete were found to be more extensive than anticipated, and the original project was cancelled. A new project was chartered and restarted under project 3-58 with a revised budget.

The project budget has been decreased from \$27,886,000 to \$26,721,000 to reflect contingency reduction and the revised project cost estimate.

The project's construction cost budget is \$20,000,000. This project will not have an impact on operational budgets.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	1,016,000	1,016,000						
Preliminary Design	900,000	900,000						
Design	627,000	334,000	293,000					
Const. & Installation	20,976,000	276,000	17,430,000	3,270,000				
Commission	80,000			80,000				
Close-Out	122,000			98,000	24,000			
Contingency	3,000,000				3,000,000			
<b>Total</b>	<b>26,721,000</b>	<b>2,526,000</b>	<b>17,723,000</b>	<b>3,448,000</b>	<b>3,024,000</b>			

Reimbursable Costs    N/A



# 2010-11 & 2011-12 Budget

<b>Project Name &amp; Number</b>	<b>Balboa Trunk Sewer Rehabilitation - 05-47</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

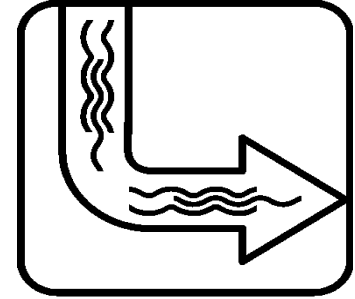
This project will rehabilitate the existing Balboa Trunk Sewer along Newport and Balboa Boulevards between the "A" Street Pump Station and the Lido Pump Station in the City of Newport Beach. The scope of the project includes approximately 12,600 feet of 15-inch and 24-inch pipe.

It is likely that a liner will be installed in the pipe because sections of the pipe have already had joints sealed and manholes rehabilitated to reduce infiltration and inflow (I/I). The manholes may be coated with a protective liner, or replaced. This project will increase the life expectancy of the trunk sewer by 25-30 years. By rehabilitating the sewer rather than replacing the sewer, community disruption will be kept to a minimum and capital savings will be realized.

**Justification**

The sewer was originally constructed in 1944, and the estimated life of this type of pipe is 40 to 50 years. Several efforts have been employed to limit the amount of I/I including joint repairs and manhole rehabilitations, but the sewer requires more extensive rehabilitation due to its age and current condition. Installing a liner in the pipes will restore the structural integrity of the pipe.

The project's construction cost budget is \$5,200,000. This project will not have an impact on operational budgets.



**Collections Facilities**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	144,000	144,000						
Preliminary Design	863,000	863,000						
Design	466,000		416,000	50,000				
Const. & Installation	5,986,000	49,000		2,140,000	3,777,000	20,000		
Commission	170,000				170,000			
Close-Out	85,000				19,000	62,000	4,000	
Contingency	800,000						800,000	
<b>Total</b>	<b>8,514,000</b>	<b>1,056,000</b>	<b>416,000</b>	<b>2,190,000</b>	<b>3,966,000</b>	<b>82,000</b>	<b>804,000</b>	

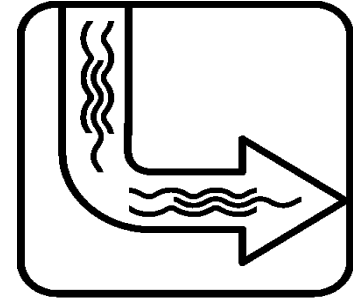
Reimbursable Costs N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Replacement of the Bitter Point Pump Station - 05-49</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

This project will construct a new pump station to replace the existing Bitter Point Pump Station. The new pump station will meet all current national and state codes and District standards. The station will also have the capacity required for the 1999 Strategic Plan projected flows. The station's design will incorporate a new "sound wall" barrier along PCH. The Scope of Work includes demolition of the existing pump station, acquisition of property, construction of specialized excavation, shoring, and dewatering equipment, and the addition of a chemical injection system to combat hydrogen sulfide odors and related corrosion. The Bitter Point Pump Station discharge force mains are also being reconstructed as part of a larger effort to allow for system-wide maintenance of the Newport force main system.



## Collections Facilities

**Justification**

The Bitter Point Pump Station was originally built in 1937 for the City of Newport Beach. The existing station does not comply with current electrical and safety codes, is at capacity, and is landlocked. The existing site cannot accommodate the additional pumping capacity required for wet weather peak flows. Additionally, a separate above ground electrical building is needed to comply with current electrical and safety codes for these facilities. Also, this is one of a series of projects along the Newport Beach coastline that will convert the two independent parallel pumping systems into an interconnected pumping system that will allow the string of coastal pump stations to pump into either force main system during maintenance and repairs.

The project budget has been increased from \$31,904,000 to \$32,084,000 to reflect the revised project cost estimate.

The project's construction cost budget is \$19,837,203. This project will not have an impact on operational budgets.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	42,000	42,000						
Preliminary Design	593,000	593,000						
Design	4,488,000	4,488,000						
Const. & Installation	24,405,000	9,162,000	11,840,000	3,403,000				
Commission	408,000	2,000		406,000				
Close-Out	173,000			73,000	100,000			
Contingency	1,975,000				1,975,000			
<b>Total</b>	<b>32,084,000</b>	<b>14,287,000</b>	<b>11,840,000</b>	<b>3,882,000</b>	<b>2,075,000</b>			

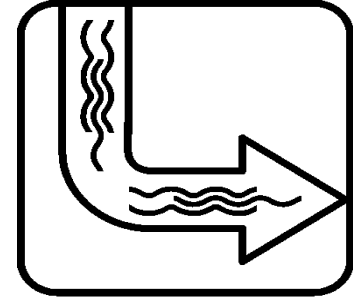
Reimbursable Costs    N/A

# 2010-11 & 2011-12 Budget

<b>Project Name &amp; Number</b>	<b>Replacement of the Rocky Point Pump Station - 05-50</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

This project will construct a replacement pumping station to the existing Rocky Point Pump Station in Newport Beach. The existing pumping station is located within the Balboa Bay Club on Pacific Coast Highway. The project includes the acquisition of a new site, the construction of a new and larger station, the reconstruction of a portion of the larger Newport force main system, and the demolition of the existing pump station. Also, the discharge force mains from the facility are being reconstructed as part of a larger effort to allow for system-wide maintenance of the Newport force main system.



**Collections  
Facilities**

**Justification**

The Rocky Point Pump Station was originally built in 1937 for the City of Newport Beach. The existing station does not comply with current electrical and safety codes, is at capacity, and is landlocked. The station needs additional pumping capacity for existing wet weather peak flows and a separate above ground electrical building to comply with current electrical and safety codes. The existing site cannot accommodate these facilities. This is one of a series of projects that will convert the two independent parallel pumping systems into an interconnected pumping system that allows the string of coastal pumping stations to pump into either force main system during maintenance and repairs.

The project budget has been decreased from \$30,952,000 to \$20,360,000 to reflect construction bids which were lower than anticipated.

The project's construction cost budget is \$8,920,605. This project will not have an impact on operational budgets.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	14,000	14,000						
Preliminary Design	2,524,000	2,524,000						
Design	5,037,000	5,037,000						
Const. & Installation	11,446,000	4,183,000	7,026,000	237,000				
Commission	279,000		157,000	122,000				
Close-Out	222,000			206,000	16,000			
Contingency	838,000				838,000			
<b>Total</b>	<b>20,360,000</b>	<b>11,758,000</b>	<b>7,183,000</b>	<b>565,000</b>	<b>854,000</b>			

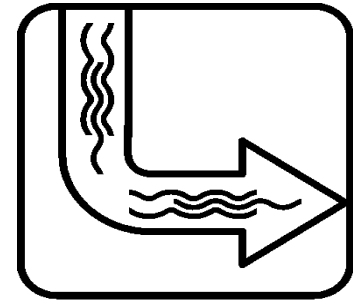
Reimbursable Costs N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Bitter Point Force Main Rehabilitation - 05-58</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

The project will construct a new larger 6,500-foot force main for the proposed Bitter Point Pumping Station replacement project in the City of Newport Beach. This project is to replace an existing force main that traverses across oilfields and under the Santa Ana River in the western portion of the City. The project will include approximately 1,400 feet of microtunneling under the river with a 96-inch casing steel pipe to install two 36-inch carrier pipes. The project includes construction of the force main pipeline in the existing force main corridor, from the proposed replacement pumping station site to the Sanitation District's Treatment Plant No. 2.



## Collections Facilities

**Justification**

The existing force main to be replaced has failed and conflicts with the Headworks Replacement Project, Job No. P2-66, at the Sanitation District's Treatment Plant No. 2 in Huntington Beach. As an alternative to rehabilitating the existing force mains, Sanitation District staff evaluated several alternatives for complete replacement with new force mains including one along Pacific Coast Highway. The current project was found to be the most cost effective alternative. This is one of a series of projects that will convert the two independent parallel pumping systems into two interconnected pumping systems that allow the string of coastal pumping stations to pump into either force main system during maintenance and repairs.

The project budget has been decreased from \$26,007,000 to \$25,883,000 to reflect contingency reduction and the revised project cost estimate.

The project's construction cost budget is \$19,000,000. This project will not have an impact on operational budgets.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	164,000	164,000						
Preliminary Design	805,000	805,000						
Design	1,380,000	1,380,000						
Const. & Installation	22,325,000	20,930,000	1,395,000					
Commission	54,000	52,000	2,000					
Close-Out	179,000	35,000	142,000	2,000				
Contingency	976,000			976,000				
<b>Total</b>	<b>25,883,000</b>	<b>23,366,000</b>	<b>1,539,000</b>	<b>978,000</b>				

Reimbursable Costs    N/A

# 2010-11 & 2011-12 Budget

<b>Project Name &amp; Number</b>	<b>Newport Force Main Condition Assessment - 05-60</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

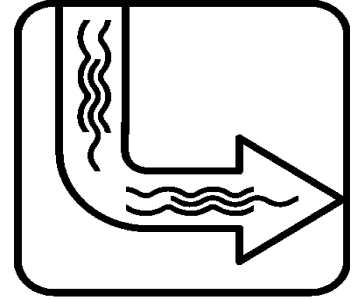
The project will include the rehabilitation of the north and south portions of the Newport Force Main Network system.

**Justification**

The system has reached the end of its useful life and needs rehabilitation. OCS D has been inspecting and tracking the deterioration of the system pipes for about 10 years and has determined that it is time for rehabilitation.

The project budget has been increased from \$7,024,000 to \$22,591,000 to reflect project scope changes and the revised project cost estimate.

The project's construction cost budget is \$13,700,000. This project will not have an impact on operational budgets.



**Collections  
Facilities**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	399,000	399,000						
Preliminary Design	1,531,000	1,191,000	340,000					
Design	1,386,000	14,000	732,000	633,000	7,000			
Const. & Installation	16,274,000	15,000			16,259,000			
Commission	17,000				17,000			
Close-Out	18,000				12,000	6,000		
Contingency	2,966,000					2,966,000		
<b>Total</b>	<b>22,591,000</b>	<b>1,619,000</b>	<b>1,072,000</b>	<b>633,000</b>	<b>16,295,000</b>	<b>2,972,000</b>		

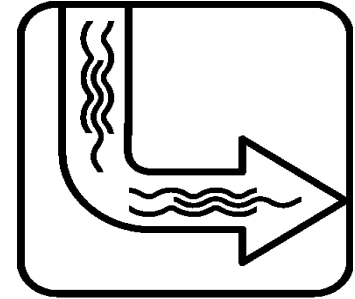
Reimbursable Costs N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Bayside Drive Improvement - 05-61</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

This project will rehabilitate the existing Bayside Drive Trunk sewer along Bayside Drive between Carnation Avenue and El Paseo Drive in the City of Newport Beach. The scope of the project includes the rehabilitation of approximately 3,100 feet of 24-inch pipe and 5 manholes. It is likely that a liner will be installed in the pipe to protect the ductile iron from internal and external corrosion from hydrogen sulfide corrosion and salinity in the groundwater. This project will increase the life expectancy of the trunk sewer by 25-30 years. By rehabilitating the sewer rather than replacing the sewer, community disruption will be kept to a minimum and capital savings will be realized.



**Collections  
Facilities**

**Justification**

The sewer was originally constructed in 1979, and the estimated life of this type of pipe is 20 to 50 years. During CCTV monitoring, it has been noted that the sewer is deteriorating due to corrosive sewer gases. Also, a recent evaluation found the soils near the pipeline to be corrosive to ductile iron pipe and there is evidence of external corrosion. Because the Sanitation District has recently experienced failures of this type in Newport Beach, the project was initiated immediately after the external corrosion was found. Delaying this project increases the potential for corrosion damage. Deteriorated sewers and manholes are at risk of potential collapse requiring expensive emergency repairs on the sewer and adjacent roadways.

The project budget has been decreased from \$3,750,000 to \$3,415,000 to reflect construction bids which were lower than anticipated.

The project's construction cost budget is \$1,611,977. This project will not have an impact on operational budgets.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	232,000	232,000						
Preliminary Design	460,000	460,000						
Design	374,000	374,000						
Const. & Installation	2,056,000	1,956,000	100,000					
Commission	47,000	47,000						
Close-Out	96,000	44,000	52,000					
Contingency	150,000		150,000					
<b>Total</b>	<b>3,415,000</b>	<b>3,113,000</b>	<b>302,000</b>					

Reimbursable Costs    N/A

# 2010-11 & 2011-12 Budget

<b>Project Name &amp; Number</b>	<b>Dover Drive Trunk Sewer Relief - 05-63</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

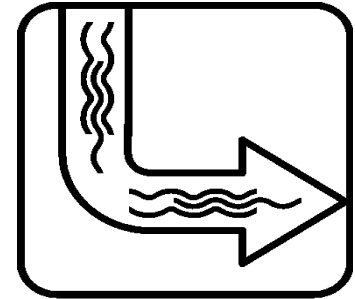
This project consists of conducting a feasibility study to increase the hydraulic capacity for 7,300 lineal feet of existing 15-inch through 18-inch sewer line located along Dover Drive between Irvine Avenue and Pacific Coast Highway in the City of Newport Beach. This project allows for the design and construction of a major trunk sewer within a heavily used city street located in a highly residential/commercial area of the city.

**Justification**

The Sanitation District's strategic plan update conducted in 2006 indicated that the Dover Drive Trunk Sewer will surcharge under the 2010 wet weather flow conditions, therefore, the existing sewer pipes need to be upsized to avoid a potential spill. In addition to the capacity deficiency, Sanitation District staff conducted a CCTV inspection and determined that portions of the existing sewer line have deteriorated and may need to be rehabilitated or replaced.

The project budget has been increased from \$6,787,000 to \$13,346,000 to reflect project scope changes, contingency increase, consultant fee proposals which were higher than anticipated and the revised project cost estimate.

The project's construction cost budget is \$9,344,822. This project will not have an impact on operational budgets.



**Collections  
Facilities**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	326,000	326,000						
Preliminary Design	516,000	516,000						
Design	1,357,000	915,000	442,000					
Const. & Installation	10,102,000	31,000	657,000	9,046,000	368,000			
Commission	117,000			74,000	43,000			
Close-Out	59,000				57,000	2,000		
Contingency	869,000					869,000		
<b>Total</b>	<b>13,346,000</b>	<b>1,788,000</b>	<b>1,099,000</b>	<b>9,120,000</b>	<b>468,000</b>	<b>871,000</b>		

Reimbursable Costs N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Lido Pumping Station Upgrade and Rehabilitation - 05-65</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>New</b>

**Description**

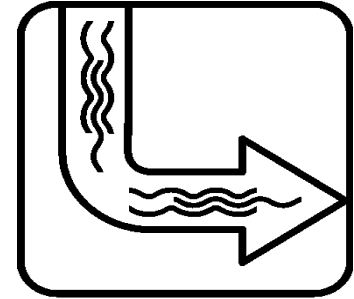
This project will replace the corroded pumps, motors, and associated electrical equipment at the Lido Pumping Station.

**Justification**

Sea water intrusion into the Balboa Peninsula sewage collection system has caused the cooling jackets of the pump motors to be severely corroded. These pumps are also subject to vapor locking.

The construction contract budget is \$700,000.

This project will not have an impact on operational budgets.



**Collections  
Facilities**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev								
Preliminary Design	16,000		13,000	3,000				
Design	113,000			111,000	2,000			
Const. & Installation	1,227,000				78,000	354,000	763,000	32,000
Commission	14,000							14,000
Close-Out	22,000							22,000
Contingency	123,000							123,000
<b>Total</b>	<b>1,515,000</b>		<b>13,000</b>	<b>114,000</b>	<b>80,000</b>	<b>354,000</b>	<b>763,000</b>	<b>191,000</b>

Reimbursable Costs    N/A



# 2010-11 & 2011-12 Budget

<b>Project Name &amp; Number</b>	<b>District 6 Trunk Sewer Relief - 06-17</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

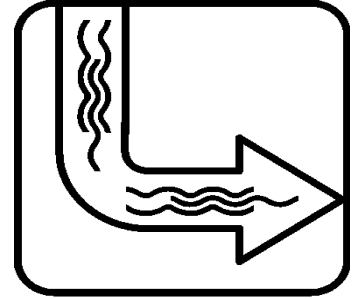
This project is to increase the capacity of the District 6 Trunk sewer to provide for future flows. The existing 3,700 feet of 12-inch through 18-inch pipeline runs west of Pomona, southerly to 16th Street, to Newport Boulevard, and southerly along Newport Boulevard towards Coast Highway in the Cities of Costa Mesa and Newport Beach.

**Justification**

The need for this project was identified in the January 2006 Draft Strategic Plan Update. Based on current flow projections and hydraulic modeling, this project must be completed by 2015.

The project budget has been increased from \$2,201,000 to \$5,126,000 to reflect the revised project cost estimate.

The project's construction cost budget is \$3,033,000. The impacts to operational budgets have not yet been determined.



**Collections  
Facilities**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	34,000	6,000		28,000				
Preliminary Design	168,000			20,000	148,000			
Design	530,000				337,000	193,000		
Const. & Installation	3,670,000					352,000	3,218,000	100,000
Commission	57,000						46,000	11,000
Close-Out	61,000							61,000
Contingency	606,000							606,000
<b>Total</b>	<b>5,126,000</b>	<b>6,000</b>		<b>48,000</b>	<b>485,000</b>	<b>545,000</b>	<b>3,264,000</b>	<b>778,000</b>

Reimbursable Costs N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Southwest Costa Mesa Trunk - 06-19</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

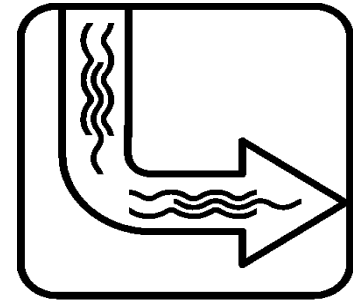
This project will design and construct a new gravity trunk sewer to extend westerly in West 19th Street in Costa Mesa, across a wetland marsh area east of the Santa Ana River, to a new manhole connection in Brookhurst Street to the existing 96-inch diameter Interplant line. This includes preparation of documentation to comply with the California Environmental Quality Act (CEQA).

**Justification**

This project dates back to the 1980's when Costa Mesa Sanitary District originally requested a new regional sewer. Costa Mesa Sanitary District and the City of Newport Beach have been interested in abandoning 9 pumping stations in this area. The pumping stations in the area needed to either be completely replaced or abandoned. This project will allow for the local agencies to abandon those stations and OCSD to eliminate the previously planned 06-17 project.

The project budget has been increased from \$12,711,000 to \$13,309,000 to reflect the revised project cost estimate.

The project's construction cost budget is \$8,241,000. This project will increase operational budgets by \$5,000 per year.



**Collections  
Facilities**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	72,000		72,000					
Preliminary Design	337,000		22,000	315,000				
Design	995,000			176,000	635,000	184,000		
Const. & Installation	9,871,000					558,000	8,779,000	534,000
Commission	212,000						110,000	102,000
Close-Out	174,000							174,000
Contingency	1,648,000							1,648,000
<b>Total</b>	<b>13,309,000</b>		<b>94,000</b>	<b>491,000</b>	<b>635,000</b>	<b>742,000</b>	<b>8,889,000</b>	<b>2,458,000</b>

Reimbursable Costs    N/A

# 2010-11 & 2011-12 Budget

<b>Project Name &amp; Number</b>	<b>Gisler-Redhill System Improvements, Reach B - 07-37</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

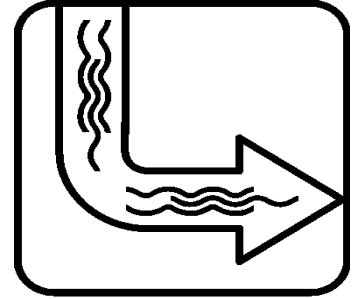
This project will rehabilitate sewers in the Gisler-Redhill System. This will include providing interties, new diversion settings, and sliplining. The project includes repairs of up to 13,200 feet along Redhill Avenue in the Cities of Santa Ana, Tustin and Irvine.

**Justification**

This section of the Gisler-Redhill System was originally built in the 1960's. Based on condition assessments of the pipes, rehabilitation is needed. To accommodate near-term future flows the project will also reset several diversions to accommodate new flows.

The project budget has been increased from \$9,170,000 to \$9,622,000 to reflect contingency increase.

The project's construction cost budget is \$6,000,000. This project will not have an impact on operational budgets.



**Collections  
Facilities**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	16,000	16,000						
Preliminary Design	294,000	294,000						
Design	1,709,000	1,284,000	406,000	19,000				
Const. & Installation	6,897,000	81,000		6,766,000	50,000			
Commission	70,000			70,000				
Close-Out	36,000			14,000	22,000			
Contingency	600,000				600,000			
<b>Total</b>	<b>9,622,000</b>	<b>1,675,000</b>	<b>406,000</b>	<b>6,869,000</b>	<b>672,000</b>			

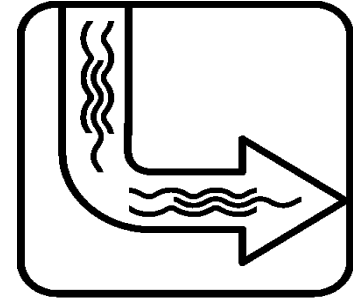
Reimbursable Costs N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Rehabilitation of College Ave. Pump Station - 07-47</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

This project will rehabilitate the existing College Avenue Pump Station to meet current and projected peak wet-weather flows. The existing station is located in the City of Costa Mesa. The work includes the installation of new pumping equipment and bringing the pumping station into compliance with the latest applicable electrical and safety codes. Compliance requires that the electrical facilities be effectively sealed from the lower sections of the pumping station. At the College Avenue Pump Station, this requires the construction of a separate access stairwell to the lower section of the pumping station, replacement of the pumps and controls, and modification of ventilation systems.



## Collections Facilities

**Justification**

The College Ave. Pump Station was originally constructed in the 1960's. The existing pumping station does not comply with current electrical and safety codes and is at capacity. The pumping station needs to be upgraded and expanded to serve redevelopment in the Cities of Costa Mesa and Santa Ana.

The project budget has been increased from \$11,246,000 to \$11,445,000.

The project's construction cost budget is \$6,105,000. This project will not have an impact on operational budgets.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	56,000	56,000						
Preliminary Design	685,000	685,000						
Design	1,504,000	1,504,000						
Const. & Installation	8,321,000	8,321,000						
Commission	487,000	487,000						
Close-Out	191,000	109,000	82,000					
Contingency	201,000		201,000					
<b>Total</b>	<b>11,445,000</b>	<b>11,162,000</b>	<b>283,000</b>					

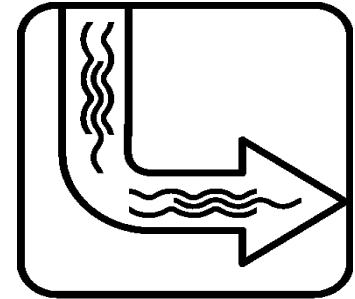
Reimbursable Costs    N/A

# 2010-11 & 2011-12 Budget

<b>Project Name &amp; Number</b>	<b>County Island Annexation and CEQA Documentation - 07-61</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

This project is to prepare environmental documentation necessary to evaluate and analyze the environmental effects associated with the annexation of 550 land parcels to the Orange County Sanitation District. The parcels are located in unincorporated portions of the County of Orange known as Cowan Heights, Lemon Heights, and Orange Park Acres. The project will address the remaining developed properties on parcels that have not been annexed to the Sanitation District and are presently on septic tanks. These properties are anticipated to connect directly to a public sewer by the year 2015.



**Collections Facilities**

**Justification**

This project reduces the potential for groundwater contamination in accordance with Sanitation District Resolution 99-05, which supports abandonment of septic tanks and connection to sanitary sewers to protect the public health and the environment. The annexation of 550 parcels to the Sanitation District service area requires preparation of an environmental document to determine if there are any significant impacts from the proposed action in compliance with the California Environmental Quality Act (CEQA). This document will also include the various jurisdictional boundary changes and discretionary approvals (e.g. LAFCO and others) that are required before these properties can be annexed or sewer connections made within the Sanitation District's service area. The completion of the environmental documentation will allow sewer service to extend into these unincorporated areas outside the Sanitation District's current boundary.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	182,000	141,000	41,000					
Preliminary Design	51,000	51,000						
Design	15,000	15,000						
Const. & Installation	52,000	52,000						
Commission								
Close-Out								
Contingency								
<b>Total</b>	<b>300,000</b>	<b>259,000</b>	<b>41,000</b>					

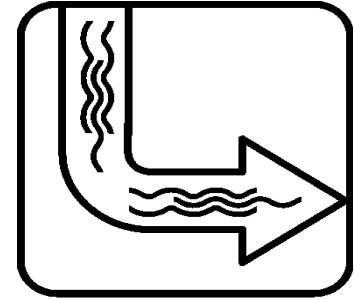
Reimbursable Costs N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Coast Trunk Sewer Rehabilitation - 11-26</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

This project will rehabilitate the existing Coast Trunk Sewer along Pacific Coast Highway between First Street and Brookhurst Street, in the City of Huntington Beach. The scope of the project includes rehabilitation of approximately 7,000 feet of 54-inch, 300 feet of 72-inch, and 900 feet of 84-inch pipe. The rehabilitation is needed to protect the concrete from corrosion by the sewer. This project will increase the life expectancy of the trunk sewer by 25-30 years. By rehabilitating the sewer rather than replacing the sewer, community disruption will be kept to a minimum and capital savings will be realized.



**Collections  
Facilities**

**Justification**

The sewer was originally constructed in 1981, and the estimated life of this type of pipe is 40 to 50 years. During routine cleaning of the sewer it was noted that the liner and concrete of the sewer pipe was deteriorating at the waterline due to corrosive sewer gases. Video and physical inspection revealed corrosion of the concrete pipe in the lower portions of the pipe that are not lined. Video and physical inspection also has limited the scope of work to the lengths of pipe that are being subjected to this corrosive condition.

The project budget has been increased from \$8,941,000 to \$9,121,000 to reflect the revised project cost estimate.

The project's construction cost budget is \$5,660,000. This project will not have an impact on operational budgets.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	92,000	92,000						
Preliminary Design	1,439,000	1,439,000						
Design	980,000	980,000						
Const. & Installation	6,563,000	6,563,000						
Commission	4,000	4,000						
Close-Out	40,000	32,000	8,000					
Contingency	3,000		3,000					
<b>Total</b>	<b>9,121,000</b>	<b>9,110,000</b>	<b>11,000</b>					

Reimbursable Costs    N/A

# 2010-11 & 2011-12 Budget

<b>Project Name &amp; Number</b>	<b>Wintersburg Channel Siphon Protection Project - 11-32</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Continuing</b>

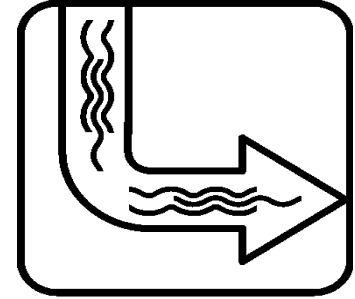
**Description**

This project will provide for project support to protect two existing sewer siphons located under Warner Avenue that conflict with an Orange County Channel Improvement Project. The budget will allow staff to review project design documents and provide inspection services during the County of Orange's protection efforts.

**Justification**

This project provides funding to allow staff to ensure that existing facilities are not damaged during the County of Orange's project to widen the Wintersburg Channel.

This project will not impact the operational budgets.



**Collections  
Facilities**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	75,000		75,000					
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
<b>Total</b>	<b>75,000</b>		<b>75,000</b>					

Reimbursable Costs N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>North County Collections Yard - 15-04</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Continuing</b>

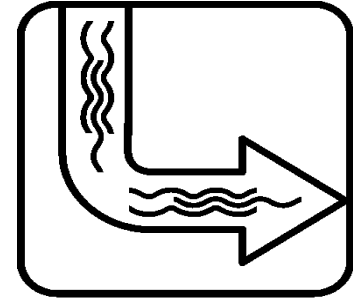
**Description**

This project will purchase a light industrial property of 2.5 acres, located at 7311 Doig Drive in the City of Garden Grove. The property will create a satellite office and maintenance yard for staff, equipment, and collections trucks & trailers. The project includes demolition, site improvements, a new office - shop - warehouse building, training & conference facilities, landscaping, security, and storm water management.

**Justification**

Staff are being relocated to the geographic center of the Sanitation District to improve business efficiencies and decrease response times to incidents in the regional and local collection systems. This project will also free up shop and office space for Maintenance Division staff at Treatment Plant No. 2 (Plant No. 2) and the Source Control Division meeting room and office spaces at Reclamation Plant No. 1.

The project's construction cost budget is \$4,100,000. This project will not have an impact on operational budgets.



**Collections  
Facilities**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	102,000	102,000						
Preliminary Design	115,000	115,000						
Design	6,809,000	6,719,000	90,000					
Const. & Installation	4,539,000	14,000	4,525,000					
Commission	60,000		60,000					
Close-Out	50,000		34,000	16,000				
Contingency	595,000				595,000			
<b>Total</b>	<b>12,270,000</b>	<b>6,950,000</b>	<b>4,709,000</b>	<b>16,000</b>	<b>595,000</b>			

Reimbursable Costs    N/A



# 2010-11 & 2011-12 Budget

<b>Project Name &amp; Number</b>	<b>Facilities Engineering Projects - Collections - FE-Collect</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Continuing</b>

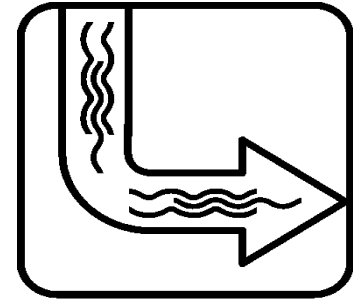
**Description**

This budget provides funds for miscellaneous collection facilities small capital projects. A small capital project is defined as a miscellaneous capital improvement related to plant safety, reliability, or improvements where the professional design consulting services are less than \$100,000. This project acts as an annual budget placeholder for numerous small collection facilities projects. This system results in a fast-track process for the procurement and execution of engineering and contractor services for smaller, but vital projects.

**Justification**

The Collection Facilities Engineering project allows smaller capital projects to extend the life of the existing treatment works and extend the time between major rehabilitations. These smaller, high priority projects are individually tracked within the larger budget for procurement of engineering and contractor services as needed to maintain reliable operations.

The project's construction cost budget is \$4,565,476. This project will not have an impact on operational budgets.



**Collections Facilities**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	266,000	266,000						
Preliminary Design	33,000	33,000						
Design	1,787,000	1,568,000	34,000	18,000	16,000	20,000	22,000	109,000
Const. & Installation	6,384,000	3,248,000	654,000	307,000	305,000	308,000	309,000	1,253,000
Commission	24,000	24,000						
Close-Out	26,000	6,000				6,000	4,000	10,000
Contingency								
<b>Total</b>	<b>8,520,000</b>	<b>5,145,000</b>	<b>688,000</b>	<b>325,000</b>	<b>321,000</b>	<b>334,000</b>	<b>335,000</b>	<b>1,372,000</b>

Reimbursable Costs N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Replacement of the Ellis Ave. Pump Stn - I-10</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

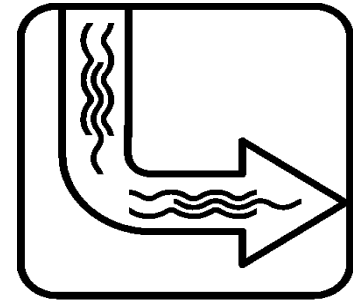
This project will construct a new pump station, 66" gravity sewer, and 48" forcemain to replace the existing Ellis Avenue Pump Station and forcemain. The existing station, used to divert flow from upstream of Plant No. 2 to Plant No. 1, is rated for only 10 mgd, receiving flow only from the Magnolia Trunk. The new pump station is to be rated for 50 mgd and will receive flows from the Magnolia and Knott trunk sewers and discharge to the P1 Headworks.

**Justification**

The increase in diversion flows is necessary to balance flows between Plant No.1 and Plant No. 2. The additional flow will compensate for the diversion of the Santa Ana River Interceptor (SARI) flow from Plant No.1 to Plant No. 2. Diversion of the SARI flow is required due to ongoing reclamation at Orange County Water District's Water Factory 21 to minimize future treatment capital improvements at both plants. Flows from the Magnolia and Knott trunk sewers are required to make up the shortfall from the diversion of the SARI. Thus, a new station and forcemain are required. The pump station will also be used to divert flows during the commissioning of the Headworks Replacement Project at Plant No. 2, Job No. P2-66.

The project budget has been increased from \$78,923,000 to \$79,337,000 to reflect project scope changes and the revised project cost estimate.

The project's construction cost budget is \$62,009,334. This project will increase operational budgets by \$500,000 annually.



**Collections  
Facilities**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	153,000	153,000						
Preliminary Design	3,492,000	3,492,000						
Design	3,155,000	3,155,000						
Const. & Installation	71,073,000	71,073,000						
Commission	972,000	972,000						
Close-Out	492,000	142,000	350,000					
Contingency								
<b>Total</b>	<b>79,337,000</b>	<b>78,987,000</b>	<b>350,000</b>					

Reimbursable Costs    N/A

# 2010-11 & 2011-12 Budget

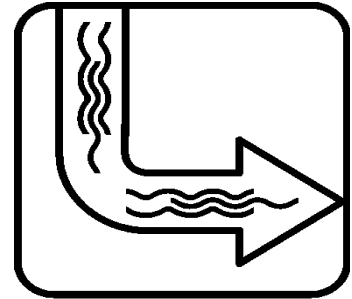
<b>Project Name &amp; Number</b>	<b>Siphon and Manhole Upgrade Feasibility Study - SP-138</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>New</b>

**Description**

This project will evaluate the installation of the remaining 65 air jumpers at various siphon locations to provide positive ventilation of sewer gasses which cause odors and corrosion. The project will also evaluate the existing air jumpers on the Baker-Main system in Costa Mesa and the generation of odor from the gravity sewers feeding the Steve Anderson Lift Station and Plant No. 2.

**Justification**

In January 2004, the District completed a siphon assessment study including field inspection that was conducted in late 2003. Based on the findings of this study and an understanding of associated air quality issues, a decision was made to rehabilitate 16 siphons that were most in need under Project 02-68. This study follows up on resolving the remaining siphons and newly discovered odor issues in the collection system.



**Collections  
Facilities**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	300,000		150,000	150,000				
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
<b>Total</b>	<b>300,000</b>		<b>150,000</b>	<b>150,000</b>				

Reimbursable Costs N/A

# CIP Project Detail Sheets

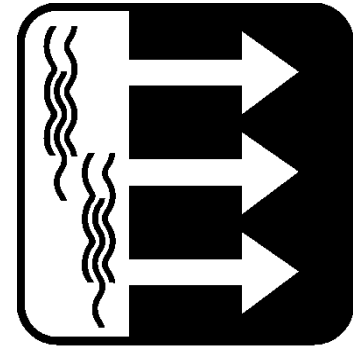
<b>Project Name &amp; Number</b>	<b>Headworks Rehabilitation/Refurbishment - P1-71</b>		
<b>Project Category</b>	<b>Headworks</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

This project replaces the variable frequency drive (VFD) units for the Reclamation Plant No. 1 (Plant No. 1) headworks pumps, which have reached the end of their service life. These units control the speed of the pump motors to accommodate various flow conditions. The items of work include the VFD units, cable tray clean up, new conduit and wiring from the VFDs to the pumps and modifications to Power Building 3A.

**Justification**

The headworks pumps are critical pieces of equipment. They move wastewater into the plant and prevent flooding in the collection system. The VFD drive units have reached the end of their service life and must be replaced. The vendor has discontinued the manufacture of replacement parts jeopardizing the Sanitation District's ability to keep them operational. Each pump will be out of service at some point during construction, temporarily reducing the plant reliability.



**Headworks**

The project budget has been decreased from \$8,944,000 to \$8,374,000 to reflect contingency reduction and the revised project cost estimate.

The project's construction cost budget is \$3,678,463. This project will not have an impact on operational budgets.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	113,000	113,000						
Preliminary Design	481,000	481,000						
Design	1,149,000	1,149,000						
Const. & Installation	5,565,000	5,178,000	387,000					
Commission	484,000	442,000	42,000					
Close-Out	214,000	1,000	193,000	20,000				
Contingency	368,000			368,000				
<b>Total</b>	<b>8,374,000</b>	<b>7,364,000</b>	<b>622,000</b>	<b>388,000</b>				

Reimbursable Costs    N/A

# 2010-11 & 2011-12 Budget

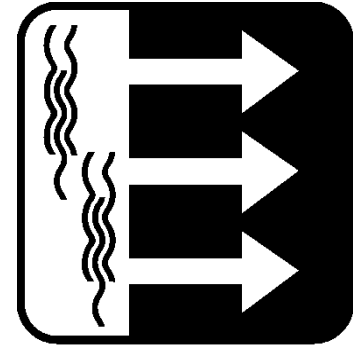
<b>Project Name &amp; Number</b>	<b>Headworks Improvements at Plant No. 2 - P2-66</b>		
<b>Project Category</b>	<b>Headworks</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

This project will replace the existing headworks at Plant No. 2 and will include the following components: influent diversion and metering structure, bar screens, influent pump station, vortex grit chambers, primary influent splitter and metering structure, ferric chloride feed facilities, headworks and trunk line odor control facilities, screenings handling building including Hycor washer/compactors, grit handling building including cyclone classifiers, electrical building and standby power.

**Justification**

Many key components of the headworks facilities at Plant No. 2 are old and are in need of replacement. Most of the gates are in need of replacement and several have already failed. A metering and diversion structure is necessary to allow calibration and maintenance of the meters. The bar screens and grit chambers are also inefficient and grit screenings are passing into the downstream processes causing increased O&M costs. Space within the existing headworks facility is very limited and modifications for rehabilitation would have been difficult or infeasible to implement.



**Headworks**

The project budget has been increased from \$254,497,000 to \$257,733,000 to reflect the revised project cost estimate.

The project's construction cost budget is \$197,661,701. This project will not have an impact on operational budgets.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	64,000	64,000						
Preliminary Design	3,905,000	3,905,000						
Design	14,993,000	14,993,000						
Const. & Installation	228,662,000	210,489,000	9,760,000	8,413,000				
Commission	8,661,000	3,096,000	5,565,000					
Close-Out	448,000	2,000		196,000	250,000			
Contingency	1,000,000				1,000,000			
<b>Total</b>	<b>257,733,000</b>	<b>232,549,000</b>	<b>15,325,000</b>	<b>8,609,000</b>	<b>1,250,000</b>			

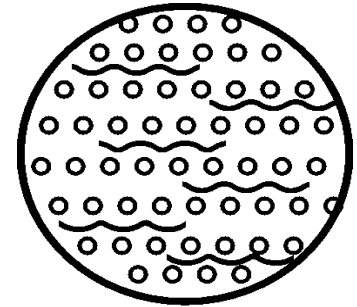
Reimbursable Costs    N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Primary Clarifiers 6-31 Evaluation and Optimization Study - P1-116</b>		
<b>Project Category</b>	<b>Primary Treatment</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

This project will evaluate potential options to improve process performance of the Primary Clarifier Basins 6 through 31 at Reclamation Plant No. 1. This will include further developing past process performance testing recommendations and conducting those process performance tests. The results of the tests will be used to develop potential modifications and upgrades to the Primary Clarifiers to increase performance. The costs and benefits associated with these improvements will be documented for future consideration in the Capital Improvement Program.



**Primary Treatment**

**Justification**

O&M Process Engineering staff has been working with the contractor to develop tests designed to improve the process performance of the Primary Clarifiers. As part of these tests, the performance of the primary clarifiers will be monitored to document potential improvements in process performance parameters, particularly the primary sludge density and the primary sludge pumping rates. Improvements in the primary clarification process are anticipated to result in both capital and operational savings for the District.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	150,000	92,000	58,000					
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
<b>Total</b>	150,000	92,000	58,000					

Reimbursable Costs    N/A

# 2010-11 & 2011-12 Budget

<b>Project Name &amp; Number</b>	<b>Primary Treatment Rehab/Refurb - P2-80</b>		
<b>Project Category</b>	<b>Primary Treatment</b>	<b>Project Status:</b>	<b>Continuing</b>

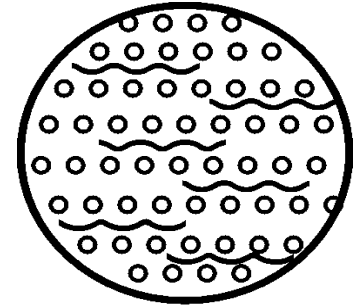
**Description**

This project replaces the existing sludge pumps with new sludge pumps and grinders in order to provide a more uniform sludge to the digesters. In addition, this project upgrades the scum system and provides for rehabilitation and refurbishment of the concrete and steel in the primary clarifiers.

**Justification**

The replacement of the sludge pumps with new sludge pumps and grinders is required in order to support the new sludge feed system being installed as part of project P2-91. The installation of this new system will increase reliability of the sludge system. In addition, the upgrade to the scum system and the concrete and steel repairs will provide better operability and reliability of the primary clarifiers.

The project's construction cost budget is \$22,220,866. This project will not have an impact on operational budgets.



**Primary Treatment**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	148,000	148,000						
Preliminary Design	2,937,000	2,937,000						
Design	5,863,000	5,863,000						
Const. & Installation	28,732,000	28,732,000						
Commission	663,000	663,000						
Close-Out	388,000	56,000	330,000	2,000				
Contingency	192,000			192,000				
<b>Total</b>	<b>38,923,000</b>	<b>38,399,000</b>	<b>330,000</b>	<b>194,000</b>				

Reimbursable Costs N/A

# CIP Project Detail Sheets

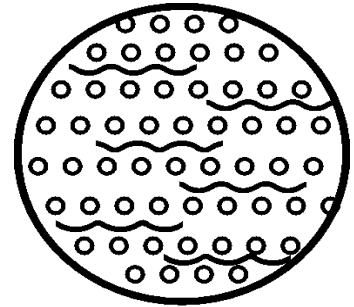
<b>Project Name &amp; Number</b>	<b>Primary Treatment Area Rehabilitation Study - SP-137</b>		
<b>Project Category</b>	<b>Primary Treatment</b>	<b>Project Status:</b>	<b>New</b>

**Description**

This project will provide a comprehensive condition assessment of the Primary Treatment area of Plant No. 1. The results of the study will be used to identify and plan future rehabilitation efforts for the area of the treatment plant.

**Justification**

Primary clarifiers 3, 4 and 5 were originally installed between 1956 and 1963, and were modified/rehabilitated in 1987. Some of the piping and support systems were installed in the early 1950's and have not been assessed but appear to be in need of rehabilitation. A number of near-term repairs have been identified; however, a comprehensive assessment is needed to understand the true rehabilitation needs for this section of the treatment plant.



**Primary Treatment**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	300,000		150,000	150,000				
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
<b>Total</b>	300,000		150,000	150,000				

Reimbursable Costs    N/A



# 2010-11 & 2011-12 Budget

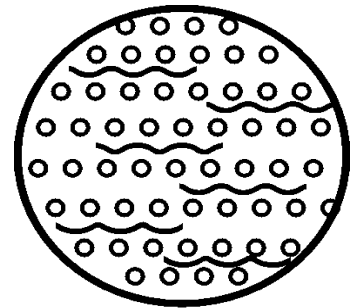
<b>Project Name &amp; Number</b>	<b>54-inch Primary Effluent Butterfly Valve Use Study - SP-144</b>		
<b>Project Category</b>	<b>Primary Treatment</b>	<b>Project Status:</b>	<b>New</b>

**Description**

This project will resolve operational and maintenance issues associated with the 54-inch butterfly valve on the 54-inch primary effluent pipeline at the junction to the 108-inch primary effluent pipeline at Plant No. 2.

**Justification**

The valve does not operate properly. Efforts to dewater portions of the pipeline during the Project P2-80 condition assessment were not successful because this valve did not seal. Operations has not been able to inspect that valve to determine why it did not seal, the valve condition, or what is needed to fix it. Subsequent conversations with Operations have indicated the need for some type of flow isolation device at this location, but the exact type of device has not been determined.



**Primary Treatment**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	25,000		25,000					
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
<b>Total</b>	<b>25,000</b>		<b>25,000</b>					

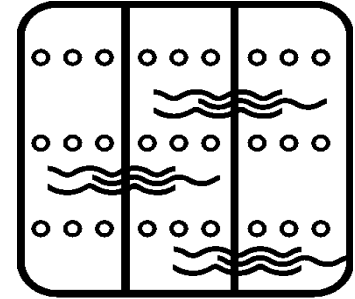
Reimbursable Costs N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>New Secondary Treatment System at Plant No. 1 - P1-102</b>		
<b>Project Category</b>	<b>Secondary Treatment</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

This project expands secondary treatment facilities at Reclamation Plant No. 1 (Plant No. 1) to meet secondary treatment standards. This project includes construction of aeration basins, clarifiers, a blower building, and return/waste sludge pumping stations for additional secondary treatment capacity of 60 MGD at Plant No. 1. This project is part of the Secondary Treatment Standards Program. The activated sludge process was chosen as the most cost effective process to achieve secondary standards and allow future reclamation activities at Plant No. 1.



**Secondary Treatment**

**Justification**

This project is necessary to support the Sanitation District's July 17, 2002 decision to meet secondary treatment standards. This project will enable Plant No. 1 to meet secondary standards by increasing secondary treatment capacity by 60 MGD. Two Secondary Expansion Consent Decree dates for the project have been established in 2006 and 2012 with penalties of up to \$27,000 per day if the deadlines are not met.

The project's construction cost budget is \$208,483,860. This project will increase operational budgets by \$4,000,000 annually.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	141,000	141,000						
Preliminary Design	5,257,000	5,257,000						
Design	13,052,000	13,052,000						
Const. & Installation	233,938,000	203,674,000	30,264,000					
Commission	3,436,000	34,000	1,953,000	1,449,000				
Close-Out	459,000		244,000	215,000				
Contingency	4,017,000			4,017,000				
<b>Total</b>	<b>260,300,000</b>	<b>222,158,000</b>	<b>32,461,000</b>	<b>5,681,000</b>				

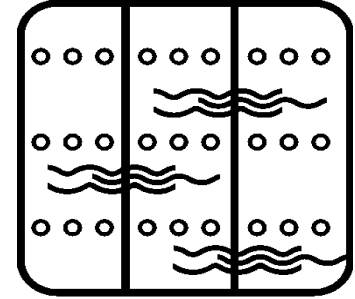
Reimbursable Costs    N/A

# 2010-11 & 2011-12 Budget

<b>Project Name &amp; Number</b>	<b>Activated Sludge Plant Rehabilitation - P1-82</b>		
<b>Project Category</b>	<b>Secondary Treatment</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

This project will rehabilitate the existing Plant No. 1 Activated Sludge Facility. The work includes: rehabilitation of Influent Splitter Box, Step and Plug Flow Feed Gates, aeration piping and diffusers, mixed liquor channel aeration piping and valves; providing standby power; improving the power supply; adding two new secondary clarifiers, J-42 activated sludge reinvention ideas, and J-25-4 electrical system improvements. RAS piping and pumping improvements for full nitrification mode were not installed under this project and may be needed in the future. The project has continued beyond construction completion to conduct process performance testing. The performance testing is a joint effort between the design consultant and OCSD staff.



**Secondary Treatment**

**Justification**

This project is to ensure that the existing activated sludge plant can operate at its design capacity with a high degree of reliability. By replacing equipment that has reached the end of its useful life and by restoring the entire process facility, the District will be able to reliably treat the amount of wastewater required by its permittees and those relying on the supply of secondary treated water. The facility will also now be able to operate in a mode to remove ammonia (nitrification mode). Process performance testing is being conducted for the nitrification mode of operation to see if the plant can operate at the design conditions, to allow operators to become accustomed to the new way to operate the facility, to obtain data to calibrate a computer program that projects process performance under different scenarios, and to determine process limitations.

The project's construction cost budget is \$33,616,078. This project will not have an impact on operational budgets.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	82,000	82,000						
Preliminary Design	128,000	128,000						
Design	4,356,000	4,356,000						
Const. & Installation	39,044,000	39,044,000						
Commission	2,745,000	2,557,000	188,000					
Close-Out	293,000	271,000	22,000					
Contingency	113,000		113,000					
<b>Total</b>	<b>46,761,000</b>	<b>46,438,000</b>	<b>323,000</b>					

Reimbursable Costs N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Trickling Filters at Plant No. 2 - P2-90</b>		
<b>Project Category</b>	<b>Secondary Treatment</b>	<b>Project Status:</b>	<b>Revised</b>

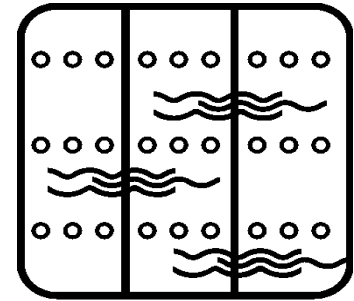
**Description**

This project expands secondary treatment facilities at Treatment Plant No. 2 to meet secondary treatment standards. This project includes construction of three trickling filters, a solids contact basin, and six clarifiers for additional secondary treatment capacity of 60 MGD at Plant No. 2. This project is part of the Secondary Standards Program. The trickling filter/solids contact process was chosen after preliminary design as the most cost effective process to achieve secondary standards at Plant No. 2.

**Justification**

This project is necessary to support the Sanitation District's July 17, 2002 decision to meet secondary treatment standards. This project will enable Plant No. 2 to meet secondary standards by increasing secondary treatment capacity by 60 MGD. Two Secondary Expansion Consent Decree dates have been established for this project, in 2007 and 2011, with penalties of up to \$27,000 per day if the deadlines are not met.

The project's construction cost budget is \$180,650,000. This project will increase operational budgets by \$3,290,000 annually.



**Secondary Treatment**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	293,000	293,000						
Preliminary Design	3,474,000	3,474,000						
Design	8,978,000	8,978,000						
Const. & Installation	200,680,000	184,976,000	15,704,000					
Commission	3,572,000	222,000	3,350,000					
Close-Out	730,000		497,000	233,000				
Contingency	5,511,000				5,511,000			
<b>Total</b>	<b>223,238,000</b>	<b>197,943,000</b>	<b>19,551,000</b>	<b>233,000</b>	<b>5,511,000</b>			

Reimbursable Costs    N/A

# 2010-11 & 2011-12 Budget

<b>Project Name &amp; Number</b>	<b>Oxygen Plant Rehabilitation at Plant No. 2 - SP-129</b>		
<b>Project Category</b>	<b>Secondary Treatment</b>	<b>Project Status:</b>	<b>Continuing</b>

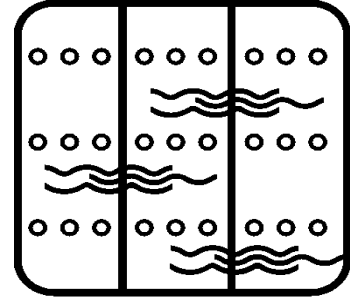
**Description**

This project will rehabilitate the deteriorating oxygen plant at Plant No.2. This may include constructing a new facility with new Vacuum (Pressure) Swing Adsorption technology and the complete demolition of the existing facility OR general repairs to the existing site and equipment and upgrades to the instrumentation and controls and the oxygen plant generating equipment. The plant is currently operated and maintained by Air Products and Chemicals, Inc. per agreement. The assets are owned by OCSD.

**Justification**

O&M recently prepared an evaluation of the oxygen plant in response to repairs needed at the plant. The resulting report identified the scope and magnitude of the needed repairs. Also, these repairs allow the next solicitation for services to operate the facility after the existing contract expires.

The project's construction cost budget is \$1,510,000. This project will not have an impact on operational budgets.



**Secondary Treatment**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	16,000	16,000						
Preliminary Design	70,000	70,000						
Design	460,000	2,000	458,000					
Const. & Installation	1,575,000			1,554,000	21,000			
Commission	42,000	4,000		8,000	30,000			
Close-Out	41,000				39,000	2,000		
Contingency	296,000					296,000		
<b>Total</b>	<b>2,500,000</b>	<b>92,000</b>	<b>458,000</b>	<b>1,562,000</b>	<b>90,000</b>	<b>298,000</b>		

Reimbursable Costs N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Sludge Digester Rehabilitation at Plant 1 - P1-100</b>		
<b>Project Category</b>	<b>Solids Handling &amp; Digestion</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

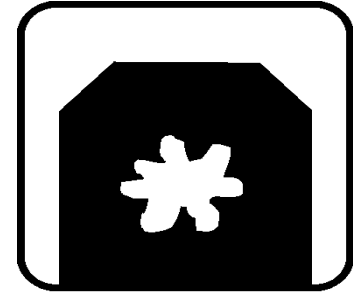
The project rehabilitates Digesters No. 5 through No. 16 at Plant No. 1 to replace aging equipment and improve solids handling capacity. The equipment rehabilitation includes sludge pumping, heating, structural systems, mechanical systems, electrical and control systems.

**Justification**

This project is needed in order to handle the additional solids produced by the New Secondary Treatment System at Plant No. 1, Job No. P1-102. Because of Job No. P1-102's two Secondary Expansion Consent Decree dates that include penalties and fines of up to \$27,000 per day, this project is considered a vital component of the Sanitation District's Capital Improvement Program. Additional solids handling capacity will be needed at Plant No. 1 to accommodate the increased sludge volumes from expanded secondary treatment operations.

The project budget has been decreased from \$60,397,000 to \$55,515,000 to reflect contingency decrease, consultant fee proposals which were higher than anticipated, construction bids which were lower than anticipated and the revised project cost estimate.

The project's construction cost budget is \$34,000,000. This project will increase operational budgets by \$400,000 annually.



## Solids Handling & Digestion

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	218,000	218,000						
Preliminary Design	3,082,000	3,082,000						
Design	3,587,000	3,587,000						
Const. & Installation	43,024,000	1,096,000	14,933,000	17,608,000	8,710,000	677,000		
Commission	1,975,000		544,000	706,000	607,000	118,000		
Close-Out	272,000	2,000				264,000	6,000	
Contingency	3,357,000						3,357,000	
<b>Total</b>	<b>55,515,000</b>	<b>7,985,000</b>	<b>15,477,000</b>	<b>18,314,000</b>	<b>9,317,000</b>	<b>1,059,000</b>	<b>3,363,000</b>	

Reimbursable Costs    N/A

# 2010-11 & 2011-12 Budget

<b>Project Name &amp; Number</b>	<b>Sludge Dewatering and Odor control at Plant 1 - P1-101</b>		
<b>Project Category</b>	<b>Solids Handling &amp; Digestion</b>	<b>Project Status:</b>	<b>Continuing</b>

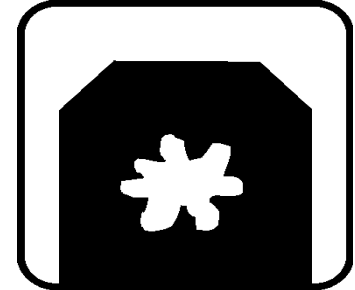
**Description**

This project constructs primary sludge thickening facilities to improve solids handling capacity, replace sludge dewatering facilities with aging equipment and reduce biosolids handling and disposal, rehabilitate solids handling odor control equipment for aging equipment, and temporarily expand sludge dewatering facilities to accommodate temporary construction needs.

**Justification**

This project is needed in order to handle the additional solids produced by the New Secondary Treatment System at Plant No. 1, Job No. P1-102, which is necessary to support the Orange County Sanitation District's July 17, 2002 decision to meet secondary treatment standards. Job No. P1-102 has two Secondary Expansion Consent Decree dates established that could result in penalties and fines of up to \$27,000 per day. Thus, this project is considered a vital component of the Sanitation District's Capital Improvement Program.

The project's construction cost budget is \$99,225,000. This project will increase operational budgets by \$1,600,000 annually.



**Solids Handling & Digestion**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	330,000	330,000						
Preliminary Design	6,804,000	6,804,000						
Design	10,757,000	5,005,000	5,529,000	223,000				
Const. & Installation	112,994,000	1,739,000		6,174,000	47,951,000	50,919,000	6,211,000	
Commission	2,316,000					1,446,000	870,000	
Close-Out	235,000	2,000					197,000	36,000
Contingency	10,113,000							10,113,000
<b>Total</b>	<b>143,549,000</b>	<b>13,880,000</b>	<b>5,529,000</b>	<b>6,397,000</b>	<b>47,951,000</b>	<b>52,365,000</b>	<b>7,278,000</b>	<b>10,149,000</b>

Reimbursable Costs N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Digester Ferric Chloride System Rehabilitation - P2-105</b>		
<b>Project Category</b>	<b>Solids Handling &amp; Digestion</b>	<b>Project Status:</b>	<b>Continuing</b>

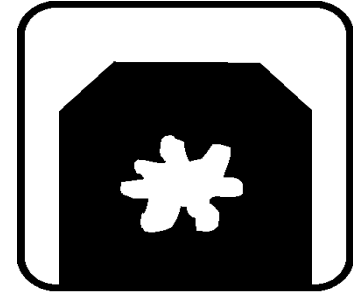
**Description**

This project will rehabilitate or replace the deteriorating ferric chloride station and associated pipe lines that serve the digester system at Plant No. 2. This includes relocating potential piping tripping hazards and installing additional protections to contain chemical leaks. The project will also include upgrades to the instrumentation and controls systems that are currently operated manually.

**Justification**

The existing facility is approximately 20 years old. The chemicals used are corrosive and equipment is at the end of its useful life. Also, recent optimization efforts of the chemical dosing systems at Plant No. 2 have shown that it is more economical to directly control hydrogen sulfides in the digesters compared to increased dosing of primary influent that carries over into the digesters. This is because the system can optimize the ferric usage based on a continual monitoring of hydrogen sulfides in the digester gas.

The project's construction cost budget is \$1,400,000. This project will not have an impact on operational budgets.



**Solids Handling  
& Digestion**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	29,000	29,000						
Preliminary Design	101,000	6,000	95,000					
Design	426,000		112,000	314,000				
Const. & Installation	1,735,000			148,000	1,496,000	91,000		
Commission	43,000				20,000	23,000		
Close-Out	36,000					30,000	6,000	
Contingency	257,000						257,000	
<b>Total</b>	<b>2,627,000</b>	<b>35,000</b>	<b>207,000</b>	<b>462,000</b>	<b>1,516,000</b>	<b>144,000</b>	<b>263,000</b>	

Reimbursable Costs    N/A



# 2010-11 & 2011-12 Budget

<b>Project Name &amp; Number</b>	<b>Solids Thickening and Processing Upgrades - P2-89</b>		
<b>Project Category</b>	<b>Solids Handling &amp; Digestion</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

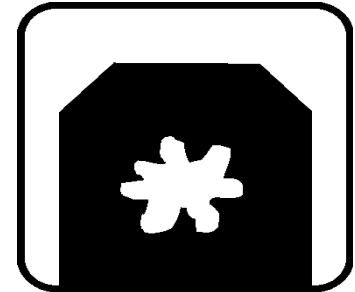
This project will rehabilitate and upgrade the four existing Dissolved Air Flotation Thickeners (DAFTs) to treat the current Activated Sludge Plant solids as well as the additional solids that will be generated from the new secondary Trickling Filter/Solids Contactor (TF/SC) process. This project will also convert two "holding" digesters into "working" digesters to also accommodate the increased production of sludge coming from the new secondary TF/SC process.

**Justification**

This project is required to accommodate the additional sludge handling that will be generated from the Trickling Filters at Plant No. 2, Job No. P2-90, which is necessary to support the Sanitation District's July 17, 2002 decision to meet secondary treatment standards. This additional sludge volume will exceed the available capacity of the existing operational Dissolved Air Flotation Thickeners (DAFTs) and digesters. Thus, this project is considered a vital component of the Sanitation District's Capital Improvement Program. This project is also needed to rehabilitate aging equipment.

The project budget has been decreased from \$74,145,000 to \$61,135,000 to reflect project scope changes, contingency reduction and the revised project cost estimate.

The project's construction cost budget is \$36,000,000. This project will increase operational budgets by \$250,000 annually.



**Solids Handling & Digestion**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	182,000	182,000						
Preliminary Design	3,468,000	3,468,000						
Design	6,430,000	997,000	3,425,000	1,919,000	89,000			
Const. & Installation	42,395,000	435,000			5,657,000	24,441,000	11,373,000	489,000
Commission	1,102,000						971,000	131,000
Close-Out	369,000							369,000
Contingency	7,189,000							7,189,000
<b>Total</b>	<b>61,135,000</b>	<b>5,082,000</b>	<b>3,425,000</b>	<b>1,919,000</b>	<b>5,746,000</b>	<b>24,441,000</b>	<b>12,344,000</b>	<b>8,178,000</b>

Reimbursable Costs N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Plant No. 2 Primary Sludge Feed System Project - P2-91</b>		
<b>Project Category</b>	<b>Solids Handling &amp; Digestion</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

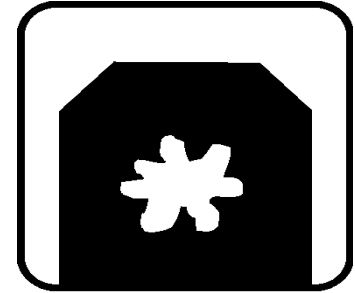
This project provides piping at Plant No. 2 to interconnect the primary sludge systems and digesters feed system. Also a new sludge blending facility is being constructed to provide more consistent sludge to the digesters.

**Justification**

At Plant No. 2, there are three groups of clarifiers. Each group, called a "bank" is directly connected to a small group of digesters. Currently, there are no provisions to feed sludge from one bank of clarifiers to the other banks of digesters. Moreover, during maintenance, repairs, and plant upsets the banks limit the amount of treatment plant capacity because the digester banks can become overloaded. This project will install piping to route primary sludge from any clarifier bank to another digester bank.

The project budget has been decreased from \$27,082,000 to \$26,524,000 to reflect project scope changes and the revised project cost estimate.

The project's construction cost budget is \$16,832,788. This project will increase operational budgets by \$110,000 annually.



**Solids Handling  
& Digestion**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	618,000	618,000						
Preliminary Design	1,605,000	1,605,000						
Design	2,319,000	2,319,000						
Const. & Installation	20,773,000	20,773,000						
Commission	551,000	551,000						
Close-Out	321,000	77,000	244,000					
Contingency	337,000			337,000				
<b>Total</b>	<b>26,524,000</b>	<b>25,943,000</b>	<b>244,000</b>	<b>337,000</b>				

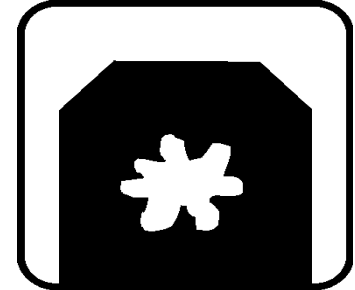
Reimbursable Costs    N/A

# 2010-11 & 2011-12 Budget

<b>Project Name &amp; Number</b>	<b>Digester Rehabilitation at Plant No. 2 - P2-91-1</b>		
<b>Project Category</b>	<b>Solids Handling &amp; Digestion</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

This project rehabilitates digester facilities at Plant No. 2 to replace aging equipment, increase operational flexibility, and restore solids handling capacity. This includes Digesters C, D, E, F, G, H, P, Q, R, S and T. The scope includes the following: digester cleaning; lining of the digester walls; replacement of ferric chloride lines, steam system, hot water system, view ports, access covers, and flame arresters; and addition of digester feed flow meters, digester feed piping, in-line grinder pumps, and automated controls. The extent of the components to be rehabilitated, however, will be based on the results of the condition assessment and asset management evaluation completed as part of the P2-91 project.



**Solids Handling & Digestion**

**Justification**

This project is needed in order to handle the additional solids produced by the Trickling Filters at Plant No. 2, Job No. P2-90, which is necessary to support the Orange County Sanitation District's July 17, 2002 decision to meet secondary treatment standards. Job No. P2-90 has two Secondary Expansion Consent Decree dates established that could result in penalties and fines of up to \$27,000 per day. Thus, this project is considered a vital component of the Sanitation District's Capital Improvement Program. Additional solids handling capacity will be needed at Plant No. 2 to accommodate the increased sludge volumes from expanded secondary treatment operations.

The project budget has been increased from \$36,398,000 to \$45,637,000 to reflect project scope changes.

The project's construction cost budget is \$27,718,144. This project will not have an impact on operational budgets.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	766,000	114,000	652,000					
Preliminary Design	1,821,000		475,000	444,000	902,000			
Design	3,236,000	2,000			1,161,000	1,274,000	799,000	
Const. & Installation	33,437,000					40,000	560,000	32,837,000
Commission	481,000							481,000
Close-Out	352,000							352,000
Contingency	5,544,000							5,544,000
<b>Total</b>	<b>45,637,000</b>	<b>116,000</b>	<b>1,127,000</b>	<b>444,000</b>	<b>2,063,000</b>	<b>1,314,000</b>	<b>1,359,000</b>	<b>39,214,000</b>

Reimbursable Costs N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Sludge Dewatering and Odor Control at Plant 2 - P2-92</b>		
<b>Project Category</b>	<b>Solids Handling &amp; Digestion</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

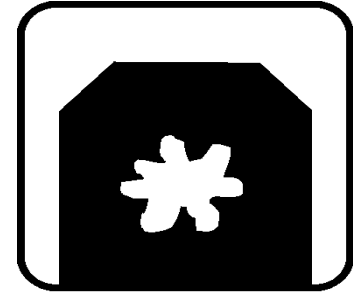
This project constructs facilities to improve solids handling capacity, replaces sludge dewatering facilities with aging equipment and, to reduce biosolids handling and disposal, replaces aging solids handling odor control equipment, and temporarily expands sludge dewatering facilities to accommodate temporary construction needs.

**Justification**

This project will replace the dewatering facilities that have reached the end of their service life. Based on the Long Range Biosolids Master Plan, a newer dewatering technology, centrifuges, will be utilized to reduce the amount of water in the biosolids hauled offsite to reduce biosolids management disposal costs.

The project budget has been increased from \$57,852,000 to \$63,183,000 to reflect contingency increase.

The project's construction cost budget is \$40,931,690. The project will reduce the operational costs for OCSD by about \$2 million.



## Solids Handling & Digestion

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	280,000	75,000	205,000					
Preliminary Design	2,205,000		54,000	570,000	1,581,000			
Design	3,908,000				921,000	2,233,000	754,000	
Const. & Installation	47,725,000						1,516,000	46,209,000
Commission	579,000							579,000
Close-Out	286,000							286,000
Contingency	8,200,000							8,200,000
<b>Total</b>	<b>63,183,000</b>	<b>75,000</b>	<b>259,000</b>	<b>570,000</b>	<b>2,502,000</b>	<b>2,233,000</b>	<b>2,270,000</b>	<b>55,274,000</b>

Reimbursable Costs    N/A

# 2010-11 & 2011-12 Budget

<b>Project Name &amp; Number</b>	<b>Replacement of Drying Beds and Truck Wash at Plant - P2-97</b>		
<b>Project Category</b>	<b>Solids Handling &amp; Digestion</b>	<b>Project Status:</b>	<b>Continuing</b>

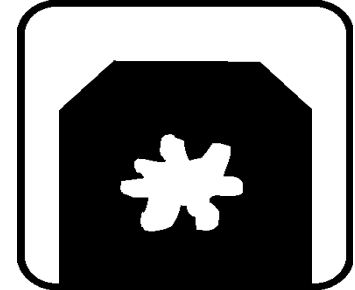
**Description**

This project is to construct two sludge drying beds and a truck washing facility at Plant No. 2. The area will be fenced and any drainage from the drying beds and truck wash will be directed to a nearby plant sewer. The new drying beds will be located near existing Digesters R and S. The project will also install a truck washing station to allow Sanitation District and local agency sewer cleaning crews to clean their trucks after disposing into the drying beds.

**Justification**

In 2005, the drying beds and truck wash facilities at Plant No. 2 were demolished to make room for the new headworks facility. Since that time, disposal, drying, and cleaning operations at Plant No. 2 have been supported by temporary facilities until new permanent facilities can be built. The drying beds and truck washing facilities are vital parts of the treatment system that must be replaced with permanent facilities to maintain regulatory compliance and plant operations. The drying beds will allow Sanitation District and local agency sewer cleaning crews to dispose of materials collected in the sewer system during cleaning operations.

The project's construction cost budget is \$2,546,775. This project will not have an impact on operational budgets.



**Solids Handling & Digestion**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	70,000	70,000						
Preliminary Design	259,000			259,000				
Design	389,000			18,000	309,000	62,000		
Const. & Installation	3,146,000	1,000				2,366,000	779,000	
Commission	80,000						80,000	
Close-Out	44,000						40,000	4,000
Contingency	455,000							455,000
<b>Total</b>	<b>4,443,000</b>	<b>71,000</b>		<b>277,000</b>	<b>309,000</b>	<b>2,428,000</b>	<b>899,000</b>	<b>459,000</b>

Reimbursable Costs N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Final Effluent Sampler and Building Area Upgrades - J-110</b>		
<b>Project Category</b>	<b>Ocean Outfall Systems</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

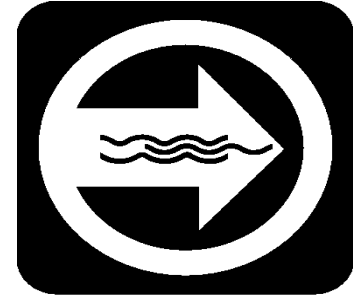
This project will renovate, replace, or demolish facilities surrounding the final effluent sample trailer. These facilities need significant renovations due to age and exposure to ocean air. This includes replacement of the final effluent sampler pumping and sampling systems, sampling trailer, adjacent unused buildings, the ocean sample storage building, one mile outfall stinger tie in, and landscaping.

**Justification**

Several repairs and upgrades have been attempted to correct deficient sampling equipment. Similarly, a number of repairs have been made to existing structures. Those past projects have extended the life of the equipment and structures, however, those past repairs are also at the end of their useful lives. Thus, the buildings and equipment need large-scale renovations and replacement. Also, other structures are not used anymore and have fallen into disrepair, or are unsightly.

The project budget has been increased from \$1,890,000 to \$2,661,000 to reflect the revised project cost estimate.

The project's construction cost budget is \$1,500,000. This project will not have an impact on operational budgets.



**Ocean Outfall Systems**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	88,000	52,000	36,000					
Preliminary Design	50,000		42,000	8,000				
Design	329,000			323,000	6,000			
Const. & Installation	1,791,000				193,000	875,000	648,000	75,000
Commission	46,000							46,000
Close-Out	57,000							57,000
Contingency	300,000							300,000
<b>Total</b>	<b>2,661,000</b>	<b>52,000</b>	<b>78,000</b>	<b>331,000</b>	<b>199,000</b>	<b>875,000</b>	<b>648,000</b>	<b>478,000</b>

Reimbursable Costs N/A

# 2010-11 & 2011-12 Budget

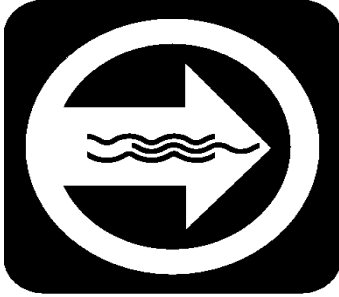
<b>Project Name &amp; Number</b>	<b>Outfall Land Section and OOBS Piping Rehabilitation - J-112</b>		
<b>Project Category</b>	<b>Ocean Outfall Systems</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

This project includes inspection, design and construction. The pipes will be cleaned and inspected for corrosion. Rehabilitation will consist of weld covers in corroded areas; and sandblasting and recoating of all piping. In one segment of the outfall pipe, a structural liner will be installed. This project also includes the abandonment of two metering manholes downstream of Surge Tower 2.

**Justification**

In the last couple of years, O&M staff has inspected a portion of the suction and discharge piping in the OOBS pump station as well as the outfall segment between OOBS and the surge tower. Significant corrosion was observed in all areas inspected. It is expected that similar corrosion exists in the portion of the suction and discharge piping not inspected. This project's scope and budget are based on repairs anticipated to be needed as a result of inspections and repairing of adjacent outfall facilities. Based upon recent inspections, staff is concerned that the metering manholes may leak and cause operational issues. Staff would like to abandon these manholes to prevent this from happening.



**Ocean Outfall Systems**

The project budget has been decreased from \$7,788,000 to \$7,540,000 to reflect contingency decrease and consultant fee proposals which were lower than anticipated.

The project's construction cost budget is \$3,510,000. The project will not have an impact on operational budgets.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	86,000	86,000						
Preliminary Design	1,256,000	430,000	826,000					
Design	726,000	5,000	673,000	48,000				
Const. & Installation	4,480,000			995,000	3,485,000			
Commission	16,000				16,000			
Close-Out	103,000				97,000	6,000		
Contingency	873,000					873,000		
<b>Total</b>	<b>7,540,000</b>	<b>521,000</b>	<b>1,499,000</b>	<b>1,043,000</b>	<b>3,598,000</b>	<b>879,000</b>		

Reimbursable Costs N/A

# CIP Project Detail Sheets

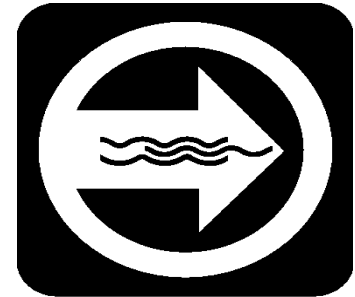
<b>Project Name &amp; Number</b>	<b>Outfall Piping Rehabilitation Program Study - J-113</b>		
<b>Project Category</b>	<b>Ocean Outfall Systems</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

The purpose of this project is to plan outfall inspection and rehabilitation work not covered by existing outfall CIP projects. This includes review and evaluation of all previous planning and inspection activities related to Outfall No.'s 1 and 2, as well as the risers on Outfall No. 2. Based on the results of this evaluation, additional field data may be collected as part of the planning process.

**Justification**

Outfall No. 1 has been in continual service since it was constructed in 1971. Previous limited investigations have shown that the existing outfalls may be experiencing corrosion. In order to ensure that the District has a reliable effluent discharge system, it is important to conduct periodic detailed investigations of these facilities. A critical part of this work is to create a flexible operating scenario for the outfall diversion box. To this end, the planning efforts for the outfall investigations must be coordinated with the study and future outfall design modifications conducted under J-119.



**Ocean Outfall  
Systems**

This project will not have an impact on operational budgets.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	366,000	32,000	80,000	80,000	80,000	94,000		
Preliminary Design								
Design	2,000	2,000						
Const. & Installation								
Commission								
Close-Out	2,000	2,000						
Contingency								
<b>Total</b>	<b>370,000</b>	<b>36,000</b>	<b>80,000</b>	<b>80,000</b>	<b>80,000</b>	<b>94,000</b>		

Reimbursable Costs    N/A



# 2010-11 & 2011-12 Budget

<b>Project Name &amp; Number</b>	<b>Ocean Outfall Booster Station Rehabilitation (Mechanical) - J-117</b>		
<b>Project Category</b>	<b>Ocean Outfall Systems</b>	<b>Project Status:</b>	<b>Continuing</b>

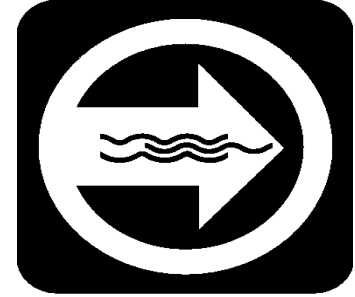
**Description**

This project will rehabilitate the deteriorating mechanical systems at the Ocean Outfall Booster Station. The Ocean Outfall Booster Station is the primary pumping station for the discharge of treated wastewater to the ocean outfall system. This includes replacement of portions of the pumping systems and other major pieces of equipment that are at the end of their useful lives, becoming obsolete and difficult to service.

**Justification**

The existing facility is approximately 20 years old. The O&M Department retained consulting services to perform an extensive evaluation of the existing equipment at the Ocean Outfall Booster Station. The conclusions were that the mechanical equipment and systems are nearing the end of their useful lives. This was evident by the records of equipment failures and repairs needed to ensure that the station operates reliably. The report documents that the cost for repairs of the station has increased over time, and at the completion of the planned electrical rehabilitation of the station, a large rehabilitation project will be required to reduce overall maintenance cost back down to an acceptable level.

The project's construction cost budget is \$2,431,013. The project is expected to keep maintenance costs at the currently accepted level for the Ocean Outfall Booster Station.



**Ocean Outfall  
Systems**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	51,000					51,000		
Preliminary Design	181,000					152,000	29,000	
Design	731,000						717,000	14,000
Const. & Installation	3,001,000							3,001,000
Commission	64,000							64,000
Close-Out	44,000							44,000
Contingency	487,000							487,000
<b>Total</b>	<b>4,559,000</b>					<b>203,000</b>	<b>746,000</b>	<b>3,610,000</b>

Reimbursable Costs N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Outfall Beach Box Rehabilitation Evaluation - J-119</b>		
<b>Project Category</b>	<b>Ocean Outfall Systems</b>	<b>Project Status:</b>	<b>Continuing</b>

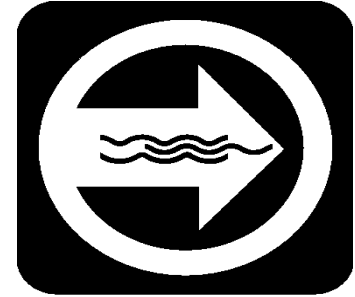
**Description**

This project consists of a study to examine the current and future purposes of the outfall box located within Huntington Beach State Park and evaluate alternatives for either rehabilitating the box or constructing a new box within the Treatment Plant No. 2 property. This will include evaluating whether the box will be needed to facilitate upstream repairs on the old outfall meter, as well as riser inspections and maintenance north of the junction box to the surge towers.

**Justification**

The box was originally built in the 1960's to provide the flexibility of diverting flow from the one-mile to the five-mile outfall (or vice versa) in order to facilitate maintenance of the outfalls. However, full flexibility was not constructed at that time (i.e., the connection between the boxes was not made). Because corrosion was observed in the top part of the box during a recent inspection, it is necessary to conduct a more detailed inspection of the inside of the box as well as the outfalls to determine the condition of these facilities. The first step in achieving this goal is to determine the future use of the box and evaluate alternatives that allow the District to maintain the outfalls and box under current permit requirements.

The project is expected to maintain operational costs at current levels.



**Ocean Outfall  
Systems**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	330,000	50,000	280,000					
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
<b>Total</b>	<b>330,000</b>	<b>50,000</b>	<b>280,000</b>					

Reimbursable Costs    N/A

# 2010-11 & 2011-12 Budget

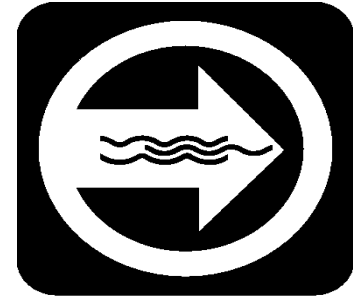
<b>Project Name &amp; Number</b>	<b>Ocean Outfall Easement Renewal - SP-143</b>		
<b>Project Category</b>	<b>Ocean Outfall Systems</b>	<b>Project Status:</b>	<b>New</b>

**Description**

This project will extend the easements for the Ocean Outfall through State Parks, which are set to expire in 2010.

**Justification**

The easements for the Ocean Outfall through State Parks will expire in 2010. The pipe cannot be relocated and the easements need to be extended.



**Ocean Outfall  
Systems**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	25,000		25,000					
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
<b>Total</b>	<b>25,000</b>		<b>25,000</b>					

Reimbursable Costs    N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Interplant Gas Line Rehabilitation - J-106</b>		
<b>Project Category</b>	<b>Utility Systems</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

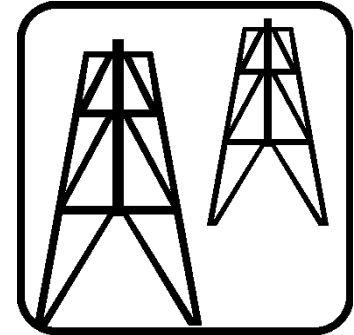
This project rehabilitates the Interplant Gas Line. The line transports digester gas between Reclamation Plant No. 1 (Plant No. 1) and Treatment Plant No. 2 (Plant No. 2). A liner will be installed within the existing pipe to protect the pipeline from corrosion, and to prevent future pipe failures.

**Justification**

The interplant gas line has suffered several corrosion related failures. At this time, a complete inspection or sliplining is necessary to allow the Sanitation District to demonstrate that the pipeline is operational. This pipeline is used to transport gas from Reclamation Plant No. 1 to avoid flaring digester gas. This is because Treatment Plant No. 2 has a larger electrical load and has more generating capacity than Plant No. 1.

The project budget has been increased from \$3,752,000 to \$4,504,000 to reflect the revised project cost estimate.

The project's construction cost budget is \$2,662,200. This project will decrease operational budgets by \$200,000 annually.



**Utility Systems**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	66,000	66,000						
Preliminary Design	192,000	192,000						
Design	684,000	574,000	110,000					
Const. & Installation	3,162,000	29,000	3,088,000	45,000				
Commission	52,000	2,000	29,000	21,000				
Close-Out	87,000			81,000	6,000			
Contingency	261,000				261,000			
<b>Total</b>	<b>4,504,000</b>	<b>863,000</b>	<b>3,227,000</b>	<b>147,000</b>	<b>267,000</b>			

Reimbursable Costs    N/A

# 2010-11 & 2011-12 Budget

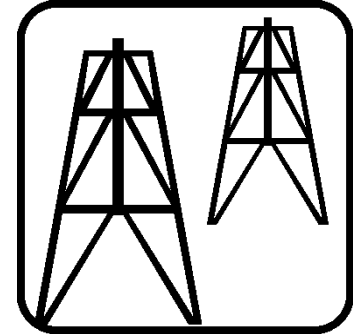
<b>Project Name &amp; Number</b>	<b>Cengen Cooling Water System Replacement - J-109</b>		
<b>Project Category</b>	<b>Utility Systems</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

This project will improve the efficiency of existing cooling system equipment at both plants. It will improve heat recovery from the Central Generation Engines and reduce water consumption by replacing the existing once-through cooling systems with a more efficient system.

**Justification**

This project will substantially reduce the amount of water consumed by process equipment/systems, resulting in an estimated savings of \$500,000 annually. The District currently buys OCWD reclaimed water to cool mechanical equipment. This water is expensive and contains chemicals that damage equipment. The contract is set to expire in 2012. This project will eliminate the need to purchase reclaimed water due to use of a closed loop system with cooling towers.



**Utility Systems**

The project budget has been increased from \$9,419,000 to \$10,023,000 to reflect project scope changes and the revised project cost estimate.

The project's construction cost budget is \$5,542,748. This project will decrease operational budgets by \$500,000 annually.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	120,000	120,000						
Preliminary Design	981,000	896,000	85,000					
Design	1,243,000		1,008,000	235,000				
Const. & Installation	6,363,000	45,000		2,478,000	3,840,000			
Commission	184,000			26,000	158,000			
Close-Out	28,000				26,000	2,000		
Contingency	1,104,000					1,104,000		
<b>Total</b>	<b>10,023,000</b>	<b>1,061,000</b>	<b>1,093,000</b>	<b>2,739,000</b>	<b>4,024,000</b>	<b>1,106,000</b>		

Reimbursable Costs N/A

# CIP Project Detail Sheets

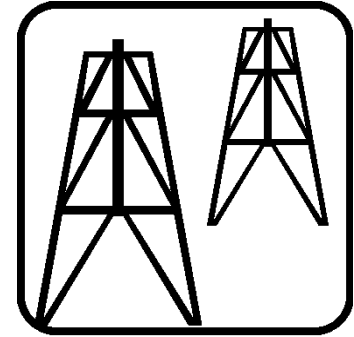
<b>Project Name &amp; Number</b>	<b>Cengen Emissions Control Project - J-111</b>		
<b>Project Category</b>	<b>Utility Systems</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

This project will install equipment at each plant to control the Central Generation emissions and comply with existing and proposed regulatory limits. The Central Generation System (CGS) engines provide both electricity and heat to our treatment plants and are permitted to operate by the South Coast Air Quality Management District (SCAQMD).

**Justification**

The SCAQMD is amending an existing Rule 1110.2 which would require significant reductions in common pollutants that have national ambient air quality standards as well as air toxic pollutants that are regulated by health risk standards. Also, OCSD is subject to an existing SCAQMD air toxic rule (Rule 1402) that would require significant reductions in emissions associated with health risks. Finally, this item was reviewed and approved by the OCSD Board of Directors in 2007.



**Utility Systems**

The project budget has been decreased from \$31,003,000 to \$30,279,000 to reflect the revised project cost estimate.

The project's construction cost budget is \$18,520,000. This project is estimated to increase the operational budget \$2,600,000 per year.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	301,000			301,000				
Preliminary Design	1,214,000			1,214,000				
Design	2,163,000			866,000	1,297,000			
Const. & Installation	22,340,000				323,000	12,103,000	9,891,000	23,000
Commission	321,000						321,000	
Close-Out	236,000						76,000	160,000
Contingency	3,704,000							3,704,000
<b>Total</b>	<b>30,279,000</b>			<b>2,381,000</b>	<b>1,620,000</b>	<b>12,103,000</b>	<b>10,288,000</b>	<b>3,887,000</b>

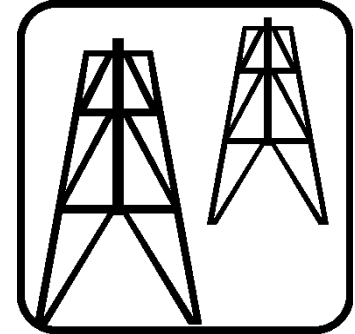
Reimbursable Costs    N/A

# 2010-11 & 2011-12 Budget

<b>Project Name &amp; Number</b>	<b>Air Quality Improvements - J-79</b>		
<b>Project Category</b>	<b>Utility Systems</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

This project evaluated options for modification of Central Generation Facilities, at Plants 1 & 2, to meet air emission standards. The project scope includes a study to determine the impacts that new air quality regulations have on existing power generation systems and evaluate the cost of upgrades necessary to meet the regulations. The project includes health risk assessments for Plants 1 & 2 for years 2006 and 2012, and eight outlying pump stations for the year 2006. The Consultant will also be conducting combustion and post combustion pilot testing for VOC reduction. The current scope of work includes a post combustion pilot study to evaluate technologies for reducing NOX, CO and VOC.



**Utility Systems**

**Justification**

This project is necessary to maintain compliance with South Coast Air Quality Management District (SCAQMD) for continued operation of the central generation plants and renewal of the air quality permits for wastewater treatment Plant Nos. 1 & 2.

The project's construction cost budget is \$2,338,431. This project will increase operational budgets by \$100,000 annually.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	80,000	80,000						
Preliminary Design	417,000	417,000						
Design	8,013,000	6,915,000	1,098,000					
Const. & Installation	2,949,000	2,949,000						
Commission	2,000	2,000						
Close-Out	38,000	22,000	16,000					
Contingency	169,000			169,000				
<b>Total</b>	<b>11,668,000</b>	<b>10,385,000</b>	<b>1,114,000</b>	<b>169,000</b>				

Reimbursable Costs    N/A

# CIP Project Detail Sheets

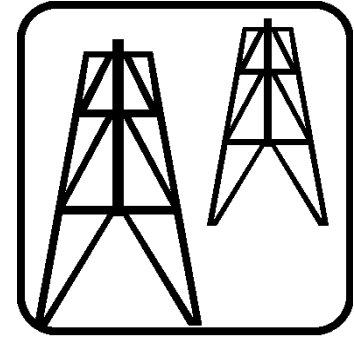
<b>Project Name &amp; Number</b>	<b>Central Generation Automation - J-79-1</b>		
<b>Project Category</b>	<b>Utility Systems</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

The Project will replace the engine control systems (FT-100, FT-210) for the Central Generation Systems at Plant Nos. 1 and 2. The project will also provide improved electrical load management, operating communications between Plants 1 & 2, and improved control of exhaust emissions.

**Justification**

The existing engine control systems are no longer manufactured or supported by the original equipment manufacturer and timely replacement of parts is not reliable. The existing controls do not provide emissions monitoring feedback signals to the engines for the control of exhaust emissions. The existing control system does not effectively manage electrical loads. The engines do not start or stop or vary loads automatically and can fail when utility power is lost. The new system will provide automatic load management capability, as well as emissions monitoring feedback signals for exhaust emissions control.



**Utility Systems**

The project budget has been increased from \$20,618,000 to \$21,049,000 to reflect the revised project cost estimate.

The project's construction cost budget is \$13,472,717. This project will not have an impact on operational budgets.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	24,000	24,000						
Preliminary Design	819,000	819,000						
Design	2,054,000	2,054,000						
Const. & Installation	17,257,000	13,456,000	3,801,000					
Commission								
Close-Out	96,000		17,000	79,000				
Contingency	799,000				799,000			
<b>Total</b>	<b>21,049,000</b>	<b>16,353,000</b>	<b>3,818,000</b>	<b>79,000</b>	<b>799,000</b>			

Reimbursable Costs    N/A



# 2010-11 & 2011-12 Budget

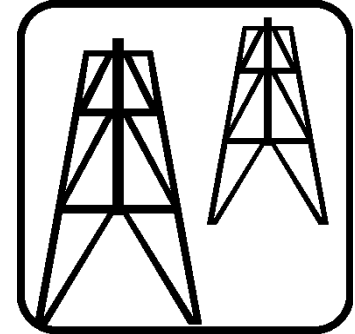
<b>Project Name &amp; Number</b>	<b>Power Building 3A Backup Power Reliability Project - P1-111</b>		
<b>Project Category</b>	<b>Utility Systems</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

This project will ensure adequate standby generator capacity at the Plant No. 1 Power Building 3A (PB-3A). This may consist of installing additional generators, replacing the existing generators with larger generators, bringing in additional generation capacity from another power building, or moving some electrical loads off the existing generators. An initial study effort needs to be conducted to determine the best option, considering cost and reliability.

**Justification**

This project is needed to provide adequate power supply for a possible SCE power outage. Diesel generators are needed at PB-3A when SCE power is lost, because restoring power from Cengen may not occur quickly enough for the needs at PB-3A. Power from diesel generators can be provided within seconds. The Energy Master Plan has determined that recent increases in the loads connected to PB-3A result in a situation where the generators could be overloaded. Depending on the flow condition, a sewage spill in the collection system could occur within minutes if PB-3A is without power.



**Utility Systems**

This project will not have an impact on operational budgets.

The construction budget for the project is \$264,000.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	78,000	78,000						
Preliminary Design	15,000	2,000	13,000					
Design	60,000		22,000	38,000				
Const. & Installation	306,000			26,000	92,000	98,000	90,000	
Commission	9,000						8,000	1,000
Close-Out	3,000							3,000
Contingency	31,000							31,000
<b>Total</b>	<b>502,000</b>	<b>80,000</b>	<b>35,000</b>	<b>64,000</b>	<b>92,000</b>	<b>98,000</b>	<b>98,000</b>	<b>35,000</b>

Reimbursable Costs N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Plant Water System Rehabilitation at Plant No.1 - P1-112</b>		
<b>Project Category</b>	<b>Utility Systems</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

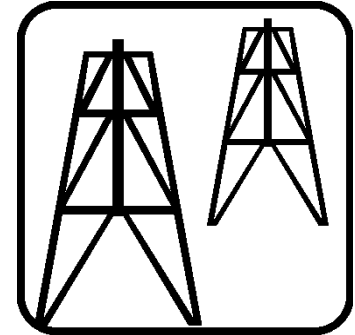
This project will rehabilitate or replace deteriorating plant water pipe that is in need of replacement due to corrosion. This includes the valves that have become unserviceable or have exceeded their useful lives. The project will need to install temporary measures to ensure that the treatment plant maintains continuous operations during the repairs.

**Justification**

O&M recently prepared an evaluation of the plant water systems for each plant in response to an increasing number of emergency repairs to the plant water systems. The resulting report identified the scope and magnitude of the needed repairs. These repairs were packaged into the projects for each plant.

The project budget has been decreased from \$3,717,000 to \$3,344,000 to reflect contingency reduction and the revised project cost estimate.

The project's construction cost budget is \$1,980,000. This project will not have an impact on operational budgets.



**Utility Systems**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	22,000	22,000						
Preliminary Design	110,000	10,000	100,000					
Design	343,000		110,000	103,000	130,000			
Const. & Installation	2,394,000			35,000	495,000	1,315,000	527,000	22,000
Commission	40,000						31,000	9,000
Close-Out	39,000							39,000
Contingency	396,000							396,000
<b>Total</b>	<b>3,344,000</b>	<b>32,000</b>	<b>210,000</b>	<b>138,000</b>	<b>625,000</b>	<b>1,315,000</b>	<b>558,000</b>	<b>466,000</b>

Reimbursable Costs    N/A

# 2010-11 & 2011-12 Budget

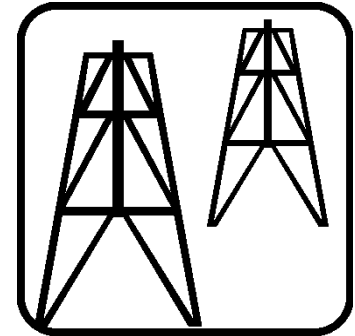
<b>Project Name &amp; Number</b>	<b>Plant 1 66kV Substation - P1-97</b>		
<b>Project Category</b>	<b>Utility Systems</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

This project will replace the Reclamation Plant No. 1 (Plant No. 1) electrical service main from the Southern California Edison Company (Edison) to increase the capacity and reliability, and minimize costs. The voltage will increase from 12,470 Volts to 66,000 Volts. Edison will be supplying the service lines, metering and connection switches at the Sanitation District's expense.

**Justification**

This project is required for the New Secondary Treatment System at Plant No. 1, Job No. P1-102, which is necessary to support the Orange County Sanitation District's July 17, 2002 decision to meet secondary treatment standards. Job No. P1-102 has two Secondary Expansion Consent Decree dates established that could result in penalties and fines of up to \$27,000 per day. Thus, this project is considered a vital component of the Sanitation District's Capital Improvement Program.



**Utility Systems**

The project budget has been increased from \$15,096,000 to \$15,153,000 to reflect contingency increase and the revised project cost estimate.

The project's construction cost budget is \$11,894,912. This project will decrease operational budgets by \$750,000 annually.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	115,000	115,000						
Preliminary Design	24,000	24,000						
Design	970,000	970,000						
Const. & Installation	13,647,000	13,647,000						
Commission	255,000	255,000						
Close-Out	142,000	140,000	2,000					
Contingency								
<b>Total</b>	<b>15,153,000</b>	<b>15,151,000</b>	<b>2,000</b>					

Reimbursable Costs N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Plant Water System Rehabilitation at Plant No.2 - P2-101</b>		
<b>Project Category</b>	<b>Utility Systems</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

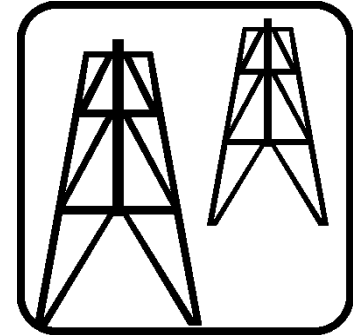
This project will rehabilitate or replace deteriorating plant water pipe that is in need of replacement due to corrosion. This includes the valves that have become unserviceable or have exceeded their useful lives. The project will need to install temporary measures to ensure that the treatment plant maintains continuous operations during the repairs.

**Justification**

O&M recently prepared an evaluation of the plant water systems for each plant in response to an increasing number of emergency repairs to the plant water systems. The resulting report identified the scope and magnitude of the needed repairs. These repairs were packaged into the projects for each plant.

The project budget has been decreased from \$4,108,000 to \$3,659,000 to reflect the revised project cost estimate.

The project's construction cost budget is \$2,165,000. This project will not have an impact on operational budgets.



**Utility Systems**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	24,000	24,000						
Preliminary Design	120,000	10,000	110,000					
Design	378,000		122,000	256,000				
Const. & Installation	2,619,000			38,000	541,000	1,438,000	576,000	26,000
Commission	41,000						32,000	9,000
Close-Out	44,000							44,000
Contingency	433,000							433,000
<b>Total</b>	<b>3,659,000</b>	<b>34,000</b>	<b>232,000</b>	<b>294,000</b>	<b>541,000</b>	<b>1,438,000</b>	<b>608,000</b>	<b>512,000</b>

Reimbursable Costs    N/A

# 2010-11 & 2011-12 Budget

<b>Project Name &amp; Number</b>	<b>Additional High Pressure Flare - P2-103</b>		
<b>Project Category</b>	<b>Utility Systems</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

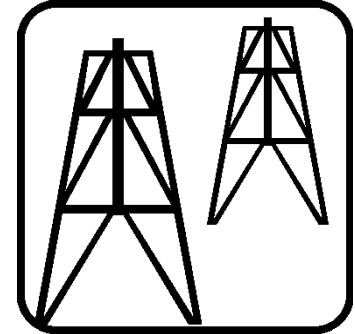
This project will expand the capacity to flare gas from the Plant 2 digester gas system. This project will also include modifications to the existing gas system to comply with current codes. The project will also include an evaluation and potential implementation of a conversion to a low pressure flare system.

**Justification**

The volume of digester gas production at Plant 2 is projected to exceed the flare capacity during production peaks. This would result in venting of digester gas, which would violate our AQMD permits prohibiting the release of raw digester gas to the atmosphere. Also, the low pressure system has limitations that need to be overcome as the system is modified to expand the flare capacity.

The project budget has been increased from \$1,500,000 to \$1,993,000 to reflect the revised project cost estimate.

The project's construction cost budget is \$1,200,000. This project will not have an impact on operational budgets.



**Utility Systems**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	2,000				2,000			
Preliminary Design	32,000				28,000	4,000		
Design	225,000					221,000	4,000	
Const. & Installation	1,420,000						1,420,000	
Commission	28,000							28,000
Close-Out	46,000						26,000	20,000
Contingency	240,000							240,000
<b>Total</b>	<b>1,993,000</b>				<b>30,000</b>	<b>225,000</b>	<b>1,450,000</b>	<b>288,000</b>

Reimbursable Costs N/A

# CIP Project Detail Sheets

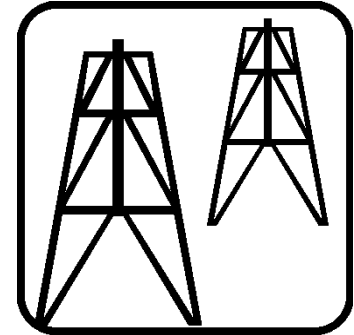
<b>Project Name &amp; Number</b>	<b>15 kV Upgrades at Plant No. 2 - P2-108</b>		
<b>Project Category</b>	<b>Utility Systems</b>	<b>Project Status:</b>	<b>New</b>

**Description**

The project will upgrade the 15kV switchgear in Power Building A which is at the end of its useful life. The project will also replace six 15 kV pull boxes in the 15kV main distribution system to Distribution Center B, Power Buildings A and B.

**Justification**

The equipment was installed in 1977 and is at the end of its useful life. The equipment has been exposed to outdoor conditions near the coast and is corroded and needs to be replaced to ensure reliable operations and a safe working environment. The project was designed under FE07-26 and FE08-05 and is ready for construction bidding. The project was converted to a large CIP project due to the project's complexity and cost.



**Utility Systems**

The project's construction cost budget is \$1,600,000.

This project will have no impact to operational budgets.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	2,000		2,000					
Preliminary Design	48,000		9,000	35,000	4,000			
Design	363,000			359,000	4,000			
Const. & Installation	2,318,000				249,000	1,129,000	838,000	102,000
Commission	42,000							42,000
Close-Out	73,000							73,000
Contingency	392,000							392,000
<b>Total</b>	<b>3,238,000</b>		<b>11,000</b>	<b>394,000</b>	<b>257,000</b>	<b>1,129,000</b>	<b>838,000</b>	<b>609,000</b>

Reimbursable Costs    N/A

# 2010-11 & 2011-12 Budget

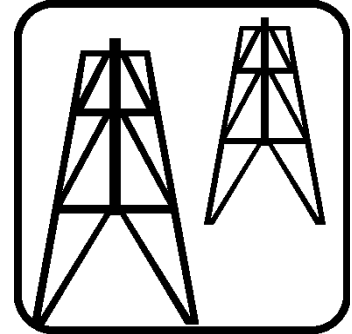
<b>Project Name &amp; Number</b>	<b>Fuel Cell Feasibility Study - SP-132</b>		
<b>Project Category</b>	<b>Utility Systems</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

This project will further develop costing information and layouts for large fuel cell facilities. This will include researching grant funding opportunities, developing life-cycle costs and layouts, defining utility requirements, and evaluating increased efficiency impacts to OCSD facilities. Several options should be developed to look at phased replacements and options that may also comply with existing and proposed air quality regulations affecting the existing Central Generation internal combustion engines.

**Justification**

Recently grants for multi-megawatt facilities have become available; also several improvements have been made in the technology. Both of these factors may help to provide a future alternative to costly air quality upgrades to the existing internal combustion engines.



**Utility Systems**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	100,000	35,000	65,000					
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
<b>Total</b>	<b>100,000</b>	<b>35,000</b>	<b>65,000</b>					

Reimbursable Costs N/A

# CIP Project Detail Sheets

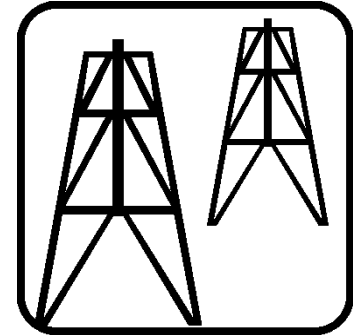
<b>Project Name &amp; Number</b>	<b>Fuel Cell Hydrogen Gas Generation Research - SP-134</b>		
<b>Project Category</b>	<b>Utility Systems</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

This project is a collaborative project between UCI, California Department of Transportation, Air Products, and Fuel Cell Technologies to create hydrogen gas from OCSD's digester gas and provide a mobile hydrogen auto fueling station at Plant No.1. OCSD's portion of the larger project is for the installation of utilities and site preparation for the equipment at Plant No. 1.

**Justification**

OCSD Staff has indicated to UCI and several partnering technology vendors that a test could be conducted using digester gas at Plant No.1. There is an increased power generation efficiency associated with Fuel Cell technology that is estimated to offset the diversion of digester gas from the Central Generation station. Thus, the scope of this effort is to operate a Fuel Cell to create power and heat for OCSD, but hydrogen gas will be extracted from the unit and used at an onsite hydrogen car fueling station.



**Utility Systems**

The project's construction cost budget is \$200,000. This project will not have an impact on operational budgets.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	22,000	22,000						
Preliminary Design								
Design	278,000	189,000	89,000					
Const. & Installation	267,000	149,000	118,000					
Commission								
Close-Out								
Contingency	33,000		33,000					
<b>Total</b>	<b>600,000</b>	<b>360,000</b>	<b>240,000</b>					

Reimbursable Costs    N/A



# 2010-11 & 2011-12 Budget

<b>Project Name &amp; Number</b>	<b>Digester Gas Facilities Assessment - SP-141</b>		
<b>Project Category</b>	<b>Utility Systems</b>	<b>Project Status:</b>	<b>New</b>

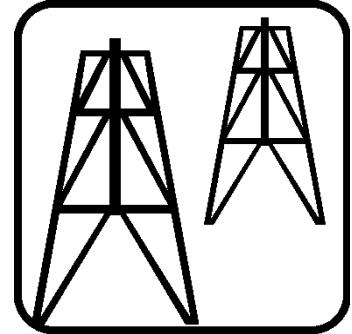
**Description**

This study will evaluate the Plant Nos. 1 and 2 Digester Gas Facilities to study various issues impacting the facilities including the following:

1. Concerns about venting raw digester gas and associated compliance with AQMD Title V requirements.
2. Flare condition and capacity assessment.
3. Condition of the Digester Gas Compressor facilities at Plant No. 1 and Plant No. 2, including NFPA compliance, and rehabilitation needs.
4. Condition and needs assessment of the Gas Holder.

**Justification**

There are several major issues with the Digester Gas handling system that are interrelated. An overall plan is needed to clarify and resolve those issues. New Title V requirements are raising concerns about venting raw digester gas. This venting occurs primarily when the digester gas compressors fail. It is possible that low pressure flares could be installed to prevent the venting.



**Utility Systems**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	100,000		50,000	50,000				
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
<b>Total</b>	<b>100,000</b>		<b>50,000</b>	<b>50,000</b>				

Reimbursable Costs    N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Communication Radio System Replacement - SP-165</b>		
<b>Project Category</b>	<b>Utility Systems</b>	<b>Project Status:</b>	<b>New</b>

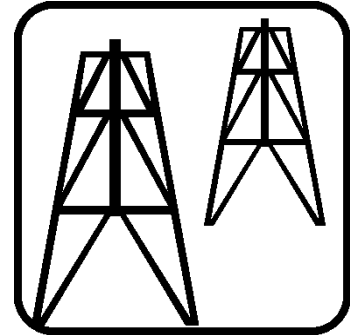
**Description**

This project will replace the field radio system prior to FCC expiration of the frequency band used by the Orange County Sanitation District. The field radio system is used by operations and maintenance staff to communicate throughout the treatment works.

**Justification**

The system remains the most reliable system during power outages and other local emergencies. However, after January 1st, 2013, the radio system will not be operable. The FCC is eliminating the use of the 400 megahertz frequencies, which is the frequency of the current system. This practice is known as "narrow-banding." It is similar to what happened to analog television signals. There are various options that are currently being investigated by the OCSD Information Technology division. One option is to go to the County backbone.

This project will have no impact to operational budgets.



**Utility Systems**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev								
Preliminary Design								
Design								
Const. & Installation	900,000		900,000					
Commission								
Close-Out								
Contingency								
<b>Total</b>	<b>900,000</b>		<b>900,000</b>					

Reimbursable Costs    N/A

# 2010-11 & 2011-12 Budget

<b>Project Name &amp; Number</b>	<b>Rehabilitation of Odor Control Facilities - J-71-8</b>		
<b>Project Category</b>	<b>Odor Control Related Projects</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

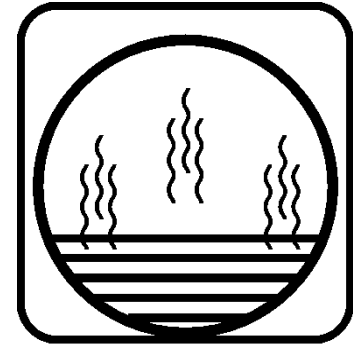
This project replaces the foul air treatment facilities for the Headworks at Plant 1. This includes replacement of the existing scrubbers with two-stage systems.

**Justification**

This project will rehabilitate existing odor control facilities and will make process improvements to reduce the number of off-site odor impacts. This project is based on the recommendations from the 2002 Odor Control Master Plan and the Orange County Sanitation District's Plant Automation and Reinvention Project.

The project budget has been increased from \$39,730,000 to \$44,125,000 to reflect contingency increase and the revised project cost estimate.

The project's construction cost budget is \$27,194,172. This project will increase operational budgets by \$520,000 annually.



**Odor Control**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	46,000	46,000						
Preliminary Design	1,365,000	1,365,000						
Design	6,382,000	5,184,000	913,000	285,000				
Const. & Installation	32,297,000	423,000		6,498,000	21,946,000	3,430,000		
Commission	482,000					482,000		
Close-Out	310,000					264,000	46,000	
Contingency	3,242,000						3,242,000	
<b>Total</b>	<b>44,124,000</b>	<b>7,018,000</b>	<b>913,000</b>	<b>6,783,000</b>	<b>21,946,000</b>	<b>4,176,000</b>	<b>3,288,000</b>	

Reimbursable Costs N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Trickling Filter Odor Control at Plant No. 1 - P1-113</b>		
<b>Project Category</b>	<b>Odor Control Related Projects</b>	<b>Project Status:</b>	<b>Continuing</b>

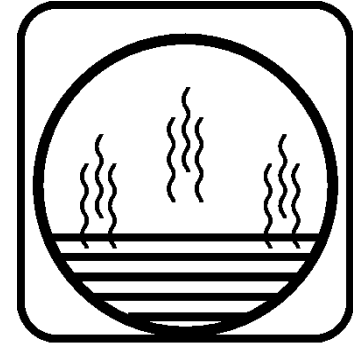
**Description**

This project will cover the existing trickling filters and provide an odor treatment system to comply with the District's Odor Policy. The trickling filters will be covered by a dome and the ventilation systems will be modified to reroute air to an air scrubbing system. This project will include odor modeling and a technology selection process to ensure compatibility with the larger treatment plant's odor systems.

**Justification**

The Orange County Sanitation District continues to be a responsible steward of our environment and a "good neighbor" to our community. Under normal operating conditions, the District's goal is not to cause an odor nuisance to the residents and businesses surrounding the treatment plants. To achieve this goal, a Level of Service (LOS) based on an odor detection threshold to the communities surrounding our treatment plants has been established. This Policy adoption by the Board of Directors in 2007 included this project being approved for implementation.

The project's construction cost budget is \$2,946,400. This project will increase operational budgets by \$300,000.



**Odor Control**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	64,000		64,000					
Preliminary Design	127,000		127,000					
Design	677,000		146,000	531,000				
Const. & Installation	3,586,000			97,000	3,474,000	15,000		
Commission	73,000				73,000			
Close-Out	55,000				7,000	48,000		
Contingency	600,000						600,000	
<b>Total</b>	<b>5,182,000</b>		<b>337,000</b>	<b>628,000</b>	<b>3,554,000</b>	<b>63,000</b>	<b>600,000</b>	

Reimbursable Costs    N/A

# 2010-11 & 2011-12 Budget

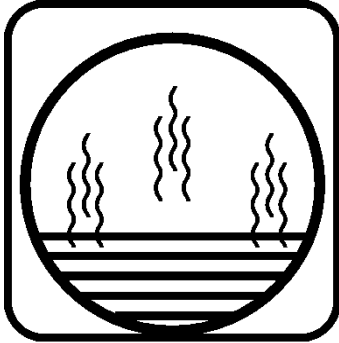
<b>Project Name &amp; Number</b>	<b>Solids Storage Building Odor Control Project - P2-102</b>		
<b>Project Category</b>	<b>Odor Control Related Projects</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

This project is to install odor control equipment at the solids storage building at Plant No. 2 to comply with the District's Odor Policy. The solids storage building ventilation equipment will be modified and rerouted to an air scrubbing system. This project will include odor modeling and a technology selection process to ensure that, in conjunction with the larger treatment plant's odor systems, this project will meet the Level of Service set by the Board of Directors in 2007.

**Justification**

The Orange County Sanitation District continues to be a responsible steward of our environment and a "good neighbor" to our community. Under normal operating conditions, the District's goal is not to cause an odor nuisance to the residents and businesses surrounding the treatment plants. To achieve this goal, a Level of Service (LOS) based on an odor detection threshold to the communities surrounding our treatment plants has been established. This Policy adoption by the Board of Directors in 2007 included this project being approved for implementation.



**Odor Control**

The project budget has been increased from \$10,297,000 to \$10,720,000 to reflect the revised project cost estimate.

The project's construction cost budget is \$6,739,000. This project will increase operational budgets by \$250,000.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	59,000		59,000					
Preliminary Design	111,000		93,000	18,000				
Design	812,000			798,000	14,000			
Const. & Installation	8,073,000				5,121,000	2,952,000		
Commission	174,000					174,000		
Close-Out	143,000					109,000	34,000	
Contingency	1,348,000						1,348,000	
<b>Total</b>	<b>10,720,000</b>		<b>152,000</b>	<b>816,000</b>	<b>5,135,000</b>	<b>3,235,000</b>	<b>1,382,000</b>	

Reimbursable Costs N/A

# CIP Project Detail Sheets

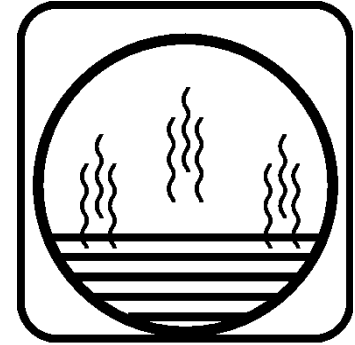
<b>Project Name &amp; Number</b>	<b>Chemical Scrubber Conversions and Piping System Improvements - P2-106</b>		
<b>Project Category</b>	<b>Odor Control Related Projects</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

This project will convert existing chemical scrubbers to biotrickling filters (BTF); install multiple booster pumps in the dewatering building plant water supply line(s); and rehabilitate the Boiler Feed Water system to maintain system integrity and ensure continuous operation.

**Justification**

These projects reduce labor and equipment maintenance costs by increasing operational reliabilities. (A) Research and current operational results support chemical scrubber conversions to biotrickling filters with significant cost savings by removing: H2S at comparable rates; 30-70% odors; reduced sulfur compounds; ammonia; volatile organic compounds; and air toxics present in trace amounts in foul air. (B) Dewatering Building Booster Pump installation in the Plant Water system increases belt-press efficiency and reduces sludge volumes and disposal trucking traffic & costs. (C) Rehabilitating Boiler Feed Water System components, many beyond their useful mechanical life yet critical in several plant systems including digester heating and sludge piping cleaning, immediately reduces maintenance costs repairing leaks in the pressure vessel and feedwater piping.



**Odor Control**

The project's construction cost budget is \$2,265,000. This project will not have an impact on operational budgets.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev								
Preliminary Design								
Design	174,000	75,000	99,000					
Const. & Installation	2,451,000		526,000	1,925,000				
Commission	81,000	25,000		56,000				
Close-Out	55,000			51,000	4,000			
Contingency	500,000				500,000			
<b>Total</b>	<b>3,261,000</b>	<b>100,000</b>	<b>625,000</b>	<b>2,032,000</b>	<b>504,000</b>			

Reimbursable Costs    N/A

# 2010-11 & 2011-12 Budget

<b>Project Name &amp; Number</b>	<b>Primary Treatment Odor Control Upgrades - P2-98</b>		
<b>Project Category</b>	<b>Odor Control Related Projects</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

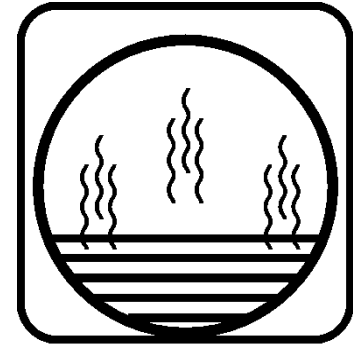
This project will upgrade the odor control systems in the North and South Scrubber Complexes with two-stage scrubbing systems comprised of a biotower followed by a chemical scrubber including the replacement of the dome covers with flat covers.

**Justification**

This project will upgrade existing odor control facilities to minimize off-site odor impacts. This project is based on the recommendations from the 2002 Odor Control Master Plan and the Sanitation District's Plant Automation and Reinvention Project.

The project budget has been increased from \$30,919,000 to \$35,691,000 to reflect project scope changes and the revised project cost estimate.

The project's construction cost budget is \$23,373,008. The impacts to operational budgets have not yet been determined.



**Odor Control**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev								
Preliminary Design								
Design	2,529,000			2,529,000				
Const. & Installation	27,838,000			315,000	14,208,000	13,237,000	78,000	
Commission	376,000					376,000		
Close-Out	273,000					81,000	192,000	
Contingency	4,675,000						4,675,000	
<b>Total</b>	<b>35,691,000</b>			<b>2,844,000</b>	<b>14,208,000</b>	<b>13,694,000</b>	<b>4,945,000</b>	

Reimbursable Costs N/A

# CIP Project Detail Sheets

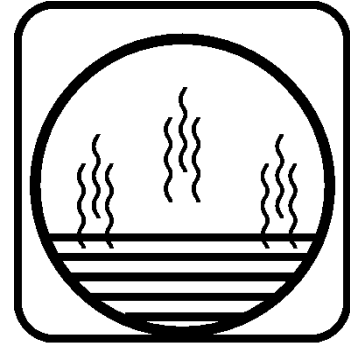
<b>Project Name &amp; Number</b>	<b>Wastehauler Odor Control - SP-140</b>		
<b>Project Category</b>	<b>Odor Control Related Projects</b>	<b>Project Status:</b>	<b>New</b>

**Description**

This study will provide alternatives for reducing off-site odors associated with the wastehauler station. The study should consider potential odor treatment options, alternative site locations, and implementation costs.

**Justification**

The operation of the wastehauler facility is a known source of offsite odors. This project is needed to determine the scope and costs to potentially mitigate this odor nuisance.



**Odor Control**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	100,000		50,000	50,000				
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
<b>Total</b>	<b>100,000</b>		<b>50,000</b>	<b>50,000</b>				

Reimbursable Costs    N/A

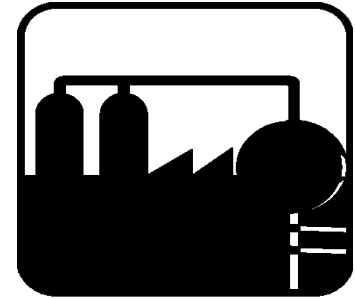


# 2010-11 & 2011-12 Budget

<b>Project Name &amp; Number</b>	<b>Plant O&amp;M Manual &amp; SOP Project - Phase I - SP-53</b>		
<b>Project Category</b>	<b>Process Related Special Projects</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

The Plant Operation and Maintenance Manual and Standard Operating Procedure Project comprises developing a program and new system. The initial phase of this project involves an evaluation of the condition of the existing O&M Manuals and Standard Operating Procedures, the District's needs for managing the O&M/SOP system, available electronic systems on the market, and the development of a design scope and cost estimate for a new system. The next phase will involve updating existing documents and developing new manuals and procedures for our wastewater treatment facilities and implementing a new system. Training will also be developed as part of the project work.



**Process Related Special Project**

**Justification**

A majority of O&M Manuals and SOPs (plant facility documentation) is not current due to the large number of capital projects installed over the last eight years. Much of the plant facility documentation was not updated as part of each capital project. The District's NPDES permit requires that the plant facility documentation be kept updated and that Plant staff be trained in the use of this documentation.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	76,000	76,000						
Preliminary Design	472,000	472,000						
Design	71,000	71,000						
Const. & Installation	3,122,000	1,827,000	1,295,000					
Commission	9,000	9,000						
Close-Out								
Contingency								
<b>Total</b>	<b>3,750,000</b>	<b>2,455,000</b>	<b>1,295,000</b>					

Reimbursable Costs N/A

# CIP Project Detail Sheets

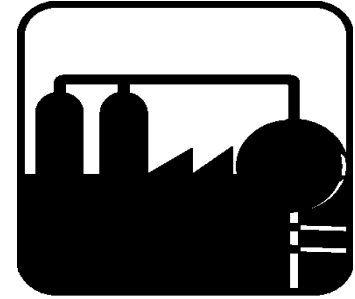
<b>Project Name &amp; Number</b>	<b>Corrosion Management - SP-68-1</b>		
<b>Project Category</b>	<b>Process Related Special Projects</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

The Corrosion Management project consists of a corrosion assessment study of the District's two treatment plants, interplant pipelines, collections systems, and the establishment of the requirements for implementation of a comprehensive Corrosion Management Program.

**Justification**

The proposed work is being conducted in order to determine the most cost effective approach for managing the life cycle of the District's facilities while minimizing failures due to corrosion and to develop a plan to implement this new program.



**Process Related  
Special Project**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	233,000	159,000	69,000	5,000				
Preliminary Design	467,000	318,000	137,000	12,000				
Design	1,050,000	716,000	307,000	27,000				
Const. & Installation	1,869,000	1,274,000	546,000	49,000				
Commission	933,000	637,000	273,000	23,000				
Close-Out	115,000	79,000	34,000	2,000				
Contingency								
<b>Total</b>	<b>4,667,000</b>	<b>3,183,000</b>	<b>1,366,000</b>	<b>118,000</b>				

Reimbursable Costs N/A

# 2010-11 & 2011-12 Budget

<b>Project Name &amp; Number</b>	<b>Special Projects: Biotrickling Filter (BTF) - SP-90-7</b>		
<b>Project Category</b>	<b>Process Related Special Projects</b>	<b>Project Status:</b>	<b>Continuing</b>

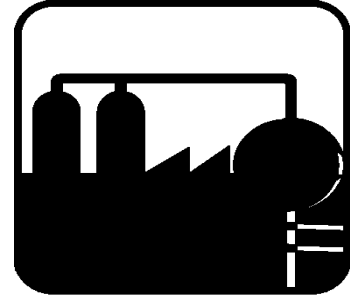
**Description**

This project investigates converting chemical scrubbers for foul air into biological scrubbers (biotrickling filters). The requirements for successful conversions are determined, and the process conditions for converted scrubbers are optimized to provide effective removal of various odorous substances before the air is discharged from the scrubbing system.

**Justification**

Biological scrubbers reduce operating costs by eliminating chemical usage for air cleaning and by reducing energy costs for pumping water and chemicals. They also increase safety by eliminating workers' contact with the toxic and corrosive chemicals used in wet chemical scrubbers.

This project provides continuing support to O&M staff as they operate the scrubbers and improve their performance.



**Process Related Special Project**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	29,000	5,000	12,000	12,000				
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
<b>Total</b>	<b>29,000</b>	<b>5,000</b>	<b>12,000</b>	<b>12,000</b>				

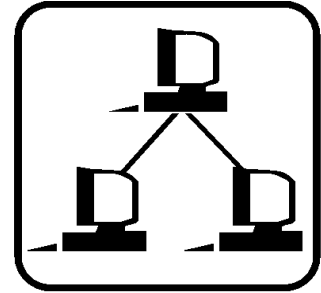
Reimbursable Costs N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Power Monitoring and Control Systems - J-33-3</b>		
<b>Project Category</b>	<b>Plant Automation &amp; Computerization</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

This project installs electrical power monitoring and control equipment at Plant No. 1 to protect the plant from power outage problems and reduce the recovery time when problems do occur. The control system will continuously adjust the electrical system to prevent power variations and outages from causing process failures. The new system will allow the operation of critical electrical equipment from a single location in the plant. The new system will sense power variations and selectively disconnect non-critical equipment, keeping Cengen powering the critical equipment. When the SCE power supply has stabilized, non-critical equipment can then reconnect to the SCE supply. This project allows for the reconnection of equipment from one central location, rather than at each process area.



## Plant Automation & Computerization

**Justification**

The Southern California Edison Company (SCE) supplies electricity to Plant No. 1 at 66,000 volts and is synchronized with Central Generation to ensure plant power demands are met. With future expansion, the plants will be more dependent on SCE and more vulnerable to power variations and outages than previously encountered. The new power monitoring system will allow better management of power demands through automation and greatly improve response time by allowing staff to use automated and remote controls to respond to problems. Staff will be further protected by features in the new system that will allow staff to operate high voltage electrical equipment remotely without being in close proximity to it.

The project's construction cost budget is \$5,048,752. This project will decrease operational budgets by \$170,000 annually.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	193,000	193,000						
Preliminary Design	630,000	630,000						
Design	2,081,000	1,976,000	105,000					
Const. & Installation	8,243,000	53,000	838,000	5,382,000	1,970,000			
Commission	212,000				212,000			
Close-Out	51,000				33,000	18,000		
Contingency	603,000					603,000		
<b>Total</b>	<b>12,013,000</b>	<b>2,852,000</b>	<b>943,000</b>	<b>5,382,000</b>	<b>2,215,000</b>	<b>621,000</b>		

Reimbursable Costs    N/A

# 2010-11 & 2011-12 Budget

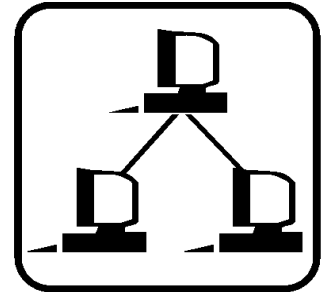
<b>Project Name &amp; Number</b>	<b>Strategic Information Architecture (SIA) - SP-03</b>		
<b>Project Category</b>	<b>Plant Automation &amp; Computerization</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

The Strategic Information Architecture (SIA) is the bridge between the District's strategic goals and levels of service, the IT Strategic Information Plan (ITSIP) and the implementation of Information Technology initiatives. The SIA supports the data, process and application architecture changes needed to support the business plan, IT governance, and the needs of the business units.

**Justification**

Each Department leverages information technology to accomplish its mission. This project supports the alignment of information technology resources with the business.



## Plant Automation & Computerization

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	80,000	30,000	10,000	10,000	10,000	10,000	10,000	
Preliminary Design	150,000	50,000	20,000	20,000	20,000	20,000	20,000	
Design	300,000	100,000	40,000	40,000	40,000	40,000	40,000	
Const. & Installation	1,265,000	500,000	150,000	150,000	150,000	150,000	165,000	
Commission	200,000	50,000	30,000	30,000	30,000	30,000	30,000	
Close-Out								
Contingency								
<b>Total</b>	<b>1,995,000</b>	<b>730,000</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>265,000</b>	

Reimbursable Costs N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Internet/Intranet Development - SP-09</b>		
<b>Project Category</b>	<b>Plant Automation &amp; Computerization</b>	<b>Project Status:</b>	<b>Continuing</b>

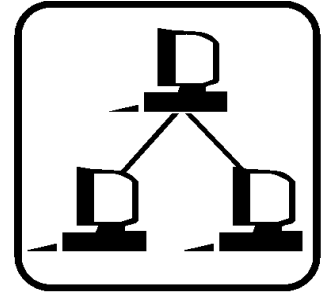
**Description**

This project makes improvements to both the District's public-facing Internet site and the internally used Intranet site.

**Justification**

The Internet continues to grow in importance as a preferred communications tool. As such, it is essential that OCSD continue to reexamine our existing efforts, design, and content. It is essential that our sites be available in the most user-friendly alignment with the needs of our audiences.

The District's website is used to provide information to a variety of people and organizations. These include Orange County residents, Board Members, companies seeking to do business with the District, students and other agencies. Furthermore, our waiver requires that certain information be made available and periodically updated through this medium. Additionally, via the intranet, staff will access information on employee benefits, and internal job announcements.



## Plant Automation & Computerization

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev								
Preliminary Design								
Design	200,000	100,000	20,000	20,000	20,000	20,000	20,000	
Const. & Installation	450,000	245,000	40,000	40,000	40,000	40,000	45,000	
Commission								
Close-Out								
Contingency								
<b>Total</b>	<b>650,000</b>	<b>345,000</b>	<b>60,000</b>	<b>60,000</b>	<b>60,000</b>	<b>60,000</b>	<b>65,000</b>	

Reimbursable Costs    N/A

# 2010-11 & 2011-12 Budget

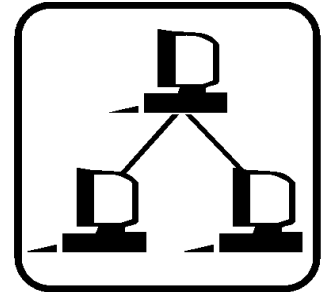
<b>Project Name &amp; Number</b>	<b>CMMS System Replacement - SP-100</b>		
<b>Project Category</b>	<b>Plant Automation &amp; Computerization</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

This project is designed to assist with the needs assessment and requirements definition phase along with the other project needs which include: system purchase, migration of existing data, system configuration and customization, business process re-engineering, technical training, and integration with other District systems (i.e. SCADA, FIS, GIS, and Data Warehouse).

**Justification**

The District's Asset Management Strategic Plan and Framework Analysis report identified the need to replace the District's existing CMMS. The Asset Management project does not fund the cost of the replacement software or the implementation and training activities.



## Plant Automation & Computerization

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	279,000	279,000						
Preliminary Design	122,000	122,000						
Design	225,000	74,000	76,000	75,000				
Const. & Installation	2,671,000	639,000	1,016,000	1,016,000				
Commission	426,000	211,000	150,000	65,000				
Close-Out	66,000	66,000						
Contingency								
<b>Total</b>	<b>3,789,000</b>	<b>1,391,000</b>	<b>1,242,000</b>	<b>1,156,000</b>				

Reimbursable Costs N/A

# CIP Project Detail Sheets

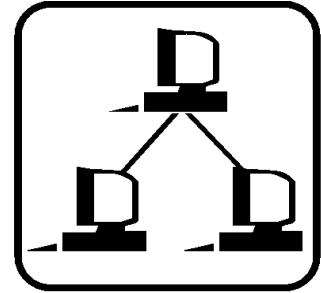
<b>Project Name &amp; Number</b>	<b>PDS2D Software Replacement - SP-103</b>		
<b>Project Category</b>	<b>Plant Automation &amp; Computerization</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

This project provides a replacement to the Process and Instrumentation Diagram (P&ID) software used at the Sanitation District, which will not be supported by the vendor, and will eventually become inoperable. The software provides for the electronic storage and updating of diagrams which document the configuration of critical processes and equipment at the Sanitation District. The scope includes finding the replacement software, implementing the new software, and converting data to the new software.

**Justification**

This software maintains the drawings which document the configuration of critical treatment processes and equipment. These drawings are needed for plant expansion, and are required by the EPA for plant maintenance. An electronic system of this nature is the only feasible system for this purpose. The software will eventually become obsolete and inoperable. A replacement is needed because no update to this software will be provided. The data must be converted to the new software format before the software becomes inoperable.



## Plant Automation & Computerization

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev								
Preliminary Design								
Design								
Const. & Installation	250,000		50,000	50,000	50,000	50,000	50,000	
Commission								
Close-Out								
Contingency								
<b>Total</b>	<b>250,000</b>		<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	

Reimbursable Costs    N/A

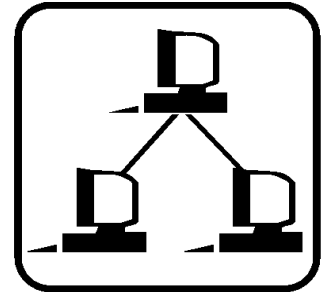


# 2010-11 & 2011-12 Budget

<b>Project Name &amp; Number</b>	<b>Geographic Information System - SP-15</b>		
<b>Project Category</b>	<b>Plant Automation &amp; Computerization</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

Geographic Information Systems (GIS) can be utilized at the District for any works project such as collections, ocean monitoring, flow studies, rate structure studies, and construction. The GIS can be a planning tool for Asset Management, and a reporting tool for Permits and Sewer Shed Modeling. Other regional programs that would utilize the GIS are Bacteria Investigations, Air Quality, Special Purpose Discharge Permits, Connection Permits, and Source Control Permits. A goal of the project is to enable Internet access to the District's GIS and Electronic Data Management System (EDMS) by consultants to collect data for projects and to check out and check in drawings. The public would also benefit through Internet access to reports and news about District's projects.



**Plant Automation & Computerization**

**Justification**

There is a need and an opportunity for cost savings, spatial data control, and a reporting tool that can graphically display the District's data on maps via the Internet to reporting agencies, the public, and across the organization.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	472,000	52,000	90,000	90,000	90,000	90,000	60,000	
Preliminary Design	775,000	75,000	180,000	180,000	180,000	80,000	80,000	
Design	1,050,000	100,000	190,000	190,000	190,000	190,000	190,000	
Const. & Installation	1,550,000	400,000	230,000	230,000	230,000	230,000	230,000	
Commission	100,000	100,000						
Close-Out	100,000	100,000						
Contingency								
<b>Total</b>	<b>4,047,000</b>	<b>827,000</b>	<b>690,000</b>	<b>690,000</b>	<b>690,000</b>	<b>590,000</b>	<b>560,000</b>	

Reimbursable Costs N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Network Equipment Upgrade - SP-89</b>		
<b>Project Category</b>	<b>Plant Automation &amp; Computerization</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

This project involves implementing the Sanitation District's Ethernet standards for computer network backbone equipment. This includes the plan, design and upgrade of the computer network equipment. This will ensure that the network equipment is compatible with industry standard networking devices.

**Justification**

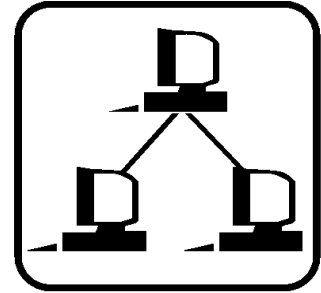
To further expand and automate the OCSD network, a new strategy has to be adopted. The proposed strategy is to incorporate OCSD's Ethernet standard and the ability to proactively manage all devices. This project seeks to produce and document a Network Infrastructure Design that best meets these requirements.

Proposed design goals include:

- A fully redundant and fault tolerant system that can guarantee 100% uptime.
- The ability to expand and meet the future size and feature requirements.
- Utilization of technologies based on a stable industry-leading manufacturer with a proven record of accomplishment.
- Utilization of technologies requiring skill sets readily available in the marketplace.
- Maintenance and upgrades to be performed without downtime.

More specific design goals proposed include:

- More efficient flow of the CRISP system data.
- Re-architecture of the SCADA system to allow for remote management through existing skill sets in IT.



## Plant Automation & Computerization

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev								
Preliminary Design								
Design								
Const. & Installation	1,157,000	255,000	622,000	140,000	140,000			
Commission								
Close-Out								
Contingency								
<b>Total</b>	<b>1,157,000</b>	<b>255,000</b>	<b>622,000</b>	<b>140,000</b>	<b>140,000</b>			

Reimbursable Costs    N/A

# 2010-11 & 2011-12 Budget

<b>Project Name &amp; Number</b>	<b>Facilities Engineering Projects - Joint - FE-J</b>		
<b>Project Category</b>	<b>Miscellaneous &amp; Support Projects</b>	<b>Project Status:</b>	<b>Continuing</b>

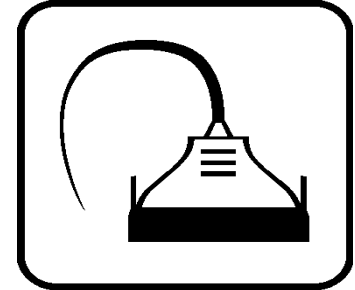
**Description**

This budget provides funds for miscellaneous joint facilities small capital projects. A small capital project is defined as a miscellaneous capital improvement related to plant safety, reliability, or improvements where the professional design consulting services are less than \$100,000. This project acts as an annual budget placeholder for numerous small joint facilities projects. This system results in a fast-track process for the procurement and execution of engineering and contractor services for smaller, but vital projects.

**Justification**

The Joint Facilities Engineering project allows smaller capital projects to extend the life of the existing treatment works and the time between major rehabilitations. These smaller, high priority projects are individually tracked within the larger budget for procurement of engineering and contractor services as needed to maintain reliable operations.

The project's construction cost budget is \$13,906,381. This project will not have an impact on operational budgets.



## Misc. & Support Projects

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	64,000	64,000						
Preliminary Design	271,000	271,000						
Design	6,621,000	1,737,000	277,000	265,000	184,000	345,000	481,000	3,332,000
Const. & Installation	16,876,000	1,694,000	1,033,000	1,025,000	1,075,000	1,305,000	1,372,000	9,372,000
Commission	56,000	56,000						
Close-Out	22,000	22,000						
Contingency								
<b>Total</b>	<b>23,910,000</b>	<b>3,844,000</b>	<b>1,310,000</b>	<b>1,290,000</b>	<b>1,259,000</b>	<b>1,650,000</b>	<b>1,853,000</b>	<b>12,704,000</b>

Reimbursable Costs N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Facilities Engineering Projects - Plant 1 - FE-P1</b>		
<b>Project Category</b>	<b>Miscellaneous &amp; Support Projects</b>	<b>Project Status:</b>	<b>Continuing</b>

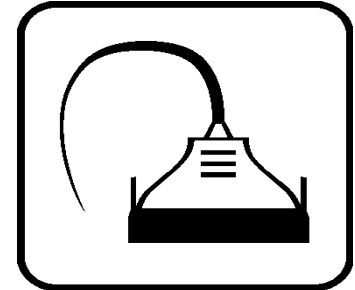
**Description**

This budget provides funds for miscellaneous Reclamation Plant No. 1 facilities small capital projects. A small capital project is defined as a miscellaneous capital improvement related to plant safety, reliability, or improvements where the professional design consulting services are less than \$100,000. This project acts as an annual budget placeholder for numerous small joint facilities projects. This system results in a fast-track process for the procurement and execution of engineering and contractor services for smaller, but vital projects.

**Justification**

The Reclamation Plant No. 1 Facilities Engineering project allows smaller capital projects to extend the life of the existing treatment works and the time between major rehabilitations. These smaller, high priority projects are individually tracked within the larger budget for procurement of engineering and contractor services as needed to maintain reliable operations.

The project's construction cost budget is \$10,167,938. This project will not have an impact on operational budgets.



## Misc. & Support Projects

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	15,000	15,000						
Preliminary Design	34,000	34,000						
Design	7,637,000	4,437,000	181,000	173,000	120,000	225,000	313,000	2,188,000
Const. & Installation	13,144,000	5,863,000	954,000	954,000	937,000	967,000	724,000	2,745,000
Commission	50,000	50,000						
Close-Out	30,000	30,000						
Contingency								
<b>Total</b>	<b>20,910,000</b>	<b>10,429,000</b>	<b>1,135,000</b>	<b>1,127,000</b>	<b>1,057,000</b>	<b>1,192,000</b>	<b>1,037,000</b>	<b>4,933,000</b>

Reimbursable Costs    N/A

# 2010-11 & 2011-12 Budget

<b>Project Name &amp; Number</b>	<b>Facilities Engineering Projects - Plant 2 - FE-P2</b>		
<b>Project Category</b>	<b>Miscellaneous &amp; Support Projects</b>	<b>Project Status:</b>	<b>Continuing</b>

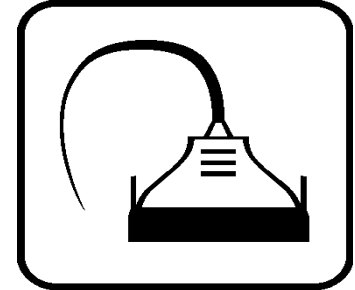
**Description**

This budget provides funds for miscellaneous Treatment Plant No. 2 facilities small capital projects. A small capital project is defined as a miscellaneous capital improvement related to plant safety, reliability, or improvements where the professional design consulting services are less than \$100,000. This project acts as an annual budget placeholder for numerous small joint facilities projects. This system results in a fast-track process for the procurement and execution of engineering and contractor services for smaller, but vital projects.

**Justification**

The Treatment Plant No. 2 Facilities Engineering project allows smaller capital projects to extend the life of the existing treatment works and the time between major rehabilitations. These smaller, high priority projects are individually tracked within the larger budget for procurement of engineering and contractor services as needed to maintain reliable operations.

The project's construction cost budget is \$10,219,981. This project will not have an impact on operational budgets.



**Misc. & Support Projects**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	10,000	10,000						
Preliminary Design	18,000	18,000						
Design	6,410,000	2,086,000	245,000	238,000	166,000	307,000	427,000	2,941,000
Const. & Installation	14,312,000	4,758,000	543,000	519,000	360,000	676,000	939,000	6,517,000
Commission	138,000	138,000						
Close-Out	22,000	22,000						
Contingency								
<b>Total</b>	<b>20,910,000</b>	<b>7,032,000</b>	<b>788,000</b>	<b>757,000</b>	<b>526,000</b>	<b>983,000</b>	<b>1,366,000</b>	<b>9,458,000</b>

Reimbursable Costs N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Temporary Upgrades To Plant Security Barriers - J-108</b>		
<b>Project Category</b>	<b>Miscellaneous &amp; Support Projects</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

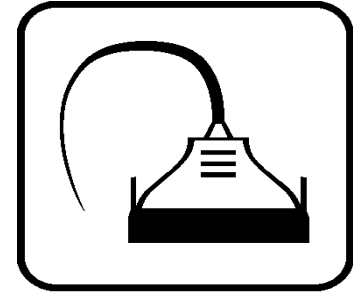
This project provides approximately 1,300 feet of perimeter security fencing around Treatment Plant #1. The fencing will replace or enhance deficient areas to improve site security.

**Justification**

In 2005, OCSD conducted a security assessment survey to determine the District's security vulnerabilities. One of the major recommended security improvements for the District's facilities was a perimeter barrier design. An improved barrier will serve as a structural barrier against intruders and protect vital plant infrastructure and District personnel. These measures will allow OCSD to immediately be in compliance with a number of existing and proposed regulations.

The project budget has been increased from \$2,082,000 to \$2,163,000 to reflect contingency increase and the revised project cost estimate.

The project's construction cost budget is \$972,751. This project will not have an impact on operational budgets.



## Misc. & Support Projects

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	62,000	62,000						
Preliminary Design	351,000	351,000						
Design	348,000	348,000						
Const. & Installation	1,416,000	232,000	1,090,000	94,000				
Commission								
Close-Out	16,000		2,000	14,000				
Contingency	192,000				192,000			
<b>Total</b>	<b>2,385,000</b>	<b>993,000</b>	<b>1,092,000</b>	<b>108,000</b>	<b>192,000</b>			

Reimbursable Costs    N/A

# 2010-11 & 2011-12 Budget

<b>Project Name &amp; Number</b>	<b>Emergency Operation Center - J-115</b>		
<b>Project Category</b>	<b>Miscellaneous &amp; Support Projects</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

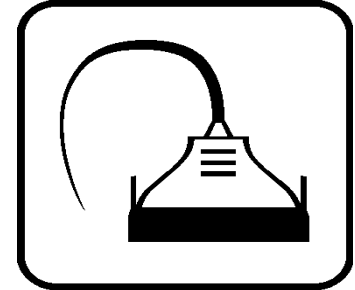
This project will convert an existing space into a dedicated Emergency Operations Center (EOC). The EOC will be the central point of coordination for overall management of emergencies at District facilities. This space would include all the necessary communication equipment to function and include a communication link between the District and the County of Orange's Operational Area EOC.

**Justification**

Currently, the District uses Conference Room 221 in the Control Center at Plant 1 as an EOC during emergency situations. Conference Room 221 is also used for other purposes on a daily basis and requires staff to convert the room into an EOC in an emergency. The room does not have adequate space to meet the needs of an EOC, proper supply storage capacities, and the necessary communications equipment.

A properly designed and located Emergency Operations Center (EOC) will serve as an effective and efficient facility for coordinating emergency response efforts. A dedicated EOC facility will increase the District's operational readiness to respond to and recover from natural or manmade disasters, and other emergencies.

The project is expected to maintain operational costs at current levels.



## Misc. & Support Projects

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	100,000				75,000	25,000		
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
<b>Total</b>	100,000				75,000	25,000		

Reimbursable Costs N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Contracts and Purchasing Building Extension - J-118</b>		
<b>Project Category</b>	<b>Miscellaneous &amp; Support Projects</b>	<b>Project Status:</b>	<b>Continuing</b>

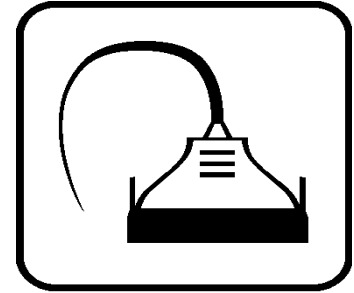
**Description**

This project will replace existing office space currently contained in temporary construction trailers that have exceeded their useful life. The project will also allow for a small increase in space for additionally anticipated Contracts Administration staff and include a small conference room, a file storage area, document production area, and small kitchen facility.

**Justification**

Currently, a portion of the Contracts Administration Division staff are located in a used temporary construction trailer installed under Project No. J-42. These trailers have been on site for approximately 10 years, but the exact age is unknown. The trailers need significant repairs, but it is more cost effective to replace the facilities.

The project's construction cost budget is \$1,914,422. The project will not impact operational costs.



## Misc. & Support Projects

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	40,000						40,000	
Preliminary Design	142,000						116,000	26,000
Design	576,000							576,000
Const. & Installation	2,370,000							2,370,000
Commission	37,000							37,000
Close-Out	41,000							41,000
Contingency	383,000							383,000
<b>Total</b>	<b>3,589,000</b>						156,000	3,433,000

Reimbursable Costs    N/A



# 2010-11 & 2011-12 Budget

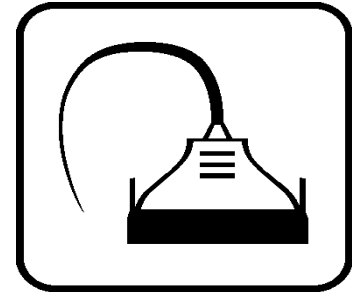
<b>Project Name &amp; Number</b>	<b>Operations Center Entrance/Building Repairs - J-122</b>		
<b>Project Category</b>	<b>Miscellaneous &amp; Support Projects</b>	<b>Project Status:</b>	<b>New</b>

**Description**

This project will conduct additional investigation, including survey, soil borings, and compaction tests to determine the cause of settlement of the Plant 2 Operations Center and approach step/slab. Recommendations for mitigating the settlement and repairing the initial damage will also be performed.

**Justification**

Recent inspection and surveying of the Plant 2 Operations Center building, approach steps, and entrance way have shown significant settlement. The building and approach area are settling at different rates. The west side of the building is above a portion of the 96-inch Interplant Line. However, recent CCTV indicates that there is no leakage of water or sediment into the interplant line under the Operations Building.



**Misc. & Support Projects**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	150,000		150,000					
Preliminary Design	300,000		300,000					
Design	550,000			550,000				
Const. & Installation	1,200,000			600,000	600,000			
Commission								
Close-Out	25,000				25,000			
Contingency	100,000				100,000			
<b>Total</b>	<b>2,325,000</b>		<b>450,000</b>	<b>1,150,000</b>	<b>725,000</b>			

Reimbursable Costs N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Title 24 Access Compliance Improvements at Plant No. 1 - P1-115</b>		
<b>Project Category</b>	<b>Miscellaneous &amp; Support Projects</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

The project will provide Title 24 (Americans with Disabilities Act) upgrades and retrofits at the existing office facilities and grounds at Reclamation Plant No. 1. The building and office space modifications include the following buildings: Administration, Human Resources, Laboratory, Shop A, Building 5/6, Auto Shop, Purchasing, Control Center, and supporting office trailers. The grounds modifications include changes to the parking areas, pedestrian corridors between office buildings, and access to the office facilities for outside visitors.

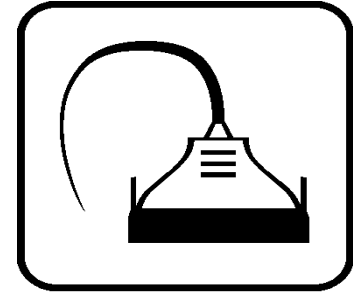
If the projects to add offices to the second floor of the Laboratory or the Public Affairs Office of the Administration Building proceed ahead of this project, the ADA work and associated costs need to be included as part of those projects. The estimated ADA cost for the Laboratory is \$600,000. The estimated ADA cost for the Administration Building is \$800,000.

**Justification**

State and federal law requires that OCSD ensure that these facilities can be accessible to individuals with disabilities.

The project budget has been increased from \$8,965,000 to \$10,000,000 to reflect contingency increase and the revised project cost estimate.

The project's construction cost budget is \$6,000,000. This project will not impact the operational budget for OCSD.



## Misc. & Support Projects

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	62,000	42,000	20,000					
Preliminary Design	316,000		248,000	68,000				
Design	1,136,000			1,017,000	119,000			
Const. & Installation	7,059,000				894,000	1,151,000	1,151,000	3,863,000
Commission	107,000							107,000
Close-Out	120,000							120,000
Contingency	1,200,000							1,200,000
<b>Total</b>	<b>10,000,000</b>	<b>42,000</b>	<b>268,000</b>	<b>1,085,000</b>	<b>1,013,000</b>	<b>1,151,000</b>	<b>1,151,000</b>	<b>5,290,000</b>

Reimbursable Costs    N/A

# 2010-11 & 2011-12 Budget

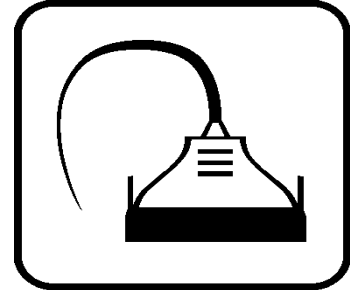
<b>Project Name &amp; Number</b>	<b>Plant No. 2 Landscaping Project - P2-96</b>		
<b>Project Category</b>	<b>Miscellaneous &amp; Support Projects</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

This project will develop conceptual plans for the beautification and visual screening of Plant No. 2 from areas east of the Santa Ana River in Newport Beach and Costa Mesa.

**Justification**

The visual screening provided by this project is needed in order to mitigate the visual impacts of existing and future expansion at Plant No. 2.



**Misc. & Support Projects**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	250,000	90,000	80,000	80,000				
Preliminary Design	250,000		150,000	100,000				
Design								
Const. & Installation	45,000		25,000	20,000				
Commission								
Close-Out								
Contingency								
<b>Total</b>	<b>545,000</b>	<b>90,000</b>	<b>255,000</b>	<b>200,000</b>				

Reimbursable Costs N/A

# CIP Project Detail Sheets

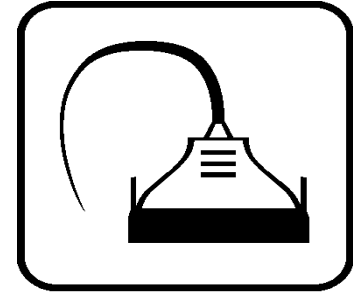
<b>Project Name &amp; Number</b>	<b>Integrated Security Access Control System - SP-128</b>		
<b>Project Category</b>	<b>Miscellaneous &amp; Support Projects</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

This project will replace the existing access control system. The first phase of this project will be to lay out and design a new system to provide needed security for the treatment works. The design consultant will incorporate new technologies for card reader systems, badge systems, and camera surveillance to ensure that the overall security system is integrated. Also, the existing control center should have access to all security systems for monitoring and security maintenance.

**Justification**

In 2005, the District conducted a security assessment survey to determine the District's security vulnerabilities. The focus of the study was to ensure that the District could comply with proposed regulations for critical infrastructure. One of the major recommendations was to replace the existing security systems to minimize intrusions due to antiquated security technologies. The other recommendation was to provide for a central location where security could be effectively monitored and maintained.



## Misc. & Support Projects

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	10,000		2,000	2,000	2,000	2,000	2,000	
Preliminary Design	20,000		4,000	4,000	4,000	4,000	4,000	
Design	20,000		4,000	4,000	4,000	4,000	4,000	
Const. & Installation	400,000		80,000	80,000	80,000	80,000	80,000	
Commission								
Close-Out								
Contingency								
<b>Total</b>	<b>450,000</b>		<b>90,000</b>	<b>90,000</b>	<b>90,000</b>	<b>90,000</b>	<b>90,000</b>	

Reimbursable Costs    N/A

# 2010-11 & 2011-12 Budget

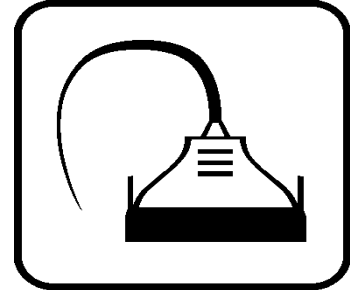
<b>Project Name &amp; Number</b>	<b>2009 NPDES Permit Renewal - SP-133</b>		
<b>Project Category</b>	<b>Miscellaneous &amp; Support Projects</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

This project is to prepare the National Pollutant Discharge Elimination System (NPDES) Permit renewal application due in 2009. The project also includes the staff costs to work with, and prepare additional information requested by, the Regional Water Quality Control Board during the permit review and approval process. The permit is anticipated to be approved in Fiscal Year 2010-11.

**Justification**

A renewal application is required every five years in order to maintain a NPDES Permit. The NPDES Permit allows the District to discharge effluent through its ocean outfall(s). The NPDES Permit is a regulatory requirement under the Federal Clean Water Act and complies with the requirements of the California Ocean Plan.



**Misc. & Support Projects**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	150,000	100,000	50,000					
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
<b>Total</b>	<b>150,000</b>	<b>100,000</b>	<b>50,000</b>					

Reimbursable Costs N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Software and Computer Equipment Replacement Project - SP-135</b>		
<b>Project Category</b>	<b>Miscellaneous &amp; Support Projects</b>	<b>Project Status:</b>	<b>Continuing</b>

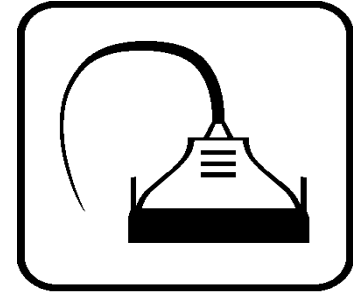
**Description**

This project will provide for the replacement of various pieces of computer software and equipment that meet the criteria for capital replacement. The criteria for an equipment replacement to be eligible for capitalization are a value in excess of \$5,000 and a useful life of five (5) or more years.

**Justification**

These funds are needed to replace obsolete software and computer equipment that is beyond its useful life. They will also be used to replace equipment when parts or services needed for repair can no longer be purchased.

The project will not impact operational costs.



**Misc. &  
Support Projects**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev								
Preliminary Design								
Design								
Const. & Installation	2,700,000	50,000	270,000	270,000	270,000	270,000	270,000	1,300,000
Commission								
Close-Out								
Contingency								
<b>Total</b>	<b>2,700,000</b>	<b>50,000</b>	<b>270,000</b>	<b>270,000</b>	<b>270,000</b>	<b>270,000</b>	<b>270,000</b>	<b>1,300,000</b>

Reimbursable Costs    N/A

# 2010-11 & 2011-12 Budget

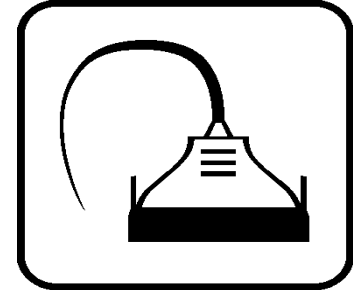
<b>Project Name &amp; Number</b>	<b>Land Records Information System - SP-136</b>		
<b>Project Category</b>	<b>Miscellaneous &amp; Support Projects</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

The project is to create a land records database system. The work includes researching, digitizing, populating attributes, and entering data into the District's GIS database for approximately 2,450 easements and other land documents. This work also includes scanning the legal documents and other pertinent land documents into the District's Electronic Data Management System to link the two databases.

**Justification**

Over the years, property owners knowingly and unknowingly have encroached upon the District's easements. Property owners have built fences, swimming pools, garages, basketball courts, and golf courses, and have planted trees, and placed other obstacles that have impacted District staff's ability to access sewer manholes. To better address this growing concern and the need to respond quickly to encroachments, the District plans to develop a user-friendly Land Records Information System (LRIS). The System would contain all of the District's legal and land record documents to allow staff to more effectively monitor and maintain the many land assets of OCSD.



**Misc. & Support Projects**

Funding for this project was transferred from SP-68-2 and SP-15.

The project is expected to improve staff efficiency and customer response time but will not change overall operational costs.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	410,000	20,000	195,000	195,000				
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
<b>Total</b>	<b>410,000</b>	<b>20,000</b>	<b>195,000</b>	<b>195,000</b>				

Reimbursable Costs N/A

# CIP Project Detail Sheets

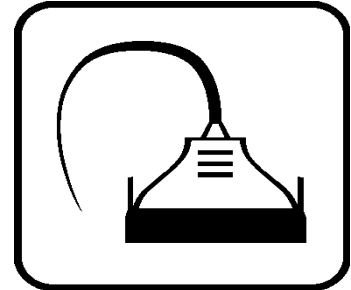
<b>Project Name &amp; Number</b>	<b>Roof Condition Assessment and Rehabilitation Study - SP-142</b>		
<b>Project Category</b>	<b>Miscellaneous &amp; Support Projects</b>	<b>Project Status:</b>	<b>New</b>

**Description**

This study will complete a facility-wide roof condition assessment and develop repair alternatives.

**Justification**

Many of the support building roofs at OCSD's treatment plants are in poor condition. An assessment is needed of these facilities to determine the most feasible repair plan.



**Misc. &  
Support Projects**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	75,000		39,000	36,000				
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
<b>Total</b>	<b>75,000</b>		<b>39,000</b>	<b>36,000</b>				

Reimbursable Costs    N/A



# 2010-11 & 2011-12 Budget

<b>Project Name &amp; Number</b>	<b>Facility Assets Assessment - SP-145</b>		
<b>Project Category</b>	<b>Miscellaneous &amp; Support Projects</b>	<b>Project Status:</b>	<b>New</b>

**Description**

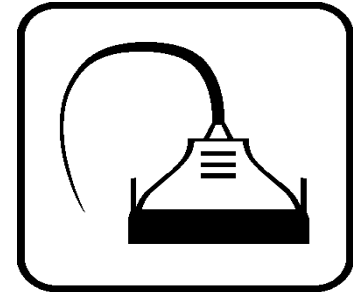
This study will provide a condition assessment of civil and structural facilities and facility components within the Plant No. 1 and Plant No. 2 process areas, commonly referred to as "Civil Assets." This includes, but is not limited to:

- 1) Piping (other than the major process piping currently being assessed by staff)
- 2) Structural components: tunnels, aeration basins, clarifiers, digesters, Plant No. 1 Headworks structures, flow control structures (diversion, distribution, metering), process area support structures such as chemical stations.

Administrative and staff offices will be assessed under project SP-147.

**Justification**

Within the plant process areas, a number of civil and structural components, referred to as "Civil Assets", have been found to be in poor condition. An assessment of these facility components is needed to prioritize necessary repairs.



**Misc. & Support Projects**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	5,000,000		500,000	1,500,000	1,500,000	1,000,000	500,000	
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
<b>Total</b>	<b>5,000,000</b>		<b>500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,000,000</b>	<b>500,000</b>	

Reimbursable Costs N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Administrative Facilities Master Plan - SP-147</b>		
<b>Project Category</b>	<b>Miscellaneous &amp; Support Projects</b>	<b>Project Status:</b>	<b>New</b>

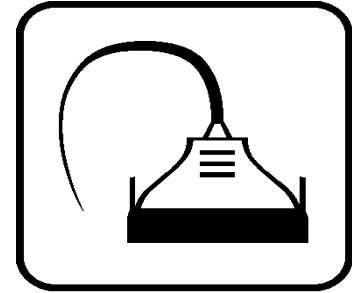
**Description**

This study provides a complete code and condition assessment of staff office facilities at Plant Nos. 1 and 2, along with an office space planning study to determine the best alternative for staff office facilities through 2030.

**Justification**

There are various issues associated with the facilities used for staff offices including, but not limited to:

1. OCS D staff are dispersed throughout various buildings and trailers within the treatment facilities. The working efficiency of this arrangement needs to be evaluated.
2. Many facilities were constructed without a formal review process by the local city building departments, and have various compliance issues that have resulted in significant cost impacts when modifying existing facilities.
3. The support buildings are having increasing maintenance levels and need to be formally assessed.



## Misc. & Support Projects

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	250,000		50,000	100,000	100,000			
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
<b>Total</b>	<b>250,000</b>		<b>50,000</b>	<b>100,000</b>	<b>100,000</b>			

Reimbursable Costs N/A

# 2010-11 & 2011-12 Budget

<b>Project Name &amp; Number</b>	<b>Laboratory Water Piping Replacement - SP-153</b>		
<b>Project Category</b>	<b>Miscellaneous &amp; Support Projects</b>	<b>Project Status:</b>	<b>New</b>

**Description**

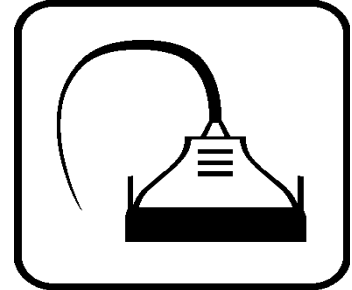
This project will replace the hot domestic water piping in the Plant No. 1 Laboratory Building which has become corroded and is at the end of its useful life.

**Justification**

The number of failures to the piping system in the laboratory building has been increasing over the past 3 years. The repairs have become more extensive and the associated damage from the leaks has increased with the number of failures.

The project's construction cost budget is \$608,000.

This project will have no impact to operational budgets.



**Misc. & Support Projects**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev								
Preliminary Design	14,000		13,000	1,000				
Design	113,000			111,000	2,000			
Const. & Installation	722,000				78,000	351,000	261,000	32,000
Commission	12,000							12,000
Close-Out	22,000							22,000
Contingency	122,000							122,000
<b>Total</b>	<b>1,005,000</b>		<b>13,000</b>	<b>112,000</b>	<b>80,000</b>	<b>351,000</b>	<b>261,000</b>	<b>188,000</b>

Reimbursable Costs N/A

# CIP Project Detail Sheets

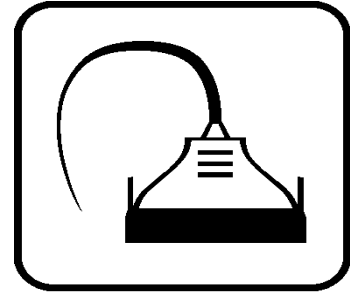
<b>Project Name &amp; Number</b>	<b>Small Cap. Equip. Replacement Project - SP-34</b>		
<b>Project Category</b>	<b>Miscellaneous &amp; Support Projects</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

This project will provide for the replacement of various plant processes and pump station equipment as well as the repair of facilities that meet the criteria for capital replacement. The criteria to be eligible for capitalization are a value in excess of \$5,000 and a useful life of five (5) or more years.

**Justification**

These funds are needed to replace broken equipment that is replaced when it is beyond economical repair or is at the end of its useful life or repair facilities that are not included or have been cut from an existing capital improvement project. It is also used to replace equipment when parts or services needed for repair can no longer be purchased.



## Misc. & Support Projects

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev								
Preliminary Design								
Design								
Const. & Installation	11,700,000	1,500,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000
Commission								
Close-Out								
Contingency								
<b>Total</b>	<b>11,700,000</b>	<b>1,500,000</b>	<b>1,700,000</b>	<b>1,700,000</b>	<b>1,700,000</b>	<b>1,700,000</b>	<b>1,700,000</b>	<b>1,700,000</b>

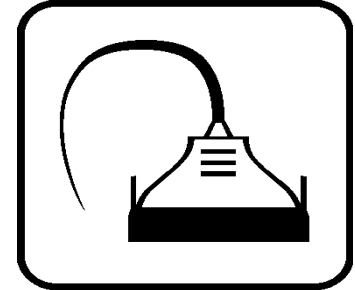
Reimbursable Costs    N/A

# 2010-11 & 2011-12 Budget

<b>Project Name &amp; Number</b>	<b>Asset Management Program - SP-68-2</b>		
<b>Project Category</b>	<b>Miscellaneous &amp; Support Projects</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

This project develops and implements an asset management program for OCSD. To date, this has resulted in the development of the program's goals and objectives, identification of major program components, existing practices charted, and development of proposed processes for each major program component and a strategic plan. The current phase of the project consists of implementing the tools developed to date, identifying business risk exposures for our Plants, modeling OCSD sustainability costs and identifying rehab and renewal for existing assets, and updating OCSD Asset Management Plan. The information generated from this effort provides management and staff additional information that allows them to make better decision. To date, over \$30 million in documented savings have been realized since the start of the program.



**Misc. & Support Projects**

**Justification**

The Asset Management Program will provide the District with a process to more effectively plan, create, operate, maintain, rehabilitate and/or replace and eventually dispose of capital assets. The program will also provide the procedures for establishing required level of service, performing asset life cycle cost analysis, assessing asset condition, assessing asset performance and analyzing risk-cost tradeoffs. Staff will continue the asset management effort to move the program forward with and utilize consultant support only as needed.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	685,000	685,000						
Preliminary Design	372,000	372,000						
Design	3,602,000	1,485,000	370,000	363,000	347,000	347,000	347,000	343,000
Const. & Installation	139,000	139,000						
Commission	2,000	2,000						
Close-Out								
Contingency								
<b>Total</b>	<b>4,800,000</b>	<b>2,683,000</b>	<b>370,000</b>	<b>363,000</b>	<b>347,000</b>	<b>347,000</b>	<b>347,000</b>	<b>343,000</b>

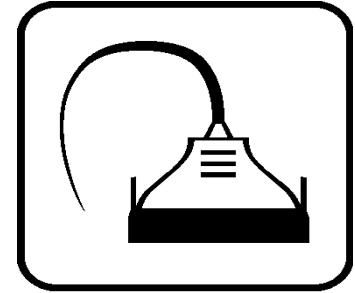
Reimbursable Costs N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Warehouse Reinvention Project - SP-77</b>		
<b>Project Category</b>	<b>Miscellaneous &amp; Support Projects</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

As part of this project, all stock in satellite warehouses will be gathered and placed into the warehouse inventory and all dormant and some excess stock will be removed from inventory. Once these changes have been made, the Operations and Maintenance field divisions and the Warehouse and Purchasing Division will implement the picking and staging of equipment and parts for the O&M planning and scheduling program. At the completion of the warehousing modifications, the consolidated purchasing practices will be reviewed and, finally, policies and procedures will be developed to memorialize the changes that have been implemented and to ensure that personnel responsible for the process will have the proper documentation to review as needed.



## Misc. & Support Projects

**Justification**

The warehouse and purchasing reinvention project will reorganize and improve the way Operations and Maintenance field divisions and the Warehouse and Purchasing interface to accomplish tasks. The picking and staging process will improve the labor efficiency of all personnel responsible for completing scheduled maintenance activities.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	440,000	440,000						
Preliminary Design	4,000	4,000						
Design	1,000	1,000						
Const. & Installation	155,000	87,000	68,000					
Commission								
Close-Out								
Contingency								
<b>Total</b>	<b>600,000</b>	<b>532,000</b>	<b>68,000</b>					

Reimbursable Costs    N/A

# 2010-11 & 2011-12 Budget

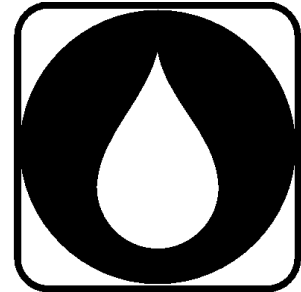
<b>Project Name &amp; Number</b>	<b>Initial Expansion of the Groundwater Replenishment System - SP-139</b>		
<b>Project Category</b>	<b>Water Management Projects</b>	<b>Project Status:</b>	<b>New</b>

**Description**

The project will support staff costs associated with the initial expansion of the Groundwater Replenishment System (GWRS). The expansion is being funded by the Orange County Water District; however, design support is needed from OCSD staff because the GWRS is integral to OCSD operations.

**Justification**

The OCSD Board of Directors' Strategic Plan identified that support of expanded reclamation is a strategic goal. This project will allow staff to support efforts to meet that goal. Any direct funding of the expanded GWRS would be approved by the Board of Directors prior to it being added to the CIP.



**Water Management  
Projects**

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	300,000		100,000	100,000	100,000			
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
<b>Total</b>	<b>300,000</b>		<b>100,000</b>	<b>100,000</b>	<b>100,000</b>			

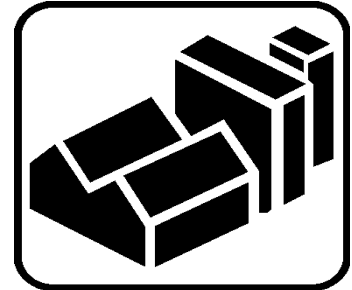
Reimbursable Costs N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Orange County Biosolids Production Siting Study - SP-105</b>		
<b>Project Category</b>	<b>Strategic &amp; Master Planning</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

This study will focus on further identifying and developing in-county reuse sites and backup land filling proposals developed under the Long Range Biosolids Management Plan. This effort will seek out and develop support from participants and potential partners within the County. The ultimate goal would be an economical biosolids production facility within the service area, possibly in the next few years, and definitely within the next 10 to 15 years. Anticipated activities under this effort will include developing business plans, site renderings, presentations to stakeholders, further developing marketing plans, and delivery of sample products to potential end users.



## Strategic & Master Planning

**Justification**

As costs and land application bans limit the District's ability to maintain existing biosolids management options, the District needs to develop other options for managing biosolids. The Board's policy for biosolids encourages local agencies to utilize biosolids based products. To make the products available to the local agencies at a reasonable price, a production facility must be located within the County. In addition, the potential move to an in-county processing facility is an attempt to reduce the overall cost of biosolids management by reducing the hauling costs. Hauling costs currently account for about 70-80% of the management fees for existing Class B options.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	400,000	136,000	264,000					
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
<b>Total</b>	<b>400,000</b>	<b>136,000</b>	<b>264,000</b>					

Reimbursable Costs    N/A



# 2010-11 & 2011-12 Budget

<b>Project Name &amp; Number</b>	<b>USBR Brine Management Grant Project - SP-116</b>		
<b>Project Category</b>	<b>Research &amp; Development</b>	<b>Project Status:</b>	<b>Revised</b>

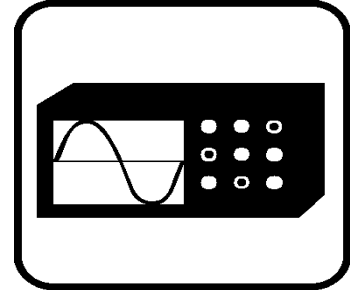
**Description**

This project is part of a regional effort to locate additional sources of water including brackish fresh water requiring treatment, wastewater, and potentially greywater. The project is being supported by the United States Bureau of Reclamation (USBR) and is investigating the construction of additional brine-only sewers.

**Justification**

This project may eventually lead to OCSD's managing and/or constructing brine-only sewers in Orange County. At this time, the project budget only includes funds to allow OCSD staff to participate in the on-going regional efforts to ensure OCSD's needs and expectations are incorporated.

The project budget has been increased from \$215,000 to \$315,000 for the next phase of studies by the USBR.



## Research & Development

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	315,000	130,000	55,000	130,000				
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
<b>Total</b>	<b>315,000</b>	<b>130,000</b>	<b>55,000</b>	<b>130,000</b>				

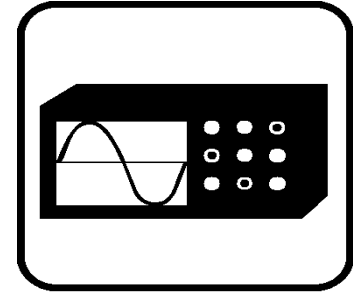
Reimbursable Costs N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Research Strategic Plan - SP-120</b>		
<b>Project Category</b>	<b>Research &amp; Development</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

This project will produce a Research Strategic Plan to define OCSD's overall research direction and serve as a guide for the research projects that will be undertaken. Its preparation will involve both OCSD staff and an experienced outside consultant to ensure that the planning is comprehensive and not limited to specific topics that might be most familiar to OCSD staff, yet is grounded in the realities of OCSD's operations and future activities. The consultant will be familiar with developments and trends in the wastewater industry domestically and internationally and will understand the nature of research, rather than being strictly a traditional engineering & construction firm that just executes established designs for treatment plants. The Plan will identify knowledge gaps in planned capital projects, regulatory directions that might require research input to address, opportunities for improved treatment approaches, and areas for valuable short-range and long-range investigations.



## Research & Development

**Justification**

The research efforts at OCSD historically have not been parts of a coordinated program. That is, there has not been an agreed-upon vision about the needs, goals, and direction for the various projects that are research-oriented. With the realignment of the research efforts to provide a coherent program, a targeted Strategic Plan is needed to define and guide the research program for the upcoming years. This will require contributions from both inside and outside OCSD to ensure the resulting plan is visionary and forward-looking while still being reasonable and specific for OCSD.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	365,000	308,000	20,000	18,000	19,000			
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
<b>Total</b>	<b>365,000</b>	<b>308,000</b>	<b>20,000</b>	<b>18,000</b>	<b>19,000</b>			

Reimbursable Costs    N/A

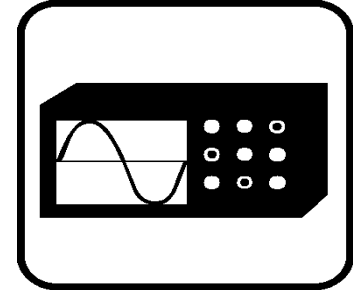
# 2010-11 & 2011-12 Budget

<b>Project Name &amp; Number</b>	<b>Superoxygenation of Primary Influent - SP-121</b>		
<b>Project Category</b>	<b>Research &amp; Development</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

An innovative technology was tested at the Seal Beach pump station, to force oxygen into wastewater. This project used a high-volume pumping system and an advanced retention tank to dissolve large quantities of pure oxygen into the wastewater flow, which was then released into the force main.

The same technology could be applied to the primary influent in a treatment plant. By placing the system at the grit chamber discharge, oxygen could be forced into the wastewater either to oxidize the odorous compounds that are present or meet the total oxygen demand throughout primary treatment. The best approach would depend on the relative costs of oxygenation and odor scrubbing and could be affected by limitations on the amount of oxygen that could be forced into the water. An engineering feasibility study was started in FY 07-08 to evaluate the technical feasibility and associated costs of applying this technology to either treatment plant.



**Research & Development**

**Justification**

Odors produced in the primary clarifiers must be treated before the air is released. This requires electricity for fans and (usually) chemicals for wet scrubbers. If the odor production could be prevented, then operating costs could be reduced and perhaps some capital construction could be avoided. The potential life cycle cost savings from reduced operating costs and avoided capital costs could be millions of dollars annually based on the expenditures that occur now, but quantifying the actual savings will require operating data from a process test.

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	850,000	360,000	245,000	245,000				
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
<b>Total</b>	<b>850,000</b>	<b>360,000</b>	<b>245,000</b>	<b>245,000</b>				

Reimbursable Costs N/A

# CIP Project Detail Sheets

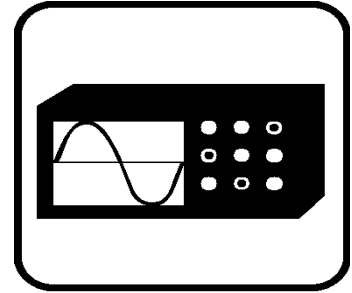
<b>Project Name &amp; Number</b>	<b>Operational Research Projects (annual allocation) - SP-125</b>		
<b>Project Category</b>	<b>Research &amp; Development</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

This is a fund for operational research projects that have not yet been identified. As directed by OCSD management, an annual allocation will be made to fund research projects. The Research Strategic Plan developed during 2007-08 identified projects and topics for research. Specific projects then will be identified and developed to be funded from this budget.

**Justification**

These funds will be used for various research projects designed to improve operational efficiency, reduce costs, improve safety, or fill important information gaps. The results will support O&M and provide information needed by Engineering for future planning and design work. The projects will be individually budgeted and tracked within the overall line item allocation.



## Research & Development

**Budget Projections**

Budget Phase	Total Project Budget	Cost To-Date	2010-11	2011-12	2012-13	2013-14	2014-15	Thereafter
Project Dev	10,040,000	250,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	4,790,000
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
<b>Total</b>	<b>10,040,000</b>	<b>250,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>4,790,000</b>

Reimbursable Costs    N/A

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## **2010-11 & 2011-12 Budget**

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# Summary by Revenue Program Category

Project Name	Total Project Budget	Percentage Allocation				Total Project Cost Budget			
		Repl/Rehab	Imp Treatment	Additional Capacity	Support	Repl/Rehab	Imp Treatment	Additional Capacity	Support
<b>Collections Facilities</b>									
Raitt and Bristol Street Sewer Extension	9,906,000			100%		-	-	9,906,000	-
Santa Ana Trunk Sewer Rehab.	21,156,000	100%				21,156,000	-	-	-
Santa Ana River Interceptor Realignment and Prot.	11,404,000	100%				11,404,000	-	-	-
Santa Ana River Interceptor (SARI) Inspection and Mitigation	900,000	100%				900,000	-	-	-
Taft Branch Improvements	3,143,000	50%		50%		1,571,500	-	1,571,500	-
Newhope-Placentia Trunk Grade Separation Replacement	2,392,000	25%		75%		598,000	-	1,794,000	-
Fullerton-Brea Interceptor Sewer Relief	2,287,000			100%		-	-	2,287,000	-
Newhope-Placentia Trunk Replacement	66,696,000	60%		40%		40,017,600	-	26,678,400	-
Yorba Linda Pumping Station Abandonment	9,566,000	100%				9,566,000	-	-	-
Rehabilitation of the Westside Pump Station	11,668,000	100%				11,668,000	-	-	-
Westside Relief Interceptor Relief	26,482,000	25%		75%		6,620,500	-	19,861,500	-
Rehabilitation of Magnolia Trunk Sewer	26,721,000	100%				26,721,000	-	-	-
Miller-Holder Trunk Sewer Relief	17,324,000			100%		-	-	17,324,000	-
Beach Trunk/Knott Interceptor Sewer Relief	25,055,000			100%		-	-	25,055,000	-
Miller-Holder and Knott Trunks Odor Control Project	1,795,000		100%			-	1,795,000	-	-
Seal Beach Pumping Station Upgrade and Rehabilitation	14,023,000	100%				14,023,000	-	-	-
Seal Beach Pumping Station Force Main Rehabilitation	11,032,000	100%				11,032,000	-	-	-
Rehabilitation of 3-6, 3-8, and 3-21-1 Sewers	71,312,000	100%				71,312,000	-	-	-
Balboa Trunk Sewer Rehabilitation	8,514,000	100%				8,514,000	-	-	-
Replacement of the Bitter Point Pump Station	32,084,000	90%		10%		28,875,600	-	3,208,400	-
Replacement of the Rocky Point Pump Station	20,360,000	90%		10%		18,324,000	-	2,036,000	-
Bitter Point Force Main Rehabilitation	25,883,000	100%				25,883,000	-	-	-
Newport Force Main Condition Assessment	22,591,000	100%				22,591,000	-	-	-
Bayside Drive Improvement	3,415,000	100%				3,415,000	-	-	-
Dover Drive Trunk Sewer Relief	13,346,000			100%		-	-	13,346,000	-
Lido Pumping Station Upgrade and Rehabilitation	1,515,000	100%				1,515,000	-	-	-
Crystal Cove Pumping Station Upgrade and Rehabilitation	7,379,000	100%				7,379,000	-	-	-
Bay Bridge Pumping Station Upgrade and Rehabilitation	46,852,000	100%				46,852,000	-	-	-
District 6 Trunk Sewer Relief	5,126,000			100%		-	-	5,126,000	-
Southwest Costa Mesa Trunk	13,309,000			100%		-	-	13,309,000	-
Gisler-Redhill System Improvements, Reach B	9,622,000	50%		50%		4,811,000	-	4,811,000	-
Rehabilitation of College Ave. Pump Station	11,445,000	70%		30%		8,011,500	-	3,433,500	-
Browning Subtrunk Sewer Relief	11,172,000			100%		-	-	11,172,000	-
<b>Continued</b>									

# 2010-11 & 2011-12 Budget

## Collection System Improvement Projects

Project Name	Total Project Budget	Percentage Allocation				Total Project Cost Budget			
		Repl/ Rehab	Imp Treatment	Additional Capacity	Support	Repl/ Rehab	Imp Treatment	Additional Capacity	Support
<b>Collections Facilities (Continued)</b>									
County Island Annexation and CEQA Documentation	300,000				100%	-	-	-	300,000
Von Karman Trunk Sewer Relief	433,000			100%		-	-	433,000	-
MacArthur Pumping Station Upgrade and Rehabilitation	7,028,000	100%				7,028,000	-	-	-
Edinger/Bolsa Chica Trunk Improvements	6,030,000	25%		75%		1,507,500	-	4,522,500	-
Coast Trunk Sewer Rehabilitation	9,121,000	100%				9,121,000	-	-	-
Wintersburg Channel Siphon Protection Project	75,000	100%				75,000	-	-	-
Edinger Pumping Station Upgrade and Rehabilitation	11,474,000	100%				11,474,000	-	-	-
North County Collections Yard	12,270,000				100%	-	-	-	12,270,000
Facilities Engineering Projects - Collections	8,520,000	70%	15%		15%	5,964,000	1,278,000	-	1,278,000
Replacement of the Ellis Ave. Pump Stn	79,337,000	10%		90%		7,933,700	-	71,403,300	-
Siphon and Manhole Upgrade Feasibility Study	300,000		100%			-	300,000	-	-
<b>Collections Facilities Improvement Projects Total</b>	<b>700,363,000</b>					<b>445,863,900</b>	<b>3,373,000</b>	<b>237,278,100</b>	<b>13,848,000</b>

# Summary by Revenue Program Category

## Treatment & Disposal Improvement Projects

Project Name	Total Project Budget	Percentage Allocation				Total Project Cost Budget			
		Repl/ Rehab	Imp Treatment	Additional Capacity	Support	Repl/ Rehab	Imp Treatment	Additional Capacity	Support
<b>Headworks</b>									
Headworks Rehab. and Expansion at Plant No. 1	43,404,000	65%	5%	30%		28,212,600	2,170,200	13,021,200	-
Headworks Expansion	222,804,000	20%		80%		44,560,800	-	178,243,200	-
Headworks Rehabilitation/Refurbishment	8,374,000	100%				8,374,000	-	-	-
Headworks Improvements at Plant No. 2	257,733,000	75%	25%			193,299,750	64,433,250	-	-
<b>Headworks Projects Total</b>	<b>532,315,000</b>					<b>274,447,150</b>	<b>66,603,450</b>	<b>191,264,400</b>	<b>-</b>
<b>Primary Treatment</b>									
Primary Clarifiers 6-31 Evaluation and Optimization Study	150,000		100%			-	150,000	-	-
Primary Effluent Pipeline Joint Repairs	3,246,000	100%				3,246,000	-	-	-
Primary Treatment Rehab/Refurb	38,923,000	100%				38,923,000	-	-	-
Primary Treatment Area Rehabilitation Study	300,000	100%				300,000	-	-	-
54-inch Primary Effluent Butterfly Valve Use Study	25,000	100%				25,000	-	-	-
<b>Primary Treatment Projects Total</b>	<b>42,644,000</b>					<b>42,494,000</b>	<b>150,000</b>	<b>-</b>	<b>-</b>
<b>Secondary Treatment</b>									
New Secondary Treatment System at Plant No. 1	260,300,000		67%	33%		-	174,401,000	85,899,000	-
Activated Sludge Plant No. 1 Upgrades	20,673,000	100%				20,673,000	-	-	-
Activated Sludge Plant Rehabilitation	46,761,000	50%	25%	25%		23,380,500	11,690,250	11,690,250	-
Trickling Filters at Plant No. 2	223,238,000		100%			-	223,238,000	-	-
Oxygen Plant Rehabilitation at Plant No. 2	2,500,000	100%				2,500,000	-	-	-
<b>Secondary Treatment Projects Total</b>	<b>553,472,000</b>					<b>46,553,500</b>	<b>409,329,250</b>	<b>97,589,250</b>	<b>-</b>
<b>Solids Handling &amp; Digestion</b>									
Sludge Digester Rehabilitation at Plant 1	55,515,000	100%				55,515,000	-	-	-
Sludge Dewatering and Odor control at Plant 1	143,549,000		35%	65%		-	50,242,150	93,306,850	-
Digester Ferric Chloride System Rehabilitation	2,627,000	100%				2,627,000	-	-	-
Demolition of Digesters A and B	4,756,000	100%				4,756,000	-	-	-
Solids Storage Silo Rehabilitation	37,604,000	100%				37,604,000	-	-	-
Solids Thickening and Processing Upgrades	61,135,000	50%	50%			30,567,500	30,567,500	-	-
Plant No. 2 Primary Sludge Feed System Project	26,524,000	25%	75%			6,631,000	19,893,000	-	-
Digester Rehabilitation at Plant No. 2	45,637,000	80%	10%	10%		36,509,600	4,563,700	4,563,700	-
Sludge Dewatering and Odor Control at Plant 2	63,183,000	100%				63,183,000	-	-	-
Replacement of Drying Beds and Truck Wash at Plant	4,443,000	100%				4,443,000	-	-	-
Food Waste Collection and Treatment Study	100,000		100%			-	100,000	-	-
Digesters 5 and 6 Conversion and Use Study	100,000				100%	-	-	-	100,000
<b>Solids Handling &amp; Digestion Projects Total</b>	<b>445,173,000</b>					<b>241,836,100</b>	<b>105,366,350</b>	<b>97,870,550</b>	<b>100,000</b>
<b>Ocean Outfall Systems</b>									
Final Effluent Sampler and Building Area Upgrades	2,661,000	100%				2,661,000	-	-	-
Outfall Land Section and OOPS Piping Rehabilitation	7,540,000	100%				7,540,000	-	-	-
Outfall Piping Rehabilitation Program Study	370,000	100%				370,000	-	-	-
Ocean Outfall Booster Station Rehabilitation (Electrical)	13,059,000	100%				13,059,000	-	-	-
66-inch Interplant Effluent Pipeline Rehabilitation	62,052,000	100%				62,052,000	-	-	-
Ocean Outfall Booster Station Rehabilitation (Mechanical)	4,559,000	100%				4,559,000	-	-	-
Outfall Beach Box Rehabilitation Evaluation	330,000	100%				330,000	-	-	-
Ocean Outfall Easement Renewal	25,000				100%	-	-	-	25,000
Outfall Pumping Cooling Water Bypass Study	25,000				100%	-	-	-	25,000
Alternative Effluent Disinfection Study	100,000		100%			-	100,000	-	-
Santa Ana River Flap Gates Access Study	50,000				100%	-	-	-	50,000
Interplant Effluent Pipeline Alternate Use Study	10,000				100%	-	-	-	10,000
<b>Ocean Outfall Systems Projects Total</b>	<b>90,781,000</b>					<b>90,571,000</b>	<b>100,000</b>	<b>-</b>	<b>110,000</b>
<b>Utility Systems</b>									
Interplant Gas Line Rehabilitation	4,504,000	100%				4,504,000	-	-	-
Cengen Cooling Water System Replacement	10,023,000	100%				10,023,000	-	-	-
Cengen Emissions Control Project	30,279,000		100%			-	30,279,000	-	-
UPS System Upgrades	13,012,000	80%		20%		10,409,600	-	2,602,400	-
Air Quality Improvements	11,668,000		100%			-	11,668,000	-	-
<b>Continued</b>									



# 2010-11 & 2011-12 Budget

## Treatment & Disposal Improvement Projects

Project Name	Project Budget	Repl/ Rehab	Imp Treatment	Additional Capacity	Support	Repl/ Rehab	Imp Treatment	Additional Capacity	Support
<b>Utility Systems (Continued.)</b>									
Central Generation Automation	21,049,000	25%	75%			5,262,250	15,786,750	-	-
Electrical Power Distribution System Improvements	9,773,000	60%	20%	20%		5,863,800	1,954,600	1,954,600	-
Power Building 3A Backup Power Reliability Project	502,000		100%			-	502,000	-	-
Plant Water System Rehabilitation at Plant No.1	3,344,000	100%				3,344,000	-	-	-
Flare Addition	2,083,000			100%		-	-	2,083,000	-
Gas Compressor Upgrades	27,181,000	80%		20%		21,744,800	-	5,436,200	-
Plant 1 66kV Substation	15,153,000			50%	50%	-	-	7,576,500	7,576,500
Plant Water System Rehabilitation at Plant No.2	3,659,000	100%				3,659,000	-	-	-
Additional High Pressure Flare	1,993,000	30%		70%		597,900	-	1,395,100	-
15 kV Upgrades at Plant No. 2	3,238,000	100%				3,238,000	-	-	-
Gas Compressor Upgrades	22,362,000	100%				22,362,000	-	-	-
SCE Feed Reliability Improvements	22,490,000		100%			-	22,490,000	-	-
Energy Load Management and Shedding System	16,517,000	50%			50%	8,258,500	-	-	8,258,500
Gas Holder Demolition	1,026,000	100%				1,026,000	-	-	-
Secondary Area Cable Tray Upgrades	2,154,000	35%	55%		10%	753,900	1,184,700	-	215,400
Headworks Area Cable Tray Upgrades	3,015,000	35%	55%		10%	1,055,250	1,658,250	-	301,500
Fuel Cell Feasibility Study	100,000				100%	-	-	-	100,000
Fuel Cell Hydrogen Gas Generation Research	600,000				100%	-	-	-	600,000
Digester Gas Facilities Assessment	100,000	100%				100,000	-	-	-
Utility Water Systems Study	475,000	25%	25%	25%	25%	118,750	118,750	118,750	118,750
Plant Air System Master Plan	220,000	25%	25%	25%	25%	55,000	55,000	55,000	55,000
Electrical System Base Map	220,000				100%	-	-	-	220,000
Uninterruptible Power System (UPS) Study	100,000	60%	20%	20%		60,000	20,000	20,000	-
Sidestream Pumping System and Water Characterization Study	170,000				100%	-	-	-	170,000
Standby Power Generation Study	100,000	60%	20%	20%		60,000	20,000	20,000	-
Communication Radio System Replacement	900,000	100%				900,000	-	-	-
Power Outage Recovery Plan	100,000				100%	-	-	-	100,000
Potable Water Quality Study	25,000		100%			-	25,000	-	-
<b>Utility Systems Projects Total</b>	<b>228,135,000</b>					<b>103,395,750</b>	<b>85,762,050</b>	<b>21,261,550</b>	<b>17,715,650</b>
<b>Odor Control Related Projects</b>									
Coyote Hills Golf Course Odor Control Station	8,365,000		100%			-	8,365,000	-	-
Rehabilitation of Odor Control Facilities	44,124,000	20%	80%			8,824,800	35,299,200	-	-
Trickling Filter Odor Control at Plant No. 1	5,182,000		100%			-	5,182,000	-	-
Primary Scrubber Rehabilitation at Plant No.1	41,732,000	100%				41,732,000	-	-	-
Solids Storage Building Odor Control Project	10,720,000		100%			-	10,720,000	-	-
Chemical Scrubber Conversions and Piping System Improvements	3,261,000	100%				3,261,000	-	-	-
Primary Treatment Odor Control Upgrades	35,691,000	50%	50%			17,845,500	17,845,500	-	-
Wastehauler Odor Control	100,000		100%			-	100,000	-	-
Odor Control Master Plan	2,400,000	50%	30%	20%		1,200,000	720,000	480,000	-
<b>Odor Control Related Projects Projects Total</b>	<b>151,575,000</b>					<b>72,863,300</b>	<b>78,231,700</b>	<b>480,000</b>	<b>-</b>
<b>Process Related Special Projects</b>									
Plant O&M Manual & SOP Project - Phase I	3,750,000				100%	-	-	-	3,750,000
Corrosion Management	4,667,000				100%	-	-	-	4,667,000
Special Projects: Biotrickling Filter (BTF)	29,000		100%			-	29,000	-	-
<b>Process Related Special Projects Projects Total</b>	<b>8,446,000</b>					<b>-</b>	<b>29,000</b>	<b>-</b>	<b>8,417,000</b>
<b>Plant Automation &amp; Computerization</b>									
Power Monitoring and Control Systems	12,013,000	50%			50%	6,006,500	-	-	6,006,500
Strategic Information Architecture (SIA)	1,995,000				100%	-	-	-	1,995,000
Internet/Intranet Development	650,000				100%	-	-	-	650,000

# Summary by Revenue Program Category

## Treatment & Disposal Improvement Projects

Project Name	Project Budget	Repl/ Rehab	Imp Treatment	Additional Capacity	Support	Repl/ Rehab	Imp Treatment	Additional Capacity	Support
<b>Plant Automation &amp; Computerization (Continued.)</b>									
CMMS System Replacement	3,789,000	50%		25%	25%	1,894,500	-	947,250	947,250
PDS2D Software Replacement	250,000				100%	-	-	-	250,000
Geographic Information System	4,047,000				100%	-	-	-	4,047,000
Process SCADA Modbus Ethernet Redundancy	1,055,000				100%	-	-	-	1,055,000
VAX Server Migration to Modbus Ethernet	1,146,000				100%	-	-	-	1,146,000
Network Equipment Upgrade	1,157,000	85%			15%	983,450	-	-	173,550
<b>Plant Automation &amp; Computerization Projects Total</b>	<b>26,102,000</b>					<b>8,884,450</b>	<b>-</b>	<b>947,250</b>	<b>16,270,300</b>
<b>Miscellaneous &amp; Support Projects</b>									
Facilities Engineering Projects - Joint	23,910,000	70%	15%		15%	16,737,000	3,586,500	-	3,586,500
Facilities Engineering Projects - Plant 1	20,910,000	70%	15%		15%	14,637,000	3,136,500	-	3,136,500
Facilities Engineering Projects - Plant 2	20,910,000	70%	15%		15%	14,637,000	3,136,500	-	3,136,500
Temporary Upgrades To Plant Security Barriers	2,385,000				100%	-	-	-	2,385,000
Emergency Operation Center	100,000				100%	-	-	-	100,000
Contracts and Purchasing Building Extension	3,589,000				100%	-	-	-	3,589,000
Operations Center Entrance/Building Repairs	2,325,000	100%				2,325,000	-	-	-
Title 24 Access Compliance Improvements at Plant No. 1	10,000,000	100%				10,000,000	-	-	-
Plant No. 2 Landscaping Project	545,000				100%	-	-	-	545,000
Integrated Security Access Control System	450,000				100%	-	-	-	450,000
2009 NPDES Permit Renewal	150,000				100%	-	-	-	150,000
Software and Computer Equipment Replacement Project	2,700,000				100%	-	-	-	2,700,000
Land Records Information System	410,000				100%	-	-	-	410,000
Roof Condition Assessment and Rehabilitation Study	75,000	100%				75,000	-	-	-
Facility Assets Assessment	5,000,000	100%				5,000,000	-	-	-
Administrative Facilities Master Plan	250,000	80%		20%		200,000	-	50,000	-
Laboratory Water Piping Replacement	1,005,000	100%				1,005,000	-	-	-
Stormwater Master Plan	300,000				100%	-	-	-	300,000
Small Cap. Equip. Replacement Project	11,700,000	100%				11,700,000	-	-	-
Asset Management Program	4,800,000				100%	-	-	-	4,800,000
Warehouse Reinvention Project	600,000				100%	-	-	-	600,000
<b>Miscellaneous &amp; Support Projects Projects Total</b>	<b>112,114,000</b>					<b>76,316,000</b>	<b>9,859,500</b>	<b>50,000</b>	<b>25,888,500</b>
<b>Water Management Projects</b>									
Initial Expansion of the Groundwater Replenishment System	300,000			100%		-	-	300,000	-
Effluent Reuse Study	60,000		100%			-	60,000	-	-
<b>Water Management Projects Projects Total</b>	<b>360,000</b>					<b>-</b>	<b>60,000</b>	<b>300,000</b>	<b>-</b>
<b>Strategic &amp; Master Planning</b>									
Orange County Biosolids Production Siting Study	400,000		100%			-	400,000	-	-
Uniform Level of Service Standards	80,000				100%	-	-	-	80,000
Climate Change Impact Study	100,000				100%	-	-	-	100,000
Plant No. 2 Soil Liquefaction Study	250,000				100%	-	-	-	250,000
<b>Strategic &amp; Master Planning Projects Total</b>	<b>830,000</b>					<b>-</b>	<b>400,000</b>	<b>-</b>	<b>430,000</b>
<b>Research &amp; Development</b>									
Process SCADA Replacement	20,283,000				100%	-	-	-	20,283,000
Process SCADA Network Upgrades	8,697,000				100%	-	-	-	8,697,000
USBR Brine Management Grant Project	315,000		100%			-	315,000	-	-
Research Strategic Plan	365,000		40%	30%	30%	-	146,000	109,500	109,500
Superoxygenation of Primary Influent	850,000		80%	20%		-	680,000	170,000	-
Operational Research Projects (annual allocation)	10,040,000	25%	25%	25%	25%	2,510,000	2,510,000	2,510,000	2,510,000
Process SCADA Link to Pump Stations	100,000	100%				100,000	-	-	-
North County Yard Information Continuity	666,000				100%	-	-	-	666,000
Data Storage Addition	444,000				100%	-	-	-	444,000
Treatment Plant Hydraulic Assessment	300,000				100%	-	-	-	300,000
Information Systems Upgrades and Replacements	12,510,000				100%	-	-	-	12,510,000
Information Technology Data Center Replacement	2,566,000				100%	-	-	-	2,566,000
Information Technology Workroom Replacement	180,000				100%	-	-	-	180,000
<b>Research &amp; Development Projects Total</b>	<b>57,316,000</b>					<b>2,610,000</b>	<b>3,651,000</b>	<b>2,789,500</b>	<b>48,265,500</b>
<b>Treatment and Disposal Improvement Projects Total</b>	<b>2,249,263,000</b>					<b>959,971,250</b>	<b>759,542,300</b>	<b>412,552,500</b>	<b>117,196,950</b>
<b>Capital Equipment</b>	<b>16,000,000</b>					<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>
<b>Total Capital Improvement Program</b>	<b>\$ 2,965,626,000</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>\$ 1,409,835,150</b>	<b>\$ 766,915,300</b>	<b>\$ 653,830,600</b>	<b>\$ 135,044,950</b>

# 2010-11 & 2011-12 Budget

## Collections System Improvement Projects – Budget By Project Status

Proj. #	Title	Total Budget	New	Continuing	Revised	Future
<b>Collections Facilities</b>						
02-41-7	Santa Ana River Interceptor (SARI) Inspection and Mitigation	900,000	900,000			
05-65	Lido Pumping Station Upgrade and Rehabilitation	1,515,000	1,515,000			
SP-138	Siphon and Manhole Upgrade Feasibility Study	300,000	300,000			
01-17	Santa Ana Trunk Sewer Rehab.	21,156,000		21,156,000		
02-65	Newhope-Placentia Trunk Grade Separation Replacement	2,392,000		2,392,000		
05-47	Balboa Trunk Sewer Rehabilitation	8,514,000		8,514,000		
05-61	Bayside Drive Improvement	3,415,000		3,415,000		
05-63	Dover Drive Trunk Sewer Relief	13,346,000		13,346,000		
07-61	County Island Annexation and CEQA Documentation	300,000		300,000		
11-32	Wintersburg Channel Siphon Protection Project	75,000		75,000		
15-04	North County Collections Yard	12,270,000		12,270,000		
FE-Collection Facilities Engineering Projects - Collections		8,520,000		8,520,000		
02-41	Santa Ana River Interceptor Realignment and Prot.	11,404,000			11,404,000	
02-71	Fullerton-Brea Interceptor Sewer Relief	2,287,000			2,287,000	
03-52	Rehabilitation of the Westside Pump Station	11,668,000			11,668,000	
03-58	Rehabilitation of Magnolia Trunk Sewer	26,721,000			26,721,000	
05-49	Replacement of the Bitter Point Pump Station	32,084,000			32,084,000	
05-50	Replacement of the Rocky Point Pump Station	20,360,000			20,360,000	
05-58	Bitter Point Force Main Rehabilitation	25,883,000			25,883,000	
05-60	Newport Force Main Condition Assessment	22,591,000			22,591,000	
06-17	District 6 Trunk Sewer Relief	5,126,000			5,126,000	
06-19	Southwest Costa Mesa Trunk	13,309,000			13,309,000	
07-37	Gisler-Redhill System Improvements, Reach B	9,622,000			9,622,000	
07-47	Rehabilitation of College Ave. Pump Station	11,445,000			11,445,000	
11-26	Coast Trunk Sewer Rehabilitation	9,121,000			9,121,000	

Continued

# Summary by Project Status

## Collections System Improvement Projects – Budget By Project Status

Proj. #	Title	Total Budget	New	Continuing	Revised	Future
<b>Collections Facilities (Continued)</b>						
I-10	Replacement of the Ellis Ave. Pump Stn	79,337,000			79,337,000	
01-101	Raitt and Bristol Street Sewer Extension	9,906,000			9,906,000	
02-49	Taft Branch Improvements	3,143,000				3,143,000
02-72	Newhope-Placentia Trunk Replacement	66,696,000				66,696,000
02-73	Yorba Linda Pumping Station Abandonment	9,566,000				9,566,000
03-55	Westside Relief Interceptor Relief	26,482,000				26,482,000
03-59	Miller-Holder Trunk Sewer Relief	17,324,000				17,324,000
03-60	Beach Trunk/Knott Interceptor Sewer Relief	25,055,000				25,055,000
03-61	Miller-Holder and Knott Trunks Odor Control Project	1,795,000				1,795,000
03-62	Seal Beach Pumping Station Upgrade and Rehabilitation	14,023,000				14,023,000
03-63	Seal Beach Pumping Station Force Main Rehabilitation	11,032,000				11,032,000
03-64	Rehabilitation of 3-6, 3-8, and 3-21-1 Sewers	71,312,000				71,312,000
05-66	Crystal Cove Pumping Station Upgrade and Rehabilitation	7,379,000				7,379,000
05-67	Bay Bridge Pumping Station Upgrade and Rehabilitation	46,852,000				46,852,000
07-60	Browning Subtrunk Sewer Relief	11,172,000				11,172,000
07-62	Von Karman Trunk Sewer Relief	433,000				433,000
07-63	MacArthur Pumping Station Upgrade and Rehabilitation	7,028,000				7,028,000
11-25	Edinger/Bolsa Chica Trunk Improvements	6,030,000				6,030,000
11-33	Edinger Pumping Station Upgrade and Rehabilitation	11,474,000				11,474,000
<b>Collections Facilities Improvement Projects Total Budget</b>		<b>700,363,000</b>	<b>2,715,000</b>	<b>69,988,000</b>	<b>290,864,000</b>	<b>336,796,000</b>

# 2010-11 & 2011-12 Budget

## Treatment & Disposal Projects – Budget By Project Status

Proj. #	Title	Total Budget	New	Continuing	Revised	Future
<b>Headworks</b>						
P1-105	Headworks Rehab. and Expansion at Plant No. 1	43,404,000				43,404,000
P1-71	Headworks Rehabilitation/Refurbishment	8,374,000			8,374,000	
P2-66	Headworks Improvements at Plant No. 2	257,733,000			257,733,000	
P1-120	Headworks Expansion	222,804,000				222,804,000
<b>Headworks Total Budget</b>		<b>532,315,000</b>	<b>-</b>	<b>-</b>	<b>266,107,000</b>	<b>266,208,000</b>
<b>Primary Treatment</b>						
SP-137	Primary Treatment Area Rehabilitation Study	300,000	300,000			
SP-144	54-inch Primary Effluent Butterfly Valve Use Study	25,000	25,000			
P1-116	Primary Clarifiers 6-31 Evaluation and Optimization Study	150,000		150,000		
P2-80	Primary Treatment Rehab/Refurb	38,923,000		38,923,000		
P1-118	Primary Effluent Pipeline Joint Repairs	3,246,000				3,246,000
<b>Primary Treatment Total Budget</b>		<b>42,644,000</b>	<b>325,000</b>	<b>39,073,000</b>	<b>-</b>	<b>3,246,000</b>
<b>Secondary Treatment</b>						
P1-102	New Secondary Treatment System at Plant No. 1	260,300,000		260,300,000		
SP-129	Oxygen Plant Rehabilitation at Plant No. 2	2,500,000		2,500,000		
P1-82	Activated Sludge Plant Rehabilitation	46,761,000			46,761,000	
P2-90	Trickling Filters at Plant No. 2	223,238,000			223,238,000	
P1-117	Activated Sludge Plant No.1 Upgrades	20,673,000				20,673,000
<b>Secondary Treatment Total Budget</b>		<b>553,472,000</b>	<b>-</b>	<b>262,800,000</b>	<b>269,999,000</b>	<b>20,673,000</b>
<b>Solids Handling &amp; Digestion</b>						
P1-101	Sludge Dewatering and Odor control at Plant 1	143,549,000		143,549,000		
P2-105	Digester Ferric Chloride System Rehabilitation	2,627,000		2,627,000		
P2-89	Solids Thickening and Processing Upgrades	61,135,000		61,135,000		
P2-91	Plant No. 2 Primary Sludge Feed System Project	26,524,000		26,524,000		
P2-92	Sludge Dewatering and Odor Control at Plant 2	63,183,000		63,183,000		
P2-97	Replacement of Drying Beds and Truck Wash at Plant	4,443,000		4,443,000		
P1-100	Sludge Digester Rehabilitation at Plant 1	55,515,000			55,515,000	
P2-91-1	Digester Rehabilitation at Plant No. 2	45,637,000			45,637,000	
P2-110	Demolition of Digesters A and B	4,756,000				4,756,000
P2-114	Solids Storage Silo Rehabilitation	37,604,000				37,604,000
SP-171	Food Waste Collection and Treatment Study	100,000				100,000
SP-172	Digesters 5 and 6 Conversion and Use Study	100,000				100,000
<b>Solids Handling &amp; Digestion Total Budget</b>		<b>445,173,000</b>	<b>-</b>	<b>301,461,000</b>	<b>101,152,000</b>	<b>42,560,000</b>
<b>Ocean Outfall Systems</b>						
SP-143	Ocean Outfall Easement Renewal	25,000	25,000			
SP-154	Outfall Pumping Cooling Water Bypass Study	25,000				25,000
J-113	Outfall Piping Rehabilitation Program Study	370,000		370,000		
J-117	Ocean Outfall Booster Station Rehabilitation (Mechanical)	4,559,000		4,559,000		
J-119	Outfall Beach Box Rehabilitation Evaluation	330,000		330,000		
J-110	Final Effluent Sampler and Building Area Upgrades	2,661,000			2,661,000	
J-112	Outfall Land Section and OOBs Piping Rehabilitation	7,540,000			7,540,000	
J-114	Ocean Outfall Booster Station Rehabilitation (Electrical)	13,059,000				13,059,000

# Summary by Project Status

## Treatment & Disposal Projects – Budget By Project Status

Proj. #	Title	Total Budget	New	Continuing	Revised	Future
<b>Ocean Outfall System (Continued.)</b>						
J-116	66-inch Interplant Effluent Pipeline Rehabilitation	62,052,000				62,052,000
SP-156	Alternative Effluent Disinfection Study	100,000				100,000
SP-159	Santa Ana River Flap Gates Access Study	50,000				50,000
SP-164	Interplant Effluent Pipeline Alternate Use Study	10,000				10,000
<b>Ocean Outfall Systems Total Budget</b>		<b>90,781,000</b>	<b>25,000</b>	<b>5,259,000</b>	<b>10,201,000</b>	<b>75,296,000</b>
<b>Utility Systems</b>						
P2-108	15 kV Upgrades at Plant No. 2	3,238,000	3,238,000			
SP-141	Digester Gas Facilities Assessment	100,000	100,000			
SP-146	Utility Water Systems Study	475,000				475,000
SP-148	Plant Air System Master Plan	220,000				220,000
SP-149	Electrical System Base Map	220,000				220,000
SP-150	Uninterruptible Power System (UPS) Study	100,000				100,000
J-79	Air Quality Improvements	11,668,000		11,668,000		
P1-111	Power Building 3A Backup Power Reliability Project	502,000		502,000		
P1-112	Plant Water System Rehabilitation at Plant No.1	3,344,000		3,344,000		
P2-101	Plant Water System Rehabilitation at Plant No.2	3,659,000		3,659,000		
P2-103	Additional High Pressure Flare	1,993,000		1,993,000		
SP-132	Fuel Cell Feasibility Study	100,000		100,000		
SP-134	Fuel Cell Hydrogen Gas Generation Research	600,000		600,000		
J-106	Interplant Gas Line Rehabilitation	4,504,000			4,504,000	
J-109	Cengen Cooling Water System Replacement	10,023,000			10,023,000	
J-111	Cengen Emissions Control Project	30,279,000			30,279,000	
J-79-1	Central Generation Automation	21,049,000			21,049,000	
P1-97	Plant 1 66kV Substation	15,153,000			15,153,000	
J-121	UPS System Upgrades	13,012,000				13,012,000
J-98	Electrical Power Distribution System Improvements	9,773,000				9,773,000
P1-119	Flare Addition	2,083,000				2,083,000
P1-121	Gas Compressor Upgrades	27,181,000				27,181,000
P2-109	Gas Compressor Upgrades	22,362,000				22,362,000
P2-111	SCE Feed Reliability Improvements	22,490,000				22,490,000
P2-112	Energy Load Management and Shedding System	16,517,000				16,517,000
P2-113	Gas Holder Demolition	1,026,000				1,026,000
P2-116	Secondary Area Cable Tray Upgrades	2,154,000				2,154,000
P2-117	Headworks Area Cable Tray Upgrades	3,015,000				3,015,000
SP-155	Sidestream Pumping System and Water Characterization Study	170,000				170,000
SP-158	Standby Power Generation Study	100,000				100,000
SP-165	Communication Radio System Replacement	900,000	900,000			
SP-170	Power Outage Recovery Plan	100,000				100,000
SP-175	Potable Water Quality Study	25,000				25,000
<b>Utility Systems Total Budget</b>		<b>228,135,000</b>	<b>4,238,000</b>	<b>21,866,000</b>	<b>81,008,000</b>	<b>121,023,000</b>

# 2010-11 & 2011-12 Budget

## Treatment & Disposal Projects – Budget By Project Status

Proj. #	Title	Total Budget	New	Continuing	Revised	Future
<b>Odor Control Related Projects</b>						
SP-140	Wastehauler Odor Control	100,000	100,000			
P1-113	Trickling Filter Odor Control at Plant No. 1	5,182,000		5,182,000		
P2-106	Chemical Scrubber Conversions and Piping System Improvements	3,261,000		3,261,000		
J-71-8	Rehabilitation of Odor Control Facilities	44,124,000			44,124,000	
P2-102	Solids Storage Building Odor Control Project	10,720,000			10,720,000	
P2-98	Primary Treatment Odor Control Upgrades	35,691,000			35,691,000	
02-74	Coyote Hills Golf Course Odor Control Station	8,365,000				8,365,000
P1-114	Primary Scrubber Rehabilitation at Plant No.1	41,732,000				41,732,000
SP-166	Odor Control Master Plan	2,400,000				2,400,000
<b>Odor Control Related Projects Total Budget</b>		<b>151,575,000</b>	<b>100,000</b>	<b>8,443,000</b>	<b>90,535,000</b>	<b>52,497,000</b>
<b>Process Related Special Projects</b>						
SP-53	Plant O&M Manual & SOP Project - Phase I	3,750,000		3,750,000		
SP-68-1	Corrosion Management	4,667,000		4,667,000		
SP-90-7	Special Projects: Biotrickling Filter (BTF)	29,000		29,000		
<b>Process Related Special Projects Total Budget</b>		<b>8,446,000</b>	<b>-</b>	<b>8,446,000</b>	<b>-</b>	<b>-</b>
<b>Plant Automation &amp; Computerization</b>						
J-33-3	Power Monitoring and Control Systems	12,013,000		12,013,000		
SP-03	Strategic Information Architecture (SIA)	1,995,000		1,995,000		
SP-09	Internet/Intranet Development	650,000		650,000		
SP-100	CMMS System Replacement	3,789,000		3,789,000		
SP-103	PDS2D Software Replacement	250,000		250,000		
SP-15	Geographic Information System	4,047,000		4,047,000		
SP-89	Network Equipment Upgrade	1,157,000		1,157,000		
SP-160	Process SCADA Modbus Ethernet Redundancy	1,055,000				1,055,000
SP-161	VAX Server Migration to Modbus Ethernet	1,146,000				1,146,000
<b>Plant Automation &amp; Computerization Total Budget</b>		<b>26,102,000</b>	<b>-</b>	<b>23,901,000</b>	<b>-</b>	<b>2,201,000</b>
<b>Miscellaneous &amp; Support Projects</b>						
J-122	Operations Center Entrance/Building Repairs	2,325,000	2,325,000			
SP-142	Roof Condition Assessment and Rehabilitation Study	75,000	75,000			
SP-145	Facility Assets Assessment	5,000,000	5,000,000			
SP-147	Administrative Facilities Master Plan	250,000	250,000			
SP-153	Laboratory Water Piping Replacement	1,005,000	1,005,000			
FE-J	Facilities Engineering Projects - Joint	23,910,000		23,910,000		
FE-P1	Facilities Engineering Projects - Plant 1	20,910,000		20,910,000		
FE-P2	Facilities Engineering Projects - Plant 2	20,910,000		20,910,000		
J-115	Emergency Operation Center	100,000		100,000		
J-118	Contracts and Purchasing Building Extension	3,589,000		3,589,000		
SP-128	Integrated Security Access Control System	450,000		450,000		
SP-133	2009 NPDES Permit Renewal	150,000		150,000		
SP-135	Software and Computer Equipment Replacement Project	2,700,000		2,700,000		
SP-136	Land Records Information System	410,000		410,000		

# Summary by Project Status

## Treatment & Disposal Projects – Budget By Project Status

Proj. #	Title	Total Budget	New	Continuing	Revised	Future
<b>Miscellaneous &amp; Support Projects (Continued)</b>						
SP-34	Small Cap. Equip. Replacement Project	11,700,000		11,700,000		
SP-68-2	Asset Management Program	4,800,000		4,800,000		
SP-77	Warehouse Reinvention Project	600,000		600,000		
J-108	Temporary Upgrades To Plant Security Barriers	2,385,000			2,385,000	
P1-115	Title 24 Access Compliance Improvements at Plant No. 1	10,000,000			10,000,000	
P2-96	Plant No. 2 Landscaping Project	545,000			545,000	
SP-167	Stormwater Master Plan	300,000				300,000
<b>Miscellaneous &amp; Support Projects Total Budget</b>		<b>112,114,000</b>	<b>8,655,000</b>	<b>90,229,000</b>	<b>12,930,000</b>	<b>300,000</b>
<b>Water Management Projects</b>						
SP-139	Initial Expansion of the Groundwater Replenishment System	300,000	300,000			
SP-173	Effluent Reuse Study	60,000				60,000
<b>Water Management Projects Total Budget</b>		<b>360,000</b>	<b>300,000</b>	<b>-</b>	<b>-</b>	<b>60,000</b>
<b>Strategic &amp; Master Planning</b>						
SP-151	Uniform Level of Service Standards	80,000				80,000
SP-152	Climate Change Impact Study	100,000				100,000
SP-105	Orange County Biosolids Production Siting Study	400,000		400,000		
SP-177	Plant No. 2 Soil Liquefaction Study	250,000				250,000
<b>Strategic &amp; Master Planning Total Budget</b>		<b>830,000</b>	<b>-</b>	<b>400,000</b>	<b>-</b>	<b>430,000</b>
<b>Research &amp; Development</b>						
SP-120	Research Strategic Plan	365,000		365,000		
SP-121	Superoxygenation of Primary Influent	850,000		850,000		
SP-125	Operational Research Projects (annual allocation)	10,040,000		10,040,000		
SP-116	USBR Brine Management Grant Project	315,000			315,000	
J-120	Process SCADA Replacement	20,283,000				20,283,000
P2-107	Process SCADA Network Upgrades	8,697,000				8,697,000
SP-157	Process SCADA Link to Pump Stations	100,000				100,000
SP-162	North County Yard Information Continuity	666,000				666,000
SP-163	Data Storage Addition	444,000				444,000
SP-168	Treatment Plant Hydraulic Assessment	300,000				300,000
SP-169	Information Systems Upgrades and Replacements	12,510,000				12,510,000
SP-174	Information Technology Data Center Replacement	2,566,000				2,566,000
SP-176	Information Technology Workroom Replacement	180,000				180,000
<b>Research &amp; Development Projects Total Budget</b>		<b>57,316,000</b>	<b>-</b>	<b>11,255,000</b>	<b>315,000</b>	<b>45,746,000</b>
<b>Treatment and Disposal Projects Total Budget</b>		<b>2,249,263,000</b>	<b>13,643,000</b>	<b>773,133,000</b>	<b>832,247,000</b>	<b>630,240,000</b>
<b>Equipment Total Budget</b>		<b>16,000,000</b>	<b>-</b>	<b>16,000,000</b>	<b>-</b>	<b>-</b>
<b>Total Capital Improvement Program Budget</b>		<b>\$ 2,965,626,000</b>	<b>\$ 16,358,000</b>	<b>\$ 859,121,000</b>	<b>\$ 1,123,111,000</b>	<b>\$ 967,036,000</b>



# 2010-11 & 2011-12 Budget

## Proposed Equipment Budget 2010-11

Department	Trucks & Vehicles 09410000	Other Mobile Eq 09410001	Machine Eq & Tools 09410002	Comm Equipment 09410003
Information Technology	-	-	-	-
Environmental Laboratory & Ocean Monitoring	-	-	-	-
Asset Management	-	-	-	-
Odor & Corrosion Control	-	-	-	-
Plant No. 1 Operations	-	-	27,800	-
Plant No. 2 Operations	-	-	13,600	-
Mechanical and Reliability Maintenance	-	-	8,000	-
Instrumentation & Electrical Maintenance	-	-	-	-
Collection Facilities O&M	-	-	45,700	-
Facilities Maintenance & Fleet Services	214,300	147,500	-	-
Total Proposed Capital Equipment	214,300	147,500	95,100	-

# Proposed Equipment Budget Summary

## Proposed Equipment Budget 2010-11

Department	Instr / Test Equipment 09410004	Safety & Traffic Eq 09410005	Office Fix & Eq 09410006	Computer Equipment 09410007	2010-11 Proposed Budget
Information Technology	-	-	-	557,000	557,000
Environmental Laboratory & Ocean Monitoring	101,900	-	-	-	101,900
Asset Management	43,500	-	-	-	43,500
Odor & Corrosion Control	246,800	-	-	-	246,800
Plant No. 1 Operations	15,000	-	-	-	42,800
Plant No. 2 Operations	15,000	-	-	-	28,600
Mechanical and Reliability Maintenance	42,000	-	-	-	50,000
Instrumentation & Electrical Maintenance	59,800	-	-	-	59,800
Collection Facilities O&M	-	10,100	-	-	55,800
Facilities Maintenance & Fleet Services	-	-	-	-	361,800
Total Proposed Capital Equipment	<u>524,000</u>	<u>10,100</u>	<u>-</u>	<u>557,000</u>	<u>1,548,000</u>

# 2010-11 & 2011-12 Budget

## Proposed Equipment Budget Detail

<u>Division</u>	<u>Equipment Type</u>	<u>Proposed Equip. Budget</u>
<u>250 - Information Technology</u>		
	Scanner for Board-related items	7,000
	Vehicle Tracking Software	55,000
	Video and Storage Equipment (Re-budget) - process areas	30,000
	Video Storage Equipment (Re-budget) - pump stations	60,000
	Video Equipment (Re-budget) - pump stations	20,000
	Off-the-Shelf Software for Source Control Application	300,000
	Large (48" wide) Format Copier	8,000
	SCADA Monitoring System	15,000
	Mail Postage Machine	12,000
	Off-the-Shelf Software for Talent Management Program	50,000
	Total	<u>557,000</u>
<u>630 - Environmental Laboratory &amp; Ocean Monitoring</u>		
	Non-Methane Organic Compounds Analyzer	85,500
	Photosynthetic Active Radiation (PAR) Sensor	5,600
	Acoustic Release (2) for Current Meters	10,800
	Total	<u>101,900</u>
<u>780 - Asset Management</u>		
	Programmable Logic Controller Test Rack (2)	43,500
	Total	<u>43,500</u>
<u>820 - Odor &amp; Corrosion Control</u>		
	Electronic Odor Sensing Device (Re-budget)	214,100
	Portable Liquid Sulfide Measuring Instrument	32,700
	Total	<u>246,800</u>
<u>830 - Plant No. 1 Operations</u>		
	Laboratory Microscope	15,000
	HACH DR. 5000 DO/pH/ORP Meter (2)	14,200
	Halogen Moisture Analyzer - HR 83 Sludge Density Meter	6,600
	ppbRae 3000 ppb VOC Detection Monitor	7,000
	Total	<u>42,800</u>
<u>840 - Plant No. 2 Operations</u>		
	Laboratory Microscope	15,000
	Halogen Moisture Analyzer - HR 83 Sludge Density Meter	6,600
	ppbRae 3000 ppb VOC Detection Monitor	7,000
	Total	<u>28,600</u>
<u>850 - Mechanical &amp; Reliability Maintenance</u>		
	Miller Syncrowave 350LX Package Complete	8,000
	Portable Vibration Calibrator 9100 C	9,000
	Advanced SCI 5200 Minilab - Add AMS Machinery Manager	19,000
	Beta Trap Replacement Monitoring System Support	14,000
	Total	<u>50,000</u>

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# Proposed Equipment Budget Detail

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## Proposed Equipment Budget Detail

<u>Division</u>	<u>Equipment Type</u>	<u>Proposed Equip. Budget</u>
<u>860 - Instrumentation &amp; Electrical Maintenance</u>		
	Battery String Analyzer	7,600
	Power Quality Analyzer and Logger	7,100
	Portable Dissolved Gas Analyzer	45,100
	Total	<u>59,800</u>
<u>870 - Collection Facilities O&amp;M</u>		
	Advanced Portable Fall Arrest System Post - Replacement	10,100
	Standard Push Camera System	10,900
	Camera on a Stick System - Replacement	34,800
	Total	<u>55,800</u>
<u>880 - Facilities Maintenance &amp; Fleet Services</u>		
	Pickup Truck - Replace V# 0494	43,600
	Pull Rig - Replace V# 0385	82,400
	Twelve-Passenger Van Pool Van - Replace V# 0536	42,300
	Electric Carts (2) - Replace C# 983 and 1024	21,900
	Utility Truck - Replace V# 0404	46,000
	Electric Cart - for Asset Management Div 780	10,900
	Personnel Lift Replacement (Re-budget)	114,700
	Total	<u>361,800</u>
	<b>Total Proposed 2010-11 CORF Equipment Budget</b>	<b><u>1,548,000</u></b>

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## 2010-11 & 2011-12 Budget

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### Proposed Equipment Budget 2011-12

Department	Trucks & Vehicles 09410000	Other Mobile Eq 09410001	Machine Eq & Tools 09410002	Comm Equipment 09410003
Information Technology	-	-	-	-
Environmental Laboratory & Ocean Monitoring	-	-	-	-
Asset Management	-	-	-	-
Mechanical & Reliability Maintenance	-	-	-	-
Collection Facilities O&M	-	-	-	-
Facilities Maintenance & Fleet Services	805,000	83,700	-	-
Total Proposed Capital Equipment	<u>805,000</u>	<u>83,700</u>	<u>-</u>	<u>-</u>

# Proposed Equipment Budget Summary

## Proposed Equipment Budget 2011-12

Department	Instr / Test Equipment 09410004	Safety & Traffic Eq 09410005	Office Fix & Eq 09410006	Computer Equipment 09410007	2011-12 Proposed Budget
Information Technology	-	-	-	122,700	122,700
Environmental Laboratory & Ocean Monitoring	28,900	-	-	-	28,900
Asset Management	43,500	-	-	-	43,500
Mechanical & Reliability Maintenance	27,000	-	-	-	27,000
Collection Facilities O&M	-	-	331,600	-	331,600
Facilities Maintenance & Fleet Services	-	-	-	-	888,700
<b>Total Proposed Capital Equipment</b>	<b>99,400</b>	<b>-</b>	<b>331,600</b>	<b>122,700</b>	<b>1,442,400</b>

# 2010-11 & 2011-12 Budget

## Proposed Equipment Budget Detail

<u>Division</u>	<u>Equipment Type</u>	<u>Proposed Equip. Budget</u>
<u>250 - Information Technology</u>		
	Vehicle Tracking Software	55,000
	Video and Storage Equipment - process areas	30,000
	Video Storage Equipment - pump stations	20,000
	Data Communication Device/Router	17,700
	Total	<u>122,700</u>
<u>630 - Environmental Laboratory &amp; Ocean Monitoring</u>		
	Automated Sample Digestion System	28,900
	Total	<u>28,900</u>
<u>780 - Asset Management</u>		
	Replacement Programmable Logic Controller Test Rack (2)	43,500
	Total	<u>43,500</u>
<u>850 - Mechanical &amp; Reliability Maintenance</u>		
	Fluke Ti55 Infrared Camera	27,000
	Total	<u>27,000</u>
<u>870 - Collection Facilities O&amp;M</u>		
	Office Furnishings for North County Yard (NCY)	331,600
	Total	<u>331,600</u>
<u>880 - Facilities Maintenance &amp; Fleet Services</u>		
	Pickup Truck - Replace V# 0493	43,600
	Pickup Truck - Replace V# 0440	43,600
	Truck with 5,000 lb Crane - Replace V# 0399	81,100
	Truck Crane - Replace V# 0505	509,800
	Sport Utility Vehicle - Replace V# 0484	39,600
	Twelve-Passenger Van Pool Van - Replace V# 0547	42,300
	HVAC Utility Truck - Replace V# 0421	45,000
	Forklift 8,000 lbs - for Div 870 for NCY	50,400
	Pickup Truck - Replace V# 0459	33,300
	Total	<u>888,700</u>
	<b>Total Proposed 2011-12 CORF Equipment Budget</b>	<b><u>1,442,400</u></b>

# Debt Financing Program

## **CERTIFICATES OF PARTICIPATION DEBT FINANCING PROGRAM**

A Ten-Year Financial Plan is maintained to establish financing parameters regarding the issuance of debt, the levying of user charges and the funding level for required reserves in accordance with the District's reserve policy. The Financial Plan is revised annually to reflect the most current cost and revenue figures resulting from capital program revisions and operating changes.

In December 2009, the District adopted a new Master Plan, a planning effort to define District's goals, responsibilities, and requirements over the next twenty years, and including projections through the assumed "build-out" of the District's service area to the year 2050. Critical factors such as population growth, new construction, the volume of wastewater delivered to the plants

and viable water conservation and reclamation programs have been reevaluated.

The incorporation of the 2009 Master Plan into the CIP includes the addition of 65 new CIP projects totaling \$615.7 million through the year 2030. Also, 23 planned projects were revised resulting in an additional \$169.3 million through the year 2030. Lastly, the Master Plan continues to support ongoing efforts to upgrade the treatment facilities to meet secondary treatment standards approved by the Board of Directors on July 17, 2002.

The CIP includes 3 projects totaling \$627 million to upgrade the District's treatment plants to meet secondary treatment standards. Implementation of secondary treatment standards is scheduled to be completed by December 31, 2012.

**Figure 1**

<b>Summary of Certificates of Participation</b>				
<b>Series</b>	<b>1993 Series</b>	<b>2000 Series</b>	<b>2003 Series</b>	<b>2006 Series</b>
<b>Issue Name</b>	<b>Refunding COPs</b>	<b>Refunding COPs</b>	<b>COPs</b>	<b>COPs</b>
<b>Issue Date</b>	<b>09-21-1993</b>	<b>08-31-2000</b>	<b>08-26-2003</b>	<b>03-08-2006</b>
<b>Original Par</b>	<b>\$46,000,000</b>	<b>\$218,600,000</b>	<b>\$280,000,000</b>	<b>\$200,000,000</b>
<b>Outstanding Par</b>	<b>\$26,900,000</b>	<b>\$196,600,000</b>	<b>\$191,500,000</b>	<b>\$196,600,000</b>
<b>Payment Date</b>	<b>August 1</b>	<b>August 1</b>	<b>February 1</b>	<b>February 1</b>
<b>Use of Proceeds</b>	<b>Advance Refunding</b>	<b>Refund/Reimb.</b>	<b>Reimb./Future CIP</b>	<b>Current/Future CIP</b>
<b>Lien or Tier</b>	<b>Open Senior</b>	<b>Open Senior</b>	<b>Open Senior</b>	<b>Open Senior</b>
<b>Interest Rate Mode</b>	<b>Synthetic Fixed</b>	<b>Variable</b>	<b>Fixed</b>	<b>Variable</b>
<b>Final Maturity Date</b>	<b>08-01-2016</b>	<b>08-01-2030</b>	<b>02-01-2033</b>	<b>02-01-2036</b>
<b>Series</b>	<b>2007A Series</b>	<b>2007B Series</b>	<b>2008A</b>	
<b>Issue Name</b>	<b>Refunding COPs</b>	<b>COPs</b>	<b>Refunding COPs</b>	
<b>Issue Date</b>	<b>05-22-2007</b>	<b>12-20-2007</b>	<b>05-29-08</b>	
<b>Original Par</b>	<b>\$95,180,000</b>	<b>\$300,000,000</b>	<b>\$77,165,000</b>	
<b>Outstanding Par</b>	<b>\$93,655,000</b>	<b>\$300,000,000</b>	<b>\$77,165,000</b>	
<b>Payment Date</b>	<b>February 1</b>	<b>February 1</b>	<b>August 1</b>	
<b>Use of Proceeds</b>	<b>Advance Refunding</b>	<b>Current/Future CIP</b>	<b>Advance Refunding</b>	
<b>Lien or Tier</b>	<b>Open Senior</b>	<b>Open Senior</b>	<b>Open Senior</b>	
<b>Interest Rate Mode</b>	<b>Fixed</b>	<b>Fixed</b>	<b>Fixed</b>	
<b>Final Maturity Date</b>	<b>02-01-2030</b>	<b>02-01-2032</b>	<b>08-01-2013</b>	
<b>Series</b>	<b>2010A Series</b>			
<b>Issue Name</b>	<b>Taxable BABs</b>			
<b>Issue Date</b>	<b>05-18-10</b>			
<b>Original Par</b>	<b>\$80,000,000</b>			
<b>Outstanding Par</b>	<b>\$80,000,000</b>			
<b>Payment Date</b>	<b>February 1</b>			
<b>Use of Proceeds</b>	<b>Current/Future CIP</b>			
<b>Lien or Tier</b>	<b>Open Senior</b>			
<b>Interest Rate Mode</b>	<b>Fixed</b>			
<b>Final Maturity Date</b>	<b>02-01-2040</b>			



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## 2010-11 & 2011-12 Budget

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In conjunction with preparation for the 2010-12 Budget, District staff has developed and reviewed with the Board of Directors a capital program to deliver the levels of service desired by the Board of Directors. These levels of service and resulting capital projects are included in the District's 5-year Strategic Plan.

In addition, District staff has reviewed each CIP project to ensure that the scope of the project was appropriate, and that the cost estimates were accurate. The validated CIP includes 111 large capital projects and 65 special projects with a 20-year expenditure of \$3.0 billion. This total represents a \$1.0 billion increase from the 2009-10 CIP estimate. This increase is attributed to the incorporation of the new Master Plan.

The Districts embarked upon its Debt Financing and Management Program, and specifically its Variable and Fixed Rate Debt Program (the "Program"), in 1990 with the issuance of \$100 million in Certificates of Participation ("COP"), Capital Improvement Program, 1990 Series "A." The Program was established to accomplish:

- To finance assets with long useful lives with long-term debt;
- To achieve the lowest possible interest costs and highest investment returns, commensurate with the appropriate risk;
- To recoup reserve moneys that had previously been spent.

COPs are repayment obligations based on a lease or installment sale agreement. The COP structure was selected over other structures because COPs are not viewed as debt by the State of California, as the purchaser does not actually receive a "bond," but rather a share in an installment sale arrangement where the District serves as the purchaser. Accordingly, the District is not subject to the usual State restrictions surrounding the issuance of debt. COPs can be issued with fixed or variable interest rates.

Fixed-rate debt can be either traditional or synthetic in form:

- **Fixed-Rate Debt** traditionally has a final maturity between 20 and 30 years from the date of issuance. Generally, principal is amortized annually. Principal maturing in early years typically has a lower interest rate ("coupon") than later maturities. This structure typically produces a level debt service. The District's 2003 series is a traditional fixed-rate debt issuance.

- **Synthetic Fixed-Rate Debt:** Long-term, variable-rate debt can be issued and then the interest component can be swapped to a fixed rate. This form of fixed-rate debt achieves a balance between short and long-term interest costs and is frequently a less expensive form of debt. In some markets, this form of fixed-rate debt is less expensive to issue than the more traditional form of fixed-rate debt described above. The District's COP Refunding Series 1993 is a synthetic fixed rate debt issue.

Variable-rate debt can be traditional or synthetic:

- **Variable-Rate Debt:** has either a long or short nominal maturity, but periodic interest rate resets. Typically, the intervals for interest rate resets are daily, weekly or monthly, but any period is possible. Both the District's Series 2000 COPs and Series 2006 are variable-rate debt maturing in 30 years, but with sinking funds to retire a portion of the principal annually, and a daily interest rate reset.

- **Synthetic Variable-Rate Debt:** As described above for fixed-rate debt, variable-rate debt can be created from a fixed-rate issue by means of a floating-rate swap.

An important factor to keep in mind, however, when reviewing the historical difference between variable rate and fixed rate debt is that there are two fees that occur with variable rate debt in addition to the interest rate, liquidity fees and remarketing fees. Even including these extra fees, variable rates have been lower than fixed rates over the past several years.

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# Debt Financing Program

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The maximum level of variable rate obligations incurred by the District should not exceed the level of invested reserves available. This policy will allow a hedge to be maintained between variable rate obligations and short-term investments. The periodic change in interest earnings on the District's unrestricted reserve funds (invested in short-term securities like Treasury Bills) will move in a fashion similar to the movement of the yield on the District's variable rate obligations.

This "floating hedge" will result in a generally consistent and predictable spread between the District's financing cost and the yield on the invested funds. Moreover, since the District's obligations are tax-exempt, while its reserves earn taxable yields, there is a potential legal arbitrage benefit which may actually lower the District's cost of funds. There are complex federal regulations that limit the interest (arbitrage) earnings on tax exempt financings and the District complies with them.

The District has entered into two types of swaps since 1990: fixed-to-floating and floating-to-fixed. Fixed-to-floating interest rate swaps allow an issuer to convert all or a portion of its fixed rate debt to a floating rate. This is accomplished as the issuer receives a fixed payment from a counterparty and makes floating rate based payments to that counterparty.

A floating-to-fixed interest rate swap allows the issuer to convert floating rate debt to fixed rate. The counterparty makes floating rate based payments to the issuer and, in return, the issuer makes fixed payments to the counterparty. The certificate holder, in both cases, receives the payment that the counterparty pays to the issuer. The certificate holder, or investor, always receives the original stream of payments.

Through discussions with the Rating Agencies, the District has been permitted to maintain an overall fixed versus variable rate debt mix of approximately 50:50. "Synthetic" fixed transactions are considered as fixed rate transaction by the Rating Agencies since the swap duration matches the maturity of the COP. These ratios are higher than those traditionally allowed for most issuers, in part because of the District's reserve policy.

Due to the economic decline, credit crunch affecting the banking system and the resulting failure of bond insurers supporting the District's synthetic fixed-rate debt issues, the District refunded it's last synthetic fixed rate debt issue with the issuance of COP Series 2008B.

The District currently has outstanding fixed-rate COPs of \$1,092.4 million and variable-rate COPs of \$194.9 million, for a ratio of 85:15.

## **Dedicated Funding Source**

In 1992 and 2004 the Board of Directors formalized the dedication of certain funding sources. To assure the continuation of favorable credit ratings, revenues were dedicated to debt service in the following order:

1. Ad valorem property taxes
2. Sanitary sewer service charges
3. Other revenues

This apportionment of the ad valorem tax was consistent with and pursuant to the Revenue Program adopted in April 1979 to comply with regulations of the Environmental Protection Agency and the State Water Resources Control Board and in accordance with COP documents and Board policy.

Up until FY 2003-04, property tax revenues alone had been sufficient to meet current debt service payments. However, since the \$280 million COP Series 2003 debt issuance, this revenue source now has to be augmented by sewer service charges or user fees. Annual increases in these user fees to offset property tax revenue shortfalls, as well as to assist in the funding of the CIP expansion, are projected for the next several years.

## **Establishment of Debt Policy**

In 2001, the District developed a written debt policy for the following underlying reasons:

- promoting consistency and continuity;
- rationalizing the decision making process;
- committing to long-term financial planning;
- enhancing the quality of decisions; and
- promoting credit quality to rating agencies.

This Board adopted policy serves as the agency's guide in the management of existing debt and in the issuance of future debt.

# 2010-11 & 2011-12 Budget

## Debt Coverage Ratios

The only legal debt limits pertaining to the District are those that are provided within the existing COP indenture agreements requiring minimum coverage ratios of 1.25. The minimum coverage ratio is the ratio of net annual revenues available for debt service requirements to total annual debt service requirements for all senior lien COP debt. The coverage ratio for senior lien COP debt is being proposed at 2.07 and 2.16 for FY 2010-11 and FY 2011-12, respectively.

## Future Debt Financings

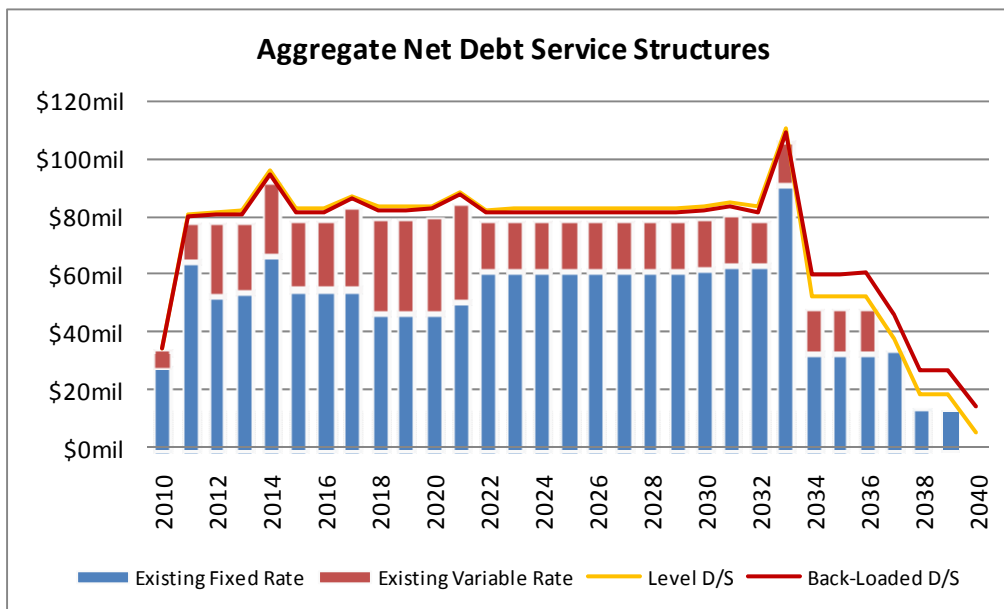
In May 2010, the District issued the \$80.0 million Wastewater Revenue Obligation, Series 2010A, as "Build America Bonds" (BABs) fixed rate debt.

The American Recovery and Reinvestment Act of 2009 created a new financing product, BABs, for the municipal issuer. BABs are issued as higher interest taxable bonds; however, the U.S. Treasury provides a 35 percent subsidy on interest payments. The net cost, after accounting for the 35 percent subsidy payment, frequently results in lower net costs to the issuer, specifically in the maturity years beyond ten years.

The 35 percent subsidy is available for certain debt issuances prior to January 1, 2011. There

are a couple of outstanding federal proposals to extend the BABs program beyond 2010; however, these proposals reduce the subsidy from the current 35 percent to lower levels of 28 percent and 33 percent.

In the current market, a reduction of the subsidy to 28 percent and 33 percent would increase the 30-year net borrowing cost to the District by 44 and 12 basis points, respectively. Since it is likely the BABs subsidy will be reduced after this calendar year, the District "back-loaded" the \$80 million of new money borrowing by amortizing debt in the later years in order to optimize the funding of the overall capital improvement program. Benefits from back-loading the new money issuance include (1) capturing the higher 35 percent interest subsidy, instead of an anticipated future lower subsidy, and (2) minimizing the risk of rising interest rates by locking in historical low 30-year District borrowing costs. By back-loading the new money amortization compared to a more traditional level debt service structure (equal payments in each year), the District will save approximately \$1.5 million per year from FY 2010-11 through FY 2032-33; however, net debt service costs will increase by approximately \$8 million per year from FY 2033-34 through FY 2039-40 as shown in the graph below:



## Debt Financing Program

As a result of back-loading the debt service on the upcoming new money issuance, future debt funding of the capital improvement program will amortize additional principal in FY 2010-11 through FY 2032-33 and reduce principal in FY 2033-34 through FY 2039-40 with the goal of overall level debt service for the District's capital improvement program.

Based on the market conditions at the time of the sale, comparing the back-loaded BABs new money borrowing to a back-loaded tax-exempt structure resulted in present value savings to the District of \$15.2 million, as the debt was issued at an all-in true interest cost of 3.68 percent.

As the result of having a well-funded reserve policy, experienced management, and prudent planning, the District was able to secure "AAA" credit rating from both Fitch Ratings and Standard and Poors.

Prior to this "new money" debt issuance, the District issued \$165.9 million of refunding one-year fixed-rate certificate anticipation notes in December 2009 to take advantage of the low short-term interest rate environment. This debt refunded and replaced the one-year certificate of

anticipation notes maturing on the same day as the new issuance. The one-year replacement debt was issued at an interest rate of 38 basis points.

The District's long-range financing plan is designed to maintain these high ratings. Over the next 10 years, the District is projecting an additional \$1.4 billion in future treatment plant and collection system capital improvements. In accordance with the District's long-term debt fiscal policy, the District will confine long-term borrowing to capital improvements that cannot be financed from current revenue. Before any new debt is issued, the impact of debt service payments on total annual fixed costs will be analyzed.

The District's cash flow forecast calls for the issuance of \$157 million and \$50 million of COP in FY 2010-11 and FY 2011-12, respectively, to help offset the CIP cash outlays scheduled to occur over this time period. A total of \$477 million in COP debt issuance is being proposed over the next six years. These financings are needed early in the capital program scheduled out to 2020 because the bulk of the construction is scheduled during the next six years.

**Figure 2**

<b>Schedule of Future Certificates of Participation Issues and CIP Cash Flows</b>										
(in millions)										
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
<b>New COP Issues</b>	\$157.0	\$50.0	\$120.0	\$ 40.0	\$ 0.0	\$110.0	\$ 0.0	\$ 40.0	\$ 0.0	\$ 0.0
<b>CIP Outlays</b>	\$179.6	\$119.9	\$190.6	\$183.2	\$145.1	\$174.7	\$125.7	\$119.7	\$107.7	\$51.6

# 2010-11 & 2011-12 Budget

## Total Certificates of Participation Debt Service Requirements

### Principal and Interest Combined

Fiscal Year Of Payments	2000 Refunding (Series A)	2000 Refunding CIP Reimb	2003 Acquisition/ Construction	2007A Refunding (partial 2003)	2007B Acquisition/ Construction	2008A Refunding (1992 Series)	2008B Refunding (1993 Series)	2009A Acquisition/ Construction	2009B Refunding (2008C)	2010A Revenue Obligation	Total Payment Per Fiscal Year
2010-11	6,636,000	2,030,016	9,575,000	4,365,061	19,490,371	17,285,736	1,210,723	12,648,529	167,247,208	2,036,420	242,525,064
2011-12	17,667,542	1,996,012	9,575,000	4,366,694	19,543,671	5,764,436	1,208,148	12,641,550	-	2,897,639	75,660,692
2012-13	16,157,694	2,058,487	9,575,000	4,367,927	19,591,087	7,233,270	1,244,773	12,670,675	-	2,897,639	75,796,552
2013-14	17,641,074	2,011,704	9,575,000	4,368,761	19,621,566	19,525,314	1,245,335	12,738,487	-	2,897,639	89,624,880
2014-15	15,895,079	2,068,592	9,575,000	4,369,194	19,612,962	-	8,920,277	12,781,894	-	2,897,639	76,120,637
2015-16	15,864,241	2,029,041	9,575,000	4,369,227	19,601,634	-	8,910,721	12,825,075	-	2,897,639	76,072,578
2016-17	20,226,504	1,981,726	9,575,000	4,368,861	19,581,025	-	8,969,263	12,901,075	-	2,897,639	80,501,093
2017-18	24,894,400	2,036,022	9,575,000	4,368,094	19,578,025	-	-	12,948,679	-	2,897,639	76,297,859
2018-19	24,899,025	1,992,296	9,575,000	4,366,927	19,566,817	-	-	12,945,742	-	2,897,639	76,243,446
2019-20	24,837,651	2,033,763	9,575,000	4,365,361	19,595,900	-	-	12,941,346	-	2,897,639	76,246,660
2020-21	24,864,667	1,983,427	9,575,000	8,780,978	19,633,646	-	-	12,934,991	-	2,897,639	80,670,348
2021-22	-	2,029,359	24,360,417	4,130,753	19,622,437	-	-	12,926,180	-	2,897,639	65,966,785
2022-23	-	2,070,027	24,295,729	4,129,179	19,614,209	-	-	12,924,201	-	2,897,639	65,930,984
2023-24	-	2,013,677	24,323,084	4,127,041	19,602,813	-	-	12,918,263	-	2,897,639	65,882,517
2024-25	-	2,044,323	24,259,730	4,129,239	19,597,042	-	-	12,912,763	-	2,897,639	65,840,736
2025-26	-	1,981,501	24,294,208	4,130,667	19,585,604	-	-	12,902,055	-	2,897,639	65,791,674
2026-27	-	2,015,364	5,409,000	23,030,094	19,572,396	-	-	12,895,429	-	2,897,639	65,819,922
2027-28	-	2,044,458	5,409,000	22,972,569	19,561,062	-	-	12,891,887	-	2,897,639	65,776,615
2028-29	-	2,068,381	5,409,000	22,916,494	19,545,209	-	-	12,880,638	-	2,897,639	65,717,361
2029-30	-	1,993,140	5,409,000	23,762,819	19,533,376	-	-	12,884,221	-	2,897,639	66,480,195
2030-31	-	2,012,932	30,451,188	-	19,518,917	-	-	12,886,583	-	2,897,639	67,767,259
2031-32	-	-	30,494,313	-	19,505,229	-	-	12,876,833	-	2,897,639	65,774,014
2032-33	-	-	57,304,000	-	19,490,563	-	-	12,870,563	-	2,897,639	92,562,765
2033-34	-	-	-	-	19,473,167	-	-	12,856,729	-	12,487,639	44,817,535
2034-35	-	-	-	-	19,456,188	-	-	12,849,271	-	12,696,056	45,001,515
2035-36	-	-	-	-	19,437,625	-	-	12,836,896	-	12,919,416	45,193,937
2036-37	-	-	-	-	19,420,375	-	-	12,828,396	-	13,151,453	45,400,224
2037-38	-	-	-	-	-	-	-	12,812,480	-	13,399,607	26,212,087
2038-39	-	-	-	-	-	-	-	12,802,833	-	13,658,823	26,461,656
2039-40	-	-	-	-	-	-	-	-	-	13,937,832	13,937,832
Totals	\$ 209,583,877	\$ 42,494,248	\$ 366,743,669	\$ 165,785,940	\$ 527,952,916	\$ 49,808,756	\$ 31,709,240	\$ 372,734,264	\$ 167,247,208	\$ 158,035,302	\$ 2,092,095,420

# Debt Financing Program

## Certificates of Participation Debt Service Requirements

### Annual Interest Payments

Fiscal Year Of Payments	2000 Refunding (Series A)	2000 Refunding CIP Reimb	2003 Acquisition/ Construction	2007A Refunding (partial 2003)	2007B Acquisition/ Construction	2008A Refunding (1992 Series)	2008B Refunding (1993 Series)	2009A Acquisition/ Construction	2009B Refunding (2008C)	2010A Revenue Obligation	Total Interest Per Fiscal Year
2010-11	6,636,000	1,130,016	9,575,000	4,160,061	14,185,371	1,390,736	795,723	9,473,529	1,382,208	2,036,420	50,765,064
2011-12	6,267,542	1,096,012	9,575,000	4,151,694	13,968,671	939,436	783,148	9,311,550	-	2,897,639	48,990,692
2012-13	5,857,694	1,058,487	9,575,000	4,142,927	13,741,087	718,270	769,773	9,170,675	-	2,897,639	47,931,552
2013-14	5,341,074	1,011,704	9,575,000	4,133,761	13,476,566	330,314	755,335	9,063,487	-	2,897,639	46,584,880
2014-15	4,895,079	968,592	9,575,000	4,124,194	13,162,962	-	650,277	8,926,894	-	2,897,639	45,200,637
2015-16	4,464,241	929,041	9,575,000	4,114,227	12,826,634	-	410,721	8,775,075	-	2,897,639	43,992,578
2016-17	3,826,504	881,726	9,575,000	4,103,861	12,471,025	-	154,263	8,651,075	-	2,897,639	42,561,093
2017-18	2,994,400	836,022	9,575,000	4,093,094	12,108,025	-	-	8,483,679	-	2,897,639	40,987,859
2018-19	2,099,025	792,296	9,575,000	4,081,927	11,726,817	-	-	8,255,742	-	2,897,639	39,428,446
2019-20	1,137,651	733,763	9,575,000	4,070,361	11,360,900	-	-	8,016,346	-	2,897,639	37,791,660
2020-21	164,667	683,427	9,575,000	3,980,978	10,988,646	-	-	7,764,991	-	2,897,639	36,055,348
2021-22	-	629,359	9,260,417	3,860,753	10,547,437	-	-	7,501,180	-	2,897,639	34,696,785
2022-23	-	570,027	8,490,729	3,849,179	10,084,209	-	-	7,224,201	-	2,897,639	33,115,984
2023-24	-	513,677	7,683,084	3,837,041	9,597,813	-	-	6,933,263	-	2,897,639	31,462,517
2024-25	-	444,323	6,834,730	3,824,239	9,087,042	-	-	6,627,763	-	2,897,639	29,715,736
2025-26	-	381,501	5,944,208	3,810,667	8,550,604	-	-	6,307,055	-	2,897,639	27,891,674
2026-27	-	315,364	5,409,000	3,435,094	7,987,396	-	-	5,970,429	-	2,897,639	26,014,922
2027-28	-	244,458	5,409,000	2,537,569	7,396,062	-	-	5,616,887	-	2,897,639	24,101,615
2028-29	-	168,381	5,409,000	1,601,494	6,775,209	-	-	5,245,638	-	2,897,639	22,097,361
2029-30	-	93,140	5,409,000	607,819	6,123,376	-	-	4,864,221	-	2,897,639	19,995,195
2030-31	-	12,932	4,876,188	-	5,438,917	-	-	4,466,583	-	2,897,639	17,692,259
2031-32	-	-	3,569,313	-	4,720,229	-	-	4,036,833	-	2,897,639	15,224,014
2032-33	-	-	1,624,000	-	3,965,563	-	-	3,585,563	-	2,897,639	12,072,765
2033-34	-	-	-	-	3,173,167	-	-	3,111,729	-	2,897,639	9,182,535
2034-35	-	-	-	-	2,341,188	-	-	2,614,271	-	2,551,056	7,506,515
2035-36	-	-	-	-	1,467,625	-	-	2,091,896	-	2,184,416	5,743,937
2036-37	-	-	-	-	550,375	-	-	1,543,396	-	1,796,453	3,890,224
2037-38	-	-	-	-	-	-	-	967,480	-	1,384,607	2,352,087
2038-39	-	-	-	-	-	-	-	362,833	-	948,823	1,311,656
2039-40	-	-	-	-	-	-	-	-	-	487,832	487,832
<b>Totals</b>	<b>\$ 43,683,877</b>	<b>\$ 13,494,248</b>	<b>\$ 175,243,669</b>	<b>\$ 72,520,940</b>	<b>\$ 237,822,916</b>	<b>\$ 3,378,756</b>	<b>\$ 4,319,240</b>	<b>\$ 174,964,264</b>	<b>\$ 1,382,208</b>	<b>\$ 78,035,302</b>	<b>\$ 804,845,420</b>

# 2010-11 & 2011-12 Budget

## Certificates of Participation Debt Service Requirements

### Annual Principal Payments

Fiscal Year Of Payments	2000 Refunding (Series A)	2000 Refunding CIP Reimb	2003 Acquisition/ Construction	2007A Refunding (partial 2003)	2007B Acquisition/ Construction	2008A Refunding (1992 Series)	2008B Refunding (1993 Series)	2009A Acquisition/ Construction	2009B Refunding (2008C)	2010A Revenue Obligation	Total Principal Per Fiscal Year
2010-11	-	900,000	-	205,000	5,305,000	15,895,000	415,000	3,175,000	165,865,000	-	191,760,000
2011-12	11,400,000	900,000	-	215,000	5,575,000	4,825,000	425,000	3,330,000	-	-	26,670,000
2012-13	10,300,000	1,000,000	-	225,000	5,850,000	6,515,000	475,000	3,500,000	-	-	27,865,000
2013-14	12,300,000	1,000,000	-	235,000	6,145,000	19,195,000	490,000	3,675,000	-	-	43,040,000
2014-15	11,000,000	1,100,000	-	245,000	6,450,000	-	8,270,000	3,855,000	-	-	30,920,000
2015-16	11,400,000	1,100,000	-	255,000	6,775,000	-	8,500,000	4,050,000	-	-	32,080,000
2016-17	16,400,000	1,100,000	-	265,000	7,110,000	-	8,815,000	4,250,000	-	-	37,940,000
2017-18	21,900,000	1,200,000	-	275,000	7,470,000	-	-	4,465,000	-	-	35,310,000
2018-19	22,800,000	1,200,000	-	285,000	7,840,000	-	-	4,690,000	-	-	36,815,000
2019-20	23,700,000	1,300,000	-	295,000	8,235,000	-	-	4,925,000	-	-	38,455,000
2020-21	24,700,000	1,300,000	-	4,800,000	8,645,000	-	-	5,170,000	-	-	44,615,000
2021-22	-	1,400,000	15,100,000	270,000	9,075,000	-	-	5,425,000	-	-	31,270,000
2022-23	-	1,500,000	15,805,000	280,000	9,530,000	-	-	5,700,000	-	-	32,815,000
2023-24	-	1,500,000	16,640,000	290,000	10,005,000	-	-	5,985,000	-	-	34,420,000
2024-25	-	1,600,000	17,425,000	305,000	10,510,000	-	-	6,285,000	-	-	36,125,000
2025-26	-	1,600,000	18,350,000	320,000	11,035,000	-	-	6,595,000	-	-	37,900,000
2026-27	-	1,700,000	-	19,595,000	11,585,000	-	-	6,925,000	-	-	39,805,000
2027-28	-	1,800,000	-	20,435,000	12,165,000	-	-	7,275,000	-	-	41,675,000
2028-29	-	1,900,000	-	21,315,000	12,770,000	-	-	7,635,000	-	-	43,620,000
2029-30	-	1,900,000	-	23,155,000	13,410,000	-	-	8,020,000	-	-	46,485,000
2030-31	-	2,000,000	25,575,000	-	14,080,000	-	-	8,420,000	-	-	50,075,000
2031-32	-	-	26,925,000	-	14,785,000	-	-	8,840,000	-	-	50,550,000
2032-33	-	-	55,680,000	-	15,525,000	-	-	9,285,000	-	-	80,490,000
2033-34	-	-	-	-	16,300,000	-	-	9,745,000	-	9,590,000	35,635,000
2034-35	-	-	-	-	17,115,000	-	-	10,235,000	-	10,145,000	37,495,000
2035-36	-	-	-	-	17,970,000	-	-	10,745,000	-	10,735,000	39,450,000
2036-37	-	-	-	-	18,870,000	-	-	11,285,000	-	11,355,000	41,510,000
2037-38	-	-	-	-	-	-	-	11,845,000	-	12,015,000	23,860,000
2038-39	-	-	-	-	-	-	-	12,440,000	-	12,710,000	25,150,000
2039-40	-	-	-	-	-	-	-	-	-	13,450,000	13,450,000
Totals	\$ 165,900,000	\$ 29,000,000	\$ 191,500,000	\$ 93,265,000	\$ 290,130,000	\$ 46,430,000	\$ 27,390,000	\$ 197,770,000	\$ 165,865,000	\$ 80,000,000	\$ 1,287,250,000

# 2010-11 & 2011-12 Budget

## Certificates of Participation Debt Service Requirements

### Annual Principal Payments

Fiscal Year Of Payments	2000 Refunding (Series A)	2000 Refunding CIP Reimb	2003 Acquisition/ Construction	2007A Refunding (partial 2003)	2007B Acquisition/ Construction	2008A Refunding (1992 Series)	2008B Refunding (1993 Series)	2009A Acquisition/ Construction	2009B Refunding (2008C)	2010A Revenue Obligation	Total Principal Per Fiscal Year
2010-11	-	900,000	-	205,000	5,305,000	15,895,000	415,000	3,175,000	165,865,000	-	191,760,000
2011-12	11,400,000	900,000	-	215,000	5,575,000	4,825,000	425,000	3,330,000	-	-	26,670,000
2012-13	10,300,000	1,000,000	-	225,000	5,850,000	6,515,000	475,000	3,500,000	-	-	27,865,000
2013-14	12,300,000	1,000,000	-	235,000	6,145,000	19,195,000	490,000	3,675,000	-	-	43,040,000
2014-15	11,000,000	1,100,000	-	245,000	6,450,000	-	8,270,000	3,855,000	-	-	30,920,000
2015-16	11,400,000	1,100,000	-	255,000	6,775,000	-	8,500,000	4,050,000	-	-	32,080,000
2016-17	16,400,000	1,100,000	-	265,000	7,110,000	-	8,815,000	4,250,000	-	-	37,940,000
2017-18	21,900,000	1,200,000	-	275,000	7,470,000	-	-	4,465,000	-	-	35,310,000
2018-19	22,800,000	1,200,000	-	285,000	7,840,000	-	-	4,690,000	-	-	36,815,000
2019-20	23,700,000	1,300,000	-	295,000	8,235,000	-	-	4,925,000	-	-	38,455,000
2020-21	24,700,000	1,300,000	-	4,800,000	8,645,000	-	-	5,170,000	-	-	44,615,000
2021-22	-	1,400,000	15,100,000	270,000	9,075,000	-	-	5,425,000	-	-	31,270,000
2022-23	-	1,500,000	15,805,000	280,000	9,530,000	-	-	5,700,000	-	-	32,815,000
2023-24	-	1,500,000	16,640,000	290,000	10,005,000	-	-	5,985,000	-	-	34,420,000
2024-25	-	1,600,000	17,425,000	305,000	10,510,000	-	-	6,285,000	-	-	36,125,000
2025-26	-	1,600,000	18,350,000	320,000	11,035,000	-	-	6,595,000	-	-	37,900,000
2026-27	-	1,700,000	-	19,595,000	11,585,000	-	-	6,925,000	-	-	39,805,000
2027-28	-	1,800,000	-	20,435,000	12,165,000	-	-	7,275,000	-	-	41,675,000
2028-29	-	1,900,000	-	21,315,000	12,770,000	-	-	7,635,000	-	-	43,620,000
2029-30	-	1,900,000	-	23,155,000	13,410,000	-	-	8,020,000	-	-	46,485,000
2030-31	-	2,000,000	25,575,000	-	14,080,000	-	-	8,420,000	-	-	50,075,000
2031-32	-	-	26,925,000	-	14,785,000	-	-	8,840,000	-	-	50,550,000
2032-33	-	-	55,680,000	-	15,525,000	-	-	9,285,000	-	-	80,490,000
2033-34	-	-	-	-	16,300,000	-	-	9,745,000	-	9,590,000	35,635,000
2034-35	-	-	-	-	17,115,000	-	-	10,235,000	-	10,145,000	37,495,000
2035-36	-	-	-	-	17,970,000	-	-	10,745,000	-	10,735,000	39,450,000
2036-37	-	-	-	-	18,870,000	-	-	11,285,000	-	11,355,000	41,510,000
2037-38	-	-	-	-	-	-	-	11,845,000	-	12,015,000	23,860,000
2038-39	-	-	-	-	-	-	-	12,440,000	-	12,710,000	25,150,000
2039-40	-	-	-	-	-	-	-	-	-	13,450,000	13,450,000
Totals	\$ 165,900,000	\$ 29,000,000	\$ 191,500,000	\$ 93,265,000	\$ 290,130,000	\$ 46,430,000	\$ 27,390,000	\$ 197,770,000	\$ 165,865,000	\$ 80,000,000	\$ 1,287,250,000

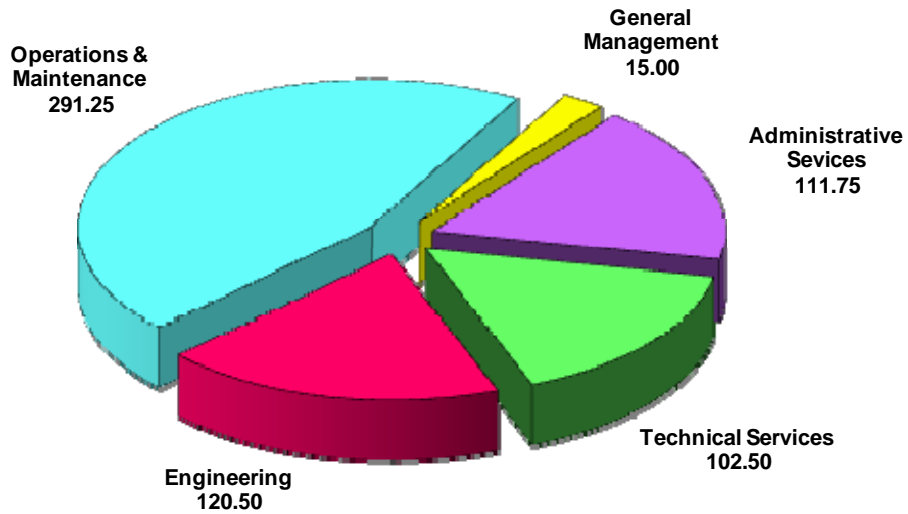


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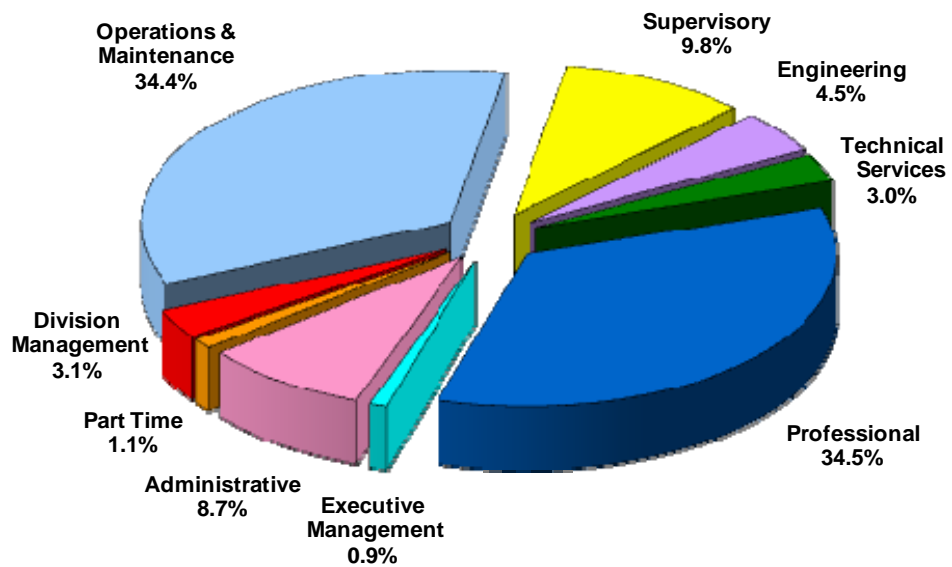
# Staffing Allocation

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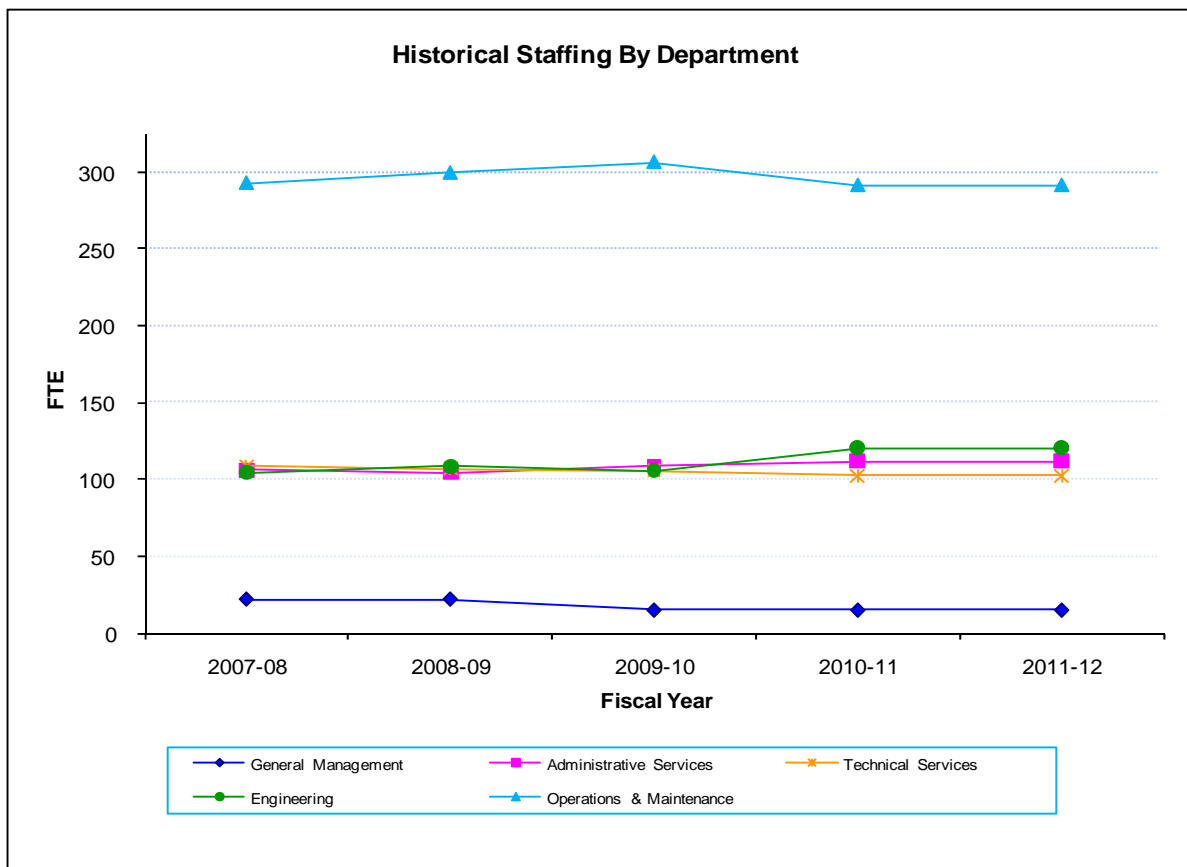
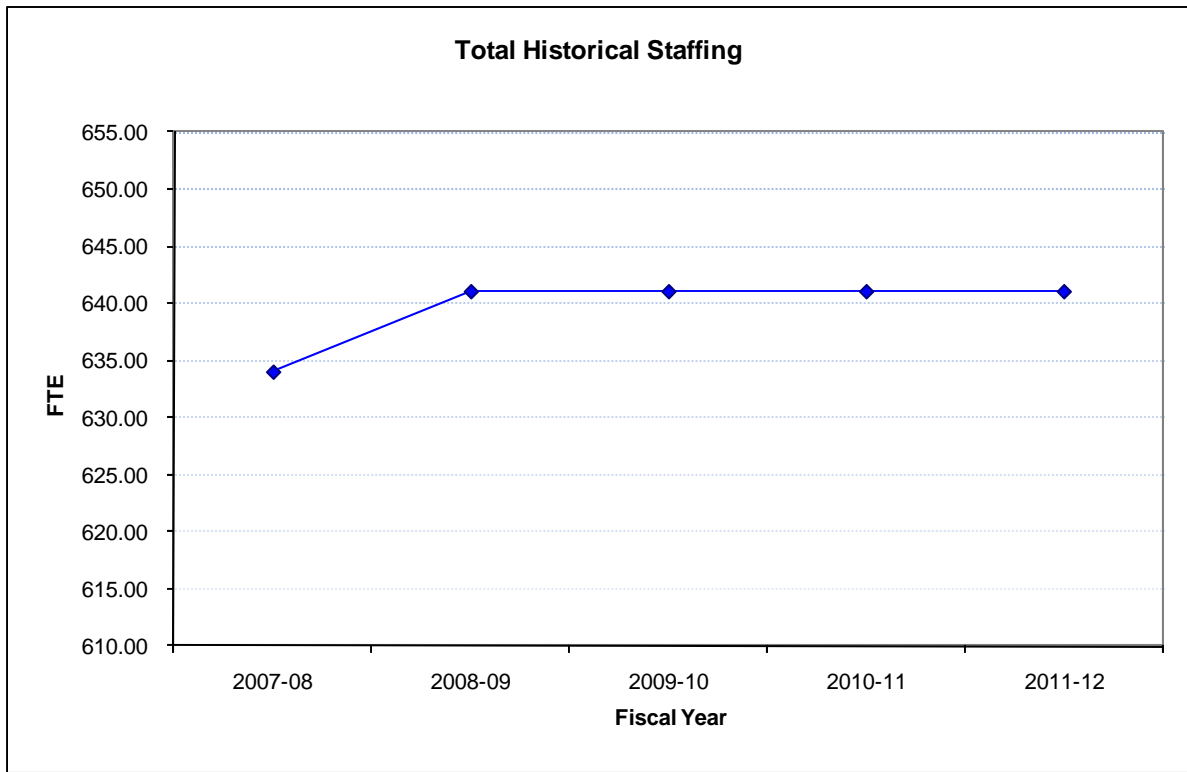
## Staffing by Department



## Staffing by Category



# 2010-11 & 2011-12 Budget



# Historical Staffing Summary

Department and Division Name	Authorized FTE 2007-08	Authorized FTE 2008-09	Authorized FTE 2009-10	Proposed FTEs 2010-11	Proposed FTEs 2011-12
<b>Office of the General Manager</b>					
General Management Administration	6.50	6.50	4.00	5.00	5.00
Assistant General Manager Administration	3.00	3.00	1.00	-	-
Board Services	5.25	5.25	2.00	2.00	2.00
Public Affairs	7.00	7.00	8.00	8.00	8.00
<b>Department Subtotal</b>	<b>21.75</b>	<b>21.75</b>	<b>15.00</b>	<b>15.00</b>	<b>15.00</b>
<b>Administrative Services Department</b>					
Administrative Services	2.00	2.00	3.00	5.00	5.00
Financial Management	18.00	18.00	19.00	18.00	18.00
Contracts, Purchasing & Materials Management	31.50	29.50	28.75	28.75	28.75
Human Resources	16.00	16.00	17.00	27.00	27.00
Information Technology	30.00	31.00	32.00	33.00	33.00
Safety & Health	8.50	8.00	9.00	-	-
<b>Department Subtotal</b>	<b>106.00</b>	<b>104.50</b>	<b>108.75</b>	<b>111.75</b>	<b>111.75</b>
<b>Technical Services Department</b>					
Technical Services Administration	3.00	4.00	4.00	4.00	4.00
Environmental Compliance & Regulatory Affairs	18.50	16.50	16.00	15.00	15.00
Environmental Laboratory & Ocean Monitoring	48.50	46.50	46.50	43.50	43.50
Source Control	39.00	40.00	39.00	40.00	40.00
<b>Department Subtotal</b>	<b>109.00</b>	<b>107.00</b>	<b>105.50</b>	<b>102.50</b>	<b>102.50</b>
<b>Engineering Department</b>					
Engineering Administration	2.00	2.00	2.00	2.00	2.00
Planning	16.00	19.00	17.00	9.00	9.00
Project Management Office	17.00	17.00	19.00	18.00	18.00
Engineering & Construction	58.50	60.50	57.50	57.50	57.50
Facilities Engineering	11.00	10.00	10.00	9.00	9.00
Asset Management	-	-	-	25.00	25.00
<b>Department Subtotal</b>	<b>104.50</b>	<b>108.50</b>	<b>105.50</b>	<b>120.50</b>	<b>120.50</b>
<b>Operations &amp; Maintenance Department</b>					
Operations & Maintenance Administration	2.00	2.00	2.00	3.00	3.00
Odor & Corrosion Control	12.00	14.50	14.50	9.50	9.50
Plant No. 1 Operations	41.75	44.75	45.75	49.75	49.75
Plant No. 2 Operations	46.00	48.00	48.00	47.00	47.00
Mechanical and Reliability Maintenance	74.00	57.00	59.00	58.00	58.00
Instrumentation & Electrical Maintenance	71.00	75.00	76.00	63.00	63.00
Regional Assets & Services	6.00	-	-	-	-
Collection Facilities Operations & Maintenance	23.00	24.00	27.00	26.00	26.00
Facilities Maintenance & Fleet Services	17.00	34.00	34.00	35.00	35.00
<b>Department Subtotal</b>	<b>292.75</b>	<b>299.25</b>	<b>306.25</b>	<b>291.25</b>	<b>291.25</b>
<b>Grand Total - All Departments</b>	<b>634.00</b>	<b>641.00</b>	<b>641.00</b>	<b>641.00</b>	<b>641.00</b>

# 2010-11 & 2011-12 Budget

Division & Position	Authorized FTEs 2007-08	Authorized FTEs 2008-09	Authorized FTEs 2009-10	Proposed FTEs 2010-11	Proposed FTEs 2011-12
<b>Office of the General Manager</b>					
<b>110 General Management Administration</b>					
General Manager	1.00	1.00	1.00	1.00	1.00
Assistant General Manager	-	-	-	1.00	1.00
Management Discretion	4.00	4.00	2.00	2.00	2.00
Secretary to the General Manager	1.00	1.00	1.00	1.00	1.00
Intern	0.50	0.50	-	-	-
Total General Management Administration	6.50	6.50	4.00	5.00	5.00
<b>150 Assistant General Manager Administration</b>					
Assistant General Manager	1.00	1.00	1.00	-	-
Legislative Affairs Liaison	1.00	1.00	-	-	-
Principal Financial Analyst	1.00	1.00	-	-	-
Total Asst. General Management Administration	3.00	3.00	1.00	-	-
<b>151 Board Services (formerly division 570)</b>					
Clerk of the Board	1.00	1.00	1.00	1.00	1.00
Records Management Specialist	1.00	1.00	-	-	-
Associate Clerk of the Board II	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	-	0.25	-	-	-
Program Assistant	0.25	-	-	-	-
Office Assistant	2.00	2.00	-	-	-
Total Board Services	5.25	5.25	2.00	2.00	2.00
<b>152 Public Affairs (formerly division 560)</b>					
Public Information Manager	1.00	1.00	-	-	-
Public Affairs Manager	-	-	1.00	1.00	1.00
Principal Public Information Specialist	1.00	1.00	2.00	2.00	2.00
Senior Public Information Specialist	2.00	2.00	1.00	1.00	1.00
Public Information Specialist	2.00	2.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Office Assistant	-	-	2.00	2.00	2.00
Total Public Affairs	7.00	7.00	8.00	8.00	8.00
<b>Total Office of the General Manager</b>	<b>21.75</b>	<b>21.75</b>	<b>15.00</b>	<b>15.00</b>	<b>15.00</b>
<b>Administrative Services Department</b>					
<b>210 Administrative Services</b>					
Director of Finance & Administrative Services / Treasurer	1.00	1.00	1.00	1.00	1.00
Engineer	-	-	-	1.00	1.00
Principal Financial Analyst	-	-	1.00	1.00	1.00
Principal Staff Analyst	-	-	-	1.00	1.00
Executive Assistant	1.00	1.00	1.00	1.00	1.00
Total Finance Administration	2.00	2.00	3.00	5.00	5.00

## Historical Staffing Detail

Division & Position	Authorized FTEs 2007-08	Proposed FTEs 2008-09	Authorized FTEs 2009-10	Proposed FTEs 2010-11	Proposed FTEs 2011-12
<b>220 Financial Management</b>					
Controller	1.00	1.00	1.00	1.00	1.00
Accounting Manager	2.00	2.00	2.00	1.00	1.00
Accounting Supervisor	1.00	1.00	1.00	2.00	2.00
Principal Accountant	3.00	3.00	3.00	3.00	3.00
Principal Financial Analyst	2.00	2.00	1.00	1.00	1.00
Senior Accountant	-	-	1.00	1.00	1.00
Senior Staff Analyst	1.00	1.00	-	-	-
Accountant/Staff Analyst	1.00	1.00	2.00	2.00	2.00
Contracts/Purchasing Assistant	-	-	1.00	-	-
Payroll Technician	2.00	2.00	2.00	2.00	2.00
Accounting Assistant II	5.00	5.00	5.00	5.00	5.00
Total Financial Management	18.00	18.00	19.00	18.00	18.00
<b>230 Contracts, Purchasing &amp; Materials Management</b>					
Contracts & Purchasing Manager	1.00	1.00	1.00	1.00	1.00
Contracts Supervisor	1.00	1.00	1.00	1.00	1.00
Purchasing Supervisor	1.00	1.00	1.00	1.00	1.00
Principal Contracts Administrator	1.00	2.00	2.00	2.00	2.00
Materials Control Supervisor	1.00	1.00	1.00	1.00	1.00
Senior Contracts Administrator	5.50	3.50	2.75	2.75	2.75
Contracts Administrator	4.00	3.00	3.00	3.00	3.00
Senior Buyer	2.00	2.00	2.00	2.00	2.00
Buyer	2.00	2.00	2.00	2.00	2.00
Administrative Assistant	5.00	3.00	-	-	-
Contracts/Purchasing Assistant	-	2.00	4.00	4.00	4.00
Lead Storekeeper	3.00	3.00	3.00	3.00	3.00
Senior Storekeeper	3.00	3.00	3.00	3.00	3.00
Storekeeper	2.00	2.00	3.00	3.00	3.00
Total Contracts, Purchasing & Materials Management	31.50	29.50	28.75	28.75	28.75
<b>240 Human Resources (formerly division 510,520,540,550)</b>					
Human Resources & Employee Relations Manager	1.00	1.00	1.00	1.00	1.00
Human Resources Supervisor	2.00	2.00	2.00	2.00	2.00
Safety & Health Supervisor	-	-	-	1.00	1.00
Principal Human Resources Analyst	1.00	1.00	1.00	1.00	1.00
Safety & Health Specialist	-	-	-	3.00	3.00
Security & Emergency Planning Specialist	-	-	-	1.00	1.00
Senior Human Resources Analyst	5.00	5.00	5.00	6.00	6.00
Human Resources Analyst	3.00	3.00	3.00	3.00	3.00
Safety & Health Representative	-	-	-	2.00	2.00
Human Resources Assistant	3.00	3.00	3.00	5.00	5.00
Program Assistant	1.00	1.00	1.00	1.00	1.00
Interns for agency	-	-	1.00	1.00	1.00
Total Human Resources	16.00	16.00	17.00	27.00	27.00

# 2010-11 & 2011-12 Budget

Division & Position	Authorized FTEs 2007-08	Proposed FTEs 2008-09	Authorized FTEs 2009-10	Proposed FTEs 2010-11	Proposed FTEs 2011-12
<b>250 Information Technology (formerly divisions 910, 920, 930, and 940)</b>					
Information Technology Systems & Operations Manager	1.00	1.00	1.00	1.00	1.00
Information Technology Manager	1.00	2.00	2.00	2.00	2.00
Principal Information Technology Analyst	2.00	7.00	6.00	6.00	6.00
Senior Information Technology Analyst	4.00	8.00	9.00	10.00	10.00
Information Technology Analyst III	3.00	5.00	4.00	4.00	4.00
Records Management Specialist	-	-	1.00	1.00	1.00
Information Technology Analyst II	1.00	2.00	3.00	3.00	3.00
Information Technology Analyst I	2.00	2.00	2.00	2.00	2.00
Staff Analyst	1.00	1.00	1.00	1.00	1.00
Executive Assistant	1.00	1.00	-	-	-
Administrative Assistant	-	-	1.00	1.00	1.00
Information Technology Technician II	2.00	2.00	2.00	2.00	2.00
Total Administration, Customer & Network Support	18.00	31.00	32.00	33.00	33.00
<b>940 Information Technology Programming &amp; Database Systems</b>					
Information Technology Manager	1.00	-	-	-	-
Principal Information Technology Analyst	5.00	-	-	-	-
Senior Information Technology Analyst	4.00	-	-	-	-
Information Technology Analyst III	2.00	-	-	-	-
Total Programming & Database Systems	12.00	-	-	-	-
<b>153 Safety &amp; Health</b>					
Safety & Health Manager	1.00	1.00	1.00	-	-
Safety & Health Supervisor	1.00	1.00	1.00	-	-
Safety & Health Specialist	2.00	2.00	3.00	-	-
Security & Emergency Planning Specialist	1.00	1.00	1.00	-	-
Safety & Health Representative	2.00	2.00	2.00	-	-
Human Resources Assistant	1.00	1.00	1.00	-	-
Intern	0.50	-	-	-	-
Total Safety & Health	8.50	8.00	9.00	-	-
<b>Total Administrative Services Department</b>	<b>106.00</b>	<b>104.50</b>	<b>108.75</b>	<b>111.75</b>	<b>111.75</b>
<b>Technical Services Department</b>					
<b>610 Technical Services Administration</b>					
Director of Technical Services	1.00	1.00	1.00	1.00	1.00
Senior Engineer	1.00	1.00	1.00	1.00	1.00
Associate Engineer III	-	-	1.00	1.00	1.00
Associate Engineer II	-	1.00	-	-	-
Executive Assistant	1.00	1.00	1.00	1.00	1.00
Total Technical Services Administration	3.00	4.00	4.00	4.00	4.00

# Historical Staffing Detail

Division & Position	Authorized FTEs 2007-08	Proposed FTEs 2008-09	Authorized FTEs 2009-10	Proposed FTEs 2010-11	Proposed FTEs 2011-12
<b>620 Environmental Compliance &amp; Regulatory Affairs</b>					
Environmental Assessment Manager	1.00	1.00	1.00	1.00	1.00
Environmental Supervisor	3.00	2.00	2.00	1.00	1.00
Senior Engineer	1.00	1.00	1.00	-	-
Senior Scientist	1.00	1.00	1.00	1.00	1.00
Engineer	1.00	1.00	1.00	-	-
Regulatory Specialist	3.00	2.00	2.00	2.00	2.00
Associate Engineer III	1.00	1.00	1.00	1.00	1.00
Principal Environmental Specialist	2.00	1.50	1.50	1.50	1.50
Principal Laboratory Analyst	-	-	-	1.00	1.00
Senior Environmental Specialist	3.00	3.50	3.50	3.50	3.50
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Program Assistant	-	-	-	1.00	1.00
Intern	1.50	1.50	1.00	1.00	1.00
Total Environmental Compliance & Regulatory Affairs	18.50	16.50	16.00	15.00	15.00
<b>630 Environmental Laboratory and Ocean Monitoring</b>					
Laboratory Manager	1.00	1.00	1.00	1.00	1.00
Environmental Supervisor	1.00	1.00	1.00	1.00	1.00
Laboratory Section Supervisor	3.00	3.00	3.00	3.00	3.00
LIMS Administrator	1.00	1.00	1.00	-	-
Senior Scientist	3.00	3.00	3.00	3.00	3.00
Boat Captain	1.00	-	-	-	-
Scientist	2.00	2.00	2.00	2.00	2.00
Principal Environmental Specialist	2.00	2.00	2.00	2.00	2.00
Principal Laboratory Analyst	10.00	10.00	8.00	7.00	7.00
Senior Environmental Specialist	3.00	4.00	5.00	6.00	6.00
Senior Laboratory Analyst	11.00	11.00	11.00	10.00	10.00
Environmental Specialist	1.00	1.00	1.00	1.00	1.00
Laboratory Analyst	3.00	3.00	4.00	3.00	3.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Laboratory Assistant	3.00	3.00	3.00	3.00	3.00
Program Assistant	1.00	-	-	-	-
Intern	1.50	0.50	0.50	0.50	0.50
Total Environmental Laboratory and Ocean Monitoring	48.50	46.50	46.50	43.50	43.50
<b>640 Source Control</b>					
Source Control Manager	1.00	1.00	1.00	1.00	1.00
Engineering Supervisor	2.00	2.00	2.00	3.00	3.00
Senior Engineer	-	-	-	1.00	1.00
Senior Regulatory Specialist	1.00	1.00	1.00	1.00	1.00
Engineer	6.00	6.00	6.00	6.00	6.00
Regulatory Specialist	1.00	1.00	1.00	-	-
Source Control Supervisor	1.00	1.00	1.00	1.00	1.00
Associate Engineer III	3.00	3.00	3.00	3.00	3.00
Principal Environmental Specialist	2.00	2.00	2.00	2.00	2.00
Senior Environmental Specialist	1.00	2.00	2.00	2.00	2.00
Source Control Inspector II	12.00	11.00	11.00	11.00	11.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Environmental Technician	3.00	3.00	3.00	3.00	3.00
Program Assistant	4.00	5.00	4.00	4.00	4.00
Office Assistant	1.00	1.00	1.00	1.00	1.00
Total Source Control	39.00	40.00	39.00	40.00	40.00
<b>Total Technical Services Department</b>	<b>109.00</b>	<b>107.00</b>	<b>105.50</b>	<b>102.50</b>	<b>102.50</b>

# 2010-11 & 2011-12 Budget

Division & Position	Authorized FTEs 2007-08	Proposed FTEs 2008-09	Authorized FTEs 2009-10	Proposed FTEs 2010-11	Proposed FTEs 2011-12
<b>Engineering Department</b>					
<b>710 Engineering Administration</b>					
Director of Engineering	1.00	1.00	1.00	1.00	1.00
Executive Assistant	1.00	1.00	1.00	1.00	1.00
Total Engineering Administration	2.00	2.00	2.00	2.00	2.00
<b>740 Planning</b>					
Engineering Manager	1.00	1.00	1.00	1.00	1.00
Engineering Supervisor	1.00	2.00	2.00	1.00	1.00
Senior Engineer	-	1.00	2.00	1.00	1.00
Engineer	2.00	3.00	1.00	1.00	1.00
Principal Staff Analyst	-	-	1.00	1.00	1.00
Associate Engineer III	1.00	-	-	-	-
Senior Engineering Associate	2.00	3.00	1.00	1.00	1.00
Senior Engineering Data Management Specialist	1.00	1.00	-	-	-
Engineering Associate	2.00	2.00	2.00	1.00	1.00
Engineering Data Management Technician II	3.00	2.00	2.00	-	-
Associate Engineer I	-	-	1.00	1.00	1.00
Engineering Assistant II	-	1.00	1.00	-	-
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Engineering Assistant I	2.00	2.00	2.00	-	-
Total Planning	16.00	19.00	17.00	9.00	9.00
<b>750 Project Management Office</b>					
Engineering Manager	1.00	1.00	1.00	1.00	1.00
Engineering Supervisor	1.00	1.00	1.00	-	-
CIP Project Management Supervisor	-	-	1.00	1.00	1.00
Program Controls Supervisor	-	-	-	1.00	1.00
Senior Capital Improvement Program Project Manager	1.00	1.00	-	-	-
Capital Improvement Program Project Manager	6.00	6.00	6.00	5.00	5.00
Senior Engineer	-	1.00	1.00	1.00	1.00
Principal Project Controls Analyst	-	-	1.00	1.00	1.00
Principal Engineering Data Management Specialist	1.00	1.00	1.00	1.00	1.00
Principal Staff Analyst	2.00	2.00	2.00	1.00	1.00
Cost Estimator	1.00	1.00	1.00	1.00	1.00
Planner/Scheduler	1.00	1.00	1.00	1.00	1.00
Senior Staff Analyst	-	-	-	1.00	1.00
Engineering Assistant II	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	-	1.00	1.00	1.00
Office Assistant	1.00	1.00	1.00	1.00	1.00
Total Project Management Office	17.00	17.00	19.00	18.00	18.00



## Historical Staffing Detail

Division & Position	Authorized FTEs 2007-08	Proposed FTEs 2008-09	Authorized FTEs 2009-10	Proposed FTEs 2010-11	Proposed FTEs 2011-12
<b>760 Engineering &amp; Construction</b>					
Engineering Manager	1.00	1.00	1.00	1.00	1.00
Engineering Supervisor	4.00	4.00	4.00	3.00	3.00
Senior Construction Inspection Supervisor	1.00	1.00	1.00	1.00	1.00
Senior Engineer	8.00	9.00	8.00	8.00	8.00
Construction Inspection Supervisor	3.00	2.00	2.00	2.00	2.00
Engineer	10.00	12.00	10.00	13.00	13.00
Principal Staff Analyst	-	1.00	-	-	-
Associate Engineer III	4.00	5.00	4.00	3.00	3.00
Senior Engineering Associate	1.00	1.00	1.00	1.00	1.00
Senior Construction Inspector	7.00	7.00	7.00	7.00	7.00
Associate Engineer II	-	-	-	1.00	1.00
Senior Staff Analyst	-	-	1.00	-	-
Construction Inspector	10.00	10.00	10.00	10.00	10.00
Associate Engineer I	-	-	1.00	-	-
Engineering Assistant II	3.00	2.00	2.00	2.00	2.00
Public Information Specialist	-	-	1.00	1.00	1.00
Administrative Assistant	3.00	4.00	3.00	3.00	3.00
Engineering Assistant I	1.00	1.00	1.00	1.00	1.00
Office Assistant	1.00	-	-	-	-
Intern	1.50	0.50	0.50	0.50	0.50
Total Engineering & Construction	<b>58.50</b>	<b>60.50</b>	<b>57.50</b>	<b>57.50</b>	<b>57.50</b>
<b>770 Facilities Engineering</b>					
Engineering Manager	1.00	1.00	1.00	1.00	1.00
Engineering Supervisor	1.00	1.00	1.00	1.00	1.00
Senior Engineer	1.00	-	-	1.00	1.00
Engineer	5.00	5.00	5.00	3.00	3.00
Associate Engineer III	1.00	1.00	-	-	-
Associate Engineer II	1.00	-	1.00	1.00	1.00
Engineering Associate	-	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Total Facilities Engineering	<b>11.00</b>	<b>10.00</b>	<b>10.00</b>	<b>9.00</b>	<b>9.00</b>
<b>780 Asset Management</b>					
Engineering Manager	-	-	-	1.00	1.00
Engineering Supervisor	-	-	-	2.00	2.00
Senior Engineer	-	-	-	4.00	4.00
Principal Information Technology Analyst	-	-	-	2.00	2.00
Engineer	-	-	-	3.00	3.00
Utilities Management Specialist	-	-	-	1.00	1.00
Senior Information Technology Analyst	-	-	-	3.00	3.00
Information Technology Analyst III	-	-	-	2.00	2.00
Engineering Associate	-	-	-	1.00	1.00
Information Technology Analyst II	-	-	-	1.00	1.00
Engineering Data Management Technician II	-	-	-	2.00	2.00
Associate Engineer I	-	-	-	1.00	1.00
Engineering Assistant II	-	-	-	1.00	1.00
Engineering Assistant I	-	-	-	1.00	1.00
Total Asset Management	<b>-</b>	<b>-</b>	<b>-</b>	<b>25.00</b>	<b>25.00</b>
<b>Total Engineering Department</b>	<b>104.50</b>	<b>108.50</b>	<b>105.50</b>	<b>120.50</b>	<b>120.50</b>

# 2010-11 & 2011-12 Budget

Division & Position	Authorized FTEs 2007-08	Proposed FTEs 2008-09	Authorized FTEs 2009-10	Proposed FTEs 2010-11	Proposed FTEs 2011-12
<b>Operations &amp; Maintenance Department</b>					
<b>810 Operations &amp; Maintenance Administration</b>					
Director of Operations & Maintenance	1.00	1.00	1.00	1.00	1.00
Principal Financial Analyst	-	-	-	1.00	1.00
Executive Assistant	1.00	1.00	1.00	1.00	1.00
Total Operations & Maintenance Administration	2.00	2.00	2.00	3.00	3.00
<b>410 Regional Assets &amp; Services</b>					
Engineering Supervisor	1.00	-	-	-	-
Senior Engineer	1.00	-	-	-	-
Principal Financial Analyst	1.00	-	-	-	-
Principal Staff Analyst	1.00	-	-	-	-
Senior Engineering Associate	1.00	-	-	-	-
Executive Assistant	1.00	-	-	-	-
Total Regional Assets & Services	6.00	-	-	-	-
<b>820 Odor &amp; Corrosion Control</b>					
Engineering Manager	1.00	-	1.00	1.00	1.00
Engineering Supervisor	1.00	1.00	-	-	-
Senior Engineer	2.00	3.00	3.00	2.00	2.00
Senior Scientist	0.50	1.00	-	-	-
Engineer	-	1.00	-	-	-
Principal Financial Analyst	-	1.00	1.00	-	-
Regulatory Specialist	1.00	1.00	1.00	-	-
Scientist	-	-	1.00	-	-
Associate Engineer III	2.00	2.00	2.00	1.00	1.00
Associate Engineer II	-	-	1.00	-	-
Senior Environmental Specialist	3.00	3.00	3.00	3.00	3.00
Engineering Assistant I	-	-	-	1.00	1.00
Environmental Technician	1.00	1.00	1.00	1.00	1.00
Intern	0.50	0.50	0.50	0.50	0.50
Total Odor & Corrosion Control	12.00	14.50	14.50	9.50	9.50
<b>830 Plant No. 1 Operations</b>					
Engineering Manager	-	1.00	-	-	-
Operations Manager	-	-	1.00	1.00	1.00
Chief Plant Operator	1.00	1.00	1.00	1.00	1.00
Senior Engineer	-	-	-	1.00	1.00
Engineer	-	-	-	1.00	1.00
Operations Supervisor	7.00	7.00	7.00	7.00	7.00
Scientist	-	-	-	1.00	1.00
Associate Engineer II	-	-	-	1.00	1.00
Lead Plant Operator	5.00	5.00	5.00	5.00	5.00
Senior Plant Operator	16.00	17.00	15.00	15.00	15.00
Administrative Assistant	0.75	0.75	0.75	0.75	0.75
Plant Operator	9.00	10.00	13.00	13.00	13.00
Control Center Technician	3.00	3.00	3.00	3.00	3.00
Total Plant No. 1 Operations	41.75	44.75	45.75	49.75	49.75

# Historical Staffing Detail

Division & Position	Authorized FTEs 2007-08	Proposed FTEs 2008-09	Authorized FTEs 2009-10	Proposed FTEs 2010-11	Proposed FTEs 2011-12
<b>840 Plant No. 2 Operations</b>					
Chief Plant Operator	1.00	1.00	1.00	1.00	1.00
Operations Supervisor	7.00	7.00	7.00	7.00	7.00
Lead Plant Operator	5.00	5.00	5.00	5.00	5.00
Senior Plant Operator	12.00	13.00	13.00	12.00	12.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Equipment Operator	1.00	1.00	1.00	-	-
Plant Operator	18.00	19.00	19.00	20.00	20.00
Control Center Technician	1.00	1.00	1.00	1.00	1.00
Total Plant No. 2 Operations	46.00	48.00	48.00	47.00	47.00
<b>850 Mechanical and Reliability Maintenance</b>					
Maintenance Manager	1.00	1.00	1.00	1.00	1.00
Senior Engineer	2.00	-	-	-	-
Senior Maintenance Supervisor	1.00	1.00	-	-	-
Engineer	2.00	-	-	-	-
Utilities Management Specialist	1.00	1.00	1.00	-	-
Maintenance Supervisor	7.00	5.00	6.00	6.00	6.00
Associate Engineer III	1.00	1.00	1.00	1.00	1.00
Maintenance Specialist	7.00	-	-	-	-
Senior Public Information Specialist	-	-	1.00	1.00	1.00
Reliability Technician	-	1.00	2.00	2.00	2.00
CMMS Technician II	6.00	-	-	-	-
Lead Mechanic	5.00	5.00	5.00	5.00	5.00
Lead Welder/Fabricator	1.00	1.00	-	-	-
Machinist	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Senior Mechanic	33.00	33.00	33.00	33.00	33.00
Welder/Fabricator	2.00	2.00	3.00	3.00	3.00
Engineering Assistant I	1.00	-	-	-	-
Mechanic	1.00	2.00	2.00	2.00	2.00
Maintenance Worker	-	2.00	2.00	2.00	2.00
Office Assistant	1.00	-	-	-	-
Total Mechanical and Reliability Maintenance	74.00	57.00	59.00	58.00	58.00
<b>860 Instrumentation &amp; Electrical Maintenance</b>					
Engineering Manager	-	-	-	1.00	1.00
Process Controls Manager	1.00	1.00	1.00	-	-
Engineering Supervisor	1.00	2.00	2.00	1.00	1.00
Senior Engineer	2.00	2.00	2.00	-	-
Principal Information Technology Analyst	2.00	2.00	2.00	-	-
Engineer	2.00	2.00	2.00	-	-
Senior Information Technology Analyst	3.00	3.00	3.00	-	-
Maintenance Supervisor	5.00	5.00	5.00	5.00	5.00
Information Technology Analyst III	2.00	2.00	2.00	-	-
Information Technology Analyst II	2.00	1.00	1.00	-	-
Lead Electrical Technician	4.00	4.00	4.00	4.00	4.00
Lead Instrumentation Technician	2.00	3.00	3.00	3.00	3.00
Lead Power Plant Operator	1.00	1.00	1.00	1.00	1.00
Electrical Technician II	15.00	15.00	14.00	14.00	14.00
Instrumentation Technician II	19.00	19.00	19.00	19.00	19.00
Power Plant Operator II	9.00	9.00	9.00	9.00	9.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Power Plant Operator I	-	-	1.00	1.00	1.00
Electrical Technician I	-	1.00	1.00	1.00	1.00
Instrumentation Technician I	-	2.00	1.00	1.00	1.00
Maintenance Worker	-	-	2.00	2.00	2.00
Total Instrumentation & Electrical Maintenance	71.00	75.00	76.00	63.00	63.00

# 2010-11 & 2011-12 Budget

Division & Position	Authorized FTEs 2007-08	Proposed FTEs 2008-09	Authorized FTEs 2009-10	Proposed FTEs 2010-11	Proposed FTEs 2011-12
<b>870 Collection Facilities Operations &amp; Maintenance (formerly division 420)</b>					
Engineering Manager	1.00	1.00	1.00	-	-
Engineering Supervisor	-	-	-	1.00	1.00
Maintenance Supervisor	2.00	2.00	2.00	2.00	2.00
Senior Engineering Associate	-	-	1.00	1.00	1.00
Lead Mechanic	4.00	4.00	5.00	5.00	5.00
Administrative Assistant	-	1.00	1.00	-	-
Senior Mechanic	9.00	9.00	9.00	9.00	9.00
Mechanic	7.00	7.00	8.00	8.00	8.00
Total Collection Facilities Operations & Maintenance	23.00	24.00	27.00	26.00	26.00
<b>880 Facilities Maintenance &amp; Fleet Services (formerly division 430)</b>					
Facilities Manager	1.00	1.00	1.00	1.00	1.00
Maintenance Supervisor	2.00	4.00	4.00	4.00	4.00
Maintenance Specialist	-	7.00	7.00	6.00	6.00
CMMS Technician II	-	6.00	6.00	7.00	7.00
CMMS Technician I	-	-	-	1.00	1.00
Lead Mechanic	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	-	-	-	1.00	1.00
Automotive/ Heavy Equipment Technician	3.00	3.00	3.00	3.00	3.00
Equipment Operator	2.00	2.00	2.00	2.00	2.00
Engineering Assistant I	-	1.00	1.00	-	-
Lead Facilities Worker	3.00	3.00	2.00	2.00	2.00
Facilities Worker/Builder	2.00	2.00	3.00	3.00	3.00
Facilities Worker/Painter	2.00	2.00	2.00	2.00	2.00
Automotive/ Heavy Equipment Assistant	1.00	1.00	1.00	1.00	1.00
Office Assistant	-	1.00	1.00	1.00	1.00
Total Facilities Maintenance & Fleet Services	17.00	34.00	34.00	35.00	35.00
<b>Total Operations &amp; Maintenance Department</b>	<b>292.75</b>	<b>299.25</b>	<b>306.25</b>	<b>291.25</b>	<b>291.25</b>
<b>Grand Total, All Departments</b>	<b>634.00</b>	<b>641.00</b>	<b>641.00</b>	<b>641.00</b>	<b>641.00</b>

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# Appropriations Limit

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## **Appropriations Limit**

Article XIII B of the California State Constitution, more commonly referred to as the Gann Initiative or Gann Limit, was adopted by California voters in 1980. The Gann Limit placed limits on the amount of proceeds of taxes that state and local governmental agencies can receive and appropriate (authorize to spend) each year.

The limit is different for each agency and the limit changes each year. The annual limit is based on the amount of tax proceeds that were authorized to be spent in fiscal year 1978-79 in each agency, modified for changes in inflation and population in each subsequent year.

Proposition 111 was passed by the State's voters in June 1990. This legislation made changes to the manner in which the Appropriations Limit is to be calculated:

The annual adjustment factors for inflation and population have been changed. Instead of using the lesser of California per capita income, or U.S. CPI, each agency may choose either the growth in the California per capita income, or the growth in assessed valuation due to new non-residential construction within the district. For population, instead of using only the population growth of an agency, each agency may choose to use the population growth within its county. These are both annual elections.

The revised annual adjustment factors will be applied to the 1986-87 limit for most agencies and each year in between in order to calculate the 1990-91 limit. The actual limits for the intervening years, however, are not affected.

Expenditures for "qualified capital outlay", which are capital assets with a value of more than \$100,000 and an expected life of 10 years or more, are excluded from the limit.

An agency which exceeds the limit in any one year may choose to not give a tax refund if they fall below the limit in the next fiscal year. They then have two more years to refund any remaining excess or to obtain a successful override vote.

In certain situations, proceeds of taxes may be spent on emergencies without having to reduce the limit in future years.

Each agency also conducts a review of its Appropriations Limit during its annual financial audit.

The law requires a governing body to annually adopt, by resolution, an appropriations limit for the following year, along with a recorded vote regarding which of the annual adjustment factors have been selected. The Orange County Sanitation District's appropriations limit and annual adjustment factors are adopted at the same meeting as the budget. The adjustment factors used for 2010-11 are the weighted average change in city population and the change in state per capita personal income.

The following table shows the annual appropriations limit for each of the last two years and the appropriations limit and the appropriations, or proceeds from taxes, for 2010-11. The decrease in the limit is based upon population changes ranging from 0.62% to 1.61% for major cities within the District as provided by the State Department of Finance and a per capita personal income change of negative 2.54% as provided by the State Department of Finance.

Annual Appropriation Limits:	
2008-09	\$79,153,000
2009-10	\$80,476,000
2010-11	\$79,329,000

Proceeds of Taxes (Appropriations)	
2010-11	\$36,887,000

As a result of the July 1998 consolidation of the District, a single limit is presented in contrast to individual limits shown in years prior to 1998. Population changes for representative cities have continued to be used in order to ensure consistency and to eliminate significant population growth in parts of the County outside of the District's service area. This method results in a lower limit than using the County-wide change.

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# 2010-11 & 2011-12 Budget

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## Budget Glossary

### **Accounting System:**

The set of records and procedures which are used to record, classify, and report information on the financial status and operations of an entity.

### **Accrual Basis Accounting:**

Under this accounting method, transactions are recognized when they occur, regardless of the timing of related cash receipts and disbursements.

### **Administrative and Clerical:**

An employee group that provides administrative and clerical support.

### **Ad Valorem Taxes:**

The District's allocated share of the property taxes assessed by the County representing a 2% annual increase in assessed values of property taxes.

### **Annual Budget:**

A budget applicable to a single fiscal year.

### **Appropriation Ordinance:**

The official legal document approved by the District's Board of Directors authorizing officials to obligate and expend resources.

### **Appropriation:**

An authorization made by the District's Board of Directors which permits officials to incur obligations against and to make expenditures of governmental resources. Operating appropriations are typically granted for a one-year period.

### **Assessed Valuation:**

The estimated value of real and personal property used by the Orange County Assessor as the basis for levying property taxes.

### **Balanced Budget:**

A budget in which the sum of estimated net revenues and appropriated fund balances is equal to appropriations.

### **Biennial Budget:**

A budget applicable to two individual fiscal years.

### **Budget Document:**

The official financial spending and resource plan submitted by the General Manager, adopted by the Board of Directors, and made available to the public and other interested parties.

### **Budget Message:**

A written explanation by the General Manager of the proposed budget. The budget message explains principal budget and policy issues and presents an overview of the General Manager's budget recommendations.

### **Budget Calendar:**

The schedule of key dates which the District follows in preparing and adopting the budget.

### **Capital Facilities Capacity Charge:**

A one-time, nondiscriminatory charge imposed at the time a building or structure is newly connected to the District's system, directly or indirectly, or an existing structure or category of use is expanded or increased. This charge is to pay for District facilities in existence at the time the charge is imposed, or to pay for new facilities to be constructed in the future, that are of benefit to the property being charged. This charge does not apply to temporary facilities.

### **Capital Improvement Program:**

A plan over a period of five years setting forth each capital project, the amount to be expended in each year, and the method of financing capital expenditures.

### **Capital Outlay:**

Cash outlays which result in the acquisition of or additions to capital assets. Examples include land, buildings, machinery, equipment, and other improvements.

### **Capital Assets:**

Assets of significant value which have a useful life of several years. Examples are land, buildings, other improvements, machinery, and equipment.

### **Cash Basis Accounting:**

A basis of accounting under which transactions are recognized only when cash is received or disbursed.

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# Budget Glossary

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**Certificates of Participation (COPs):**

A type of debt financing in which certificates are issued which represent an investor's participation in the stream of lease payments paid by the issuer. COPs are secured by the lease payments. Voter approval is not required prior to issuance.

**Comprehensive Annual Financial Report (CAFR):**

The official financial report of a government. It includes an audit opinion as well as basic financial statements and supporting schedules necessary to demonstrate compliance with legal and contractual requirements of the District.

**Contingency:**

A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

**Contingent Liabilities:**

Items which may become liabilities of the District but are undetermined at a given date, such as pending law suits, unsettled disputed claims, unfilled purchase orders, and uncompleted contracts.

**Contractual Services:**

Personal services provided to the District from the private sector or other public agencies.

**Debt Service:**

Payment of interest and repayment of principal to holders of the District's debt instruments.

**Decision Package:**

A standardized format whereby departments may request budgetary consideration for new programs, positions, capital equipment, and position reclassification.

**Deficit:**

The excess of an entity's liabilities over its assets.

**Encumbrance:**

An amount of money committed for the payment of goods and services not yet received or paid for.

**Engineers:**

A professional engineers/employee group.

**Enterprise Fund:**

In governmental accounting, a fund that provides goods or services to the public for a fee that makes the entity self-supporting.

**Executive Manager:**

The group of employees which head each department.

**Expenditures / Expenses:**

Where accounts are kept on the accrual basis of accounting, expenses are recognized when goods are received or services rendered. Where accounts are kept on a cash basis, expenditures are recognized only when the cash payments are made.

**FEMA:**

Federal Emergency Management Agency. This agency provides federal grant monies for disaster relief.

**Fiscal Year:**

A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and results of its operations. The District's fiscal year runs from July 1 - June 30.

**Five-Year Financial Forecast:**

Estimates of future revenues and expenditures to help predict the future financial condition of the community.

**FLSA:**

The Fair Labor Standards Act sets minimum wage, overtime pay, equal pay, and Child Labor Standards to private and public sector employees. Enforcement of the FLSA is assigned to the Department of Labor (DOL), Wage and Hour Division.

**Full-Time Equivalents (FTE):**

The amount of time a regular, full-time employee normally works in a year. For example, a full-time employee (1 FTE) is budgeted to work 2,080 hours per year, while a .5 FTE is budgeted to work 1,040 hours per year.

**Fund:**

An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities.

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# 2010-11 & 2011-12 Budget

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***Fund Accounting:***

System used by nonprofit organizations, particularly governments. Since there is no profit motive, accountability is measured instead of profitability. The main purpose is stewardship of financial resources received and expended in compliance with legal requirements.

***Fund Equity:***

The excess of an entity's assets over liabilities.

***General Obligation Bonds:***

Bonds for which the full faith and credit of the insuring government are pledged for payment. Ad valorem property taxes are pledged to pay the bonds. A two-thirds voter approval is required prior to bond issuance.

***Generally Accepted Accounting Principles (GAAP):***

Uniform standards for financial accounting and reporting. They govern the form and content of the basic financial statements of an entity.

***Government Finance Officers Association (GFOA):***

A nonprofit, professional association, serving 13,000 government finance professionals through the United States and Canada.

***GFOA's Best Practices and Advisories:***

A listing of the Accounting, Auditing, and Financial Reporting, Treasury and Investment Management, Budgeting and Fiscal Policy, Debt Management, Retirement and Benefits Administration, and Economic Development and Capital Planning practices identified as contributing to improved government management by the Government Finance Officers Association of the United States and Canada.

***GFOA's Distinguished Budget Presentation Award Program:***

The only national awards program in governmental budgeting. It represents a significant accomplishment in meeting the highest principles of governmental budgeting and satisfying nationally recognized guidelines for effective budget presentation.

***Groundwater Replenishment System (GWR):***

A joint project by the Orange County Water District (OCWD) and the District, the GWR will reclaim up to 100 million gallons a day of the District's secondary effluent. Phase 1 has been operational since January 2008. When completed the GWR will be the largest water reclamation project in the nation.

***Improvements:***

Buildings, structures, or attachments to land such as sidewalks, trees, drives, tunnels, drains and sewers.

***Interest:***

Revenue derived from the investment of idle cash and/or reserves.

***Intergovernmental Services:***

Purchases from other governments of those specialized services typically performed by local governments.

***Intergovernmental Revenue:***

Revenue received from other governmental agencies and municipalities.

***Levy:***

(Verb) To impose taxes, special assessments, or service charges for the support of governmental activities. (Noun) The total amount of taxes, special assessments, or service charges imposed by a government levying property taxes.

***Long-Term Debt or Long-Term Liabilities:***

Debt borrowed from a source outside the District with a maturity of more than one year after the date of issuance.

***Maintenance Employees:***

An employee group of the District.

***Manager Employees:***

The group of employees who assume management responsibilities for operating divisions.

***NPDES (National Pollution Discharge Elimination System):***

Permit system established by the U.S. Environmental Protection Agency to regulate discharge of treated sewage, storm water, and urban runoff.



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# Budget Glossary

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**Object:**

An expenditure classification which refers to the type of item purchased or the service obtained. Examples include personnel, supplies, or contract services.

**OES:**

State Office of Emergency Services. This agency provides state grant monies for disaster relief.

**Operating Engineers:**

An employee group of the District.

**Operating Budget:**

The operating budget is the primary means by which most of the financing of acquisition, spending, and service delivery activities of a government are controlled.

**Other Revenues:**

Revenues from sources, other than those specifically identified, that are immaterial in amount and do not justify reporting as separate line items.

**Other Charges:**

Expenditures that do not fit in other categories, are immaterial in amount, and do not justify reporting as separate line items.

**Performance Measure:**

Represents the objectives of each department along with a target date for achieving the objective.

**Performance Results:**

A summary of major accomplishments and objectives that were met during the fiscal year.

**Permits:**

Revenues earned by the issuance of permits levied in accordance with the benefits conferred by the permit.

**Personnel:**

Salaries and benefits paid to the District's employees. Included are items such as special duty pay, insurance, and retirement.

**Personnel Benefits:**

Those benefits paid by the District as conditions of employment. Examples include insurance and retirement benefits.

**Professional Employees:**

An employee group consisting of technical experts, analysts, and planners.

**Program:**

Organizational units directed to attain specific purposes or objectives.

**Reserve:**

A term used to indicate that a portion of fund equity is restricted for a specific purpose.

**Resources:**

Total dollars available for appropriations including estimated revenues and beginning fund equity.

**Revenue Bonds:**

Bonds issued pledging future revenues such as sewer charges to cover debt payments. A majority voter approval is required prior to bond issuance.

**Revenue Estimate:**

A formal estimate of how much revenue will be earned from a specific revenue source for some future period, typically a fiscal year.

**Revenue:**

Income received by the District to support wastewater treatment services. This income may be in the form of property taxes, fees, user charges, grants, and interest.

**Risk Register:**

The Risk Register is a compilation of the various risks facing the District, as seen by the District's management team.

**Service Charges:**

Charges for specific services rendered.

**Service Description:**

A description of the services or functions provided by each department or division.

**Significant Changes:**

This section provides an overview of the changes adopted in the budget. Additionally, the significant impacts of budgetary changes are outlined (Budget Impact) along with dollar amounts (Increase/Decrease).

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## 2010-11 & 2011-12 Budget

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### ***Strategic Goals:***

District-wide goals that demonstrate the District's long-term commitment to excellence and that establish the framework necessary to maintain the District's high level of service standards.

### ***Strategic Plan:***

A planning effort to define the District's goals, responsibilities, and requirements over a specified future period. Key factors used in the planning effort include estimates for population growth, new construction, the volume of wastewater delivered to the plants, and viable water conservation and reclamation programs.

### ***Supervisory Employees:***

An employee group whose members have responsibility for directing the work of line employees.

### ***Supplemental Appropriation:***

An appropriation approved by the Directors after the initial budget is adopted.

### ***Supplies:***

An expenditure classification for articles and commodities purchased for consumption or resale. Examples include office and operating supplies, fuel, power, water, gas inventory, or small tools and equipment.

### ***Taxes:***

Compulsory charges levied by a government for the purpose of financing services performed for the common benefit.

### ***Technical Services:***

Support services to the District's wastewater management program through environmental sampling, analysis and research, source control of industrial users, administration of compliance programs to meet federal, state and local environmental standards; provides leadership and influence in the development and implementation of environmental policies, laws, and regulations.

# Miscellaneous Statistics

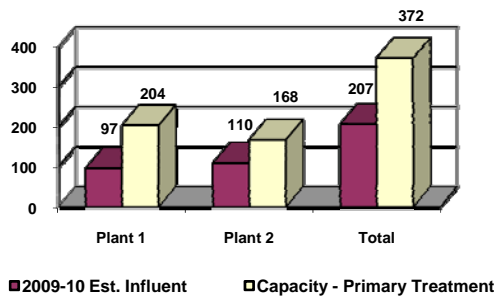
## General Information

Year of Formation ..... 1948  
 Form of Government ..... County Sanitation District  
 Authority ..... Section 4700 et. seq.  
 ..... California Health & Safety Code  
 Service Area ..... 480 sq. miles  
 Service Population ..... Approximately 2.6 million  
 2008-09 Assessed Value ..... \$307.6 billion

Miles of Sewers ..... 579 miles  
 On-Plant Pump Station ..... 2  
 Off-Plant Pump Stations ..... 15  
 Operating Authority ..... RWQCB/NPDES Permit No.  
 ..... CA0110604  
 ..... Statewide WDR Order No. 2006-0003  
 Authorized Staff (Full-Time Equivalent) ..... 641.00

## Treatment Information

**Daily Influent Flow to Total Primary Capacity Comparison (in mgd)**



2008-09 Influent BOD:

Plant No. 1 ..... 300 milligrams per liter  
 Plant No. 2 ..... 220 milligrams per liter

2008-09 Influent Suspended Solids:

Plant No. 1 ..... 319 milligrams per liter  
 Plant No. 2 ..... 282 milligrams per liter

2008-09 Effluent BOD ..... 43 milligrams per liter

2008-09 Effluent Suspended Solids.. 33 milligrams per liter

2008-09 Biosolids Produced & Reused .. 249,139 wet tons

Primary Treatment Capacity (includes standby):

Plant No. 1 ..... 204 mgd  
 Plant No. 2 ..... 168 mgd  
 TOTAL ..... 372 mgd

2009-10 Estimated Average Daily Influent:

Plant No. 1 ..... 97 mgd  
 Plant No. 2 ..... 110 mgd  
 TOTAL ..... 207 mgd

Secondary Treatment Capacity:

Plant No. 1 ..... 122 mgd  
 Plant No. 2 ..... 90 mgd  
 TOTAL ..... 212 mgd

2009-10 Estimated Electricity Generated:

Plant No. 1 ..... 39,580,000 kwh  
 Plant No. 2 ..... 43,795,000 kwh  
 TOTAL ..... 83,375,000 kwh

Legend:

mgd – million gallons per day  
 kwh – kilowatts per hour

## Financial Information

### Fees and Charges:

	2008-09 Actual	2009-10 Projected	2010-11 Proposed	2011-12 Proposed
One-Time 3-Bedroom Residence Connection	\$4,671.00	\$4,998.00	\$3,261.00	\$3,261.00
Average Annual Single-Family Residence Fee	\$201.00	\$221.00	\$244.00	\$267.00
Local SFR Fee	\$199.00	\$204.00	\$208.00	\$212.00
District's Avg. Share of Ad Valorem Property Tax	1.80%	1.80%	1.80%	1.80%
Cost to Collect, Treat, & Dispose of 1 Million Gallons	\$1,731.78	\$1,797.03	\$1,957.23	\$1,992.89

### Summary of COP Issues:

August 2000 Refunding / New Money	\$ 195,800,000	September 2008B New Money	\$ 27,800,000
August 2003 New Money	191,500,000	May 2009A New Money	200,000,000
May 2007A Refunding	93,465,000	December 2009B Refunding	165,865,000
December 2007B New Money	295,185,000	May 2010A New Money	80,000,000
May 2008A Refunding	61,665,000	Total Outstanding COP Balance 7/1/10	\$1,311,280,000

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# 2010-11 & 2011-12 Budget

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## Population Information

**ORANGE COUNTY SANITATION DISTRICT**  
Estimated Populations of Cities\*  
Served by the Orange County Sanitation District  
January 1, 2010

<u>City</u>	<u>Population</u>	<u>City</u>	<u>Population</u>
Anaheim	353,640	Los Alamitos	12,270
Brea	40,380	Newport Beach	86,740
Buena Park	84,140	Orange	142,710
Costa Mesa	117,180	Placentia	52,310
Cypress	49,980	Santa Ana	357,750
Fountain Valley	58,740	Seal Beach	26,010
Fullerton	138,610	Stanton	39,800
Garden Grove	175,620	Tustin	75,770
Huntington Beach	203,480	Villa Park	6,310
Irvine	217,690	Westminster	94,290
La Habra	63,180	Yorba Linda	69,270
La Palma	16,300		
		Total	<u>2,482,170</u>

\* The District also serves some unincorporated areas with an estimated population of 81,000.

Source: Demographic Research Unit, California Department of Finance.

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