



Fiscal Years 2012-13 and 2013-14
Proposed Budget

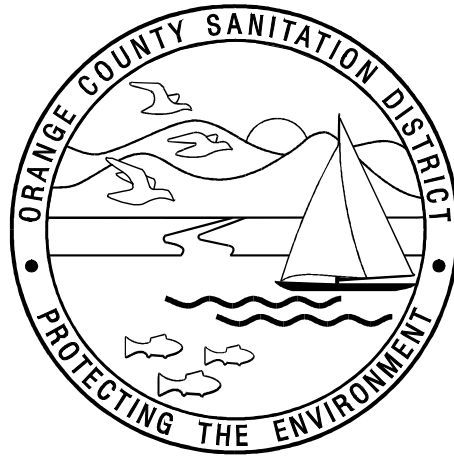
Orange County Sanitation District

**ADOPTED
JUNE 27, 2012**



We're here for you.

**Orange County Sanitation District, California
FY 2012-13 & FY 2013-14 Proposed Budget**

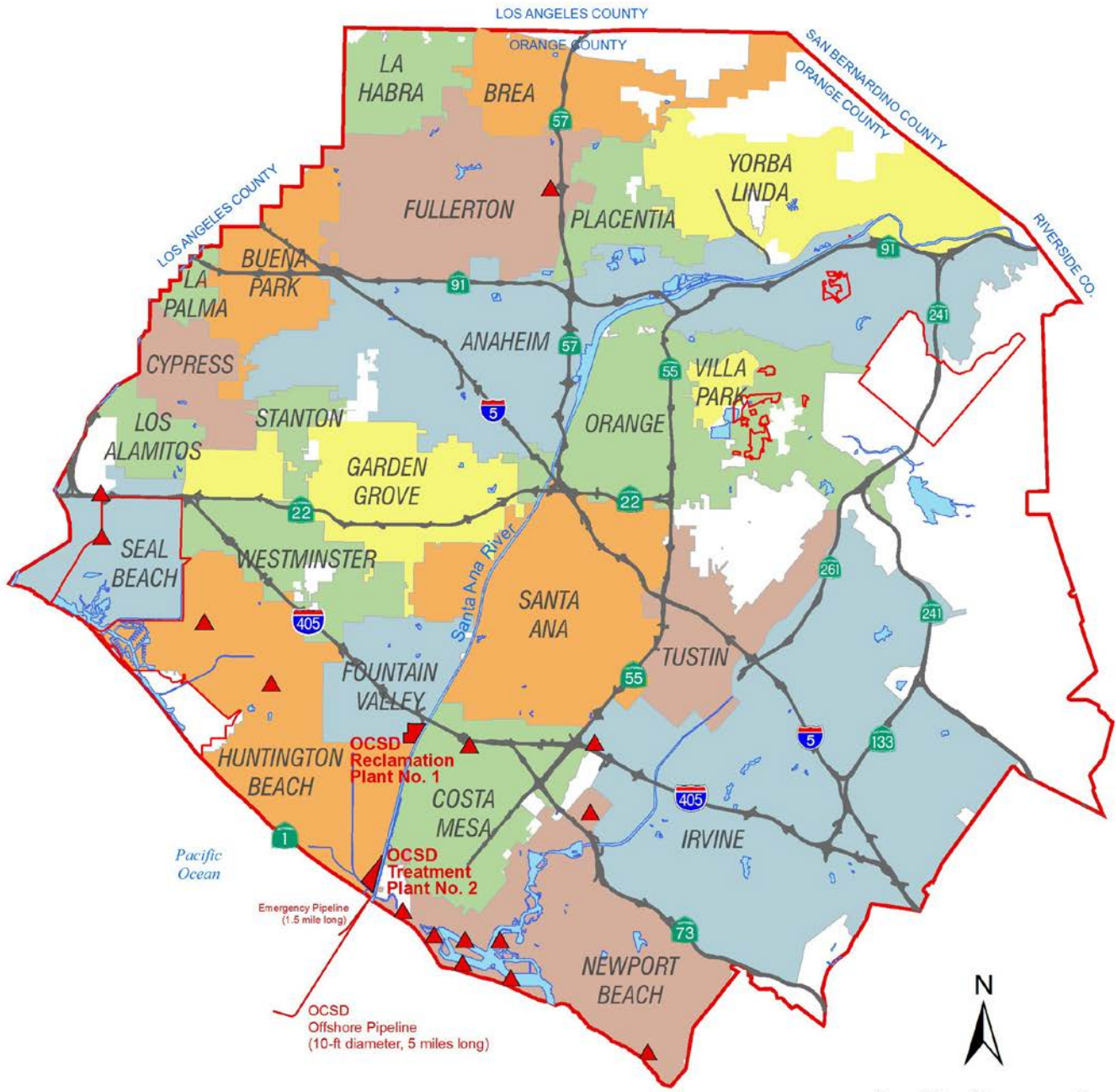


MISSION STATEMENT

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

***For Fiscal Years
July 1, 2012 through June 30, 2013 and
July 1, 2013 through June 30, 2014***

2012-13 & 2013-14 Budget



- OCSD Service Area Boundary (463 square miles)
- ▲ OCSD Pump Station (15 total)
- Unincorporated Orange County (white)

0 1.25 2.5 5 Miles
Approximately — Map Not To Scale

DISCLAIMER:

Map prepared by Orange County Sanitation District. This map is intended for graphical representation only. No level of accuracy is claimed for the base mapping shown hereon and graphics should not be used to obtain coordinate values, bearings or distances. Portions of this derived product contain geographical information copyrighted by Thomas Brothers. All Rights Reserved.

SOURCE: OCSD GIS Data, Thomas Brothers 2010
REVISED: 01/2012

GFOA Budget Presentation Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Orange County Sanitation District
California**

For the Biennium Beginning

July 1, 2010

Two handwritten signatures in black ink. The signature on the left is for the President, and the signature on the right is for the Executive Director.

President

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, 2010.

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.

2012-13 & 2013-14 Budget

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OCSD Board of Directors

Orange County Sanitation District Board of Directors

<u>AGENCY / CITIES</u>	<u>ACTIVE DIRECTOR</u>
Anaheim	Gail Eastman
Brea	Don Schweitzer
Buena Park	Fred Smith
Cypress	Prakash Narain
Fountain Valley	Larry Crandall
Fullerton	Sharon Quirk-Silva
Garden Grove	Bill Dalton
Huntington Beach	Joe Carchio
Irvine	Jeffrey Lalloway
La Habra	Tom Beamish
La Palma	Mark Waldman
Los Alamitos	Troy Edgar
Newport Beach	Steve Rosansky
Orange	Jon Dumitru
Placentia	Scott Nelson
Santa Ana	Sal Tinajero
Seal Beach	Michael Levitt
Stanton	David Shawver
Tustin	John Nielsen
Villa Park	Brad Reese
Yorba Linda	John Anderson

Sanitary Water Districts

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

County Areas

Member of the Board of Supervisors	Janet Nguyen
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2012-13 & 2013-14 Budget

Board Committees

STEERING COMMITTEE

Larry Crandall, Board Chair
Troy Edgar, Board Vice Chair
Tom Beamish, Chair, Operations Committee
John Anderson, Chair, Administration Committee
John Nielsen
Brad Reese
John Withers

ADMINISTRATION COMMITTEE

John Anderson, Chair
Brad Reese, Vice Chair
Joe Carchio
John Dumitru
Jim Ferryman
Jeffrey Lalloway
Prakash Narain
Janet Nguyen
Sal Tinajero
Mark Waldman
John Withers
Larry Crandall, Board Chair
Troy Edgar, Board Vice Chair

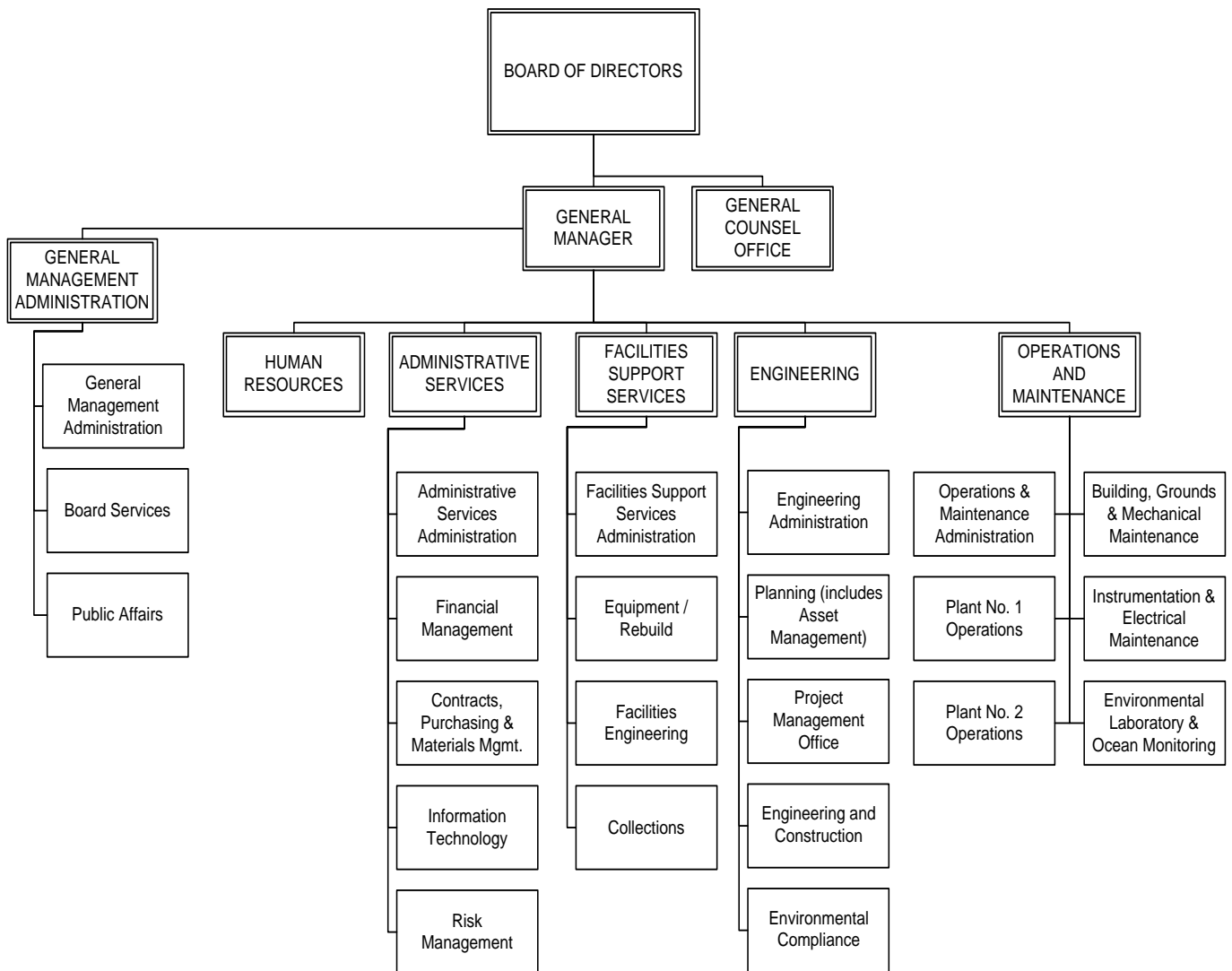
OPERATIONS COMMITTEE

Tom Beamish, Chair
John Nielsen, Vice Chair
Bill Dalton
Gail Eastman
Michael Levitt
Scott Nelson
Joy Neugebauer
Sharon Quirk-Silva
Steve Rosansky
Don Schweitzer
David Shawver
Fred Smith
Larry Crandall, Board Chair
Troy Edgar, Board Vice Chair

GWRS JOINT COOPERATIVE STEERING COMMITTEE

Larry Crandall
Jim Ferryman
Mark Waldman
Tom Beamish (Alt 1)
Troy Edgar (Alt 2)

District's Organizational Chart



2012-13 & 2013-14 Budget

Administrative Officials

Departments

General Manager	James D. Ruth
Assistant General Manager	Robert P. Ghirelli
Assistant General Manager and Director of Engineering	James D. Herberg
Director of Finance and Administrative Services	Lorenzo Tyner
Director of Facilities Support Services	Nicholas J. Arhontes
Director of Operations & Maintenance	Edward M. Torres
Director of Human Resources	Jeffrey T. Reed
General Counsel	Bradley R. Hogin

Reader's Guide to the Budget

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 2012-13 & FY 2013-14 Budget.

Section 2 – Introduction

- **Financial Overview and Budget Issues** - This section highlights the issues impacting the FY 2012-13 & FY 2013-14 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 2012-13 & FY 2013-14 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 2012-13 and FY 2013-14. 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.
- **2011-12 Performance Objectives** - This section represents the objectives defined by the division for the previous fiscal year.

2012-13 & 2013-14 Budget

- **2011-12 Performance Results** - A summary of major accomplishments and objectives that were actually met during the previous fiscal year.
- **2012-13 & 2013-14 Performance Objectives** - A list of projected goals to be accomplished during the 2012-13 and 2013-14 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 2011-12 Budget to the FY 2012-13 & FY 2013-14 Budget. Additionally, the significant impacts of budgetary changes are outlined along with dollar amounts.
- **Expenses by Category** - A chart comparing the FY 2010-11 actual expenses and the FY 2011-12 budgeted and projected expenses against the proposed budget for FY 2012-13 & FY 2013-14. The percent change from the FY 2011-12 Budget compared to the FY 2012-13 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 6, 2012

Honorable Chair and Board of Directors:

I am pleased to submit the Orange County Sanitation District Fiscal Year 2012-13 and 2013-14 Operating and Capital Improvement Program Budget. This document provides a framework for District activities during these two fiscal years and serves as a source of information for ratepayers, the District's Board of Directors, and our employees.

The Sanitation District processes more than 200 million gallons of wastewater each day from 2.5 million residents and businesses and has a budget of approximately \$400 million (\$150 million in operating, \$150 million in capital, \$100 million in debt service and other agency costs). This budget addresses rising treatment and chemical costs, aging infrastructure and increased regulatory requirements.

As we are a large agency, we have 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 as we hold the line on costs. This budget demonstrates our commitment as the proposed staffing authorization is 17 positions less than it was seven years ago when I first came to the District.

I would like to take this opportunity to highlight some of the activities of the upcoming year:

- **Full Secondary Treatment**

This budget year will include the conclusion of a ten-year effort to upgrade the liquids portion of the treatment facilities to secondary treatment standards. The anticipated completion is Fall 2012. The last two milestones of the Consent Decree will be completed with the completion of the construction and commissioning of the Secondary Activated Sludge Facility 2 at Plant 1. The total for secondary treatment upgrades is \$623 million.

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

- **New Headworks at Plant 2**

The new Headworks at Plant No. 2 will also be concluding this year. This 14-year, \$258 million, effort replaces the head of the treatment works at Plant No. 2 where wastewater is lifted, screened, and degrittled for nearly half of the 2.5 million residents served by OCSD. This critical piece of aging infrastructure was also relocated to avoid the Newport-Inglewood fault that underlies a portion of the Plant No. 2 site.

- **SARI Line Relocation**

We are working with the County of Orange, Army Corps of Engineers, and SAWPA to complete the relocation of the Santa Ana River Interceptor (SARI) Line. The SARI line serves to export waste salts from the inland empire area to protect the groundwater quality in that area. At several river crossings, the pipe was in danger of being exposed and potentially washed out during planned storm releases from the upgraded Prado Dam structures. Construction should be completed in Fiscal Year 2014-15.

- **Beach Box Repairs**

An aging and vulnerable piece of the land portion of the Ocean Outfall system will effectively be eliminated this Fall. A junction box located within Huntington State Beach Park will be lined from within to eliminate the risks from corrosion by ground water, effluent, and ocean air. The \$24 million project follows a series of smaller repairs over the past year. This will require the use of the short outfall for up to 8 weeks during the repairs. The short outfall system has only been used for very short emergencies since the 4.5 mile outfall was commissioned in 1971.

- **Workforce Planning and Development**

Analysis of District leadership positions and core wastewater occupations indicates job replacement rates over the next three years of approximately 50% and 40%, respectively. District-wide workforce planning and development activities will continue to be designed to ensure the ongoing delivery of efficient and effective levels of service to the ratepayers and to meet the District's mission.

General Manager Letter

June 6, 2012

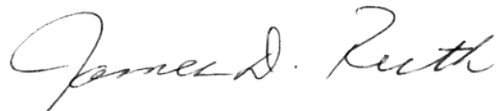
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- **Cost Containment**

The largest individual component of OCSD's FY 2012-13 budget is its operating budget. Despite inflationary increases on many external costs (chemicals, biosolids hauling, utilities) OCSD will continue its efforts to minimize the impact on rate-payers by aggressively negotiating our contracts, ensuring a competitive bidding environment, solid debt management and implementing efficiencies wherever possible.

OCSD provides wastewater treatment, sewer and facilities maintenance, ocean monitoring and many other services with residential user fees averaging \$25 per month, one of the lowest rates in the state while maintaining an outstanding level of service.

I believe this budget update fully supports the goals included in the District's Strategic Plan and positions us well to address the challenges ahead. I look forward to another dynamic and productive year of leading the organization.



James D. Ruth
General Manager
Orange County Sanitation District

2012-13 & 2013-14 Budget

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
SECTION 1

Executive Summary

This FY 2012-13 and FY 2013-14 budget represents a consolidation of two one-year proposed operating and capital budgets. The District's fiscal year 2012-13 operating and capital improvement budget is proposed at \$377.8 million, a 6.9 percent decrease over the prior year budget of \$405.7 million. This overall decrease is primarily attributable to a decrease in capital outlay for construction projects within the capital improvement program (CIP) of \$17.4 million, a decrease in debt service requirements of \$9.5 million, and a decrease of \$0.9 million in operating expenses.

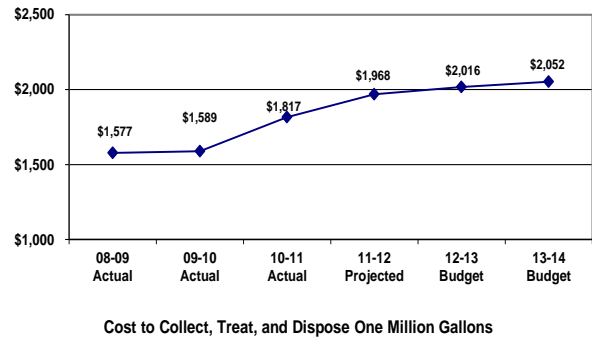
The District's fiscal year 2013-14 operating and capital improvement budget is proposed at \$430.0 million, a 13.8 percent increase from the FY 2012-13 proposed budget. This overall increase is mostly comprised of a \$37.2 million, or 27.1 percent increase in cash outlays for construction projects and a \$15.0 million, or 18.1 percent increase in debt service requirements. The fluctuation in capital outlay requirements over the next two years is attributable to the timing of the construction schedule on the implementation of the overall 10-year \$2.0 billion CIP.

This fiscal year 2012-13 and 2013-14 budget continues to reflect the agency's ongoing efforts to streamline operations. Staffing levels are being proposed at a 627.5 full time equivalent (FTE) positions, a reduction of 9.5 FTE positions from the FY 2010-11 approved staffing level of 637.0 FTE positions. These staffing reductions are being proposed while service levels have increased in order to meet secondary treatment standards by December 2012.

Additionally, service level increases in ocean monitoring, discharge and treatment, water reclamation and conservation, urban runoff diversions, biosolids management, and CIP expansion have resulted in a corresponding increase in cash flow requirements. Considering the CIP alone, \$615.7 million in new CIP projects to be constructed through the year 2050 were identified within the December 2009 Master Plan. The 2012 validated CIP includes 91 large capital projects and 55 special projects to be constructed over the next 20-years with a total cost of \$2.8 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 2.5 million people in central and northwest Orange County.

The fiscal year 2012-13 proposed budget to operate, maintain and manage our sewage collection, treatment and disposal system is \$151.6 million, a decrease of less than one percent, or \$0.9 million, from the prior year budget.

Personal Services have been reduced by \$3.3 million, or 3.4 percent, due to the sudden retirement of many long-term employees, as there were 25 retirees in FY 2011-12 and 35 retirees in FY 2010-11, and the time it takes to refill these vacant positions. As of March 31, 2012, there were 56 vacant positions, or 8.8 percent of total staffing. In addition, staffing levels are proposed to decrease from the current full-time equivalent (FTE) positions of 637 to 627.5, or a reduction of 9.5 FTE positions.

Disinfection chemicals are proposed to decrease \$2.4 million, or 67.1 percent, due to the decrease in the usage of bleach to chlorinate or disinfect the outfall effluent at Plant No. 2 and in sodium bisulfite, used to de-chlorinate this same effluent. These reductions are due to the completion of the new trickling filters at Plant No. 2. These new facilities reduce the amount of bacteria in the effluent requiring less disinfection.

Utility costs are proposed to decrease by \$1.4 million, \$1.1 million in electricity and \$0.3 in natural gas. Electricity has been reduced due to summer peak shavings that has reduced usage as well as the lower than expected increase in electrical rates. The purchase of electricity to supplement digester gas to run the central generation facilities to meet air emission requirements has lowered the demand for natural gas.

2012-13 & 2013-14 Budget

The repairs and maintenance proposed budget has been reduced by \$1.2 million due to newer plant facilities requiring less immediate maintenance.

Conversely affecting these operating decreases, overhead cost allocation out to the CIP has been reduced by \$6.7 million, or 27.4 percent reduction due to the decrease in proposed CIP outlays in FY 2012-13. In addition, solids removal is proposed to increase \$1.9 million, or 10.1 percent, due to the increase in the average unit cost for the removal of solids.

The fiscal year 2013-14 proposed operations budget is \$155.8 million, an increase of \$4.2 million, or 2.7 percent over the fiscal year 2012-13 proposed budget.

Personnel costs are proposed to increase \$2.0 million, or 2.1 percent increase due to a \$1.1 million, or 1.7 percent increase in salaries. Group medical cost and retirement costs are increasing \$0.8 million, or 9.1 percent, and \$0.3 million, or 1.4 percent, respectively. Staffing levels are proposed to remain unchanged in the second year at 627.5 FTE positions.

Operating materials and supplies are being proposed to increase \$0.5 million, or 2.8 percent, due primarily to the increase in chemical coagulants totaling \$0.4 million. These chemical increases are due mostly to projected quantity increases in anionic polymer, cationic polymer, and ferric chloride.

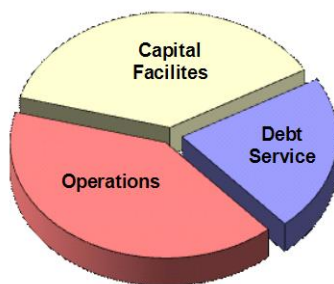
Contractual services are proposed to increase \$1.8 million, or 7.1 percent. This increase is mostly representative of the \$1.0 million, or 5.0 percent increase in biosolids removal as total peak production is expected to reach 788 tons per day when new secondary treatment facilities are fully operational in 2013.

The cost per million gallons of wastewater treated, an industry-wide performance measurement is expected to increase in fiscal year 2012-13 to \$2,016, a \$48, or 2.4 percent increase over the prior year projection of \$1,968, and increase in fiscal year 2013-14 to \$2,052, a \$36, or 1.8 percent increase over the FY 2012-13 projection. Wastewater flows through the treatment system are expected to increase from the projected 200.11 million gallons per day (mgd) in fiscal year 2011-12 to 206.00 mgd in fiscal year 2012-13 and 208.00 in fiscal year 2013-14, increases of three percent or less for each year.

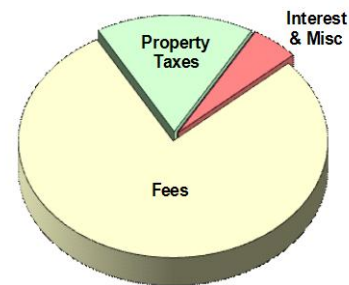
The District's Capital Improvement Program (CIP) cash flow budget for fiscal year 2012-13 is \$137.3 million, an increase of \$35.6 million from the prior year estimated total. The CIP cash flow budget for fiscal year 2013-14 is \$174.4 million, an increase of \$37.2 million from the fiscal year 2012-13 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 2012 validation of the CIP.

FY 2012-13

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

	2010-11 Actual	2011-12 Budget	2012-13 Proposed	2013-14 Proposed
Net Salaries, Wages & Benefits	\$90,205,803	\$97,614,570	\$94,305,170	\$96,284,970
Administrative Expenses	967,903	1,261,220	1,437,670	1,235,330
Printing & Publication	418,580	480,150	499,060	428,190
Training & Meetings	613,697	855,750	1,419,530	1,158,520
Operating Expenses	19,092,353	23,108,370	19,256,350	19,798,570
Contractual Services	22,566,675	25,120,280	26,090,670	27,931,380
Professional Services	2,161,257	2,986,270	3,054,720	2,431,630
Research & Monitoring	978,806	1,055,100	818,480	871,780
Repairs and Maintenance	11,230,845	12,382,920	11,172,060	11,910,390
Utilities	6,947,783	9,646,300	8,205,950	8,753,740
Other Materials, Supplies & Services	1,693,270	2,546,210	3,153,760	3,176,800
Cost Allocation - CIP	(19,647,993)	(24,511,600)	(17,806,800)	(18,220,200)
Net Operating & Maintenance Expenses	\$137,228,979	\$152,545,540	\$151,606,620	\$155,761,100

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 update to 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.

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 2050. The 2012 validated CIP includes 91 large capital projects and 55 special projects with total outlays over the next 20-year of \$2.8 billion.

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

2012-13 & 2013-14 Budget

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

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. Annual increases of four percent a year are assumed going forward.

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.

Staffing

Authorized staffing levels are being proposed at a decrease of 9.5 FTE positions in FY 2012-13 and FY 2013-14, or 50.5 FTE positions below the agency's all time high of 678 positions approved in FY 1995-96.

The District budgets staffing levels by FTE positions 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.

Strategic Planning

In November 2011, 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 November 2011, 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.

Since 2007, nearly 80 percent of the strategic goals identified in the five-year plan have been completed. As a result of the discussion at the October 2012 board workshop, four new goals were added, one modification to existing levels of service was made and a continuation of a previous goal was included in the plan.

New Goals:

- **Full-Cost Recovery: Urban runoff division program** – Implement a direct charging mechanism to recover the cost of urban runoff

treatment starting July 1, 2013 when the new rate structure is in place.

- **Ocean Protection** – Undertake studies to determine the cause of benthic community changes near the ocean outfall and take corrective action to return affected areas to reference conditions.
- **Updating the sewer service fee five-year rate plan** – Prepare an updated five-year rate schedule for Board consideration to go into effect July 1, 2013.

Modification to Levels of Service:

- **Biosolids Level of Service:** will continue to be 95 percent recycled, with an exception of up to 12 percent to landfill during peak solids production through 2017.

Continuation of previous Goal:

- **Providing ongoing leadership development**– Maximize the development of a pool of dedicated and talented employees ready to lead OCSD into the future.

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.

2012-13 & 2013-14 Budget

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INTRODUCTION
SECTION 2

Financial Overview & Budgetary Issues

Financial Overview and Budgetary Issues

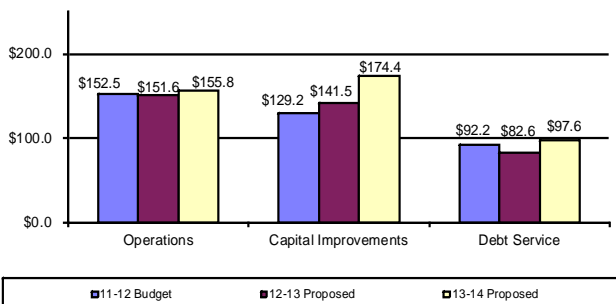
This section of the budget is a financial overview and an outline of issues affecting the development of the budget, as listed below:

- 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 2012-13 is \$377.8 million, a 6.9 percent decrease over the prior year total cash flow budget of \$405.7 million. The total proposed cash flow budget for FY 2013-14 is \$430.0 million, a 13.8 percent increase from the total proposed cash flow budget for FY 2012-13. The proposed increase from FY 2012-13 to FY 2013-14 is primarily due to the \$37.2 million or 27.1 percent increase in the Capital Improvement Program (CIP), and is attributable to the timing of the construction schedule on the implementation of the overall 10-year \$2.0 billion CIP program. The table below shows the comparisons of the FY 2011-12 Budget, FY 2012-13 Proposed, and the FY 2013-14 Proposed by major budget category.

**Budget Comparison
(in millions)**



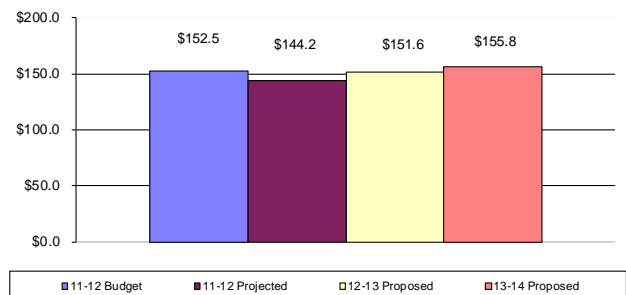
Proposed Operating Budget

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 572 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 2011-12 Budget by \$8.4 million, or 5.5 percent. The FY 2012-13 Budget is being proposed with a decrease of \$0.9 million or 0.6 percent from the prior year budget, and the FY 2013-14 Budget is being proposed with an increase of \$4.2 million, or 2.7 percent over the FY 2012-13 Proposed Budget.

**Operations Budget Comparison
(in millions)**



Analysis on the year-to-year change is provided from three perspectives. First, the FY 2011-12 Budget is compared to the FY 2011-12 year-end projections. Secondly, the FY 2011-12 year-end projections are compared to the FY 2012-13 Proposed Budget, and lastly, the FY 2012-13 Proposed Budget is compared to the FY 2013-14 Proposed Budget.

FY 2011-12 Operations – Budget vs. Projected

As depicted by the chart above, operating expenses are projected to come in under the FY 2011-12 Budget by \$8.3 million, or 5.5 percent. The major categories that comprised the total reduction include personnel cost, or salaries and benefits; chemicals, consisting of coagulants, odor control, and disinfection chemicals; utilities, consisting of electrical power, natural gas, and water; repairs and maintenance; and removal of residual solids from the rehabilitation of digesters. Offsetting these shortfalls

2012-13 & 2013-14 Budget

include overages in solids removal and a decrease in the overhead cost allocation to CIP.

Personnel costs are expected to come in under budget by \$3.8 million, or 3.9 percent primarily due to the sudden retirements of many long-term employees, as there were 25 retirees in FY 2011-12 and 35 retirees in FY 2010-11, and the time it has taken to refill these vacant positions. As of March 31, 2012, there were 56 vacant positions, or 8.8 percent of total staffing.

Chemicals savings of \$4.3 million, or 20.7 percent, are anticipated as a result of the decrease in the usage of bleach to chlorinate or disinfect the outfall effluent at Plant No. 2 and in sodium bisulfite, used to de-chlorinate this same effluent. This reduction is due to the completion of the new trickling filters at Plant No. 2. These new facilities reduce the amount of bacteria in the effluent requiring less disinfection.

Utility costs are expected to come in under budget by \$1.8 million, or 19.1 percent, due primarily to the decrease in electrical power of \$1.4 million and in natural gas of \$0.3 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.

Repairs and maintenance are expected to come in under budget by \$1.7 million, or 13.6 percent due to plant operations performing favorably.

Other waste disposal costs savings of \$1.1 million, or 46.5 percent of budget, are anticipated due to the deferral of digester cleaning and solids hauling until FY 2013-14. Budgeted but unused contingencies are expected to save the District \$235,000.

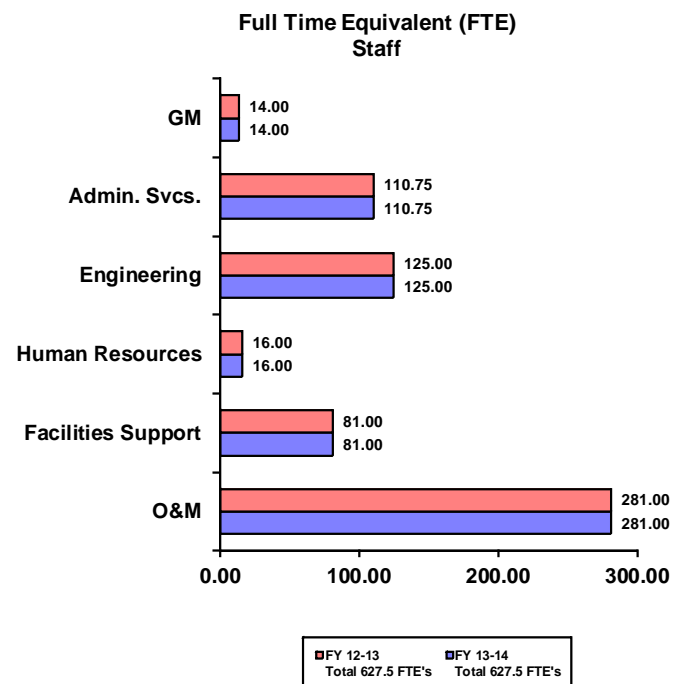
Decreased cost allocation to CIP is expected to offset these operating savings by \$6.2 million, or 25.4 percent due to the overall decrease in the CIP program.

Also, overage in solids removal of \$0.6 million, or 3.1 percent, is anticipated due to the increased unit costs incurred from the EnerTech Environmental facility that converts the District's biosolids to a renewable fuel.

FY 2012-13 Proposed Operations Budget vs. FY 2011-12 Projected Operations Expense

The FY 2012-13 operating budget includes a \$7.4 million, or 5.2% increase over the FY 2011-12 projected operating requirements, primarily as a result of external cost increases (biosolids hauling, utilities, etc.). Increases in the proposed operating requirements are spread throughout the entire budget without any large increase in one area, including personnel services (\$0.5 million, or 0.5 percent), operating materials and supplies (\$0.4 million, or 1.9 percent), contractual services (\$2.2 million, or 9.4 percent), professional services (\$1.1 million, or 53.3 percent), repairs and maintenance (\$0.5 million, or 4.5 percent), utilities (\$0.4 million, or 5.2 percent), other materials and supplies (\$1.0 million, or 47.7 percent), and a decrease in overhead cost allocated to CIP (\$0.5 million, or 2.6 percent).

Personnel costs are being proposed at a 0.5 percent, or \$0.5 million increase over the prior year projection. Of this amount, salaries alone are being proposed to decrease 1.4 percent in FY 2012-13 due to the current large vacancy and the reduction in total full-time equivalent (FTE) from the current 637.0 FTE to 627.5 FTE. Salaries are being proposed to remain flat for FY 2013-14 as no increases are being proposed by the District in near-future employee contract negotiations or in the FTE count.



Financial Overview & Budgetary Issues

Retirement premiums are proposed to increase \$0.3 million in FY 2012-13 over the prior year projected total as the District's required contribution rate has been increased by the Orange County Employees Retirement from 25.68 percent to 27.47 percent as a result of revised actuarial assumptions and lower than expected return on investments in prior years.

Contractual services are proposed to increase \$2.2 million, or 9.4 percent, due primarily to a \$1.3 million, or 6.8 percent increase in solids removal. Biosolids production is estimated to increase by seven percent in FY 2012-13 and five percent in FY 2013-14 due to increases in secondary treatment as new secondary treatment processes become operational.

Professional services are proposed to increase \$1.1 million, or 53.3 percent due to increases in engineering services for facility rehabilitation projects, a management maintenance audit, development of "lock-out tag-out" procedures on treatment facilities that need to be shut down for repairs, an OSHA required study, and for environmental consulting services.

FY 2013-14 Proposed Operations Budget vs. FY 2012-13 Proposed Operations Budget

In FY 2013-14, the second year of this two-year operating budget, staff is proposing a \$4.2 million, or 2.7 percent increase over the FY 2012-13 proposed operating requirements. Increases in the proposed operating requirements are primarily attributable to increases in personnel costs and contractual services.

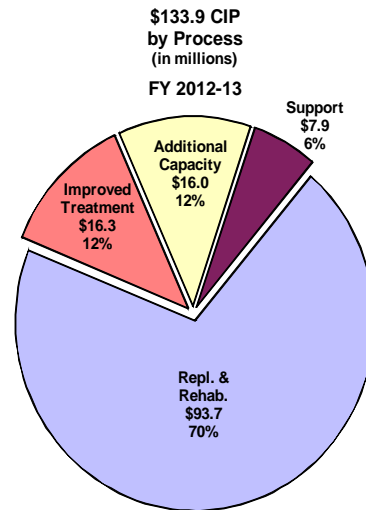
Personnel costs are being proposed at a 2.1 percent, or \$2.0 million increase in FY 2013-14 over the FY 2012-13 proposed budget. This increase is mostly attributable to the increases in salaries, group medical insurance and retirement premiums. Although staffing is proposed to remain at the same level as in the prior year at 627.5 FTEs, the vacancy factor is being lowered from 5.0 percent to 3.0 percent as the replacement of new staff from recent retirements is expected to be completed. Thus, salaries are expected to increase by \$1.1 million, or 1.7 percent. Group medical insurance is proposed to increase \$0.8 million, or 9.1 percent and retirement premiums are proposed to increase \$0.3 million, or 1.4 percent.

Contractual services are proposed to increase \$1.8 million, or 7.1 percent. This increase is mostly representative of the \$1.0 million, or 5.0 percent increase in biosolids as total wet tons is projected to

peak at 287,620, or 788 tons per day, in 2013, when new secondary treatment facilities at both plants become fully operational.

Operating materials and supplies are being proposed to increase \$0.7 million, or 2.8 percent, due to the combined expected unit cost increases of the chemicals used in the treatment process (coagulants), in odor control, and in disinfecting the outfall effluent.

Utilities are proposed to increase of \$0.5 million, or 6.7 percent in FY 2013-14. This increase is primarily due to the proposed increase in electricity of \$0.3 million, or 5.1 percent due to expected increases in the electricity rate, and consumption as secondary treatment facilities become fully operational.



Proposed Capital Improvement Cash Outlays

Proposed capital improvement outlays are over one-third 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 572 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.

2012-13 & 2013-14 Budget

The FY 2011-12 projected cash outlay for the CIP is expected to reach 78.7 percent of budget, or \$101.7 million. The FY 2012-13 proposed cash flow budget of \$133.9 million is part of the overall CIP budget of \$2.8 billion identified within the Interim 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, the volume of wastewater delivered to the plants, and viable water conservation and reclamation programs were reevaluated.

The Asset Management Program within the Planning Division continues to assess the condition of the District's existing assets and systems to assure that these assets and systems can provide the necessary level of service. The Planning Division will continue to review and update the ongoing and future CIP to appropriately manage the risks associated with asset or system failure. This year several projects were delayed, consolidated and re-scoped to help ensure that the CIP is delivered in the most efficient way possible. The Asset Management Program will continue these efforts and will continue to define the future CIP project requirements not currently included on the CIP list but are anticipated within the long term financial plan to ensure effective and efficient operations in the future.

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.

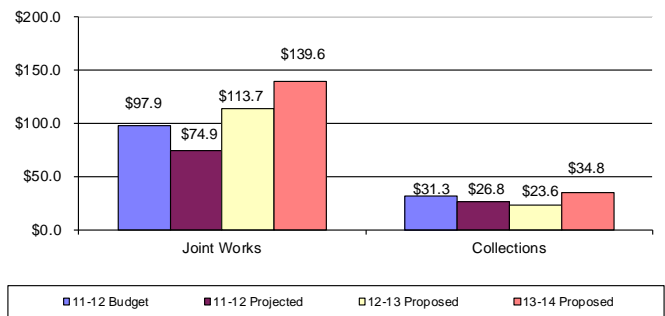
In conjunction with preparation for the 2010-12 Budget, District staff has developed and reviewed with the Board of Directors a capital program to deliver the levels of service desired by the Board of Directors. These levels of service and resulting capital projects are included in the District's 5-year 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 91 large

capital projects and 55 special projects with a 20-year expenditure of \$2.8 billion. This total represents a \$12 million increase from the 2011-12 CIP estimate. This increase is mostly attributed to the delay and escalation of large projects to account for inflation.

The proposed 2012-13 CIP budget is organized by treatment process. The funds requested for the current cash flow budget total \$137.3 million, an increase of 6.3 percent over last year's cash flow request of \$129.2 million. The current year cash flow is part of an overall total cost of \$2.8 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 2011-12 is expected to reach 76.5 percent of the annual cash flow estimate, or \$74.9 million. The FY 2012-13 and FY 2013-14 proposed cash flow budgets of \$113.7 million and \$139.6 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 are expected to be completed in FY 2012-13 at a total cost of \$255.5 million and \$220.2 million, respectively, with proposed cash outlays in FY 2012-13 of \$3.2 million and \$0.2 million. Other treatment plant projects with significant cash outlays in FY 2012-13 include the Sludge Digester Rehabilitation at Plant No. 1 (\$17.1 million), the Sludge Dewatering and Odor Control at Plant No. 1 (\$15.4 million), and the Outfall Land Section and Ocean Outfall Booster Station Piping Rehabilitation (\$12.5 million).

The Collection System Capital Program projected outlay for FY 2011-12 is expected to reach 85.6

Financial Overview & Budgetary Issues

percent of the annual cash flow estimate, or \$26.8 million. These proposed improvements are needed in order to keep the 572 miles of collection systems free from failure. Three large Collection System related projects include rehabilitation of the Bitter Point Force Main, Replacements of the Bitter Point Pump Station, and the Rocky Point Pump Station with total project costs of 44.3 million, \$31.6 million, and \$22.6 million; and FY 2012-13 proposed cash outlays of \$5.6 million, \$1.2 million, and \$1.5 million; respectively. The Capital Improvement Program is described in more detail in Section 8 of this document.

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.

The District issued the \$80.0 million Wastewater Revenue Obligation, Series 2010A in May 2010 and the \$157.0 million Wastewater Revenue Obligation, Series 2010C in December 2010, both as "Build America Bonds" (BABs) fixed rate debt and the last of the "new" money debt issuances. 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 these issuances in comparing the back-loaded BABs new money borrowing to a back-loaded tax-exempt structure, Series 2010A 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; and Series 2010C resulted in present value savings to the District of \$20.0 million, as the debt was issued at an all-in true interest cost of 4.11 percent.

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

In November 2011, the District issued \$143.2 million of refunding one-year fixed-rate certificate of

anticipation notes to take advantage of the low short-term interest rate environment. The one-year debt was issued at an interest rate of 23 basis points.

This two-year budget proposes no additional new money debt issuances as the \$2.0 billion in future replacement, rehabilitation, and refurbishment projects anticipated over the next ten years will be adequately funded through current sewer service fee charges and existing reserves. The FY 2012-13 debt service requirements are being proposed at \$82.6 million, a decrease from FY 2010-11 of \$9.5 million after backing out the refunding of the one-year certificate of anticipation notes (CANs) of \$154.7 million that matured in November 2011 with CANs Refunding Series 2011B, the partial refunding of \$89.8 million of COP Series 2000 A&B and \$83.3 million of COP Series 2003 with COP Refunding Series 2011A, and the balance outstanding of \$108.2 million from COP Series 2003 with the issuance of COP Refunding Series 2012A. Total Debt Service requirements for the second year of this two-year budget will rise to \$97.6 million as the final COP Series 2008A principal balance of \$19.2 million comes due.

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.

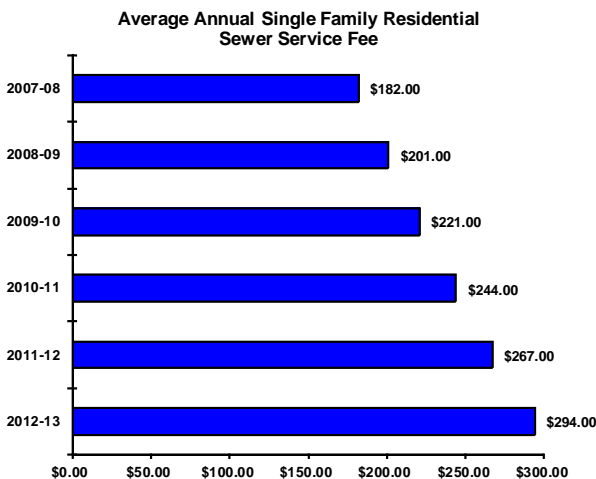
In November 2007, the Board approved the District's Five-Year Strategic Plan that reaffirmed the 2002

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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.



For planning purposes, staff is assuming that beginning in FY 2013-14 future rate increases will average approximately four percent a year. Any future rate increases will need to be approved by the Board through the Proposition 218 process. However, 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).

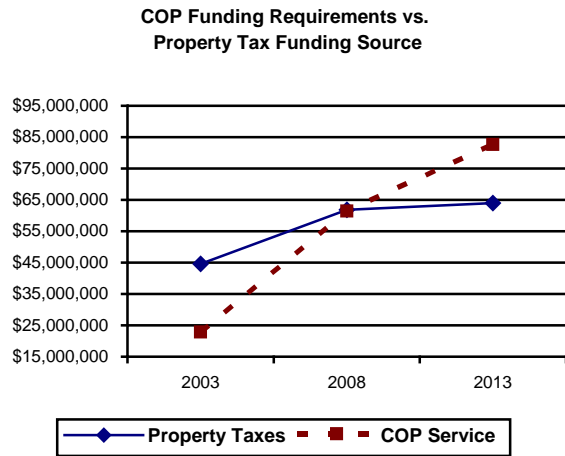
Overall, the total fees collected remained essentially the same as those generated by the old structure.

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.

Financial Overview & Budgetary Issues



Property tax revenues decreased from a high in FY 2008-09 of \$66.4 million to a projected \$64.0 million in FY 2011-12, 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 2013-14.

Any property tax revenue shortfalls in meeting debt service obligations may require adjustments to user fees, as making debt service payments is a priority.

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.
- A net increase of 1.0 FTE in FY 2012-13.

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Human Resources

- An amount equal to approximately 1.5 percent of the regular salaries budget is allocated to agency-wide training for each of the next two fiscal years. This training budget is centralized within Human Resources for better control and accountability, and to maximize the benefits of training costs that are related to training efforts required throughout the agency.
- Training costs have increased \$531,000 in FY 2012-13 to support ongoing technical and safety training and materials, expansion of the leadership academy training program, required training for computerized plant monitoring and control systems and training to allow for a more adaptive and flexible work force.
- A net decrease of 4.0 FTE's in FY 2012-13.

Administrative Services

- An increase of \$174,740 in FY 2012-13 for other professionals services to support a sewer service fee rate study by an outside engineering firm. The last rate study was done over five-years ago.
- An increase of \$220,000 in FY 2012-13 for professional services to support the Strategic Outsourcing Initiative.
- An increase of \$262,000 for safety equipment in FY 2012-13.
- No net change in FTE for FY 2012-13.

Facilities Support Services Administration

FY 2012-13 increase over FY 2011-12 Projections:

- An increase in other contr. svcs. of \$863,000.
- An increase in repairs and maint. of \$509,000.
- An increase in Engineering svcs. of \$141,000.
- A decrease in other solids removal of \$400,000.

FY 2013-14 increase over FY 2012-13:

- An increase in repairs and maint. of \$461,000.
- An increase in other solids removal of \$400,000.
- An increase in other contr. Svcs. of \$327,000.
- An increase in odor control chem. of \$180,000.
- A decrease in Engineering Svcs. of \$210,000.
- A net decrease of 2.75 FTE in FY 2012-13.

Engineering

- FY 2012-13 proposed CIP outlays of \$137.3 million are a decrease \$8.1 million, or 6.3 percent, from the prior year budgeted CIP cash outlays. In addition, FY 2013-14 proposed CIP outlays of \$174.4 million is an increase \$37.1 million, or 27.0 percent, from FY 2012-13 proposed budgeted CIP cash outlays.
- A net decrease of 3.5 FTE's in FY 2012-13.

Operations & Maintenance

FY 2012-13 increases over FY 2011-12 Projection:

- An increase in solids removal of \$1.298 million.
- An increase in research of \$195,000.
- An increase in chemical coagulants of \$136,000.
- A decrease of electricity costs of \$273,000.
- A decrease in disinfection of \$142,000.

FY 2013-14 increases over FY 2012-13:

- An increase in solids removal of \$1.019 million.
- An increase in chem. coagulants of \$440,000.
- An increase in repairs and maint. of \$229,000.
- An increase of electricity costs of \$280,000.
- An increase in natural gas of \$185,000.

- No net change in FTE for FY 2012-13.

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.

Financial Overview & Budgetary Issues

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.

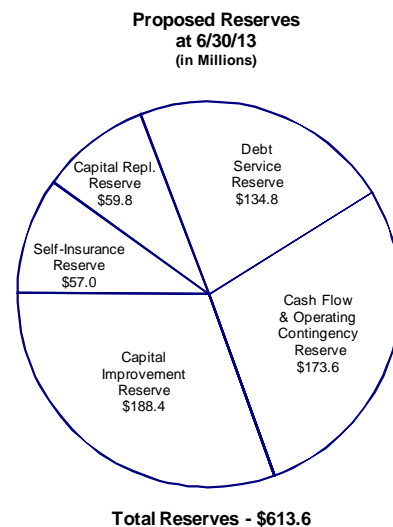
Reserves

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 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

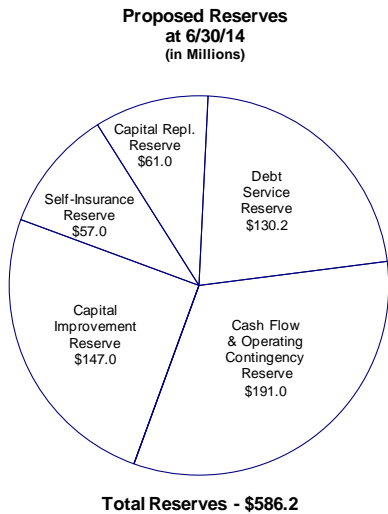
insurance policies, FEMA and State disaster reimbursements. Based on the current plant infrastructure replacement value of \$3.12 billion, the level of this reserve has been set to fund the District's non-reimbursed costs, estimated to be \$57 million.

- 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.



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The proposed budgeted reserve requirement for FY 2012-13 is \$518.1 million, \$95.5 million less than the FY 2012-13 total projected year-end reserves of \$613.6 million. This overage of \$95.5 million is due to the average annual rate increases of 10.0 percent over the last four years coupled with “new money” debt issuances of \$200 million issued in April 2009, \$80 million issued in May 2010, and \$157 million issued in November 2010.



However, this overage is due to the timing of the actual CIP outlay as this surplus is projected to fall to \$53.3 million at June 30, 2014 as total year end reserves fall to \$586.2 million.

Collectively, these individual reserve requirements total close to at least \$500 million for each year of the current ten-year cash flow forecast, approximately eight percent of OCSD’s total \$6.2 billion in assets.

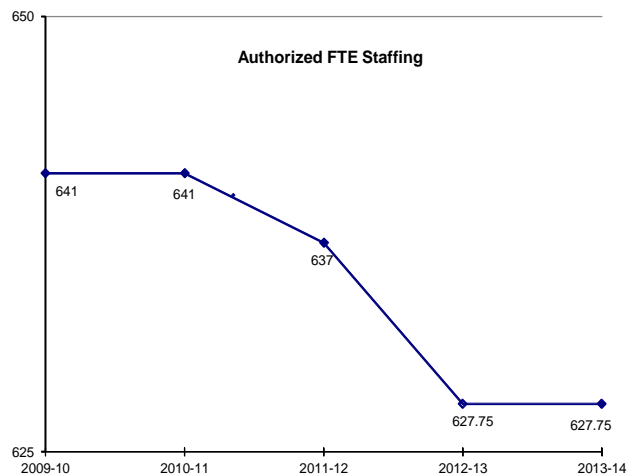
Staffing Levels

Authorized staffing levels are being proposed at 627.75 FTE positions over the next two-fiscal years, 9.25 FTE positions below the approved staffing level of 637.5 FTE positions in FY 2011-12, and 40.5 FTE positions 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.



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 2012-13, 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.

Financial Overview & Budgetary Issues

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, FY 08-10, and FY 10-12 budget documents. This Business Plan has now been updated once again following the Board acceptance of the Five-Year Strategic Plan in November 2011. 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 2012-13 Business Plan:

- 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 2012-13 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 Facilities Master Plan, a planning effort to define the capital projects needed to meet the agency's level of service requirements over the next twenty years, 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 were reevaluated in the 2009 Master Plan.

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 2012-14 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

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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 2011-12 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 \$2.0 billion, or annual average outlays of \$200.0 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 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 2012-13 CIP includes 3 projects totaling \$627 million to complete the upgrade of the District's treatment plants to meet secondary treatment standards. Implementation of secondary treatment standards is scheduled 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. 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.

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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 November 2011, 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 2011, 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.

Since implementation of the first strategic plan in 2007, over 79 percent of the goals have been completed. For 2012, 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 2011 Board of Directors workshop and included the following:

- Development of an updated five-year rate schedule to go into effect July 1, 2013.
- Development of a direct charging mechanism to recover the cost of urban runoff treatment.
- Determining the cause of benthic community changes near the ocean outfall and taking corrective action to return affected areas to normal conditions.

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 is projecting solids production will peak at approximately 788 tons per day (tpd) when new secondary treatment processes are fully operational in 2013. The solids are then projected to decline to approximately 710 tpd by 2017 when the District's centrifuges and the Irvine Ranch Water District's (the "IRWD") solids processing facilities commence operations. The District currently manages its biosolids as follows:

<u>Contractor</u>	<u>Location</u>	<u>Product</u>	<u>Contract (tons per day and term)</u>
Synagro	Kern County, CA and La Paz County, AZ	Compost	250 tpd – 10 years with two five-year renewals, expires 7/1/2024
EnerTech	City of Rialto; San Bernardino, CA	Conversion to a coal substitute (energy)	225 tpd – 25 years with a one five-year option to renew, expires 12/1/2038
Tule Ranch	Yuma County, AZ	Land application	175-225 tpd – One (1) year expires 12/31/2012

The District's contractors provide back-up biosolids management options in Arizona that include land application recycling (fertilizing farms with biosolids) and landfill disposal. Together, these options have the capacity to manage more than ten times the District's daily biosolids production to ensure sustainable, consistent, and reliable operations.

The District is in the process of replacing the expiring Tule Ranch land application contract with a similar, 5-year contract to continue our land application and landfill portion of our biosolids management portfolio.

In November 2011, the Board approved the 5-year Strategic Plan update that changed the ninety-five percent recycling level of service for biosolids to an interim allowance of up to twelve percent disposal in local landfills during the peak in biosolids production until 2017. In summer 2012, the District anticipates sending at least one (maximum of four) trucks per day (25 – 100 tpd) to Prima Deshecha landfill in Orange County.

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The District's Long-Range Biosolids Management Plan ("LRBMP") was approved by the Board in December 2003. The goal of the LRBMP was 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.

As a result of the LRBMP recommendations, Synagro's existing biosolids management contract was amended in April 2004, committing 250 tons per day of biosolids to be composted at Synagro's South Kern Compost Manufacturing Facility, which started operations in late 2006.

In May 2006, the District entered into a contract with EnerTech Environmental, Inc. to convert 225 tons of biosolids per day to a renewable fuel at EnerTech's proposed facility in Rialto, California. The EnerTech solution is a new, patented heat treatment process that reduces the energy needs to dry the biosolids in a conventional dryer to create fuel pellets. The renewable fuel pellets called e-Fuel are sold to cement manufacturers that use the pellets as fuel to heat their kilns, which the residual ash from the fuel combustion becomes part of the cement product, resulting in no residual waste byproducts. EnerTech started commissioning its facility in October 2008 and anticipates completion in 2012. The Board of Directors amended the EnerTech contract to require 30-day test of functionality to be completed by June 2012.

The District's biosolids management costs increased from \$17.8 million in Fiscal Year 2010-11 to \$18.5 million in Fiscal Year 2011-12 because of new secondary treatment processes that generate more biosolids to manage. However, there was a significant cost-savings (over \$700,000) realized in Fiscal Year 2011-12 because of a \$15 per ton credit received from EnerTech. This credit was negotiated in the contract amendment because of their delayed commissioning and extensive diversion of biosolids to farmland in Arizona. Solids removal is being proposed at \$20.4 million and \$21.4 million in FY 2012-13 and FY 2013-14, respectively.

Urban Runoff

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.

Recognizing that the beaches of Orange County were being affected by pollution carried by urban runoff, the Board of Directors (Board) of the Orange County Sanitation District (OCSD), adopted a number of resolutions agreeing to temporarily accept dry weather urban runoff into the sewer system. A subsequent revision to the initial resolution, established an aggregate 10 million gallons per day (MGD) capacity limit for urban runoff flows. The current policy, *Resolution No. 01-07*, declares that OCSD will initially waive fees and charges associated with authorized discharges of dry weather urban runoff to the sewer system until the total volume of all runoff discharges exceeds 4 MGD calculated on a monthly average, or until OCSD modifies this provision. In June 2002, Assembly Bill 1892 amended OCSD's charter to formally allow the diversion and management of dry weather urban runoff flows.

OCSD's Dry Weather Urban Runoff Program is administered by the Environmental Compliance Division which issues a discharge permit for each of the diversion structures. The permit functions as a control mechanism that specifically prohibits storm runoff and authorizes discharge only during periods of dry weather. The permit also establishes specific discharge limits, constituent monitoring, and flow metering requirements. In addition, OCSD conducts quarterly sampling and analysis of the urban runoff discharges to ensure discharge limit compliance for the various regulated constituents. OCSD treated a total 554.6 million gallons of urban runoff during fiscal 2010-2011.

At both the 2010 and 2011 strategic plan workshops, the Board adopted a strategic plan initiative to implement full-cost recovery for all urban runoff administrative and treatment costs starting in fiscal year 2013-2014. Based on meetings with the member cities and other stakeholders on urban runoff, the Board Steering Committee directed staff to bring back this issue to the Board as part of the 2012 strategic planning process.

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Groundwater Replenishment System

The District 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 \$496 million project equally. The District and OCWD also shared equally in approximately \$44 million of Federal and State Grants that offset the total project cost. Phase I, which became operational in January 2008, reclaims 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.

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.

Phase II of the GWR System, scheduled for completion in 2013, will increase the production of reclaimed water to 100 million gallons a day. Although Phase II is being funded entirely by the OCWD, OCSD is directing all reclaimable flows to Plant No. 1 in support of providing maximum amounts of specification water for reclamation.

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 17 is a listing of the 152 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 152 practices, the District is in compliance with 101, 43 are not considered applicable to the District, and we are in the process of complying with the final eight.

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Business Plan

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, balanced it with the staffing and funding resources needed and either approved the plan or made 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 November 2011, 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. Fuel Cell Evaluation
2. Wastewater Management Goals
 - a. Sustainable Biosolids Program
 - b. Odor Control
 - c. Ocean Protection
3. Business Principle Goals
 - a. Local Sewer Services
 - b. Full Cost Recovery
 - c. Five-Year Rate Plan
4. Workplace Environment Goals
 - a. Ongoing Leadership Development

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

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

2012-13 & 2013-14 Budget

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 \$2.0 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

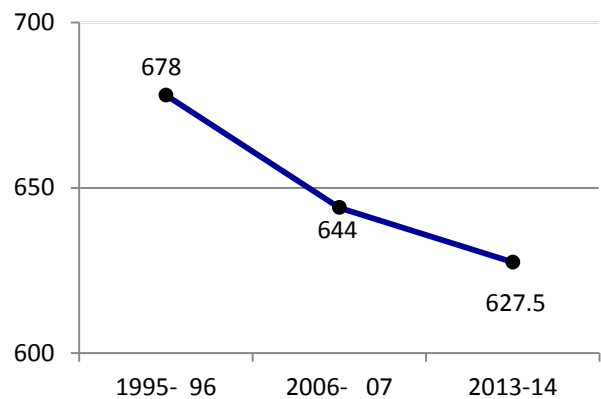
treated wastewater effluents such as personal care products and pharmaceutically active compounds that are suspected of causing reproductive or other health changes to marine life in receiving waters. These compounds are also subject to research regarding reclaimed water quality. Further changes to the 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 100 business units in the District with discreet duties and responsibilities.

Authorized FTE Staffing



Based on the needs of the agency overtime, the total FTE requirement have declined steadily from a high of 678 authorized FTEs in FY 1995-96 to the proposed staffing of 627.5 FTEs over the next two fiscal years. Staffing levels are being proposed at minimum levels that are 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.

Staff has focused on the reallocation of existing resources in order to balance the needs within the over 100 identified business units of this agency to ensure that core business operations are met,

Business Plan

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 \$2.0 billion capital improvement program over the next ten years without increasing staffing levels. A detailed breakdown on the proposed reallocation of FTEs 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, and proposing to complete a new rate study in FY 2012-13. 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 2012-13, are as follows:

Industrial Discharge Sewer Rates

	<u>gallons</u>	<u>B.O.D.</u>	<u>S.S.</u>
Current Unit Cost	\$1.1165	\$0.5307	\$0.5645
Adopted Unit Cost	\$1.2259	\$0.5827	\$0.6198
% Increase	10%	10%	10%

- 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,

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\$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.

Increase to the CFCC and Supplemental CFCC fees in FY 2012-13 are as follows:

CFCC Rates

	Residential CFCC	Commercial/ Industrial CFCC
Current Unit Cost	\$3,341	\$1,734
Proposed Unit Cost	\$3,369	\$1,749
% Increase	0.8%	0.8%

Supplemental CFCC Rates

	\$/ 1,000 gallons	\$/ lbs B.O.D.	\$/ lbs S.S.
Current Unit Cost	\$1.678	\$0.359840	\$0.192970
Proposed Unit Cost	\$1.692	\$0.362862	\$0.194510
% Increase	0.8%	0.8%	0.8%

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 District first created the Risk Register in 2006 and subsequently updated it in 2008, 2009, and 2012.

The Risk Register Update in 2012 noted in addition to various natural disasters, a continuation of global fiscal struggles and more locally deep cuts being made by many governmental agencies which may impact service levels. Managers and executive management continue to review these issues and various ways to address those that might impact OCSD.

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."

The District is committed to providing services for its rate payers to reliably meet our regulatory mandates and levels of service approved by the Board of Directors, and will provide these services

Business Plan

using sustainable engineering principles that result in the lowest responsible lifecycle cost. The District installs, operates, maintains, refurbishes and disposes of assets with lifecycles measured from years to decades, so an approach which balances long, medium and short term needs is necessary.

Asset management has evolved into a comprehensive decision making framework that encompasses engineering planning, design and construction of quality facilities, optimized operation, proper maintenance, and planned refurbishment and disposal that will meet the District's changing needs. It coordinated decision making that leads to consistently meeting mandated level of service to the rate payers at the lowest lifecycle cost.

Previous Asset Management Plans have focused on the long term modeling of systems to assure the proper rate structure is in place to support sustainable operations and to prioritize condition assessment studies based on service life and service conditions. These are important starting points and have yielded tangible benefits in reduced risk levels and an improved capital planning approach. The results of the long term modeling are completely dependent on the data quality of the databases supplying information. Staff will continue to improve the data quality of the source systems to improve the accuracy of the long term model. A key component will be the implementation of an updated Computer Maintenance Management Software (CMMS) which will serve as the Asset Register. CMMS Technicians and the Asset Engineers will work to update database information including installation date, asset cost, condition and criticality in the new system.

It was recognized that improved planning and coordination of overall activities were possible in the medium (1 -10 years) and short term (0-1 year) time frames. Some organization structure changes have been made to improve the coordination of facility management activities. The District has tens of thousands of assets in various stages of their lifecycles. A new Division called Asset Management was formed in the Engineering Department to augment the resources in Engineering Planning and aid in the coordination of various activities.

Staff members working on various activities throughout the collection and treatment plants are responsible for specifically defined assets and areas. This responsibility includes understanding and documenting the service function, criticality and condition of all assets in the assigned area. The deliverables each of these individuals must maintain are: a detailed design level scope of work for all necessary work for their assigned process unit; updated condition and criticality data for major or critical assets; and annual maintenance planning items to control asset consumption or replacement of assets at the end of their useful life.

These deliverables form the basis for the improved medium and short term management asset management planning. For the medium term, the asset engineers are tasked with assisting the Engineering Planning Division with creating a fifteen year planning window for facility refurbishment or replacement.

In addition, the Engineering Planning Division is responsible for scoping the facilities needed to accommodate a changed level of service project elements, and Asset Management Division is responsible for scoping and preliminary scheduling of necessary refurbishment or replacement project elements. This medium term management is important for several reasons. By moving away from narrowly focused projects to solve individual problems, to more comprehensive projects refurbishing entire processes, OCSB benefits by having less operational disruption and more efficient project delivery, better cash flow estimation, and better operations and maintenance decision making framework. This is a large undertaking based on the number of asset and facilities, but over time the undefined future rehabilitation capital estimates within the fifteen year window is expected to be drastically reduced and replaced by more specific estimated capital needs.

Complementing the medium term planning are the short term efforts to coordinate maintenance actions that can reduce risks, actively defer the larger refurbishment projects, and reduce asset consumption rates to minimize the need for replacement of structures and conveyance systems when projects are executed. The asset engineers are constantly reviewing their area scopes of work, utilizing their criticality and condition information and engineering judgment, to identify opportunities for operational adjustments or maintenance activities that cost effectively

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extend the life of key assets which may allow for deferral of the larger overall project. This may be a targeted equipment replacement or pipeline repair that is more urgent than the need of the overall facility. These engineers may also identify opportunities to reduce asset consumption through coating systems, atmosphere improvements or small structure repairs before major damage is done. These actions can drastically reduce the cost of future projects by preventing the need to demolish and replace entire structures.

In addition, the District provides for outsourcing services to provide capacity to deliver these specialize maintenance repair services. The asset engineers provide the basic scope and cost information to maintenance for approval through the annual budget process which helps maintenance develop comprehensive maintenance planning that supports the medium term project scheduling. In conclusion, OCSD is building on the effective long term asset management foundation it has been developing since 2002.

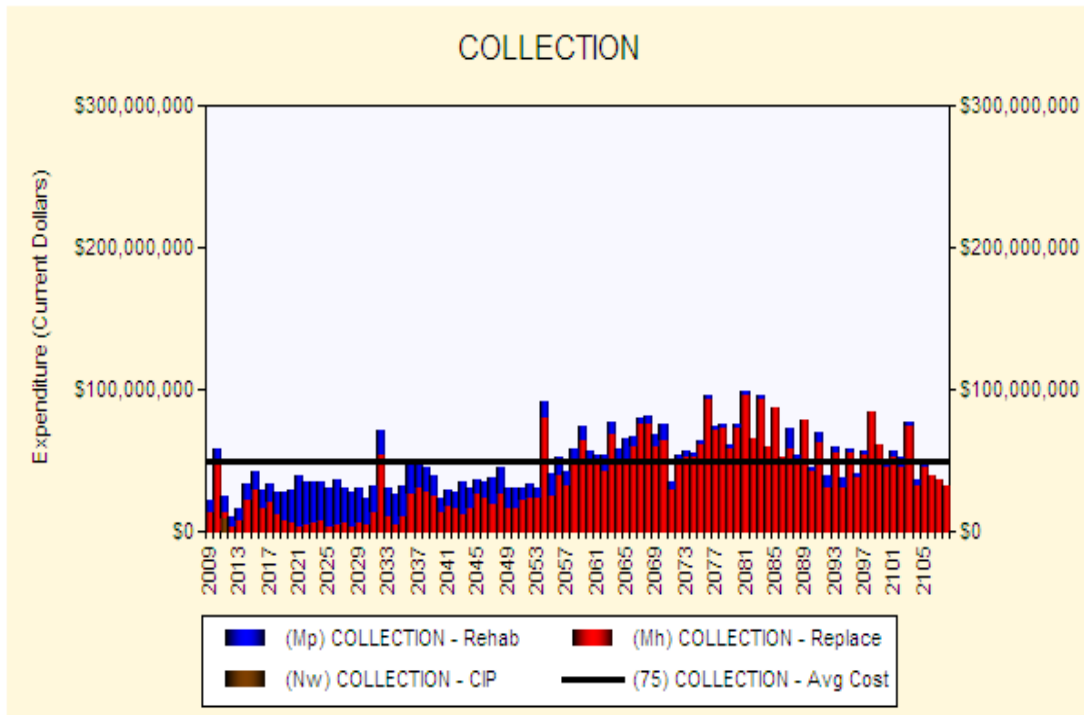
The District is committed to continuous improvement of the process by which it manages the assets and facilities that are required to reliably deliver its level of service commitments. The additional resources and individual accountability for specific areas has improved, and will continue to improve our capital planning, project packaging, project execution and delivery, plant operability and maintenance planning.

Inventory of Assets

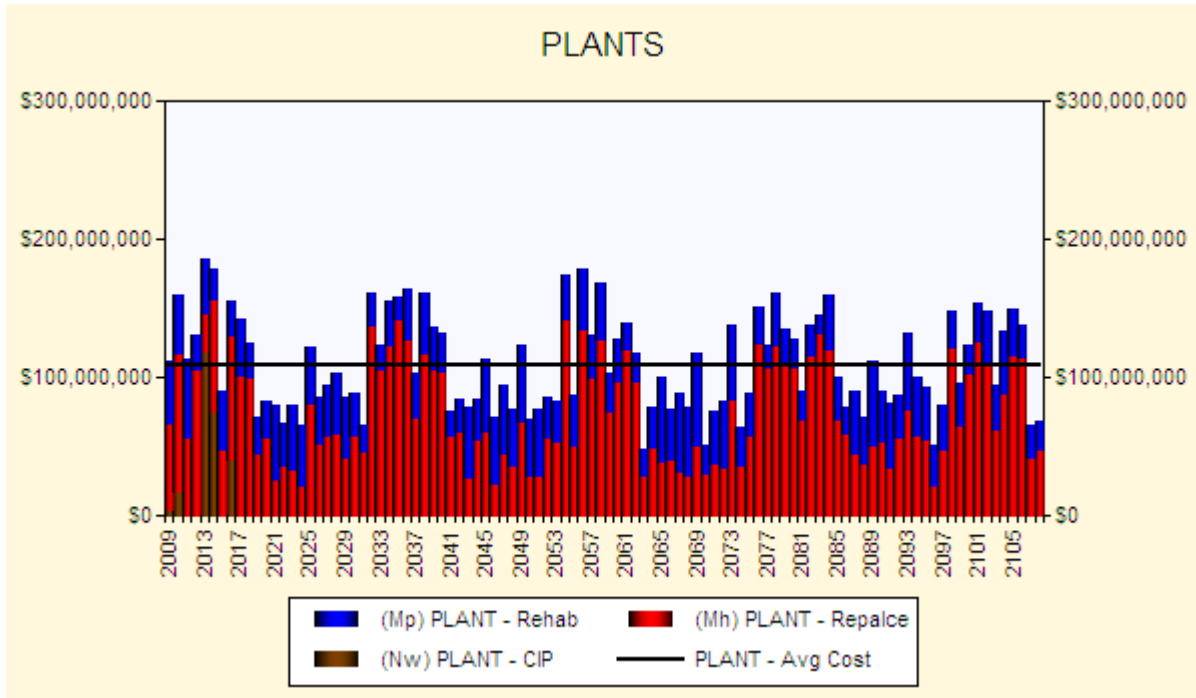
Understanding our asset characteristics is critical to our continued success. Our assets can generally be split between two main groups: Collection System – the assets responsible for the collection and transfer of sewage from the cities to the treatment plants, and; Treatment and Disposal – the assets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



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 in 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 age, which is a prediction of their current condition.

The 2008 replacement value is estimated to be \$6.26B. In 1998 the prediction was \$2.03B, which was based on original purchase cost. It is projected that the replacement value will increase by December 2012 to approximately \$7.1B when the existing three billion dollar Capital Improvement Program (CIP) is completed. The

major reasons for this increase are all the new assets added to the asset register and the increased replacement costs due to now having to performing construction in a more urbanized Orange County than in the past.

Valuation	Plants	Collection	Total
Replacement Value (\$B)	3.14	3.12	6.26
Depreciated Value (\$B)	1.79	1.67	3.46

Planned Expenditure

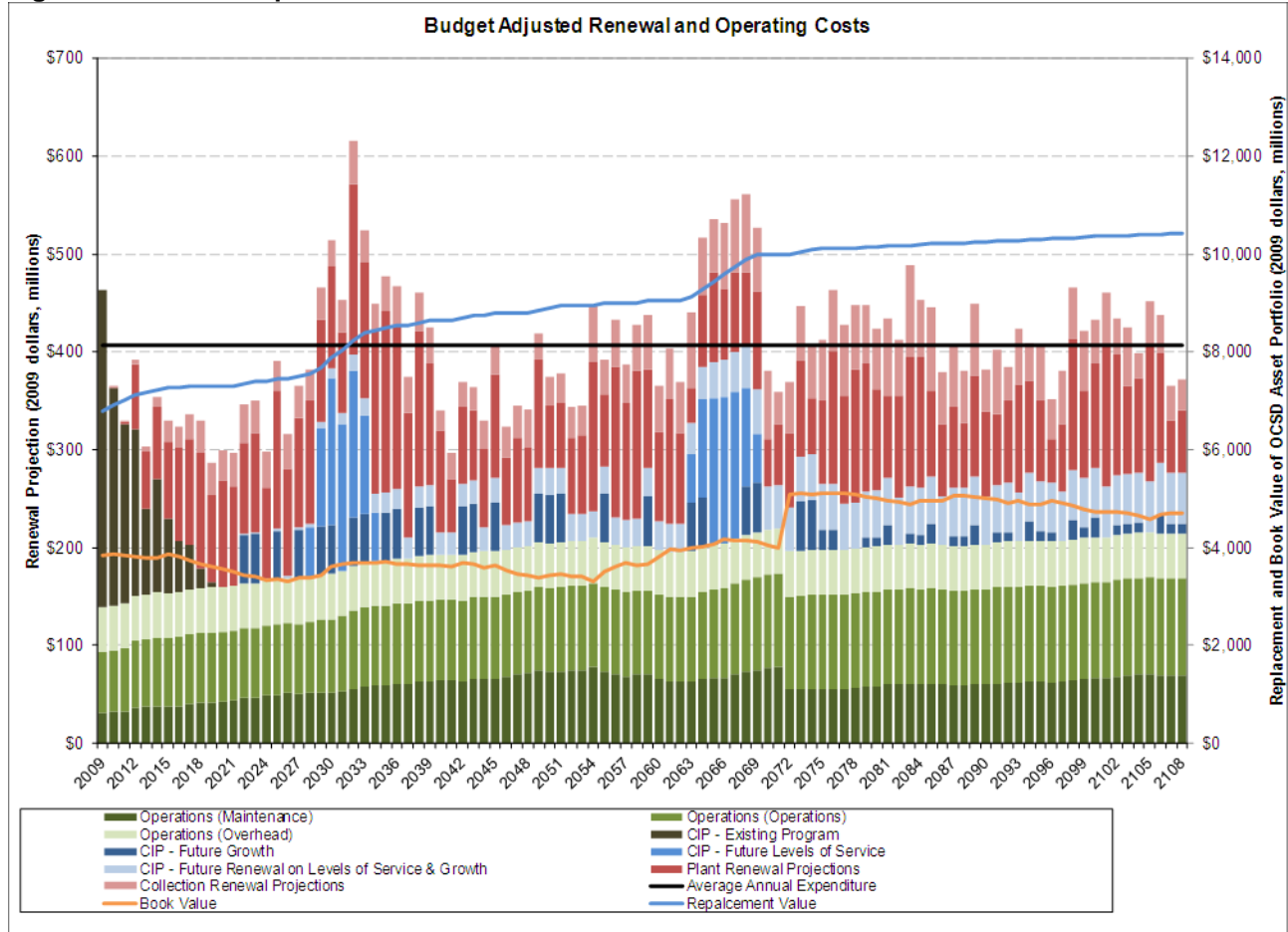
A computer model was developed to produce the future expenditure aspects of this Asset Management Plan. This model was used to perform a series of calculations on information related to the current and future OCSD assets. The following chart is the result of the modeling work undertaken, including current and predicted future Capital Improvement Program projects and operations (including maintenance), improved understanding of asset life and asset condition. The model formulas were reviewed and updated by staff to improve the model output of information.

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The flat black line is the average of all the future cash flows, which represents the average expenditure (\$406M 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 in 2013 after the current Capital Improvement Program winds down. This means that pressures on rate increases are likely to grow more than previously anticipated in the past. 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

The information contained within this Asset Management Plan provides a basic understanding

of OCSD’s asset makeup, its current asset replacement value, and its general asset condition. The 2008 software model run was updated in this Asset Management Plan by including the capital projects completed to date. Thus, there was a small change in the annual annuity expenditure. It actually went down from the 2008 figure of \$411 million to \$406 million, which is in 2009 dollars. This was expected to be lower, since the completion of capital projects were not included in the 2008 model run. The District continues to rely on this asset management software model results information for expenditure predictions to derive the average rate increases that could be required to meet future expenditure scenarios.

The District has demonstrated an increased commitment to asset management by increasing the number of staff dedicated to asset management. Because of this OCSD believes the future asset management opportunities are greater now for the medium and short term. It is expected with this change that over the years the asset management effort will become more balanced and comprehensive in regard to a long, medium, and short term action planning.

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Wastewater Management Levels of Service

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

OCSD will provide a safe reliable effluent for recycling	FY 10-11 Results	Level of Service Target
Concentration of emerging chemical constituents of concern in Plant No. 1 secondary effluent	41 1.6	NDMA < 150 ppt 1,4-Dioxane < 5 ppb
Meet GWRS specification requirements for Plant 1 secondary effluent	3.4	5 NTU
Thirty-day geometric mean of total coliform bacteria in effluent after initial dilution of 250:1	352.5	< 1,000 mpn
Compliance with core industrial pretreatment requirements	100%	100%
Meet secondary treatment standards	BOD 29 mg/L TSS 24 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>
OCSD will manage flows reliably		
Frequency of unplanned 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	0.23	< 2.1
Contain sanitary sewer spills within 5 hours	100%	100%
OCSD's effluent will be recycled		
Provide up to 104 mgd specification effluent to the Groundwater Replenishment System	82.7 mgd	104 mgd
OCSD will implement a sustainable biosolids management program		
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
Exception: Percent of biosolids recycled during peak solids production through 2017	100% recycled 0% landfill	> 88% recycled* < 12% landfill
Respond to all biosolids violations within a week of violation notice	100%	100%

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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.

OCSD will protect public health and the environment	FY 10-11 Results	Level of Service Target
Accept dry weather urban runoff diversion flows without imposing fees.	1.5 mgd	Up to 4 mgd
Maximum off-site odor impact <ul style="list-style-type: none"> • Reclamation Plant No. 1 • Treatment Plant No. 2 	42 D/T 48 D/T	14 D/T by 2016 17 D/T by 2018
Air emissions health risk to community and employees, per one million people (for each treatment plant)	9	< 10
No Notices of Violation (NOVs) with air, land, and water permits	1	0
OCSD will be a good neighbor	FY 10-11 Results	Level of Service Target
Odor complaint response: <ul style="list-style-type: none"> • Treatment Plants within 1 hour • Collection System within 1 working day 	100% 100%	100% 100%
Number of odor complaints: <ul style="list-style-type: none"> • Reclamation Plant No. 1 • Treatment Plant No. 2 • Collection System 	6 1 16	32 4 34
*These numbers do not reflect those odors listed as, "cannot determine source." (added in FY 2009-10)		
Respond to collection system spills within 1 hour	100%	100%

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Business Principles Levels of Service

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

OCSD will exercise sound financial management	FY 10-11 Results	Level of Service Target
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	8.70% under budget	≤ 10% of budget
Annual variance from adopted reserve policy	-0.0046%	≥ Budgeted reserves
Maintain AAA Bond Rating	100%	100%
OCSD will be responsive to our customers	FY 10-11 Results	Level of Service Target
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%

Workplace Environment Levels of Service

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

OCSD will take care of its people	FY 10-11 Results	Level of Service Target
Training hours per employee	50	45 per year
Employee injury incident rate – accidents per 100 employees	5	Industry average 4.6
Meet mandatory OSHA training requirements	95.5%	>95%
Hours worked since last lost work day	70,000	1,000,000
Achieve annual agency target of days away from work, days of restricted work activity, or job transferred as a result of a work-related injury or illness	1.8	2.5

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Strategic Goals for FY 2012-13 & FY 2013-14			
Goals	Strategic Importance	Desired Outcome	Next Steps
1. Provide Ongoing Leadership Development	Currently 56 percent of all managers and supervisors are eligible for retirement.	Enhance and accelerate the development of a diverse, dedicated, and talented workforce.	Improve talent management programs and increase accessibility of leadership programs.
2. Landfill Option for Biosolids Disposal	OCS D requires 95 percent recycling of all biosolids.	Allow the use of landfills as a biosolids disposal option during the interim peak production period.	Build relationships with the County of Orange and local agencies for local landfill options.
3. Full Cost Recovery	OCS D provides up to 4 million gallons (mg) per day of urban runoff at no charge costing \$1 million in FY 2010-11.	Begin charging for Urban runoff costs starting in July 1, 2013 when the new rate structure is in place.	Meet with participating agencies and cities to educate them on the issues and costs associated with urban runoff.
4. Disinfection of Final Effluent	Maintaining ocean discharge permit requirements by preserving the small animal life living in the sediment.	Identification of the cause of the degradation of animal life and return of affected area to normal conditions.	Determine if the chlorine used to disinfect the outfall effluent is the cause of the decline in small ocean animal life.
5. Development of a new five-year rate plan.	A five-year rate plan provides funding assurance in preserving level of service and provides ratepayers the ability to plan future expenses.	A five-year rate schedule to ensure the sustainability of wastewater collection and treatment services into the future.	Identify key stakeholders impacted by sewer service fee rates and develop an outreach strategy.

Long-Term Planning

OCSD Long-Term Planning

	Type of Planning Process	Description of Process	Budget Impacts
Development of a Five-Year Strategic Plan	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 levels of service identified within the 2011 Strategic Plan Update were the foundation for the development of this two-year budget.
Plan for Capital Improvements out to 2050	Plan, design, and build capital improvement projects (CIP) out to 2050 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 2012 -13 CIP Budget, based on the 2009 Master Plan, includes 146 projects with a 20-year cash outlay of \$2.8 billion. This total represents a \$12 million increase from the 2011-12 CIP estimate.
Biosolids Management	Aggressively pursue biosolid disposal alternatives for the peak in biosolids productions from 2012 through 2017.	In November 2011, the Board approved an interim allowance of 12 percent disposal of biosolids to local landfills.	The District anticipates sending 25 to 100 tons per day to landfills in the County of Orange.
Odor Control	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.	Nine projects containing odor control upgrades are included in the CIP totaling \$132 million.
Air Emissions Control	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.
Groundwater Replenishment System (GWRS)	Continue partnership with the Orange County Water District (OCWD) 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 first rights on 150 mgd of secondary effluent and OCWD will return one mgd of recycled water for use in treatment plant.

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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 200 million gallons of wastewater each day for an area covering 479 square miles in metropolitan (central and northwestern) Orange County. The District's service area includes approximately 2.5 million residents and businesses, or approximately 81 percent of the County's total population.

Professional staff of 627.5 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 was last issued in December 2004 and is noticed for re-adoption on June 15, 2012.

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.

Orange County at a Glance

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 December 2007 through December 2010, California and Orange County had lost approximately 1.3 million and 158,000 payroll jobs, respectively. However, according to the California Employment Development Department, California and Orange County generated an increase of approximately 1.2 percent and 0.8 percent in payroll jobs through the first nine months of 2011. This small increase in job creation did not translate into declining unemployment rates as California's unemployment rate is the second highest in the nation at 11.9 percent while Orange County is slightly below the national average at 8.6 percent.

According to Chapman University's December 2011 Economic Forecast, the jobless recover during this current cycle is somewhat similar to the

recovery that followed the 1990-91 recession. During that recession, California lost jobs over 34 months. It took 30 months for employment to recover to its previous peak level. This time around, California lost jobs for 38 consecutive months. While the state generated some jobs over the last 12 months, payroll employment is still 7.3 percent below its peak level.

On an annual basis, Orange County is forecasted to gain about 21,000 payroll jobs in 2012, a growth rate of 1.6 percent that closely matches California's projected growth rate of 1.7 percent, or 237,000 payroll jobs. The recovery will be broad-based, with both services and goods-producing sectors gaining payroll jobs.

According to Chapman University, lower home prices, a collapse of building activity, and massive payroll job losses negatively affected income growth in California and Orange County in 2010. However, slow but positive job growth, federal government transfer payments, and higher stock prices led to an increase of about 4.5 percent in nominal personal income in 2011. Chapman University forecast calls for personal income to increase over 5.0 percent in California and Orange County in 2012. With a projected inflation rate of about 3.0 percent, the real personal income growth of 2.0 percent is the highest since the beginning of the recession in 2007.

Orange County's housing affordability index has improved because of lower home prices and lower mortgage rates. A median family income now needs 28.2 percent of income to purchase a median single-family home in Orange County as opposed to the 46.6 percent needed in 2006.

According to Chapman University, the earthquake in Japan and subsequent supply chain disruption, along with the Libyan unrest and the resulting oil and gasoline prices, lead to significant weakness in the real growth domestic product that grew only 1.8 percent in 2011, as opposed to the previous forecast of 3.3 percent. Although uncertainty still exists from the European debt crisis as well as national and state budget deficits, the 2012 forecast calls for a 2.3 percent in 2012 partially due to the expected increase in consumer spending that is expected to exceed 3 percent for the first time since late 2010.

2012-13 & 2013-14 Budget

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POLICIES & PRACTICES
SECTION 3

Fiscal Policy

<i>Fiscal Policy Statement</i>	<i>Completed</i>	<i>In Progress</i>	<i>Comments</i>
General Financial Goals			
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.	✓		
Operating Budget Policies			
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.	✓		

2012-13 & 2013-14 Budget

<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.	✓		
Revenue Policies			
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.	✓		
Expenditure Policies			
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.	✓		
Capital Improvement Budget Policies			
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.	✓		

2012-13 & 2013-14 Budget

<i>Fiscal Policy Statement</i>	<i>Completed</i>	<i>In Progress</i>	<i>Comments</i>
Asset Management Policy			
In order to provide for the systematic planning, acquisition, deployment, utilization control, and decommissioning of capital assets, the following policies have been established:			
<ul style="list-style-type: none"> The condition, performance, utilization, and cost of assets will be recorded down to the maintenance managed item component level. 	✓		
<ul style="list-style-type: none"> 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. 	✓		
<ul style="list-style-type: none"> A system is in place to blend planned and unplanned activity to optimize the cost against the asset performance requirements. 	✓		
<ul style="list-style-type: none"> Reliability Centered Maintenance techniques will be used to optimize the maintenance plans and to identify any design alterations that are economically justified. 	✓		
<ul style="list-style-type: none"> 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. 	✓		Complete for critical and high value assets.
<ul style="list-style-type: none"> The full economic cost is charged on all asset management activities. 	✓		
<ul style="list-style-type: none"> Asset Management maintains appropriate pricing and funding strategies that match the needs of the business to ensure sustainability. 	✓		
<ul style="list-style-type: none"> 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. 	✓		
<ul style="list-style-type: none"> Monitoring and reporting is performed on the condition, performance and functionality of the District's assets against prescribed service levels and regulatory requirements. 	✓		Service levels are reported quarterly through the Strategic Plan reporting.
<ul style="list-style-type: none"> A condition/function index is linked with customer expectations at a cost that customers are willing to pay. 	✓		Completed through the budget process.

Fiscal Policy

<i>Fiscal Policy Statement</i>	<i>Completed</i>	<i>In Progress</i>	<i>Comments</i>
<ul style="list-style-type: none"> • Future level of service options available and their associated costs are constantly analyzed. 	✓		
<ul style="list-style-type: none"> • An assessment of the relative risks, costs and benefits is derived for all investments in capital works, maintenance, and operations. 	✓		
<ul style="list-style-type: none"> • 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. 	✓		
<ul style="list-style-type: none"> • 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. 	✓		
<ul style="list-style-type: none"> • 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. 	✓		
<ul style="list-style-type: none"> • 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:

<ul style="list-style-type: none"> • The newest vehicles will be used for those purposes requiring the highest annual mileage. 	✓		
<ul style="list-style-type: none"> • Vehicles will be replaced when they are 10 years old or have accumulated 100,000 miles. 	✓		
<ul style="list-style-type: none"> • A vehicle may be replaced in advance of the above criteria if it can be reallocated to a low mileage use between the plants. 	✓		
<ul style="list-style-type: none"> • Electric carts are to be utilized for in-plant only uses. 	✓		
<ul style="list-style-type: none"> • When available, CNG vehicles or bi-fuel vehicles are to be utilized within the County (pump station runs, Source Control inspections, etc). 	✓		
<ul style="list-style-type: none"> • 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). 	✓		

2012-13 & 2013-14 Budget

<i>Fiscal Policy Statement</i>	<i>Completed</i>	<i>In Progress</i>	<i>Comments</i>
Short-Term Debt Policies			
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.	✓		
Long-Term Debt Policies			
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.	✓		
Accumulated Funds & Reserve Policies			
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.	✓		

Fiscal Policy

<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>	✓		
Investment Policies			
<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>	✓		
Accounting, Auditing, and Financial Reporting			
<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>	✓		

2012-13 & 2013-14 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 2012A 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>
<u>Accounting, Auditing, and Financial Reporting Recommended Practices</u>				
Governmental Accounting, Auditing, and Financial Reporting Practice	✓			
Prepare Popular Reports		✓		Not being considered at this time due to other communication efforts.
Appropriate Levels of Working Capital in Enterprise Funds	✓			Working Capital of the District shall be greater than 45 days worth of annual operating expenses
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

2012-13 & 2013-14 Budget

<i>GFOA Recommended Practice</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
Document Accounting Policies and Procedures	✓			
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
<u>Treasury and Investment Management Recommended Practices</u>				
Collateralization of Public Deposits	✓			
Government Relationships with Securities Dealers	✓			
Using Mutual Funds for Cash Management Purposes	✓			
Debt Service Payment Settlement				

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>
Procedures	✓			
Adopt a comprehensive written Investment Policy and review and update policies, if necessary on an annual basis	✓			
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	✓			
Frequency of Purchased Securities Valuation in Repurchase Agreements	✓			
Selection of Investment Advisors for Non-Pension Fund Investment Portfolios	✓			
Utilize independent Third-Party Custodians to safeguard District investments and protect against safekeeping/custodial risks.	✓			
Mark-to-Market Reporting Practices	✓			
Establish Policy for Repurchase Agreements and Reverse Repurchase Agreements	✓			
Use of Lockbox Services		✓		OCSD does not have sufficient cash

2012-13 & 2013-14 Budget

<i>GFOA Recommended Practice</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
				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	✓			
Use of Local Government Investment Pools	✓			
Revenue Control and Management Policy	✓			
Payment Consolidation Services		✓		
Using Electronic Signatures			✓	
Using Remote Deposit Capture	✓			
<u>Budgeting and Fiscal Policy Recommended Practices</u>				
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	✓			

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>
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	✓			
Statistical/Supplemental Section of the Budget Document	✓			
Budgeting for Results and Outcomes	✓			
Present Capital Budget in Operating Budget Document	✓			
Present Departmental Section in the 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	✓			
Key Issues in Succession Planning			✓	Establish a succession plan to ensure continuity and consistency of service delivery due to employee turnover.
Managing the Salary and Wage Budgeting Process	✓			
Managed Competition as a Service Delivery Option		✓		
<u>Debt Management Recommended Practices</u>				
Select and Manage the Method of Sale of State and Local Government Bonds	✓			
Analyzing and Issuing Refunding Bonds	✓			At the outset of evaluating the issuance of bonds, solicit the advice of

2012-13 & 2013-14 Budget

<i>GFOA Recommended Practice</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
				bond counsel and financial advisor in order to outline key legal and financial issues.
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	✓			Establish at the beginning of the bond negotiation process what expenses will be directly paid by the issuer or as part of the underwriter spread.
Issuer's role in Secondary Market Securitization of Tax-Exempt Obligations	✓			Meet qualifications of arbitrage
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				

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>
Economic Development		✓		
Role of the Finance Officer in Privatization		✓		
Selecting Financial Advisors	✓			
Selecting Underwriters for Negotiated Bond Sales	✓			
Understanding Your Continuing Disclosure Responsibilities	✓			
Managing Build America and Other Subsidy Bonds	✓			Develop procedures for managing post-sale considerations and responsibilities while the bonds remain outstanding.
 <u>Retirement and Benefits Administration Recommended Practices</u>				
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
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

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<i>GFOA Recommended Practice</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
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		✓		
Prefunding OPEB Obligation		✓		Pay-As-You-Go funding
Establishing and Administering an OPEB trust		✓		Pay-As-You-Go funding
Commission Recapture Program		✓		
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	✓			
Responsible Management and Design Practices for Defined Benefit Pension Plans	✓			
Design and Implement Sustainable				

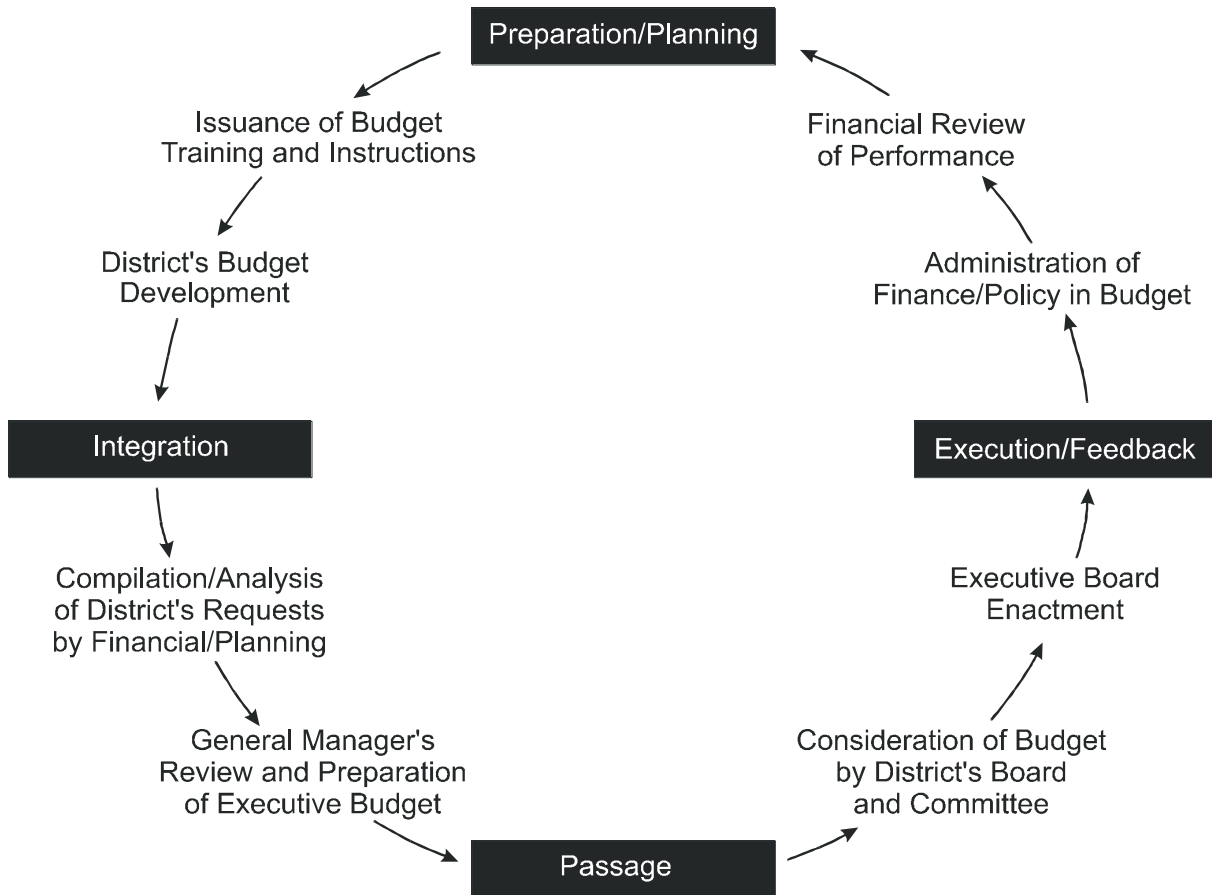
GFOA Best Practices and Advisories

<i>GFOA Recommended Practice</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
Pension Benefit Tiers			✓	
Develop a Review Process for Implementing National Health-Care Reform (COBRA)	✓			
<u>Economic Development and Capital Planning</u>				
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	✓			Establish a system for assessing District assets and plan and budget for any capital maintenance and replacement needs.
The Role of Master Plans in Capital Improvement Planning	✓			
Analyzing the Cost of Economic Development Projects		✓		
Building Resiliency into Capital Planning	✓			Establish resiliency into the capital planning process to produce a sustainable community and mitigate the effects of disasters.
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	✓			

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Overview of the Budget Process



Budget Process:

Six 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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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.

Budget Assumptions

2012-14 Proposed Budget Assumptions

Economic Assumptions

- Inflation for Orange County in FY 2012-13 is projected to be 2.9 percent based on the 2012 projected percentage change in consumer price index obtained from the December 2011 Economic and Business Review report prepared by Chapman University. A 2.9 percent inflation factor will also be used for 2013-14.

Revenue Assumptions

- Year 5 of the five-year Proposed Sewer Service Fee Rate Schedule has been ratified by the Board.
- For FY 2012-13 the district-wide rate for a single-family residence (SFR) will increase 10.1% to \$294.00.
- This rate increase will not exceed the maximum amount possible for year five 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.
- Year 1 of a new five-year Proposed Sewer Service Fee Rate Schedule will be ratified by the Board.
- For FY 2013-14 the district-wide rate for a single-family residence (SFR) will increase 7.0% to \$314.58.
- A Proposition 218 rate increase notification will be required to be mailed to all Revenue Areas except 14 regarding the new proposed rate schedule.
- 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.

Given the new Facilities Master Plan adopted in December 2009, a new rate study was completed in April 2010 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.

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, Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS) 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 2012-13 or FY 2013-14 income from annexation fees is anticipated.
- Property tax revenues are proposed to remain unchanged from FY 2011-12 in FY 2012-13 and FY 2013-14.

A 2% 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 1.0% of the average cash and investment balance projected for each fiscal year. Staff has consulted

2012-13 & 2013-14 Budget

with the District's money manager PIMCO to get estimates for the next year's rate of return on investments.

- A \$120 million Certificates of Participation (COP) debt issuance is scheduled for FY 2012-13 in order to assist in the funding of the \$170 million CIP outlay scheduled for FY 2012-13.
- No additional debt issuance is scheduled for FY 2013-14 to assist in the funding of the \$213 million CIP outlay scheduled for FY 2013-14.

Operating Assumptions

- During FY 2012-13 dry weather urban runoff up to 4 mgd will continue to be treated at no charge. Above this threshold, there is a charge of \$1,440.42 per mgd up to a maximum of 10 mgd permitted.
- In FY 2013-14 when the new rate structure is in place, charges for dry weather urban runoff will be established at a level sufficient to recover the full cost of treatment.
- 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 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 2012-13 and FY 2013-14 is projected to be 206 mgd and 208 mgd respectively. This projection reflects an expected increase of 1 percent per year based on increased economic activity and the potential for moderate rainfall. The FY 2012-13 estimate is 4 mgd above the actual for the first 5 months of the current year. The final actual flow for FY 2010-11 was 206 mgd.

Employee/Staffing Assumptions

- Staffing level is expected to remain flat.
- Vacant positions as of 12/31/11 will be projected and expensed at 50% of step 1 for the rest of FY 2011-12.
- A 3% vacancy factor on authorized positions will be budgeted for FY 2012-13 and FY 2013-14 (a reduction from the actual 7.8% vacancy factor in FY 2010-11). This vacancy factor accounts for time spent for recruitment and turnover.
- The MOU for the Supervisor and Professional (SPMT) group expires June 30, 2013. A salary adjustment based on the current MOU for SPMT includes a range adjustment of 2% as of the first pay period beginning in July of FY 2012-13. Additionally, employees within the SPMT bargaining unit not already at the top step will be budgeted to receive a 5.0% step/range increase in FY 2012-13.
- The MOUs for both OCEA and Local 501 will expire June 30, 2014. Salary adjustments based on the current MOUs for OCEA and Local 501 include range adjustments of 0.5% and 0% respectively as of the first pay period beginning in July of FY 2012-13 and 2% and 2.5% respectively as of the first pay period beginning in July of FY 2013-14.

Budget Assumptions

Additionally, employees within the OCEA and Local 501 bargaining units not already at the top step will be budgeted to receive 5.0% step/range increases in FY 2012-13 and FY 2013-14.

- 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.
- For FY 2012-13 retirement costs for employees enrolled in OCERS Plans G and H have been assessed at a rate of 30.97% of the employee's base salary and for employees enrolled in OCERS Plan B at a rate of 26.69% of the employee's base salary, up from 29.18% and 24.89% respectively in FY 2011-12. These percentages will also be assumed at this time for FY 2013-14. Interns are not enrolled in OCERS so their retirement benefits are calculated at 7.65% (FICA rate).
- Medical and dental insurances will be budgeted to increase 11% and 8% each year respectively based on preliminary renewal information. The cost for vision care insurance is expected to be unchanged. A moderate but unknown increase for life, and disability insurances will be included for both FY 2012-13 and FY 2013-14.

Materials, Supplies, & Services Assumptions

- The proposed operating budget will continue to reflect an emphasis on safety, technical, and management training. The proposed FY 2012-13 and FY 2013-14 budgets will include a budget for training based on recent actual costs rather than on a percentage of regular salaries and wages.

- An amount equal to 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 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 2012-13 and 2013-14 cash flow budgets are the amounts based on the most current Validated Capital Improvement Program (CIP).
- The baseline CIP cash flow for FY 2012-13 is \$170 million and for FY 2013-14 is \$213 million.
- The budget will reflect any new recommendations of the CIP Ad Hoc Committee or the General Manager that are approved by the Board.
- Continual evaluation of the CIP by the Asset Management Team may result in deferral or reduction of some projects and a resultant increase in O&M repair costs for materials and services, if the net cash flow impact is a decrease.
- The FY 2012-13 and FY 2013-14 CIP budgets will increase only for critical projects not previously identified in the

2012-13 & 2013-14 Budget

Strategic Plan Update.

- At the midpoint of FY 2011-12, \$37.3 million, or 28.9% of the \$129.2 million CIP budget, was expended. The total projected annual outlay is expected to approximate budget at year-end.

For FY 2010-11, \$135.9 million of the \$175.7 million CIP projected cash flow, approximately 75.6%, was expended.

Debt Financing

- The District will issue new debt in the form of Certificates of Participation as needed to fund the CIP and to maintain reserves.
- A \$120 million COP debt issuance is scheduled for FY 2012-13 in order to assist in the funding of the \$170 million CIP outlay scheduled for FY 2012-13.
- No additional debt issuance is scheduled for FY 2013-14 to assist in the funding of the \$213 million CIP outlay scheduled for FY 2013-14.
- Debt will only be used for CIP, not for operating expenses.
- Capital financing plans which include fewer future borrowings and higher user fees after FY 2013-14 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 the District's financial advisor 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 current reserve policy is summarized as follows:

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 receipt of the first installment of the property tax allocation and 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.

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

Budget Assumptions

are intended to work with purchased insurance policies, FEMA disaster reimbursements and State disaster reimbursements. The potential infrastructure loss from a major earthquake has been estimated at \$1.3 billion. The level of this reserve has been set to fund the District's non-reimbursed costs, estimated to be \$57 million.

Accumulated capital funds will be set aside for certain specific, short-term capital improvements as the need and availability arise.

A capital replacement/renewal reserve policy has been 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.

Based on the FY 2011-12 Asset Management Plan, the current replacement value of these facilities is estimated to be \$3.14 billion for the collection facilities and \$3.12 billion for the treatment and disposal facilities. The initial reserve level has been established at \$50 million, which will be augmented by interest earnings and a small portion of the annual sewer user fee, in order to meet projected needs through the year 2030.

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 current level of required COP service reserves is projected to be \$242.9 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.

Miscellaneous

- The budget document will be in a bi-annual format with two, one-year budgets presented for FY 2012-13 and FY 2013-14.
- The budget worksheets for operating costs will contain one column for FY 2012-13 and one column for 2013-14. The column will represent all collection, treatment, and disposal/reuse costs.

2012-13 & 2013-14 Budget

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Accounting Systems & Budgetary Control

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.

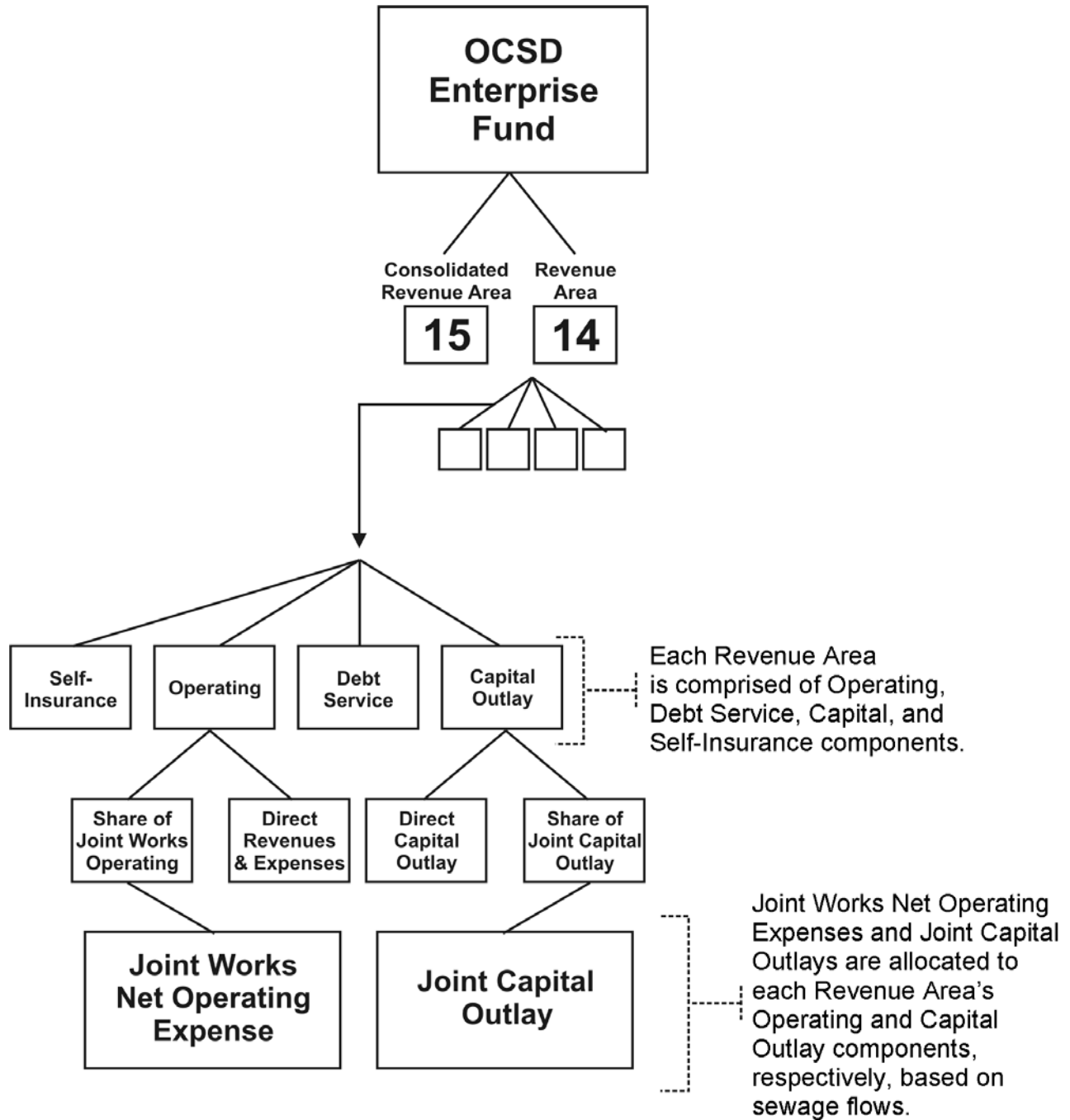
Internal Controls

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.

2012-13 & 2013-14 Budget



Revenue Sources

Revenue Sources

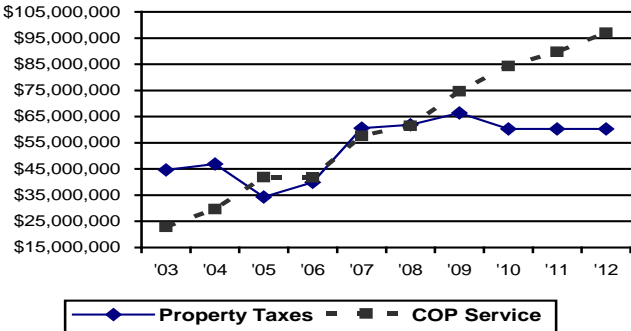
The District has a variety of revenue sources available for operating and capital expenses. The major revenue sources are as follows:

- 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:

COP Funding Requirements vs. Property Tax Funding Source



Total revenues increased from \$586.9 million in FY 2009-10 to \$674.4 million in FY 2010-11, or \$87.5 million. This increase was due mostly to the net increase of \$67.7 million in the issuance of certificates of participation (COP) debt issuance in the FY 2010-11 over the amount issued in FY 2009-10, and to the \$20.3 million generated from the 10.4 percent increase in the annual single family residential user fee, the underlying basis used in calculating all user fees. Total projected revenues for FY 2011-12 are expected to increase to \$778.9 million, or \$104.5 million, from FY 2010-11 due to the increase in COP debt issuances of \$101.9 million and \$14.5 million expected to be generated from the increase of 9.4 percent in the annual single family residence user fee. These increases are offset by recessionary decreases of \$8.5 million in equity sales, \$2.2 million in Capital Facilities Capacity Charges, and \$1.2 million in permitted fees.

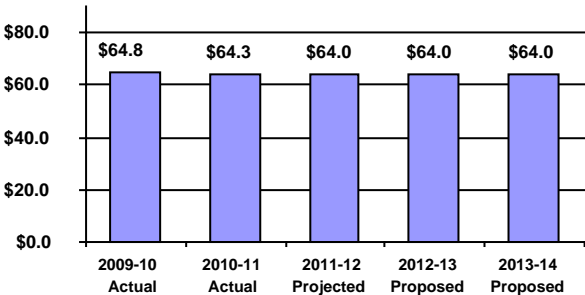
In FY 2012-13, revenues are being proposed at \$387.5 million, a decrease of \$391.4 million, or 50.2 percent over the prior year. This decrease is primarily attributable to a reduction in COP debt proceeds of \$417.2 million in FY 2011-12 to zero proposed debt proceeds in FY 2012-13. All of the \$417.2 million debt proceeds in FY 2011-12 were the result of refinancings of existing debt to take advantage of the current low interest rate environment. There appears to be less opportunity for additional refinancings in the near future. In addition to the decrease in debt proceeds, equity integration revenues are expected to decline \$5.3 million. These decreases in revenues are partially offset by \$31.7 million expected to be generated from the flat 10.1 percent increase in all user fees.

In FY 2013-14, revenues are being proposed at \$402.6 million, an increase of \$15.1 million, or 3.9 percent over the prior year. This increase is primarily attributable to the \$15.7 million expected to be generated from the proposed 4.0 percent increase in user fees.

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.

Property Taxes Five Year Trend (in millions)



2012-13 & 2013-14 Budget

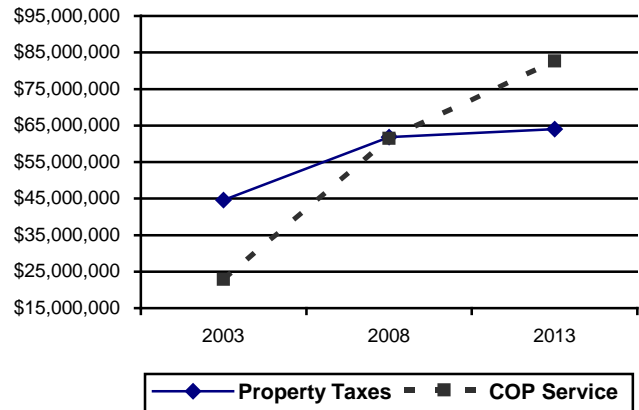
As shown in the graph above, property tax revenues decreased from a high in FY 2009-10 of \$64.8 million to a projected \$64.3 million in FY 2010-11, primarily due to the economic decline and the collapse in the housing and commercial property markets beginning in 2008. Property tax revenues are now being projected to remain flat through FY 2013-14.

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 twelve 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.

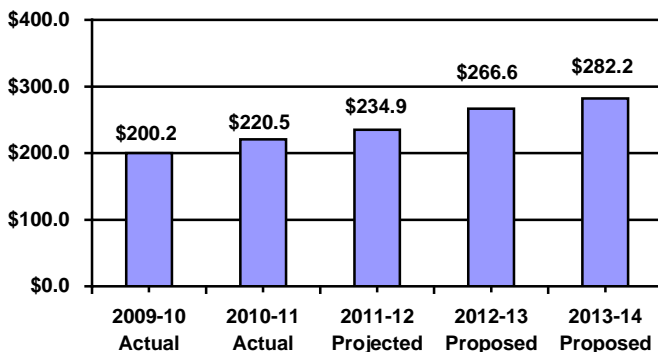
In the fall of 2007, District staff conducted strategic planning workshops with the Board of Directors to layout a capital program to deliver the levels of service desired by the Board of Directors. These levels of service and resulting capital projects are included in the District's 5-year Strategic 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

Revenue Sources

requirements over the next twenty years, and 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)**



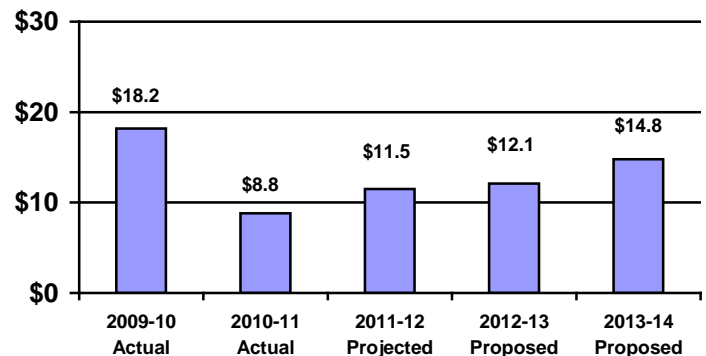
The impact of this five-year sewer fee schedule has increased the single family residence user fee rate, on average, 10 percent a year from \$182.00 in FY 2007-08 to \$294 in FY 2012-13. Beginning in FY 2013-14, staff will be proposing a new five-year rate schedule that will average approximately 4 percent a year. 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 \$603.9 million at July 1, 2012.

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 are expected to reach a high of \$613.5 million at June 30, 2013 and a low of \$586.2 million at June 30, 2014 as future capital improvement replacements and refurbishments are expected to be funded through current user fees without any new money debt issuances. The interest earnings of \$20.2 million in FY 2009-10 were attributable to higher yields earned on investments, as investments earnings yielded 3.9 percent. However, these yields have since fallen below 2.0 percent due to the recent economic recession.

The yield through the second quarter of FY 2011-12 was only at 1.05 percent, and investment earnings are projected to come in under budget by \$207,000, or 2.0 percent due to the economic decline

The District is proposing an interest earnings rate of 1.0 percent in FY 2012-13 and 2.5 percent in FY 2013-14 to generate earnings of \$12.1 million and \$14.8 million, on investment portfolio projections of

2012-13 & 2013-14 Budget

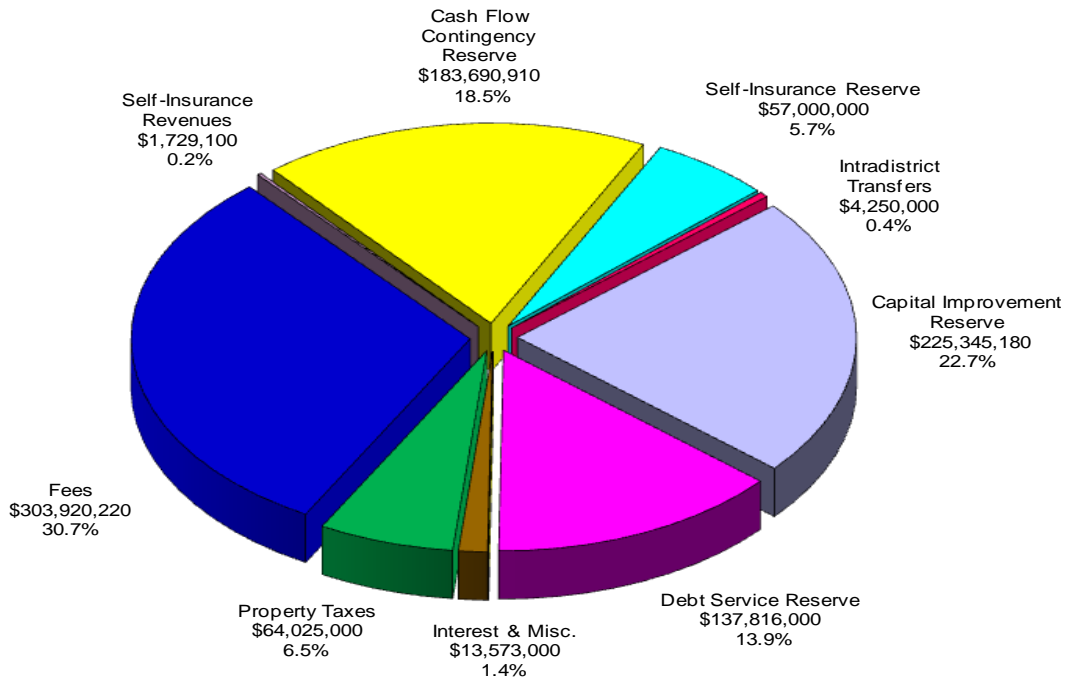
\$613.6 million and \$586.2 million at June 30, 2013 and 2014, respectively.

Debt Proceeds

Over the next ten years, the District is projecting an additional \$2.0 billion in future treatment plant and collection system capital refurbishments. In order to minimize annual sewer rate increases in the long-term, all of these refurbishments are being proposed to be funded from user fees with no issuances of new money debt issuances.

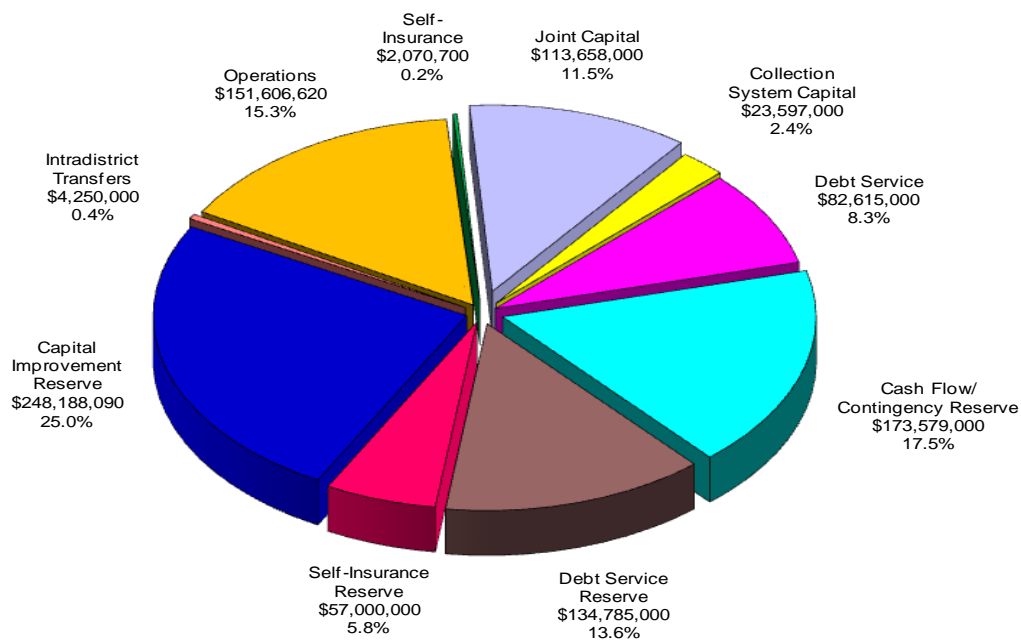
DISTRICT SUMMARY
SECTION 4

Where the Money Comes From



FY 2012-13 Total Funding Sources - \$991,349,410

Where the Money Goes



FY 2012-13 Total Funding Uses - \$991,349,410

2012-13 & 2013-14 Budget

Revenues by Category FY 2012-13

	Consolidated Revenue Area	Revenue Area 14	Total Sources
Beginning Reserves	\$ 546,655,980	\$ 57,196,110	\$ 603,852,090
Services Fees	14,921,650	14,712,570	29,634,220
User Fees	266,583,000	-	266,583,000
Capital Facilities Capacity Charge	7,703,000	-	7,703,000
Capacity Rights	-	-	-
Debt Proceeds	-	-	-
Property Taxes	62,006,000	2,019,000	64,025,000
Intradistrict Transfers	-	4,250,000	4,250,000
Insurance In-Lieu Premiums	1,696,930	32,170	1,729,100
Interest and Other Revenue	<u>11,667,000</u>	<u>1,906,000</u>	<u>13,573,000</u>
Total Sources	<u>\$ 911,233,560</u>	<u>\$ 80,115,850</u>	<u>\$ 991,349,410</u>

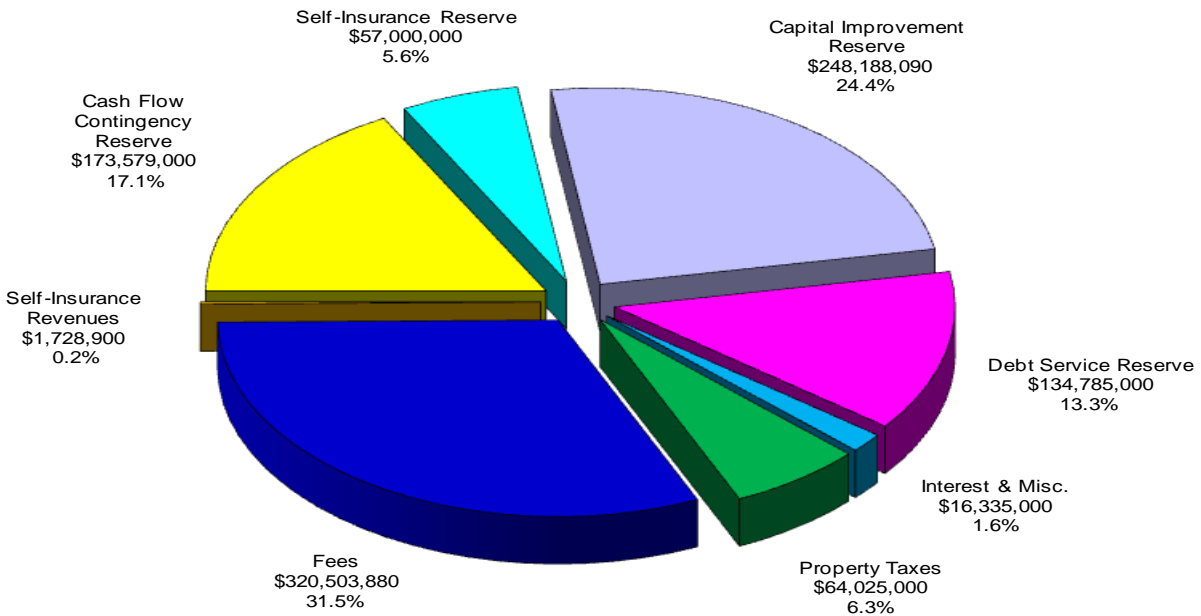
Expense by Category

Expenses by Category FY 2012-13

	Consolidated Revenue Area	Revenue Area 14	Total Uses
Director's Fees	\$ 152,000	\$ 15,000	\$ 167,000
Salaries & Benefits	88,393,270	5,744,900	94,138,170
Administrative Expenses	1,349,930	87,740	1,437,670
Printing & Publications	468,600	30,460	499,060
Training & Meetings	1,332,900	86,630	1,419,530
Operating Expenses	18,081,210	1,175,140	19,256,350
Contractual Expenses	24,498,450	1,592,220	26,090,670
Professional Expenses	2,868,300	186,420	3,054,720
Research & Monitoring	768,530	49,950	818,480
Repairs & Maintenance	10,490,270	681,790	11,172,060
Utilities	7,705,170	500,780	8,205,950
Self-Insurance Requirements	2,032,180	38,520	2,070,700
Other Materials, Supplies, & Services	2,961,300	192,460	3,153,760
Cost Allocation	(16,715,300)	(1,091,500)	(17,806,800)
Joint Works Capital Improvement Program	111,362,000	2,296,000	113,658,000
Collection System Capital Improvement Prog.	23,597,000	-	23,597,000
Certificate of Participation Service	82,615,000	-	82,615,000
Intradistrict Transfers	4,250,000	-	4,250,000
Joint Equity Sale to IRWD	-	-	-
Ending Reserves	<u>545,022,750</u>	<u>68,529,340</u>	<u>613,552,090</u>
Total Uses	<u>\$ 911,233,560</u>	<u>\$ 80,115,850</u>	<u>\$ 991,349,410</u>

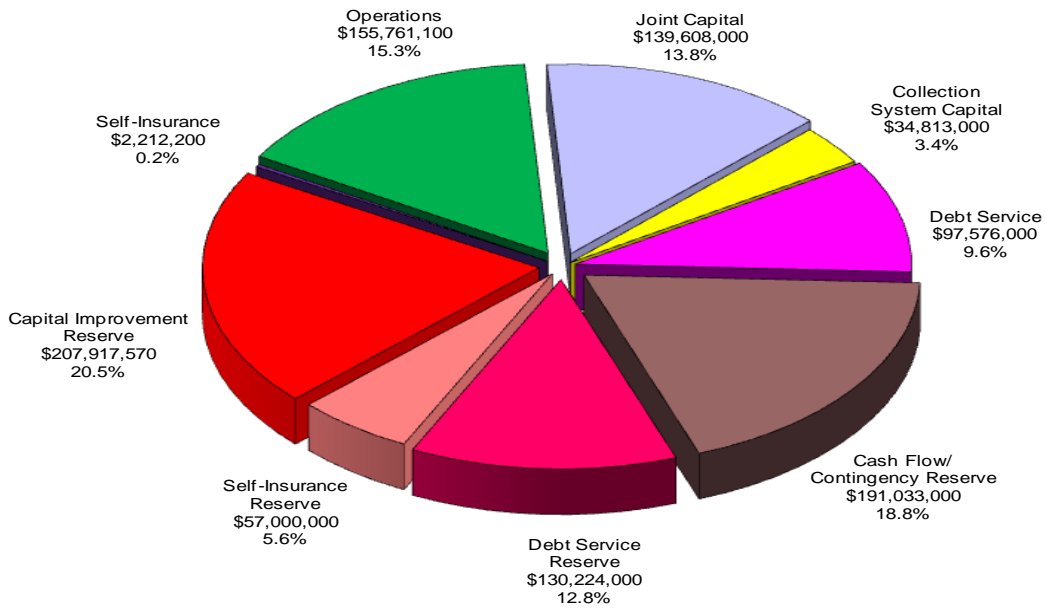
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Where the Money Comes From



FY 2013-14 Total Funding Sources - \$1,016,144,870

Where the Money Goes



FY 2013-14 Total Funding Uses - \$1,016,144,870

2012-13 & 2013-14 Budget

Revenues by Category FY 2013-14

	<u>Consolidated Revenue Area</u>	<u>Revenue Area 14</u>	<u>Total Sources</u>
Beginning Reserves	\$ 545,022,750	\$ 68,529,340	\$ 613,552,090
Services Fees	15,518,830	14,968,050	30,486,880
User Fees	282,249,000	-	282,249,000
Capital Facilities Capacity Charge	7,768,000	-	7,768,000
Capacity Rights	-	-	-
Debt Proceeds	-	-	-
Property Taxes	62,006,000	2,019,000	64,025,000
Intradistrict Transfers	-	-	-
Insurance In-Lieu Premiums	1,696,740	32,160	1,728,900
Interest and Other Revenue	<u>14,381,000</u>	<u>1,954,000</u>	<u>16,335,000</u>
Total Sources	<u>\$ 928,642,320</u>	<u>\$ 87,502,550</u>	<u>\$ 1,016,144,870</u>

Expense by Category

Expenses by Category FY 2013-14

	<u>Consolidated Revenue Area</u>	<u>Revenue Area 14</u>	<u>Total Uses</u>
Director's Fees	\$ 152,000	\$ 15,000	\$ 167,000
Salaries & Benefits	90,392,550	5,725,420	96,117,970
Administrative Expenses	1,161,750	73,580	1,235,330
Printing & Publications	402,680	25,510	428,190
Training & Meetings	1,089,510	69,010	1,158,520
Operating Expenses	18,619,240	1,179,330	19,798,570
Contractual Expenses	26,267,600	1,663,780	27,931,380
Professional Expenses	2,286,790	144,840	2,431,630
Research & Monitoring	819,850	51,930	871,780
Repairs & Maintenance	11,200,930	709,460	11,910,390
Utilities	8,232,310	521,430	8,753,740
Self-Insurance Requirements	2,171,050	41,150	2,212,200
Other Materials, Supplies, & Services	2,987,570	189,230	3,176,800
Cost Allocation	(17,129,840)	(1,090,360)	(18,220,200)
Joint Works Capital Improvement Program	136,788,000	2,820,000	139,608,000
Collection System Capital Improvement Prog.	34,813,000	-	34,813,000
Certificate of Participation Service	97,576,000	-	97,576,000
Intradistrict Transfers	-	-	-
Joint Equity Sale to IRWD	-	-	-
Ending Reserves	<u>510,811,330</u>	<u>75,363,240</u>	<u>586,174,570</u>
Total Uses	<u>\$ 928,642,320</u>	<u>\$ 87,502,550</u>	<u>\$ 1,016,144,870</u>

2012-13 & 2013-14 Budget

DESCRIPTION OR ACCOUNT TITLE	ACTUAL 2010-11	APPROVED 2011-12	PROJECTED 2011-12	PROPOSED 2012-13	PROPOSED 2013-14
BEGINNING ACCUMULATED FUNDS	\$ 473,332,385	\$ 607,016,640	\$ 596,774,640	\$ 603,852,090	\$ 613,552,090
<u>OPERATING REVENUES</u>					
General Sewer Service User Fees	220,460,387	248,519,000	234,930,210	266,583,000	282,249,000
Permitted User Fees	10,642,755	11,396,000	9,537,880	10,502,000	10,922,000
IRWD Assessments	15,174,276	12,279,440	12,850,000	12,401,990	12,428,160
SAWPA Assessments	4,959,534	4,402,600	4,006,250	4,502,230	4,682,720
Interest	10,090,688	11,687,000	11,480,000	12,054,000	14,811,000
Miscellaneous Receipts	1,197,138	1,912,750	2,289,500	1,519,000	1,524,000
Operating Revenue Subtotal	262,524,778	290,196,790	275,093,840	307,562,220	326,616,880
<u>NON-OPERATING REVENUES</u>					
Property Tax Allocation	62,105,045	60,856,000	61,778,070	61,775,000	61,775,000
Redevelopment Agency Pass Thru	2,202,549	2,515,000	2,246,600	2,250,000	2,250,000
Subtotal-Taxes	64,307,594	63,371,000	64,024,670	64,025,000	64,025,000
Capital Facilities Capacity Charge	9,853,861	6,805,000	7,638,430	7,703,000	7,768,000
Sale of Capacity Rights, SAWPA & SSBSD	-	8,381,000	-	-	-
Capital Assessment (IRWD)	2,407,624	1,694,000	3,705,740	2,228,000	2,454,000
Non-Operating Revenue Subtotal	76,569,079	80,251,000	75,368,840	73,956,000	74,247,000
<u>INTRADISTRICT REVENUES</u>					
Annual Intradistrict Joint Equity Purchase/Sale	18,013,535	29,690,000	9,500,000	4,250,000	-
<u>FINANCING REVENUES</u>					
Sale of Certificates of Participation	315,341,085	-	417,244,500	-	-
Financing Revenues Subtotal	315,341,085	-	417,244,500	-	-
<u>SELF INSURANCE REVENUES</u>					
Workers' Comp SFI	617,393	550,000	550,000	796,000	796,000
General Liability SFI	1,308,070	1,106,200	1,098,100	933,100	932,900
Subtotal-Self Insurance	1,925,463	1,656,200	1,648,100	1,729,100	1,728,900
Total Revenues	674,373,940	401,793,990	778,855,280	387,497,320	402,592,780
TOTAL AVAILABLE FUNDING	\$ 1,147,706,325	\$ 1,008,810,630	\$ 1,375,629,920	\$ 991,349,410	\$ 1,016,144,870

Budget Resources

DESCRIPTION OR ACCOUNT TITLE	ACTUAL 2010-11	APPROVED 2011-12	PROJECTED 2011-12	PROPOSED 2012-13	PROPOSED 2013-14
<u>OPERATING REQUIREMENTS</u>					
Director's Fees	\$ 166,488	\$ 184,500	\$ 167,000	167,000	167,000
Salaries & Benefits	90,039,315	97,430,070	93,668,070	94,138,170	96,117,970
Administrative Expense	967,903	1,261,220	1,237,330	1,437,670	1,235,330
Printing & Publications	418,580	480,150	450,370	499,060	428,190
Training & Meetings	613,697	855,750	842,290	1,419,530	1,158,520
Operating Materials & Supplies	19,092,353	23,108,370	18,893,707	19,256,350	19,798,570
Contractual Expense	22,566,675	25,120,280	23,853,540	26,090,670	27,931,380
Professional Expense	2,161,257	2,986,270	1,992,253	3,054,720	2,431,630
Research & Monitoring	978,806	1,055,100	705,650	818,480	871,780
Repairs & Maintenance	11,230,845	12,382,920	10,695,110	11,172,060	11,910,390
Utilities	6,947,783	9,646,300	7,803,422	8,205,950	8,753,740
Other Materials, Supplies, & Services	1,693,270	2,546,210	2,135,568	3,153,760	3,176,800
Cost Allocation	(19,647,993)	(24,511,600)	(18,274,660)	(17,806,800)	(18,220,200)
Subtotal- Operating	137,228,979	152,545,540	144,169,650	151,606,620	155,761,100
<u>CAPITAL IMPROVEMENTS</u>					
Joint Works Capital Improvements	108,434,330	97,918,000	\$74,900,000	113,658,000	139,608,000
Collection System Capital Improvements	46,792,436	31,252,000	\$26,756,000	23,597,000	34,813,000
Annual Intradistrict Joint Equity Purchase/Sale	18,013,535	29,690,000	9,500,000	4,250,000	-
Subtotal- Capital Improvements	173,240,301	158,860,000	\$111,156,000	141,505,000	174,421,000
<u>FINANCING REQUIREMENTS</u>					
Certificate of Participation Service	238,799,561	92,162,910	514,744,480	82,615,000	97,576,000
Subtotal-Financing Req	238,799,561	92,162,910	514,744,480	82,615,000	97,576,000
<u>SELF INSURANCE REQUIREMENTS</u>					
Workers' Comp SFI	651,320	550,000	664,500	679,500	700,000
General Liability SFI	1,011,524	1,606,200	1,043,200	1,391,200	1,512,200
Subtotal-Self Insurance	1,662,844	2,156,200	1,707,700	2,070,700	2,212,200
<u>OTHER CASH OUTLAYS</u>					
Joint Equity Sale to IRWD	-	-	-	-	-
Prior Periods Operating Reimbursements- IRWD	-	-	-	-	-
Subtotal- Other Cash Outlays	-	-	-	-	-
TOTAL REQUIREMENTS	550,931,685	405,724,650	771,777,830	377,797,320	429,970,300
REVENUES EXCEEDING REQUIREMENTS	123,442,255	(37,165,890)	7,077,450	9,700,000	(27,377,520)
ENDING ACCUM FUNDS & RESERVES	\$ 596,774,640	\$ 603,085,980	\$ 603,852,090	\$ 613,552,090	\$ 586,174,570

2012-13 & 2013-14 Budget

BUDGET RESOURCES BY REVENUE AREA - FY 12-13

DESCRIPTION OR ACCOUNT TITLE	Consolidated Revenue Area Proposed	Rev Area 14 Proposed	Total Proposed
BEGINNING ACCUMULATED FUNDS	\$ 546,655,980	\$ 57,196,110	\$ 603,852,090
<u>OPERATING REVENUES</u>			
General Sewer Service User Fees	266,583,000	-	266,583,000
Permitted User Fees	10,502,000	-	10,502,000
O & M Joint Operating Assessment Service Fees (IRWD)	-	1,318,230	1,318,230
O & M Collection System Assessment Service Fees (IRWD)	-	933,760	933,760
O & M Sludge Disposal Assessment Service Fees (IRWD)	-	10,150,000	10,150,000
SAWPA Assessments	4,419,650	82,580	4,502,230
Interest	10,259,000	1,795,000	12,054,000
Miscellaneous Receipts	1,408,000	111,000	1,519,000
Operating Revenue Subtotal	293,171,650	14,390,570	307,562,220
<u>NON-OPERATING REVENUES</u>			
Property Tax Allocation	59,827,000	1,948,000	61,775,000
Redevelopment Agency Pass Thru	2,179,000	71,000	2,250,000
Subtotal-Taxes	62,006,000	2,019,000	64,025,000
Capital Facilities Capacity Charge	7,703,000	-	7,703,000
Sale of Capacity Rights, SAWPA & SSBSD	-	-	-
Capital Assessment (IRWD)	-	2,228,000	2,228,000
Non-Operating Revenue Subtotal	69,709,000	4,247,000	73,956,000
<u>INTRADISTRICT REVENUES</u>			
Annual Intradistrict Joint Equity Purchase/Sale	-	4,250,000	4,250,000
<u>FINANCING REVENUES</u>			
Sale of Certificates of Participation	-	-	-
Intradistrict Loans, Advances & Repayments	-	-	-
Financing Revenues Subtotal	-	-	-
<u>SELF INSURANCE REVENUES</u>			
Workers' Comp SFI	781,190	14,810	796,000
General Liability SFI	915,740	17,360	933,100
Subtotal-Self Insurance	1,696,930	32,170	1,729,100
Total Revenues	364,577,580	22,919,740	387,497,320
TOTAL AVAILABLE FUNDING	\$ 911,233,560	\$ 80,115,850	\$ 991,349,410

Budget Resources

DESCRIPTION OR ACCOUNT TITLE	Consolidated Revenue Area Proposed	Rev Area 14 Proposed	Total Proposed
<u>OPERATING REQUIREMENTS</u>			
Director's Fees	\$ 152,000	\$ 15,000	\$ 167,000
Salaries & Benefits	88,393,270	5,744,900	94,138,170
Administrative Expense	1,349,930	87,740	1,437,670
Printing & Publications	468,600	30,460	499,060
Training & Meetings	1,332,900	86,630	1,419,530
Operating Expense	18,081,210	1,175,140	19,256,350
Contractual Expense	24,498,450	1,592,220	26,090,670
Professional Expense	2,868,300	186,420	3,054,720
Research & Monitoring	768,530	49,950	818,480
Repairs & Maintenance	10,490,270	681,790	11,172,060
Utilities	7,705,170	500,780	8,205,950
Other Materials, Supplies, & Services	2,961,300	192,460	3,153,760
Cost Allocation	(16,715,300)	(1,091,500)	(17,806,800)
Subtotal- Operating	142,354,630	9,251,990	151,606,620
<u>CAPITAL IMPROVEMENTS</u>			
Joint Works Capital Improvements	111,362,000	2,296,000	113,658,000
Collection System Capital Improvements	23,597,000	-	23,597,000
Annual Intradistrict Joint Equity Purchase/Sale	4,250,000	-	4,250,000
Subtotal- Capital Improvements	139,209,000	2,296,000	141,505,000
<u>FINANCING REQUIREMENTS</u>			
Certificate of Participation Service	82,615,000	-	82,615,000
Subtotal- Financing Requirements	82,615,000	-	82,615,000
<u>SELF INSURANCE REQUIREMENTS</u>			
Workers' Comp SFI	666,860	12,640	679,500
General Liability SFI	1,365,320	25,880	1,391,200
Subtotal- Self Insurance	2,032,180	38,520	2,070,700
<u>OTHER CASH OUTLAYS</u>			
Joint Equity Sale to IRWD	-	-	-
Subtotal- Other Cash Outlays	-	-	-
TOTAL REQUIREMENTS	366,210,810	11,586,510	377,797,320
REVENUES EXCEEDING REQUIREMENTS	(1,633,230)	11,333,230	9,700,000
ENDING ACCUMULATED FUNDS & RESERVES	\$ 545,022,750	\$ 68,529,340	\$ 613,552,090

2012-13 & 2013-14 Budget

BUDGET RESOURCES BY REVENUE AREA - FY 13-14

DESCRIPTION OR ACCOUNT TITLE	Consolidated Revenue Area Proposed	Rev Area 14 Proposed	Total Proposed
BEGINNING ACCUMULATED FUNDS	\$ 545,022,750	\$ 68,529,340	\$ 613,552,090
<u>OPERATING REVENUES</u>			
General Sewer Service User Fees	282,249,000	-	282,249,000
Permitted User Fees	10,922,000	-	10,922,000
O & M Joint Operating Assessment Service Fees (IRWD)	-	1,307,380	1,307,380
O & M Collection System Assessment Service Fees (IRWD)	-	970,780	970,780
O & M Sludge Disposal Assessment Service Fees (IRWD)	-	10,150,000	10,150,000
SAWPA Assessments	4,596,830	85,890	4,682,720
Interest	12,971,000	1,840,000	14,811,000
Miscellaneous Receipts	1,410,000	114,000	1,524,000
Operating Revenue Subtotal	312,148,830	14,468,050	326,616,880
<u>NON-OPERATING REVENUES</u>			
Property Tax Allocation	59,827,000	1,948,000	61,775,000
Redevelopment Agency Pass Thru	2,179,000	71,000	2,250,000
Subtotal-Taxes	62,006,000	2,019,000	64,025,000
Capital Facilities Capacity Charge	7,768,000	-	7,768,000
Sale of Capacity Rights, SAWPA & SSBSD	-	-	-
Capital Assessment (IRWD)	-	2,454,000	2,454,000
Non-Operating Revenue Subtotal	69,774,000	4,473,000	74,247,000
<u>INTRADISTRICT REVENUES</u>			
Annual Intradistrict Joint Equity Purchase/Sale	-	-	-
<u>FINANCING REVENUES</u>			
Sale of Certificates of Participation	-	-	-
Intradistrict Loans, Advances & Repayments	-	-	-
Financing Revenues Subtotal	-	-	-
<u>SELF INSURANCE REVENUES</u>			
Workers' Comp SFI	781,190	14,810	796,000
General Liability SFI	915,550	17,350	932,900
Subtotal-Self Insurance	1,696,740	32,160	1,728,900
Total Revenues	383,619,570	18,973,210	402,592,780
TOTAL AVAILABLE FUNDING	\$ 928,642,320	\$ 87,502,550	\$ 1,016,144,870

Budget Resources

DESCRIPTION OR ACCOUNT TITLE	Consolidated Revenue Area Proposed	Rev Area 14 Proposed	Total Proposed
<u>OPERATING REQUIREMENTS</u>			
Director's Fees	\$ 152,000	\$ 15,000	\$ 167,000
Salaries & Benefits	90,392,550	5,725,420	96,117,970
Administrative Expense	1,161,750	73,580	1,235,330
Printing & Publications	402,680	25,510	428,190
Training & Meetings	1,089,510	69,010	1,158,520
Operating Expense	18,619,240	1,179,330	19,798,570
Contractual Expense	26,267,600	1,663,780	27,931,380
Professional Expense	2,286,790	144,840	2,431,630
Research & Monitoring	819,850	51,930	871,780
Repairs & Maintenance	11,200,930	709,460	11,910,390
Utilities	8,232,310	521,430	8,753,740
Other Materials, Supplies, & Services	2,987,570	189,230	3,176,800
Cost Allocation	(17,129,840)	(1,090,360)	(18,220,200)
Subtotal- Operating	146,482,940	9,278,160	155,761,100
<u>CAPITAL IMPROVEMENTS</u>			
Joint Works Capital Improvements	136,788,000	2,820,000	139,608,000
Collection System Capital Improvements	34,813,000	-	34,813,000
Annual Intradistrict Joint Equity Purchase/Sale	-	-	-
Subtotal- Capital Improvements	171,601,000	2,820,000	174,421,000
<u>FINANCING REQUIREMENTS</u>			
Certificate of Participation Service	97,576,000	-	97,576,000
Subtotal-Financing Req	97,576,000	-	97,576,000
<u>SELF INSURANCE REQUIREMENTS</u>			
Workers' Comp SFI	686,980	13,020	700,000
General Liability SFI	1,484,070	28,130	1,512,200
Subtotal-Self Insurance	2,171,050	41,150	2,212,200
<u>OTHER CASH OUTLAYS</u>			
Joint Equity Sale to IRWD	-	-	-
Subtotal- Other Cash Outlays	-	-	-
TOTAL REQUIREMENTS	417,830,990	12,139,310	429,970,300
REVENUES EXCEEDING REQUIREMENTS	(34,211,420)	6,833,900	(27,377,520)
ENDING ACCUMULATED FUNDS & RESERVES	\$ 510,811,330	\$ 75,363,240	\$ 586,174,570

2012-13 & 2013-14 Budget

Projected Reserves at June 30, 2012, 2013 and 2014

	Projected 6/30/2012	Proposed 6/30/2013	Proposed 6/30/2014
Cash Flow Requirements			
Operating Expenses	\$ 76,273,000	\$ 75,803,000	\$ 77,881,000
COP Payments	92,162,910	82,615,000	97,576,000
Operating Contingencies	15,255,000	15,161,000	15,576,000
Capital Improvement Program	166,763,180	188,434,090	146,968,570
Catastrophe & Self Insurance	57,000,000	57,000,000	57,000,000
Sub-total	407,454,090	419,013,090	395,001,570
Capital Replacement & Refurbishment	58,582,000	59,754,000	60,949,000
COP Service Required Reserves	137,816,000	134,785,000	130,224,000
Total	\$603,852,090	\$613,552,090	\$586,174,570

Accumulated Funds and Reserves Policy

A cash flow reserve will be established to fund operations, maintenance and certificate of participations 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 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. The potential infrastructure loss from a major earthquake has been estimated at \$495 million. The level of this reserve 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, treatment and disposal facilities at the end of their useful economic lives. The current replacement value of these facilities is estimated to be \$5.38 billion. 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 fee, in order to meet projected needs through the year 2030.

Projected Reserves

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.

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 group.

2012-13 & 2013-14 Budget

Orange County Sanitation District

Consolidated Cash Flow Projections

Ref	Description	Preliminary 12-13	Preliminary 13-14	Preliminary 14-15	Preliminary 15-16	Preliminary 16-17	Preliminary 17-18
<u>Revenues:</u>							
1	General User Fees	266,583,000	282,249,000	294,444,000	307,193,000	320,506,000	334,410,000
2	Permitted User Fees	10,502,000	10,922,000	11,359,000	11,813,000	12,286,000	12,777,000
3	IRWD Assessments	14,629,990	14,882,160	16,031,430	16,186,550	11,445,210	5,415,830
4	SAWPA Assessments	4,502,230	4,682,720	4,870,310	5,065,000	5,267,800	5,478,710
5	Property Taxes (Flat in short term)	64,025,000	64,025,000	67,226,000	70,587,000	74,116,000	77,822,000
6	New COP Issues	-	-	-	-	-	-
7	Interest Revenues	12,054,000	14,811,000	17,058,000	16,585,000	15,693,000	14,795,000
8	Capital Facilities Capacity Charges	7,703,000	7,768,000	8,677,000	9,463,000	10,137,000	10,856,000
9	Other Revenues	7,498,100	3,252,900	3,773,000	3,811,000	12,231,000	3,891,000
10	Revenues	387,497,320	402,592,780	423,438,740	440,703,550	461,682,010	465,445,540
<u>Requirements:</u>							
11	Oper & Mtce Exp (5.0% yr)	151,606,620	155,761,100	164,729,000	172,698,000	177,290,000	182,104,000
12	Capital Improvement Program	133,884,000	156,317,000	161,406,000	149,169,000	169,789,000	143,906,000
13	Repl, Rehab & Refurb	3,371,000	18,104,000	28,238,000	45,267,000	68,819,000	65,328,000
14	COP Service (5.0%, 30 yrs)	82,615,000	97,576,000	84,929,000	85,271,000	90,072,000	86,131,000
15	Other Requirements	6,320,700	2,212,200	2,212,200	2,212,200	2,212,200	2,212,200
16	Requirements	377,797,320	429,970,300	441,514,200	454,617,200	508,182,200	479,681,200
17	Revenues-Requirements	9,700,000	(27,377,520)	(18,075,460)	(13,913,650)	(46,500,190)	(14,235,660)
<u>Accumulated Funds:</u>							
18	Beginning of Year	603,852,090	613,552,090	586,174,570	568,099,110	554,185,460	507,685,270
19	End of Year	613,552,090	586,174,570	568,099,110	554,185,460	507,685,270	493,449,610
20	Consolidated Reserve Policy	518,113,000	532,844,000	523,288,000	525,630,000	525,972,000	519,159,000
21	Over (Under) Reserve Policy	95,439,090	53,330,570	44,811,110	28,555,460	21,713,270	14,290,610
<u>Sewer Service User Fees:</u>							
22	Avg SFR Annual User Fee	\$294.00	\$305.76	\$317.99	\$330.71	\$343.94	\$357.70
23	Percentage Change	10.11%	4.00%	4.00%	4.00%	4.00%	4.00%
24	Equivalent Dw elling Units	926,928	929,430	932,033	934,736	937,493	940,306
25	SFR Connection Fee	\$3,595	\$3,775	\$3,964	\$4,162	\$4,370	\$4,589
26	Outstanding COPs	\$1,347,848,000	\$1,302,241,000	\$1,268,626,000	\$1,233,717,000	\$1,192,806,000	\$1,154,376,000
<u>Reserve Policy</u>							
27	50% Next Year Operating	75,803,000	77,881,000	82,365,000	86,349,000	88,645,000	91,052,000
28	10% Next Year Operating	15,161,000	15,576,000	16,473,000	17,270,000	17,729,000	18,210,000
29	100% Next Year AUG COP Svc.	82,615,000	97,576,000	84,929,000	85,271,000	90,072,000	86,131,000
30	50% average CIP bal to 2022	92,995,000	93,638,000	93,490,000	92,957,000	88,566,000	85,355,000
31	Short term CIP, GWRS	-	-	-	-	-	-
32	DSR @ 10% Outstanding COPs	134,785,000	130,224,000	126,863,000	123,372,000	119,281,000	115,438,000
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	59,754,000	60,949,000	62,168,000	63,411,000	64,679,000	65,973,000
35	Total	518,113,000	532,844,000	523,288,000	525,630,000	525,972,000	519,159,000
<u>COP Ratios</u>							
36	Sr Lien Coverge, Min 1.25	2.76	2.45	2.94	3.03	3.04	3.16

Cash Flow Projection

Orange County Sanitation District

Consolidated Cash Flow Projections

Ref	Description	Preliminary 18-19	Preliminary 19-20	Preliminary 20-21	Preliminary 21-22	10-Year Total
<u>Revenues:</u>						
1	General User Fees	348,913,000	364,042,000	379,822,000	386,711,000	3,284,873,000
2	Permitted User Fees	13,288,000	13,820,000	14,373,000	14,589,000	125,729,000
3	IRWD Assessments	4,952,450	4,556,940	4,864,780	5,114,510	98,079,850
4	SAWPA Assessments	5,697,740	5,925,890	6,163,170	6,409,580	54,063,150
5	Property Taxes (Flat in short term)	81,713,000	85,799,000	90,089,000	94,593,000	769,995,000
6	New COP Issues	-	-	-	-	-
7	Interest Revenues	16,365,000	18,681,000	20,030,000	20,879,000	166,951,000
8	Capital Facilities Capacity Charges	10,845,000	11,421,000	12,028,000	12,667,000	101,565,000
9	Other Revenues	3,933,000	12,356,000	4,018,000	4,062,000	58,826,000
10	Revenues	485,707,190	516,601,830	531,387,950	545,025,090	4,660,082,000
<u>Requirements:</u>						
11	Oper & Mtce Exp (5.0% yr)	191,113,000	200,569,000	210,494,000	220,912,000	1,827,276,720
12	Capital Improvement Program	140,552,000	94,356,000	62,514,000	45,122,000	1,257,015,000
13	Repl, Rehab & Refurb	99,033,000	94,109,000	130,317,000	187,551,000	740,137,000
14	COP Service (5.0%, 30 yrs)	88,197,000	88,726,000	93,660,000	78,121,000	875,298,000
15	Other Requirements	2,212,200	2,212,200	2,212,200	2,212,200	26,230,500
16	Requirements	521,107,200	479,972,200	499,197,200	533,918,200	4,725,957,220
17	Revenues-Requirements	(35,400,010)	36,629,630	32,190,750	11,106,890	(65,875,220)
<u>Accumulated Funds:</u>						
18	Beginning of Year	493,449,610	458,049,600	494,679,230	526,869,980	603,852,090
19	End of Year	458,049,600	494,679,230	526,869,980	537,976,870	537,976,870
20	Consolidated Reserve Policy	515,332,000	512,862,000	507,552,000	487,989,000	487,989,000
21	Over (Under) Reserve Policy	(17,282,400)	21,817,230	19,317,980	49,987,870	49,987,870
<u>Sewer Service User Fees:</u>						
22	Avg SFR Annual User Fee	\$372.00	\$386.88	\$402.36	\$408.39	
23	Percentage Change	4.00%	4.00%	4.00%	1.50%	
24	Equivalent Dwelling Units	943,127	945,956	948,794	951,640	
25	SFR Connection Fee	\$4,818	\$5,059	\$5,312	\$5,577	
26	Outstanding COPs	\$1,114,285,000	\$1,072,391,000	\$1,024,165,000	\$989,103,000	
<u>Reserve Policy</u>						
27	50% Next Year Operating	95,557,000	100,285,000	105,247,000	110,456,000	
28	10% Next Year Operating	19,111,000	20,057,000	21,049,000	22,091,000	
29	100% Next Year AUG COP Svc.	88,197,000	88,726,000	93,660,000	78,121,000	
30	50% average CIP bal to 2022	76,746,000	70,917,000	58,168,000	50,000,000	
31	Short term CIP, GWRS	-	-	-	-	
32	DSR @ 10% Outstanding COPs	111,429,000	107,239,000	102,417,000	98,910,000	
33	SFI @ \$57mm INPUT	57,000,000	57,000,000	57,000,000	57,000,000	
34	Repl & Refurb @ 2%/yr	67,292,000	68,638,000	70,011,000	71,411,000	
35	Total	515,332,000	512,862,000	507,552,000	487,989,000	
<u>COP Ratios</u>						
36	Sr Lien Coverage, Min 1.25	3.22	3.43	3.30	3.99	

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OPERATIONS OVERVIEW
SECTION 5

Operations Budget Overview

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 2012-13 is \$151.607 million and for FY 2013-14 is \$155.761 million.

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

Regulatory Requirements: Many of the District's activities are either required or regulated by permits issued by federal, state, and local regulatory authorities. These control effluent quality, air emissions, greenhouse gases, biosolids and hazardous waste management as well as extensive monitoring of all media. New and developing regulations also drive future capital and operating expenses.

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 Environmental Compliance 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 Environmental Compliance 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 2012-13 and FY 2013-14 have been increased accordingly.

- **Disinfection:** The District is committed to disinfecting final effluent per NPDES permit requirements. The largest cost related to disinfection is that used for chemicals, specifically bleach. After disinfecting final effluent with bleach, sodium bisulfite is used to ensure that no residual chlorine is discharged into the ocean. The disinfection process reduces final effluent bacteria levels and helps assure that shoreline to the standards bacterial standards are met as 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.
- Sodium hydroxide (caustic soda) and bleach are used in the treatment plant foul air scrubbers for control of sulfides and other odors. Hydrogen peroxide is also added to incoming trunklines to minimize plant odors. Sodium hydroxide is also used in the trunk sewers for odor and corrosion control.

2012-13 & 2013-14 Budget

- 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. Currently, 100% of the District's Biosolids are beneficially reused. But due to peak production of Biosolids until 2017, up to 12% may also be sent to landfills. 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 the completion of more secondary treatment processes. 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.

Operations Summary

Proposed Budget Comparisons by Department

Department and Division	2011-12 Revised Budget	2011-12 Projected	2012-13 Proposed	Budget Percent Change	2013-14 Proposed	Budget Percent Change
General Management Department						
General Management Administration	\$ 1,548,800	\$ 1,299,010	\$ 1,999,450	29.10%	\$ 2,015,800	0.82%
Board Services	377,800	329,010	580,370	53.62%	608,830	4.90%
Public Affairs Office	1,572,600	1,385,050	1,259,060	-19.94%	1,151,660	-8.53%
Department subtotal	<u>3,499,200</u>	<u>3,013,070</u>	<u>3,838,880</u>	<u>9.71%</u>	<u>3,776,290</u>	<u>-1.63%</u>
Human Resources Department						
Human Resources	4,857,710	4,242,240	5,155,940	6.14%	4,874,890	-5.45%
Department subtotal	<u>4,857,710</u>	<u>4,242,240</u>	<u>5,155,940</u>	<u>6.14%</u>	<u>4,874,890</u>	<u>-5.45%</u>
Administrative Services Department						
Administrative Services Admin	1,095,330	836,050	553,450	-49.47%	558,740	0.96%
Financial Management	3,154,010	3,239,300	3,795,490	20.34%	3,393,290	-10.60%
Contracts, Purch, & Materials Mgmt	4,152,630	4,013,520	4,331,640	4.31%	4,176,440	-3.58%
Information Technology	9,856,530	9,936,290	10,086,890	2.34%	10,239,190	1.51%
Risk Management	4,367,450	3,879,680	4,596,600	5.25%	4,420,500	-3.83%
Department subtotal	<u>22,625,950</u>	<u>21,904,840</u>	<u>23,364,070</u>	<u>3.26%</u>	<u>22,788,160</u>	<u>-2.46%</u>
Facilities Support Services Department						
Facilities Support Services Admin.	598,770	563,030	583,020	-2.63%	588,220	0.89%
Equipment / Rebuild	3,520,380	4,064,960	3,936,410	11.82%	4,008,810	1.84%
Facilities Engineering	8,965,820	6,017,290	7,243,300	-19.21%	8,401,800	15.99%
Collections	15,235,310	14,658,020	14,268,930	-6.34%	14,716,640	3.14%
Department subtotal	<u>28,320,280</u>	<u>25,303,300</u>	<u>26,031,660</u>	<u>-8.08%</u>	<u>27,715,470</u>	<u>6.47%</u>
Engineering Department						
Engineering Administration	423,160	442,160	419,260	-0.92%	423,660	1.05%
Planning	3,774,830	3,406,790	3,227,450	-14.50%	3,295,850	2.12%
Project Management Office	2,979,490	3,053,470	3,269,330	9.73%	3,284,130	0.45%
Engineering & Construction	9,864,860	9,237,670	9,403,170	-4.68%	9,543,770	1.50%
Environmental Compliance	6,228,510	5,930,820	6,122,300	-1.71%	6,188,030	1.07%
Department subtotal	<u>23,270,850</u>	<u>22,070,910</u>	<u>22,441,510</u>	<u>-3.56%</u>	<u>22,735,440</u>	<u>1.31%</u>
Operations & Maintenance Dept.						
Operations and Maintenance Admin.	852,900	653,150	1,023,950	20.06%	1,029,050	0.50%
Plant No. 1 Operations	28,664,900	25,914,400	26,859,030	-6.30%	28,155,280	4.83%
Plant No. 2 Operations	27,204,700	24,262,880	25,550,410	-6.08%	26,895,690	5.27%
Buildings, Grounds, & Mechanical Maint	13,327,510	12,369,330	12,192,190	-8.52%	12,422,950	1.89%
Instrumentation & Electrical Maint.	15,963,780	14,949,460	14,883,440	-6.77%	15,375,170	3.30%
Environmental Lab & Ocean Monitoring	8,469,360	7,760,730	8,072,340	-4.69%	8,212,910	1.74%
Department subtotal	<u>94,483,150</u>	<u>85,909,950</u>	<u>88,581,360</u>	<u>-6.25%</u>	<u>92,091,050</u>	<u>3.96%</u>
Less: Cost Allocation	<u>(24,511,600)</u>	<u>(18,274,660)</u>	<u>(17,806,800)</u>	<u>-27.35%</u>	<u>(18,220,200)</u>	<u>2.32%</u>
Net Operating Requirements	<u>\$ 152,545,540</u>	<u>\$ 144,169,650</u>	<u>\$ 151,606,620</u>	<u>-0.62%</u>	<u>\$ 155,761,100</u>	<u>2.74%</u>

2012-13 & 2013-14 Budget

Proposed Budget Expense by Category

Description	2010-11 Actual	2011-12 Revised Budget	2011-12 Projected	2012-13 Proposed	2013-14 Proposed
Salaries, Wages, & Benefits	\$ 90,205,803	\$ 97,614,570	\$ 93,835,070	\$ 94,305,170	\$ 96,284,970
Administrative Expenses	967,903	1,261,220	1,237,330	1,437,670	1,235,330
Printing & Publication	418,580	480,150	450,370	499,060	428,190
Training & Meetings	613,697	855,750	842,290	1,419,530	1,158,520
Operating Materials & Supplies	19,092,353	23,108,370	18,893,707	19,256,350	19,798,570
Contractual Services	22,566,675	25,120,280	23,853,540	26,090,670	27,931,380
Professional Services	2,161,257	2,986,270	1,992,253	3,054,720	2,431,630
Research & Monitoring	978,806	1,055,100	705,650	818,480	871,780
Repairs & Maintenance	11,230,845	12,382,920	10,695,110	11,172,060	11,910,390
Utilities	6,947,783	9,646,300	7,803,422	8,205,950	8,753,740
Other Materials, Supplies, and Svc.	1,693,270	2,546,210	2,144,988	3,153,760	3,176,800
Capital Grants to Member Agencies	-	-	(9,420)	-	-
Cost Allocation	(19,647,993)	(24,511,600)	(18,274,660)	(17,806,800)	(18,220,200)
Net Operating Requirements	<u>\$ 137,228,979</u>	<u>\$ 152,545,540</u>	<u>\$ 144,169,650</u>	<u>\$ 151,606,620</u>	<u>\$ 155,761,100</u>
Cost to Collect/Treat 1 Million Gallons	<u>\$ 1,816.62</u>	<u>\$ 2,013.48</u>	<u>\$ 1,968.48</u>	<u>\$ 2,016.31</u>	<u>\$ 2,051.65</u>
Flow, Million Gallons	<u>75,541</u>	<u>75,762</u>	<u>73,239</u>	<u>75,190</u>	<u>75,920</u>
Flow Per Day, MGD	<u>206.96</u>	<u>207.00</u>	<u>200.11</u>	<u>206.00</u>	<u>208.00</u>

Operations Summary

Proposed Budget Allocation to Individual Revenue Areas

Revenue Area No.	Total Gallonage Flows, Million Gallons per Year (MG)					
	2011-12 Projected Flow (MG)	Projected Increase (MG)	2012-13 Budgeted Flow (MG)	Percent of Total	2013-14 Budgeted Flow (MG)	Percent of Total
Consolidated	72,404.00	1,966.00	74,370.00	98.91%	75,120.00	98.95%
14	835.00	(15.00)	820.00	1.09%	800.00	1.05%
TOTALS	73,239.00	1,951.00	75,190.00	100.00%	75,920.00	100.00%

Revenue Area No.	Average Daily Gallonage Flows, Million Gallons per Day (MGD)					
	2011-12 Projected Flow (MGD)	Projected Increase (MGD)	2012-13 Budgeted Flow (MGD)	Percent of Total	2013-14 Budgeted Flow (MGD)	Percent of Total
Consolidated	197.83	5.92	203.75	98.91%	205.81	98.95%
14	2.28	(0.03)	2.25	1.09%	2.19	1.05%
TOTALS	200.11	5.89	206.00	100.00%	208.00	100.00%

FY 2012-13 Estimated Allocation of Total Costs to Revenue Areas

Revenue Area No.	Collection Costs	Treatment & Disposal Costs	Total Costs	Total Cost/MG
Consolidated	\$ 22,844,740	\$ 119,509,890	\$ 142,354,630	\$ 1,914.14
14 - O&M	933,760	1,318,230	2,251,990	2,746.33
14 - Sludge		7,000,000	7,000,000	8,536.59
TOTALS	\$ 23,778,500	\$ 127,828,120	\$ 151,606,620	\$ 2,016.31

FY 2013-14 Estimated Allocation of Total Costs to Revenue Areas

Revenue Area No.	Collection Costs	Treatment & Disposal Costs	Total Costs	Total Cost/MG
Consolidated	\$ 23,750,420	\$ 122,732,520	\$ 146,482,940	\$ 1,949.99
14 - O&M	970,780	1,307,380	2,278,160	2,778.24
14 - Sludge		7,000,000	7,000,000	8,536.59
TOTALS	\$ 24,721,200	\$ 131,039,900	\$ 155,761,100	\$ 2,051.65

2012-13 & 2013-14 Budget

Proposed Budget Net Operating Expense by Line Item

Description	2010-11 Actual	Adjusted Budget 2011-12	2011-12 Projected	2012-13 Proposed	% Budget Change to 12-13	2013-14 Proposed	% Budget Change to 13-14
Salaries, Wages, & Benefits							
Salaries & Wages							
Salaries & Wages	\$ 62,107,324	\$ 66,712,600	\$ 65,307,400	\$ 64,382,500	-3.49%	\$ 65,445,400	1.65%
Employee Benefits							
OCERS Retirement	18,692,560	20,540,270	19,093,470	19,390,870	-5.60%	19,671,570	1.45%
Group Insurance	8,265,074	9,250,200	8,374,300	9,064,800	-2.00%	9,893,000	9.14%
Tuition Reimb & Educ Devel	444,010	451,900	415,900	430,900	-4.65%	430,900	0.00%
Uniform Rental	44,858	40,500	42,100	42,100	3.95%	42,100	0.00%
Workers Compensation	578,703	549,300	550,100	942,200	71.53%	750,200	-20.38%
Unemployment Insurance	52,729	32,600	23,200	23,200	-28.83%	23,200	0.00%
EMT Supplemental Benefits	20,545	37,200	28,600	28,600	-23.12%	28,600	0.00%
Salaries, Wages, & Benefits	90,205,803	97,614,570	93,835,070	94,305,170	-3.39%	96,284,970	2.10%
Materials, Supplies, & Services							
Administrative Expenses							
Memberships	291,659	497,890	501,510	519,340	4.31%	521,090	0.34%
Office Exp - Supplies	69,868	101,480	79,860	81,630	-19.56%	83,380	2.14%
Postage	41,702	54,270	43,360	238,280	339.06%	43,290	-81.83%
Books & Publications	50,388	50,030	39,880	43,730	-12.59%	45,190	3.34%
Forms	1,709	2,600	1,200	1,240	-52.31%	1,280	3.23%
Small Computer Items	429,124	450,000	450,000	450,000	0.00%	450,000	0.00%
Minor Furniture & Fixtures	83,453	104,950	121,520	103,450	-1.43%	91,100	-11.94%
Printing & Publication							
Repro-In-House	339,946	415,840	387,600	375,260	-9.76%	375,670	0.11%
Printing-Outside	61,065	46,950	47,690	106,380	126.58%	36,390	-65.79%
Notices & Ads	14,302	14,560	14,480	14,620	0.41%	14,830	1.44%
Photo Processing	3,267	2,800	600	2,800	0.00%	1,300	-53.57%
Training & Meetings							
Meetings	161,952	201,230	174,790	228,290	13.45%	233,680	2.36%
Training	451,745	654,520	667,500	1,191,240	82.00%	924,840	-22.36%
Operating Materials & Supplies							
Chemical Coagulants	6,275,115	7,947,000	6,775,000	6,911,000	-13.04%	7,351,050	6.37%
Odor Control	7,277,771	9,112,690	8,312,080	8,373,890	-8.11%	8,650,010	3.30%
Disinfection	3,304,635	3,640,200	1,338,000	1,196,000	-67.14%	1,258,000	5.18%
Chemicals-Cogen. Ops.	18,169	37,000	23,310	24,000	-35.14%	25,000	4.17%
Miscellaneous Chemicals	35,141	38,000	38,000	39,100	2.89%	40,230	2.89%
Gasoline, Diesel & Oil	514,042	452,600	609,480	635,710	40.46%	642,580	1.08%
Tools	303,975	339,390	371,540	378,290	11.46%	359,130	-5.06%
Safety Equipment/tools	467,095	506,180	516,560	788,780	55.83%	581,780	-26.24%
Solv, Paints, & Jan. Supplies	86,138	113,330	101,120	101,400	-10.53%	104,120	2.68%
Lab Chemicals & Supplies	652,175	731,600	655,580	620,640	-15.17%	632,590	1.93%
Misc. Operating Supplies	146,191	176,080	139,807	186,160	5.72%	152,660	-18.00%
Property Tax Fees	11,906	14,300	13,230	1,380	-90.35%	1,420	2.90%
Contractual Services							
Solids Removal	17,146,953	18,500,000	19,072,000	20,370,000	10.11%	21,388,500	5.00%
Other Waste Disposal	1,612,480	2,360,010	1,263,380	958,500	-59.39%	1,396,430	45.69%
Groundskeeping	256,012	255,000	149,970	202,000	-20.78%	204,100	1.04%
Janitorial	458,969	490,000	442,960	487,260	-0.56%	535,980	10.00%
Outside Lab Services	105,105	123,080	137,920	148,720	20.83%	148,930	0.14%
Oxygen Plant Oper	334,720	478,000	380,000	573,000	19.87%	671,500	17.19%
County Service Fee	556,331	412,000	557,120	559,790	35.87%	576,540	2.99%
Temporary Services	212,367	190,800	231,050	308,700	61.79%	204,700	-33.69%
Security Services	341,376	511,300	380,000	380,000	-25.68%	380,000	0.00%
Other	1,542,362	1,800,090	1,239,140	2,102,700	16.81%	2,424,700	15.31%

Operations Summary

Proposed Budget Net Operating Expense by Line Item (Continued)

Description	2010-11 Actual	Budget 2011-12	2011-12 Projected	2012-13 Proposed	Budget Change As A %	2013-14 Proposed	Budget Change As A %
<u>Professional Services</u>							
Legal	512,600	741,360	562,200	504,300	-31.98%	455,300	-9.72%
Audit & Accounting	82,352	162,060	157,103	277,230	71.07%	282,240	1.81%
Engineering	598,987	801,000	266,630	387,500	-51.62%	352,500	-9.03%
Enviro Scientific Consult	107,318	47,000	26,000	120,000	155.32%	140,000	16.67%
ERP Support	-	-	-	-	n/a	-	n/a
Software Prgm Consult	252,715	450,000	390,000	458,000	1.78%	425,000	-7.21%
Advocacy Efforts	242,000	207,000	205,000	216,000	4.35%	216,000	0.00%
Industrial Hygiene Svcs	14,135	30,000	50,000	50,000	66.67%	50,000	0.00%
Labor Negotiation Svc	16,039	-	2,500	114,500	n/a	81,000	-29.26%
Other	335,111	547,850	332,820	927,190	69.24%	429,590	-53.67%
<u>Research & Monitoring</u>							
Environmental Monitoring	312,941	460,100	355,650	280,480	-39.04%	330,780	17.93%
Air Quality Monitoring	73,969	135,000	100,000	93,000	-31.11%	96,000	3.23%
Research	591,896	460,000	250,000	445,000	-3.26%	445,000	0.00%
<u>Repairs & Maintenance</u>							
Materials & Services	9,610,442	10,260,640	8,959,190	9,061,730	-11.68%	9,775,940	7.88%
Service Maint. Agreements	1,620,403	2,122,280	1,735,920	2,110,330	-0.56%	2,134,450	1.14%
<u>Utilities</u>							
Telephone	220,830	300,000	250,000	310,000	3.33%	320,000	3.23%
Diesel For Generators	13,720	20,000	13,000	20,000	0.00%	20,000	0.00%
Natural Gas	374,457	678,000	408,000	419,000	-38.20%	604,000	44.15%
Electricity	5,153,027	7,200,300	5,839,422	6,151,200	-14.57%	6,465,650	5.11%
Water	1,185,749	1,448,000	1,293,000	1,305,750	-9.82%	1,344,090	2.94%
<u>Other Operating Costs</u>							
Outside Equip Rental	100	4,600	5,500	5,550	20.65%	5,550	0.00%
Insurance Premiums	32,411	37,000	31,200	35,000	-5.41%	35,000	0.00%
In-Lieu Insurance Premium	939,504	1,082,100	1,082,100	1,300,000	20.14%	1,300,000	0.00%
Freight	77,742	136,440	84,730	89,120	-34.68%	89,160	0.04%
Misc. Operating Expense	75,739	199,690	178,828	188,210	-5.75%	165,590	-12.02%
Uncollectible Accounts	-	-	-	-	n/a	-	n/a
Regulatory Operating Fees	527,199	616,400	684,000	697,000	13.08%	717,000	2.87%
Contingency	-	235,300	-	371,800	58.01%	384,600	3.44%
Prior year reappropriation	-	2,600	-	371,800	14200.00%	384,600	3.44%
Other Interest Expense	-	-	-	-	n/a	-	n/a
Loss on obsolete inventory	170	136,000	5,300	2,510	-98.15%	2,510	0.00%
Other Non-Oper Expense	40,405	96,080	73,330	92,770	-3.45%	92,790	0.02%
Capital Grants-Member Agencies	-	-	(9,420)	-	n/a	-	n/a
Materials, Supplies, & Services	66,671,169	79,442,570	68,609,240	75,108,250	-5.46%	77,696,330	3.45%
Total Operating Requirements	156,876,972	177,057,140	162,444,310	169,413,420	-4.32%	173,981,300	2.70%
Cost Allocation	(19,647,993)	(24,511,600)	(18,274,660)	(17,806,800)	-27.35%	(18,220,200)	2.32%
Net Operating Requirements	\$ 137,228,979	\$ 152,545,540	\$ 144,169,650	\$ 151,606,620	-0.62%	\$ 155,761,100	2.74%
Cost to Collect, Treat, & Dispose of 1 Million Gallons	\$ 1,816.62	\$ 2,013.48	\$ 1,968.48	\$ 2,016.31		\$ 2,051.65	
Flow, Million Gallons	75,541	75,762	73,239	75,190		75,920	
Flow Per Day, MGD	206.96	207.00	200.11	206.00		208.00	

2012-13 & 2013-14 Budget

NOTES TO THE FISCAL YEAR 2012-13 and 2013-14 OPERATIONS BUDGET

Salaries, Wages & Benefits

Salaries & Wages - The proposed budget is set at 627.5 Full Time Equivalent (FTE) positions for FY 2012-13 and 2013-14. Provision has been made in the proposed salaries for FY 2012-13 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 for periods beyond the expiration of current MOU's.

Retirement - The District's employees are members of the Orange County Employees' Retirement System. Employees participate in one of two plans depending on hire date: Plan G/H (older) or Plan B (newer, with a lower retirement benefit). The employer's required contribution rate for Plan G/H has been increased from 25.68% to 27.47% and 31.95% in FY 2012-13 and 2013-14, respectively. The employer's required contribution for Plan B has been increased from 24.89% to 26.69% and 30.77% in FY 2012-13 and 2013-14, respectively. In addition, the District pays 3.5% on behalf of each employee.

Group Insurance - This includes the District's share of employees' medical and dental insurance plans, and life and disability insurance premiums. It also includes the other post-employment benefits that the District is obligated to pay for retirees. The FY 2012-13 and 2013-14 budgets include estimated 11% and 6% annual increases for medical and dental plans, respectively. The FY 2012-13 budget also includes an estimated 3% increase for all other plans, which are under fixed contract through FY 2012-13 so there is no change in the FY 2012-13 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 \$155,000 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 \$275,900 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 \$942,500 for FY 2012-13 and \$750,000 for FY 2013-14. 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. The District continues to place an emphasis on safety, technical, leadership and management training. The training

Notes to Operations Summary

budget has held constant between between 2% and 1.5% of budgeted, regular salaries.

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.

The anionic polymer budget for FY 2012-13 is \$381,000 with FY2013-14 increasing to \$400,050 because of a 5% anticipated unit rate increase. The cationic polymer budgets are \$1,630,000 for FY 2012-13 and \$1,711,500 in FY 2013-14. The projected ferric chloride budget for FY 2012-13 is \$4,900,000 and \$5,239,500 in FY2013-1, a 7% increase due to anticipated changes in unit rates.

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. The treatment plant odor control chemicals budgets reflect a \$230,000 decrease from FY 2011-12, with an increase of \$100,000 in FY 2013-14 because of unit rate increases.

Ferrous chloride, magnesium hydroxide, calcium nitrate, and hydrogen peroxide are the primary odor control chemicals used within the collection system. The FY 2012-13 budgets for these chemicals has remained approximately the same at \$6.5 million, primarily as a result of decreased usage with chemical optimization and estimated unit rates increases.

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.

Sodium Hypochlorite (Bleach) – Approximately 79% of all bleach will be used for effluent disinfection in FY 2012-13, a 22% decrease. The remaining treatment plant bleach usage is disinfection of plant water and odor control. It is anticipated that the District treatment plant bleach budgets will be \$1,001,000 in FY 2012-13 and \$1,053,250 in FY 2013-14.

Sodium Bisulfite – Sodium bisulfite is used for dechlorination of outfall effluent at Plant 2 to ensure that no residual chlorine is discharged into

the ocean. Sodium bisulfite usage decreased with the decrease in effluent disinfection bleach during FY 2011-12. That is anticipated to remain the same during fiscal years 2012-13 and 2013-14.

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 expenses for gasoline and diesel fuel increased by 57% during FY 2011-12 and will remain the same in the near future. The other budgets for this group of items should be essentially unchanged for the next two fiscal years.

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 remain the same except for the purchase of Lock-Out-Tag-Out equipment and gas monitors by the Safety and Health Division in FY 2012-13.

Contractual Services - The major component of this category is biosolids removal and transportation costs. Contracts have been executed with firms for agricultural reuse of residual solids, composting, and fuel technology/synthetic coal. There will also be an Orange County landfill site available during FY 2012-13 for biosolids disposal. A total of \$21.3 million has been budgeted for solids and other waste removal and transportation in FY 2012-13 and \$22.8 million in FY 2013-14.

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

2012-13 & 2013-14 Budget

accounting services, legislative advocacy, engineering, and other technical consulting services.

Research and Monitoring - Overall this category of costs is expected to decrease approximately \$236,600 in FY 2012-13 and then increase by \$50,000 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 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 - Over 98% of these budgets support the maintenance of the collection system and the treatment plants. These line items also reflect base budgets for equipment maintenance. Out-sourced annual service contracts and maintenance agreements are also included. The FY 2012-13 and FY 2013-14 budgets include maintenance costs totaling \$9.8 million and \$10.6 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.

O&M contracted materials and services for FY 2012-13 include: process area painting preventive maintenance; flooring and window cleaning; Dig Alert and street overlays/manhole raising; manhole cover purchases; easement improvements; secondary clarifier and cross-collector maintenance; various valve replacements; and other maintenance services and operating materials, including warehouse stock.

Utilities - The cost for utilities is a significant component of the operating budget. In FY2012-13, the overall cost for utilities is anticipated to decrease by \$1.4 million from the FY 2011-12 budget and then to increase by \$550,000 in FY 2013-14.

Natural Gas - Natural gas is purchased to supplement the digester gas that is used to run the central generation facilities. The total FY 2012-13 natural gas budget is \$419,000, approximately the same as last fiscal year; there were no new air quality permit requirements. Plant 1 Engine 2 is down for major overhaul until

September which will greatly reduce the ability to peak shave. Therefore, less natural gas will be used from June to October. A natural gas budget increase in FY 2013-14 reflects the ability to peak shave with the repair of the Plant 1 engine in FY 2013-14.

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 treatment plants and support buildings estimated consumption and resulting costs for electrical energy purchased from Southern California Edison for the 2012-13 fiscal year are \$5,427,000 and the pump stations budget for the same period is \$602,200. Other support buildings power costs are \$522,000, completing the total estimated power costs for FY 2012-13. During the summer of 2012, more electricity will be purchased because of the inability to peak shave.

Other Materials, Supplies, and Services

Insurance Premiums - Other than approximately \$35,000 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 \$2.076M for FY 2012-13 and \$1.313M for FY 2013-14. The total estimated expenditures for the insurance program are set forth in detail in the Self-Insurance section.

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 2012-13.

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 138 through 139, without further Board action in accordance with the referenced policy.

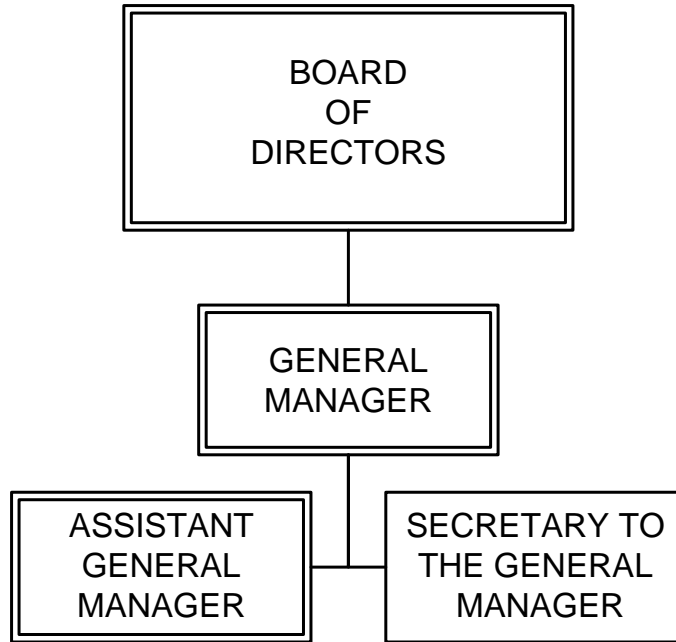
<u>Description of Services or Supplies</u>	<u>Division</u>	<u>Contract Authorization</u>	<u>Change Order Contingency (1)</u>
<u>Chemical Contracts</u>			
Caustic soda for odor and corrosion control	340	\$ 200,000	0% (2)
Magnesium hydroxide for odor and corrosion control	340	2,268,000	0% (2)
Ferrous chloride for odor and corrosion control	340	3,200,000	0% (2)
Calcium nitrate for odor and corrosion control	340	750,460	0% (2)
Anionic polymers for primary treatment	830/840	381,000	0% (2)
Cationic polymers for solids dewatering and coagulation	830/840	1,630,000	0% (2)
Ferric chloride for primary treatment	830/840	4,900,000	0% (2)
Caustic soda for odor and corrosion control	830/840	293,000	0% (2)
Hydrogen peroxide for odor control	830	1,130,000	0% (2)
Bleach for odor control, process control, and disinfection	830/840	1,362,000	0% (2)
Sodium bisulfite for dechlorination	840	195,000	0% (2)
<u>Other Contracts</u>			
Uniform contract	230	200,000	10%
Contractual resources	230	200,000	10%
IBM Software Maintenance	250	215,000	10%
Microsoft Enterprise License Agreement	250	225,000	10%
Oracle Software Maintenance	250	142,000	10%
License & service maintenance of plant security system	250	110,000	10%
Copy center managed services	250	275,000	10%
Security	260	380,000	10%
Hazardous waste disposal	260	175,000	10%
Safety training services	260	105,000	10%
Aon - OCIP broker	260	150,000	10%
Vehicle fuel	320	300,000	10%
Landscape maintenance	330	150,000	10%
Janitorial services	330	487,260	10%
CCTV services for sewers	330	450,000	10%
Local sewer line cleaning	330	405,000	10%
Adjust manhole frames and covers	330	250,000	10%
Sewer repair and relining	330	230,000	10%
Contract traffic control	330	105,000	10%
Manhole structural repair and coating services	330	350,000	10%
On-call architect/engineering consultant	330	175,000	10%
Process area preventive maintenance/painting program	330	797,500	10%
Manhole frames and covers for overlay program	330	200,000	10%
CEMS maintenance contract	330	217,000	10%
Tree maintenance agreement	330	200,000	10%
Manhole frames and covers for Collections	340	170,000	10%
Solids removal	830/840	20,370,000	10%
Grit and screenings hauling and disposal	830/840	713,000	10%
Oxygen plant services for secondary treatment	840	573,000	10%
Carbon replacement on carbon scrubbers	840	333,000	10%
Electric protective relay calibration and testing	860	200,000	10%
Natural gas for CenGen	860	284,000	10%
Carbon changes for CenGen Di-Gas cleaning	860	200,000	10%
CenGen heat recovery unit (boiler) rebuilds	860	150,000	10%
Benthic sorting and SPS/regional infauna	890	159,500	10%
Total		<u>\$ 45,955,720</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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OPERATING DIVISIONS
SECTION 6

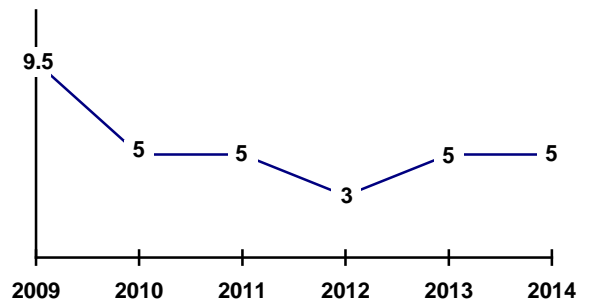


2012-13 & 2013-14 Authorized FTE Positions

Executive Manager	2.0
Supervisors / Professionals	1.0
Management Discretion	2.0

Total 5.0

Staffing Trends



2012-13 & 2013-14 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.

2011-12 Performance Objectives

- ◆ Ensure that the gross collection, treatment, and disposal cost per million gallons does not exceed \$1,992.89/MG by the end of FY 2011-12.
- ◆ Ensure the District does not exceed 637 FTEs by the end 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.

2011-12 Performance Results

- ◆ Through 9 months the cost has been \$1,881.24/mg. While expenditures are below budget, flows are also 9.8% below estimates.
- ◆ Actual FTE count of 579.5 as of March 31, 2012.
- ◆ 73.5% of FY 2011-12 CIP budget estimated for delivery.
- ◆ Appropriations not secured because Congress stopped earmarks in 2010 and 2011.
- ◆ Dashboard updated end of each quarter.
- ◆ Agreement with IRWD complete. Agreement with SAWPA cancelled.

2012-13 & 2013-14 Performance Objectives

- ◆ Ensure collection, treatment, and disposal cost per million gallons does not exceed \$2,016.31 by end of fiscal year 2012-13 and \$2,051.65/MG by end of fiscal year 2013-14.
- ◆ Ensure the District does not exceed 627.75 FTEs by the end of fiscal year 2012-13 and fiscal year 2013-14.
- ◆ Deliver 80%+ of each fiscal year's CIP budget.
- ◆ Submit for board action the annual update of the 5-year strategic plan.
- ◆ Achieve compliance with the final consent decree by December 31, 2012.

Performance Measures

Summary	2010-11 Actual	2011-12 Projected	2012-13 Proposed	2013-14 Proposed	Justification
◆ Cost per Million Gallons	\$1,816.62	\$1,968.48	\$ 2,016.31	\$ 2,051.65	In-house standard
◆ FTE Count	641	631.5	627.75	627.75	Budgeted Staffing Plan
◆ 80+% of CIP Budget	75.6%	73.5%	80%+	80%+	In-house standard
◆ Annual Update of 5-Year Strategic Plan	N/A	N/A	November	November	In-house Standard
◆ Consent decree compliance	N/A	N/A	December 31, 2012	N/A	EPA and Regional Board Requirement

General Management Administration

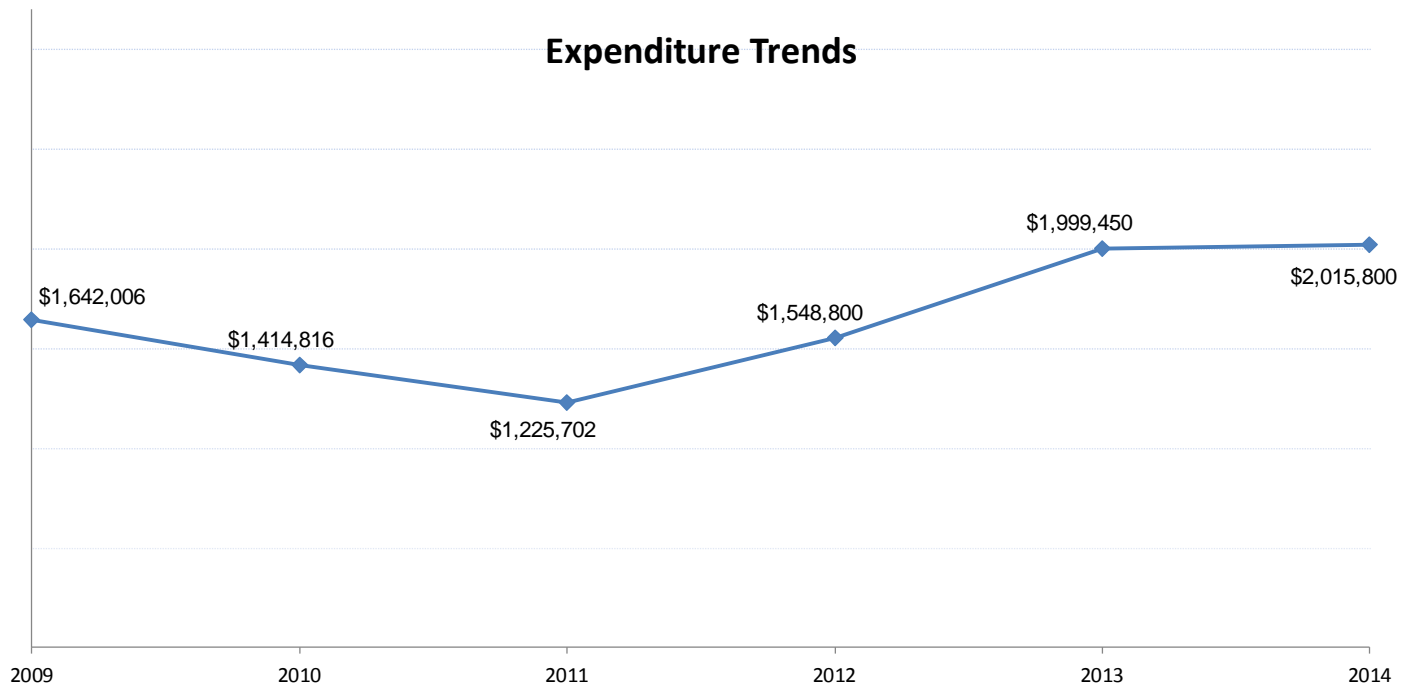
Budget Overview

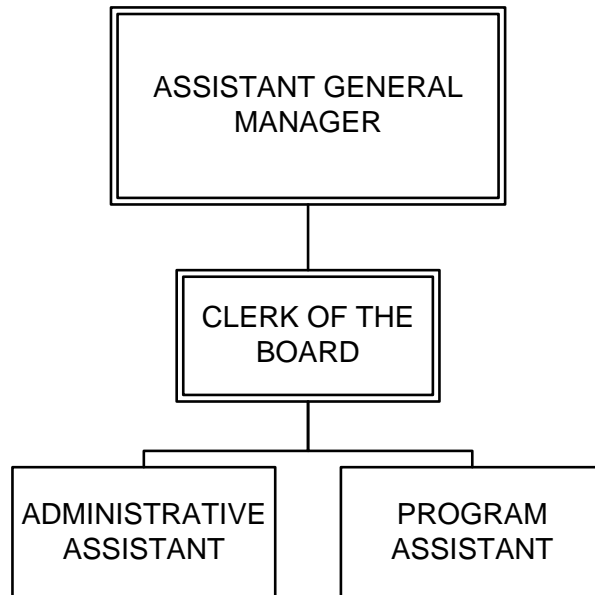
The FY 2012-13 & 2013-14 budgets for the General Manager's office reflect increases of 29% and 1% over the prior year, respectively. The increase is primarily due to restoring the General Manager's contingency and reappropriations each to 0.5 percent of the District's overall non-salary related operating budget.

2011-12 Adjusted Budget - Total Operating Requirements	\$ 1,548,800
<i>Salaries for Position Changes:</i>	
Transfer of Positions from/(to) Other Divisions	
New or (decreased) FTE	-
<i>Changes in Personnel Expenses:</i>	
Other net salary adjustments	(6,200)
Change in OCERS retirement costs	(67,500)
Change in group insurance costs	800
Other benefit cost adjustments	(15,300)
<i>Other Cost Adjustments:</i>	
Increase in memberships	15,000
Increase in meetings	3,200
Increase in legal services	15,000
Increase in General Manager's contingency / reappropriations	505,700
<i>Aggregate change in Other Categories:</i>	
Aggregate change in other materials, supplies, and services	(50)
2012-13 Proposed Budget - Total Operating Requirements	\$ 1,999,450
<i>Changes in Personnel Expenses:</i>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	-
Change in OCERS retirement costs	-
Change in group insurance costs	2,500
Other benefit cost adjustments	(900)
<i>Other Cost Adjustments:</i>	
Decrease in legal services	(10,000)
Decrease in electricity costs of the administration building	(1,000)
Increase in General Manager's contingency / reappropriations	25,600
<i>Aggregate change in Other Categories:</i>	
Aggregate change in other materials, supplies, and services	150
2013-14 Proposed Budget - Total Operating Requirements	\$ 2,015,800

2012-13 & 2013-14 Budget

Operating Expenses By Category	2010-11 Actual	2011-12 Revised Budget	2011-12 Projected	2012-13 Proposed	Budget % Change	2013-14 Proposed	Budget % Change
Personnel	\$ 884,773	\$ 957,700	\$ 918,200	\$ 869,500	(9.21%)	\$ 871,100	0.18%
Supplies	152,586	177,500	186,310	195,350	10.06%	195,500	0.08%
Professional & Contractual Services	75,534	52,700	79,700	68,000	29.03%	58,000	(14.71%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	108,969	122,000	114,000	122,000	-	121,000	(0.82%)
Other	3,840	238,900	800	744,600	211.68%	770,200	3.44%
Total	\$ 1,225,702	\$ 1,548,800	\$ 1,299,010	\$ 1,999,450	29.10%	\$ 2,015,800	0.82%



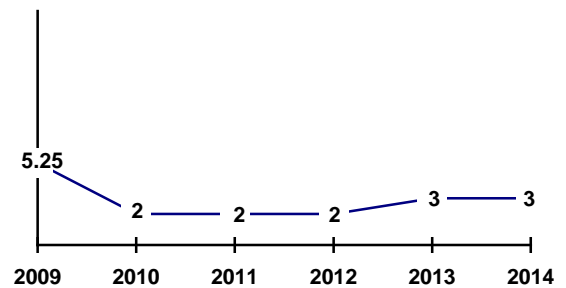


2012-13 & 2013-14 Authorized FTE Positions

Supervisors / Professionals	1.00
Administrative / Clerical	2.00

Total 3.00

Staffing Trends



2012-13 & 2013-14 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.

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.

2011-12 Performance Results

- Achieved 100% success rate.
- Achieved 100% success rate.
- Achieved 100% success rate.

2012-13 & 2013-14 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	2010-11 Actual	2011-12 Projected	2012-13 Proposed	2013-14 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

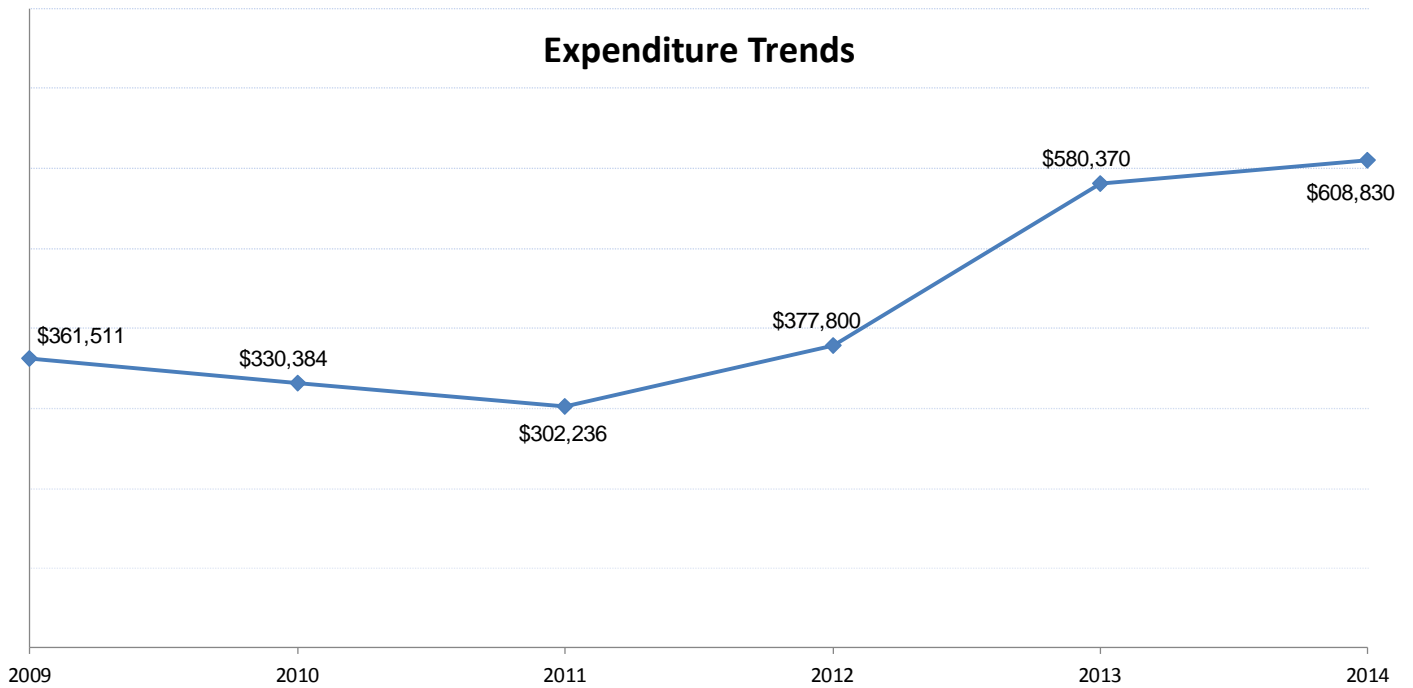
Budget Overview

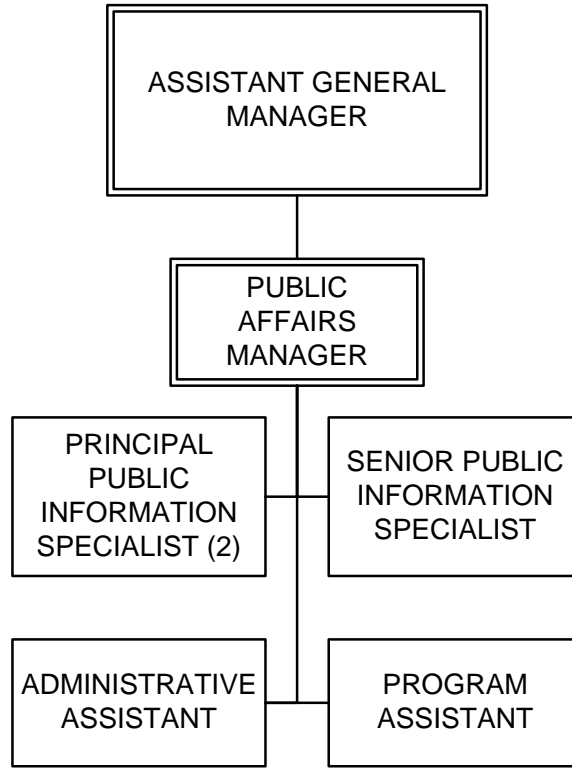
The FY 2012-13 & 2013-14 budgets for the Board Services Division reflect increases of 54% and 5% over the prior year, respectively. The increases are primarily due to the transfer of 1 FTE position and salary and benefits adjustments.

2011-12 Adjusted Budget - Total Operating Requirements	\$ 377,800
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	72,900
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	55,700
Change in OCERS retirement costs	33,600
Change in group insurance costs	40,600
Other benefit cost adjustments	2,600
Other Cost Adjustments:	
Decrease in postage	(1,000)
Decrease in in-house reproduction services	(1,000)
Decrease in meetings	(670)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(160)
2012-13 Proposed Budget - Total Operating Requirements	\$ 580,370
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	19,000
Change in OCERS retirement costs	5,300
Change in group insurance costs	6,700
Other benefit cost adjustments	(1,500)
Other Cost Adjustments:	
Increase in memberships	460
Decrease in service maintenance agreements	(1,500)
Aggregate change in Other Categories:	
No other cost changes	-
2013-14 Proposed Budget - Total Operating Requirements	\$ 608,830

2012-13 & 2013-14 Budget

Operating Expenses By Category	2010-11 Actual	2011-12 Revised Budget	2011-12 Projected	2012-13 Proposed	Budget % Change	2013-14 Proposed	Budget % Change
Personnel	\$ 239,386	\$ 319,100	\$ 271,400	\$ 524,500	64.37%	\$ 554,000	5.62%
Supplies	5,360	7,180	5,110	4,370	(39.14%)	4,830	10.53%
Professional & Contractual Services	57,490	50,000	52,500	50,000	-	50,000	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	1,500	-	1,500	-	-	(100.00%)
Utilities	-	-	-	-	-	-	-
Other	-	20	-	-	(100.00%)	-	-
Total	\$ 302,236	\$ 377,800	\$ 329,010	\$ 580,370	53.62%	\$ 608,830	4.90%



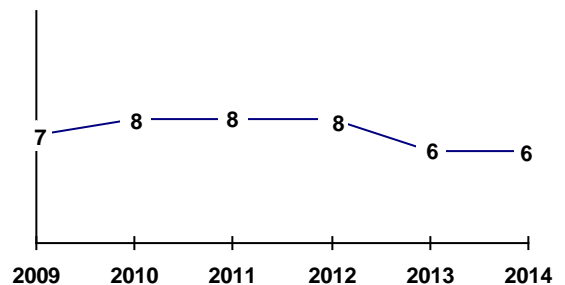


2012-13 & 2013-14 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	3.0
Administrative & Clerical	2.0

Total **6.0**

Staffing Trends



2012-13 & 2013-14 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 five 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.

2011-12 Performance Objectives	2011-12 Performance Results
<ul style="list-style-type: none"> ◆ 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. 	<ul style="list-style-type: none"> ◆ Produced and circulated monthly employee newsletter and daily articles on MyOCSD. ◆ Developed and produced a weekly email "3 Things to Know Now" and a monthly bulletin. ◆ Coordinated employee events including Fall Harvest Festival, Holiday Lunches, Honor Walk event, and Chat Rooms. ◆ Designed and implemented new educational campaign entitled "We're Here for You." ◆ Increased public awareness by conducting more than 120 tours, reaching over 2,000 people, 30 speaking engagements and more than 10 community events. ◆ Produced a new employee orientation video. ◆ Developed proactive message campaign and response to media stories including salaries, OC Grand Jury, Reserves, Manager salary increases, etc. ◆ Produced and circulated quarterly e-newsletter. ◆ Participated daily in Social Media sites. ◆ Pitched and hosted KTLA morning TV show, Mark Burnett Productions and the Oprah Winfrey Network. ◆ Designed and implemented a new Website under the domain www.ocsewers.com. ◆ Hosted a Hydrogen Fuel station opening and press conference. ◆ Designed and implemented a new public education campaign entitled "What 2 Flush". ◆ Held a High School Video Contest. ◆ Assisted in developing communications and message points 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.

2012-13 & 2013-14 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.

Summary	Performance Measures				Justification
	2010-11 Actual	2011-12 Projected	2012-13 Proposed	2013-14 Proposed	
◆ Internal Services & Programs	95%	95%	95%	95%	In-house standard
◆ External Services & Programs	95%	95%	95%	95%	In-house standard
◆ Board of Directors & GM Support	95%	95%	95%	95%	In-house standard

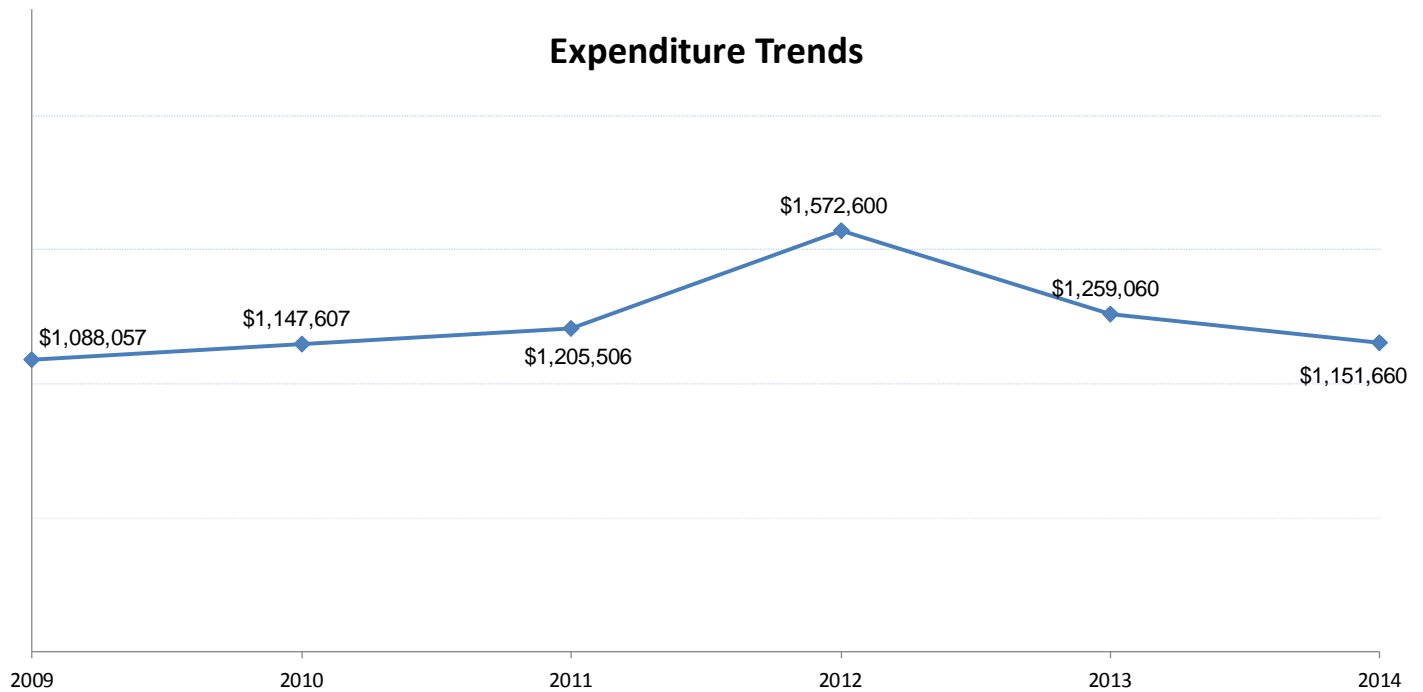
Budget Overview

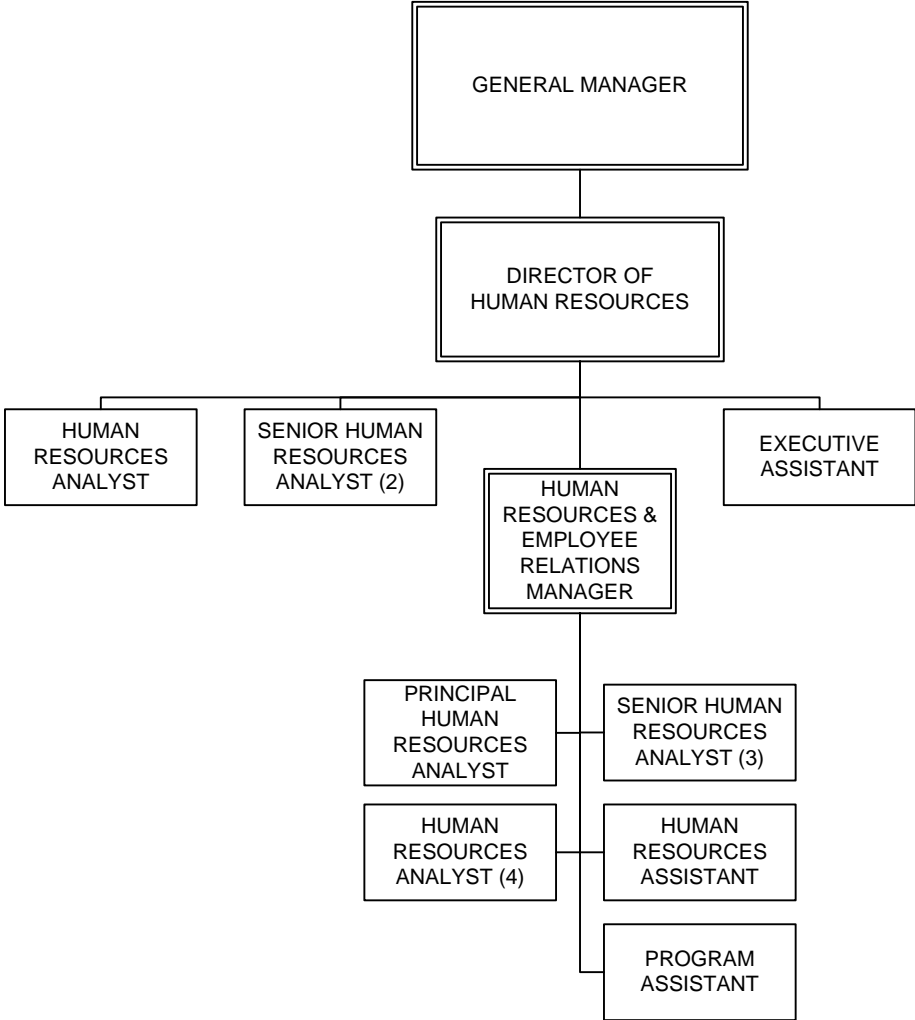
The FY 2012-13 & 2013-14 budgets for the Public Affairs Office Division reflect decreases of 20% and 9% from the prior year, respectively. The decrease is primarily due to staffing reallocations, in addition to decreases in retirement and group insurance costs, and other professional services.

2011-12 Adjusted Budget - Total Operating Requirements	\$ 1,572,600
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	24,300
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(206,500)
Change in OCERS retirement costs	(54,100)
Change in group insurance costs	(41,800)
Other benefit cost adjustments	(10,000)
Other Cost Adjustments:	
Decrease in minor furniture & fixtures	(20,000)
Decrease in meetings	(4,030)
Increase in safety equipment/tools	1,500
Increase in temporary services	31,200
Decrease in other professional services	(59,100)
Increase in miscellaneous operating expense	25,900
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(910)
2012-13 Proposed Budget - Total Operating Requirements	\$ 1,259,060
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	1,600
Change in OCERS retirement costs	500
Change in group insurance costs	6,500
Other benefit cost adjustments	(1,500)
Other Cost Adjustments:	
Decrease in safety equipment/tools	(1,000)
Decrease in temporary services	(60,000)
Decrease in safety equipment/tools	(1,000)
Decrease in other professional services	(29,000)
Decrease in miscellaneous operating expense	(23,000)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(500)
2013-14 Proposed Budget - Total Operating Requirements	\$ 1,151,660

2012-13 & 2013-14 Budget

Operating Expenses By Category	2010-11 Actual	2011-12 Revised Budget	2011-12 Projected	2012-13 Proposed	Budget % Change	2013-14 Proposed	Budget % Change
Personnel	\$ 908,495	\$ 1,071,000	\$ 874,300	\$ 782,900	(26.90%)	\$ 790,000	0.91%
Supplies	49,455	90,700	88,750	67,260	(25.84%)	64,760	(3.72%)
Professional & Contractual Services	222,271	335,900	347,000	308,000	(8.31%)	219,000	(28.90%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	2	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	25,283	75,000	75,000	100,900	34.53%	77,900	(22.79%)
Total	\$ 1,205,506	\$ 1,572,600	\$ 1,385,050	\$ 1,259,060	(19.94%)	\$ 1,151,660	(8.53%)



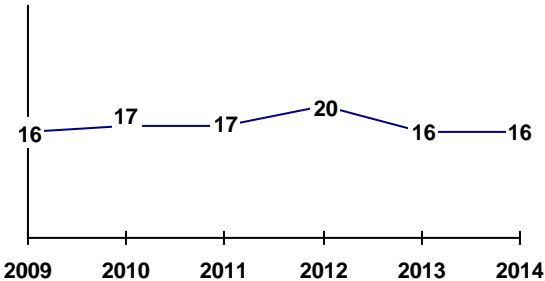


2012-13 & 2013-14 Authorized FTE Positions

Executive Manager	1.0
Manager	1.0
Supervisors / Professionals	11.0
Administrative/Clerical	3.0

Total 16.0

Staffing Trends



2012-13 & 2013-14 Budget

Service Description

We work with employees and management to ensure an effective and productive employment relationship.

2011-12 Performance Objectives	2011-12 Performance Results
◆ Meet the training Level of Service of 45 hours per employee by June 2012.	◆ 45 hours per employee.
◆ Continuous development of Succession Management through June 2012.	◆ Implemented.
◆ Continuous development of Performance Management through June 2012.	◆ Implemented.
◆ Implement Employee Outreach through June 2012.	◆ Implemented.
◆ Enhance HR Technologies by June 2012.	◆ N/A.
◆ Implement Staffing Procedures through June 2012.	◆ Study Complete.

2012-13 & 2013-14 Performance Objectives

- ◆ Implement Workforce Development through June 2014.
- ◆ Development of HR Strategic Plan through June 2014.
- ◆ Implement Organizational Performance Measures through June 2014.
- ◆ Continuous Leadership Development through June 2014.
- ◆ Support departments in the development of a two-year Workforce Plan.
- ◆ Meet the Training Level of Service of 45 hours per employee.
- ◆ Manage the department's budget to within 90% to 100% of the approved amount.

Performance Measures

Summary	2010-11 Actual	2011-12 Projected	2012-13 Proposed	2013-14 Proposed	Justification
◆ Workforce Development	N/A	N/A	Implement	Sustain	OCSD Strategic Plan
◆ HR Strategic Plan	N/A	N/A	Sustain	Sustain	Department Goal
◆ Performance Measures	N/A	N/A	Implement	Sustain	HR Work Plan
◆ Continuous Leadership Development	N/A	N/A	Sustain	Sustain	OCSD Strategic Plan
◆ Workforce Planning	N/A	N/A	Implement	Sustain	HR Work Plan
◆ Training Level of Service	39 hrs./empl	45 hrs./empl	45 hrs./empl	45 hrs./empl	Level of Service
◆ Budget Management	59.61%	87.3%	90 – 100%	90 – 100%	OCSD Strategic Plan

Human Resources

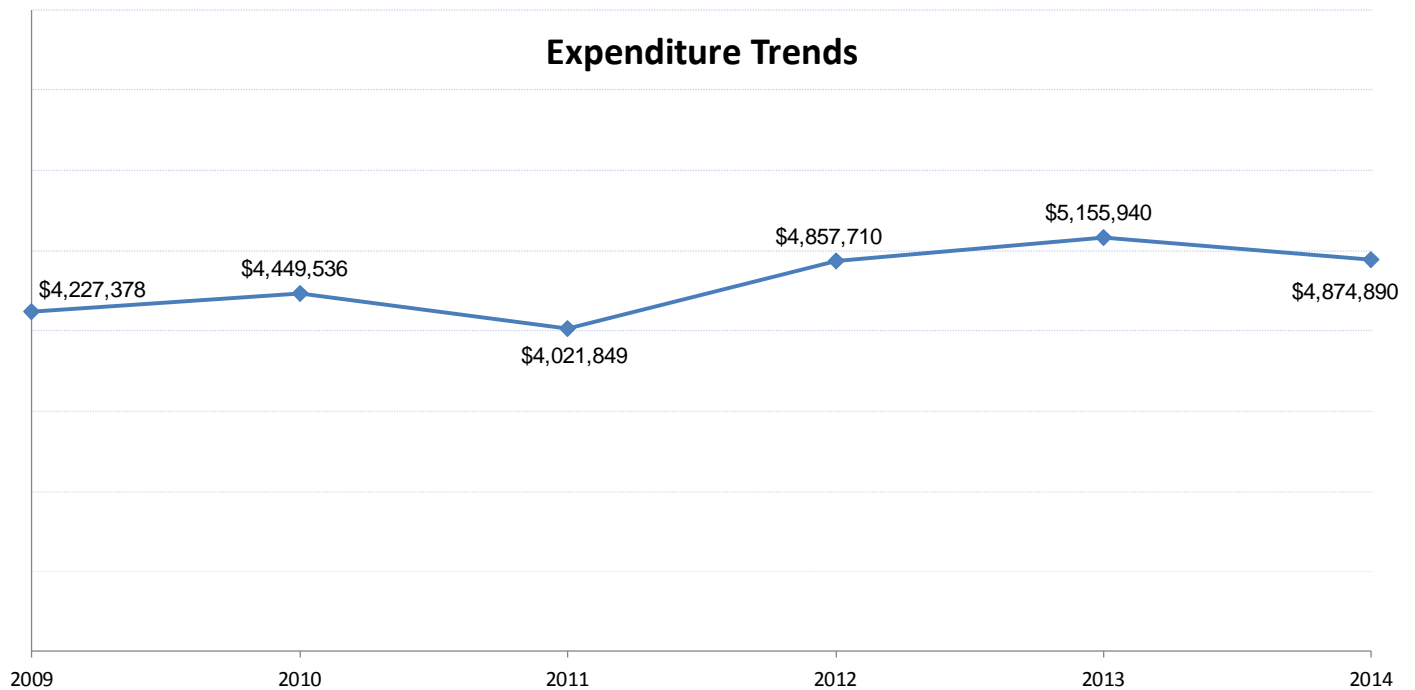
Budget Overview

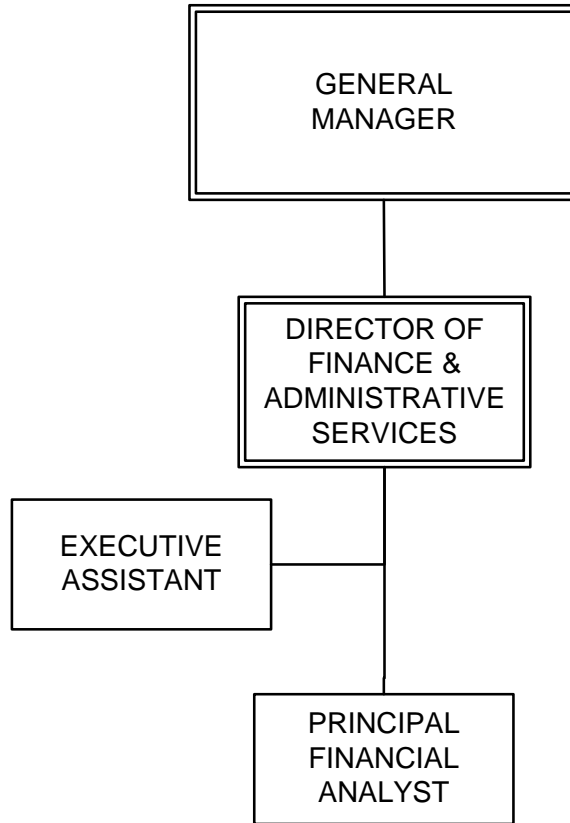
The FY 2012-13 & 2013-14 budgets for the Human Resources Division reflect an increase of 6% and a decrease of 5% over the prior year, respectively. The increase is mainly due to increases in training costs and labor negotiation services for FY 2012-13. These increases are offset somewhat by a decrease in legal services.

2011-12 Adjusted Budget - Total Operating Requirements	\$ 4,857,710
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	20,000
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(47,800)
Change in OCERS retirement costs	(17,500)
Change in group insurance costs	(15,300)
Other benefit cost adjustments	17,700
Other Cost Adjustments:	
Decrease in books and publications	(5,800)
Increase in training	531,220
Increase in other contractual services	3,960
Decrease in legal services	(279,160)
Increase in labor negotiation services	114,500
Increase in other professional services	9,200
Decrease in other non-operating expense	(32,370)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(420)
2012-13 Proposed Budget - Total Operating Requirements	\$ 5,155,940
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	22,000
Change in OCERS retirement costs	5,900
Change in group insurance costs	21,100
Other benefit cost adjustments	(4,900)
Other Cost Adjustments:	
Decrease in training	(266,400)
Decrease in labor negotiation services	(33,500)
Decrease in other professional services	(25,000)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(250)
2013-14 Proposed Budget - Total Operating Requirements	\$ 4,874,890

2012-13 & 2013-14 Budget

Operating Expenses By Category	2010-11 Actual	2011-12 Revised Budget	2011-12 Projected	2012-13 Proposed	Budget % Change	2013-14 Proposed	Budget % Change
Personnel	\$ 3,217,464	\$ 3,633,270	\$ 3,396,170	\$ 3,590,370	(1.18%)	\$ 3,634,470	1.23%
Supplies	405,060	588,050	543,470	1,113,550	89.36%	846,900	(23.95%)
Professional & Contractual Services	370,946	553,500	241,840	402,000	(27.37%)	343,500	(14.55%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	28,379	82,890	60,760	50,020	(39.65%)	50,020	-
Total	\$ 4,021,849	\$ 4,857,710	\$ 4,242,240	\$ 5,155,940	6.14%	\$ 4,874,890	(5.45%)



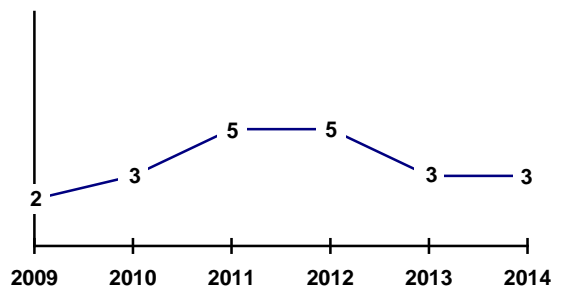


2012-13 & 2013-14 Authorized FTE Positions

Executive Manager	1.0
Supervisors / Professionals	1.0
Administrative / Clerical	1.0

Total **3.0**

Staffing Trends



2012-13 & 2013-14 Budget

Service Description

The mission of the Administrative Services Administration Division is to oversee the functions of the Financial Management, Contracts, Purchasing, & Materials Management, Information Technology, and Risk Management 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.

2011-12 Performance Measures

- ◆ Submittal of annual sewer service fees (SSF) within property parcel database to the County by August 10th.
- ◆ 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 2012.
- ◆ Coordinate and uphold solicitation schedules in support of planned projects and emergency procurements.

2011-12 Performance Results

- ◆ Submittal completed in time for placement on 2011-12 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.

2012-13 & 2013-14 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.
- ◆ Obtain OSHA's Voluntary Protection Program (VVP) certification promoting an effective worksite-based safety and health.

Performance Measures

Summary	2010-11 Actual	2011-12 Projected	2012-13 Proposed	2013-14 Proposed	Justification
◆ Investment compliance	Yes	Yes	Expected	Expected	In-house standard
◆ Uphold solicitation schedules	100%	100%	100%	100%	In-house standard
◆ OSHA's VVP certification	N/A	N/A	In Progress	Obtain	In-house standard

Administrative Services Administration

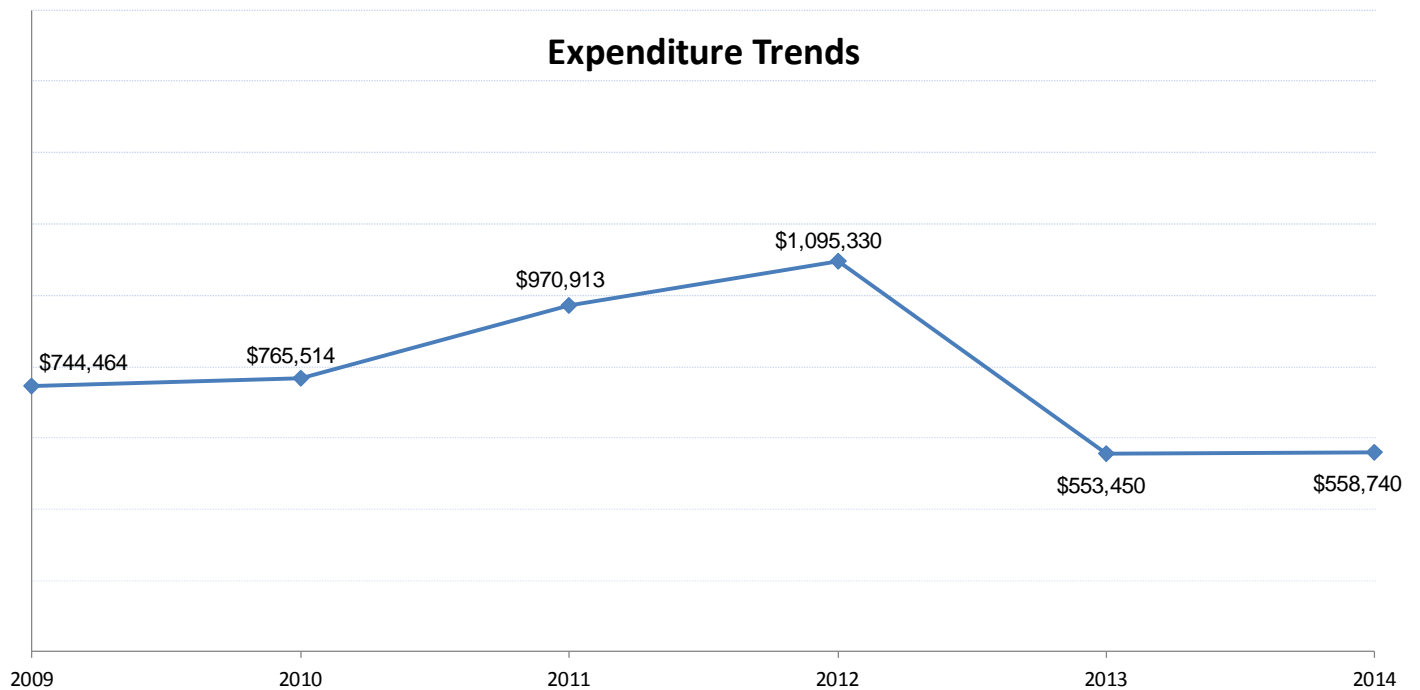
Budget Overview

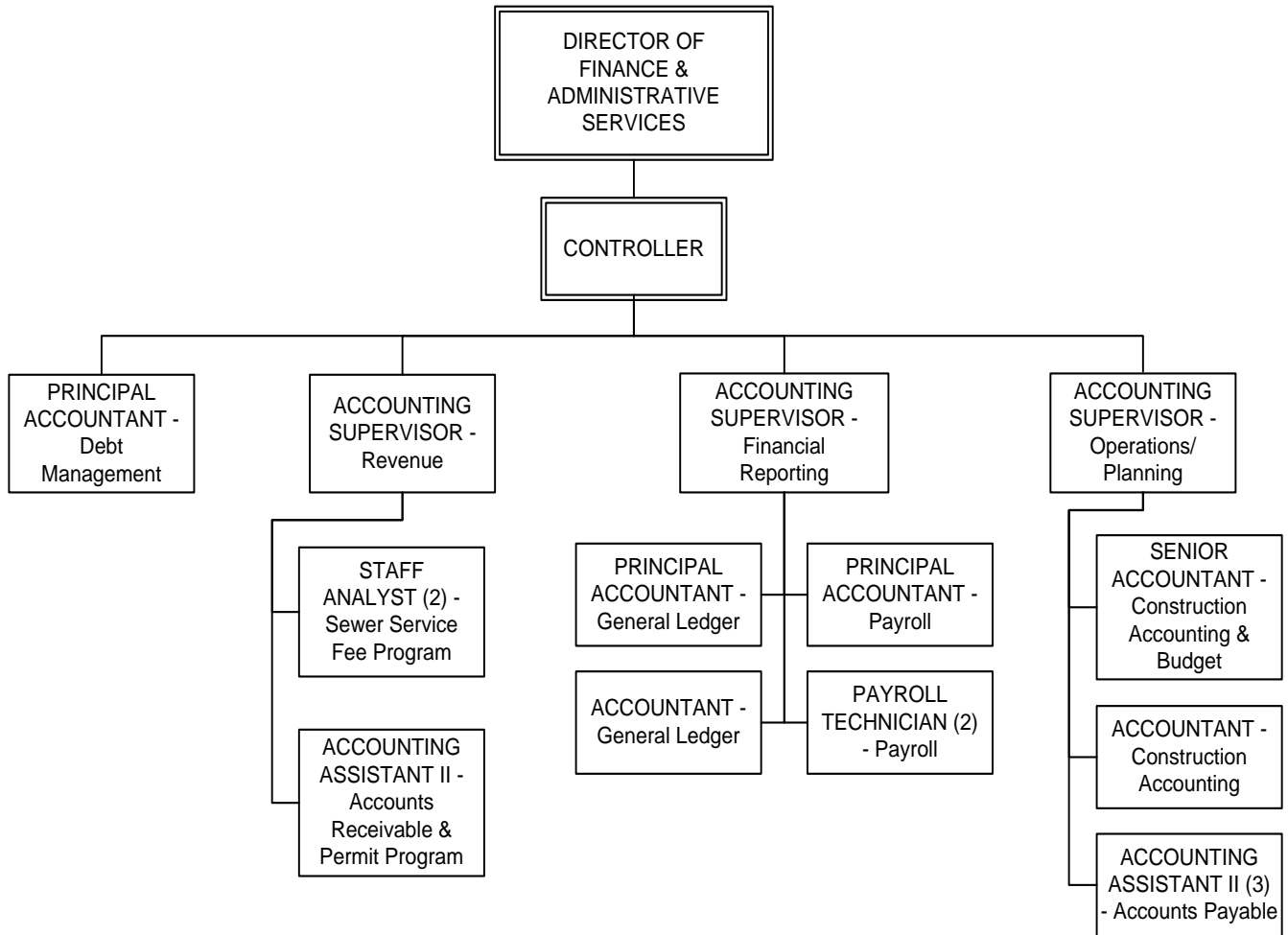
The FY 2012-13 & 2013-14 budgets for the Administrative Services Administration Division reflect a decrease of 49% and an increase of 1% over the prior year, respectively. The decrease is primarily due to the transfer of 2 FTE positions and salary and benefits adjustments.

2011-12 Adjusted Budget - Total Operating Requirements	\$ 1,095,330
<i>Salaries for Position Changes:</i>	
Transfer of Positions from/(to) Other Divisions	(236,500)
New or (decreased) FTE	-
<i>Changes in Personnel Expenses:</i>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(118,300)
Change in OCERS retirement costs	(109,000)
Change in group insurance costs	(31,800)
Other benefit cost adjustments	(9,500)
<i>Other Cost Adjustments:</i>	
Decrease in meetings	(1,440)
Decrease in audit and accounting services	(20,000)
Decrease in other professional services	(15,000)
<i>Aggregate change in Other Categories:</i>	
Aggregate change in other materials, supplies, and services	(340)
2012-13 Proposed Budget - Total Operating Requirements	\$ 553,450
<i>Changes in Personnel Expenses:</i>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	1,800
Change in OCERS retirement costs	600
Change in group insurance costs	3,700
Other benefit cost adjustments	(900)
<i>Other Cost Adjustments:</i>	
No other significant cost changes	
<i>Aggregate change in Other Categories:</i>	
Aggregate change in other materials, supplies, and services	90
2013-14 Proposed Budget - Total Operating Requirements	\$ 558,740

2012-13 & 2013-14 Budget

Operating Expenses By Category	2010-11 Actual	2011-12 Revised Budget	2011-12 Projected	2012-13 Proposed	Budget % Change	2013-14 Proposed	Budget % Change
Personnel	\$ 948,709	\$ 1,040,200	\$ 812,000	\$ 535,100	(48.56%)	\$ 540,300	0.97%
Supplies	1,704	4,030	2,190	2,250	(44.17%)	2,340	4.00%
Professional & Contractual Services	20,370	51,000	21,760	16,000	(68.63%)	16,000	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	130	100	100	100	-	100	-
Total	\$ 970,913	\$ 1,095,330	\$ 836,050	\$ 553,450	(49.47%)	\$ 558,740	0.96%



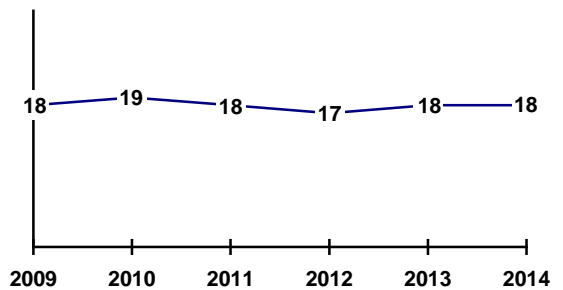


2012-13 & 2013-14 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	11.0
Administrative & Clerical	6.0

Total 18.0

Staffing Trends



2012-13 & 2013-14 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.

2011-12 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.

2011-12 Performance Results

- ◆ Due to a vacancy in the general ledger accountant position, monthly reports were issued within 10 days only 56 percent of the time through 04/12.
- ◆ 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.

2012-13 & 2013-14 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.
- ◆ All treasury investments will be in compliance with the California State Government Code 100% of the time.

Performance Measures

Summary	2010-11 Actual	2011-12 Projected	2012-13 Proposed	2013-14 Proposed	Justification
◆ Financial reports issuance standard	92%	67%	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
◆ Investment Compliance	100%	100%	100%	100%	In-house standard

Financial Management

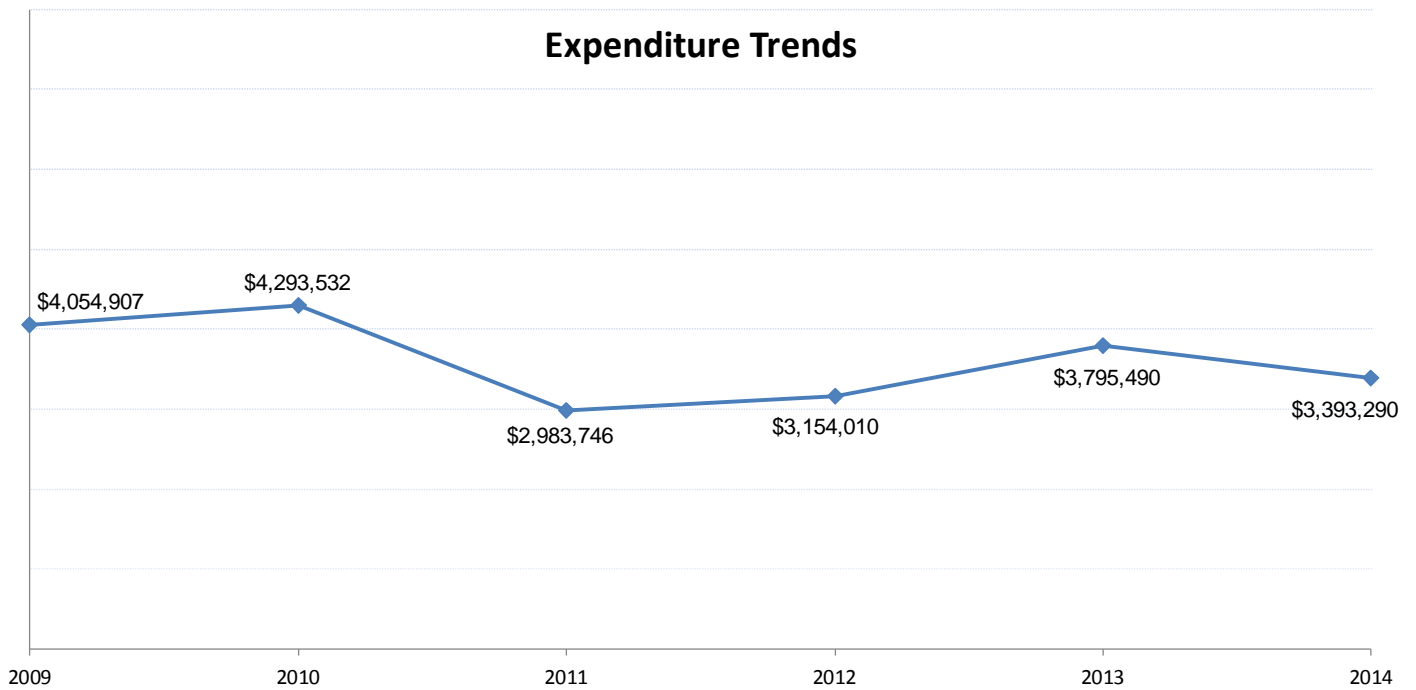
Budget Overview

The FY 2012-13 & 2013-14 budgets for the Financial Management Division reflect an increase of 20% and a decrease of 11% over the prior year, respectively. The increase is primarily due to postage, printing, and county service fees for Prop 218 Notices, and other professional services for the Sewer Service Fee Rate Study, both in FY 2012-13, and the transfer of 1 FTE position.

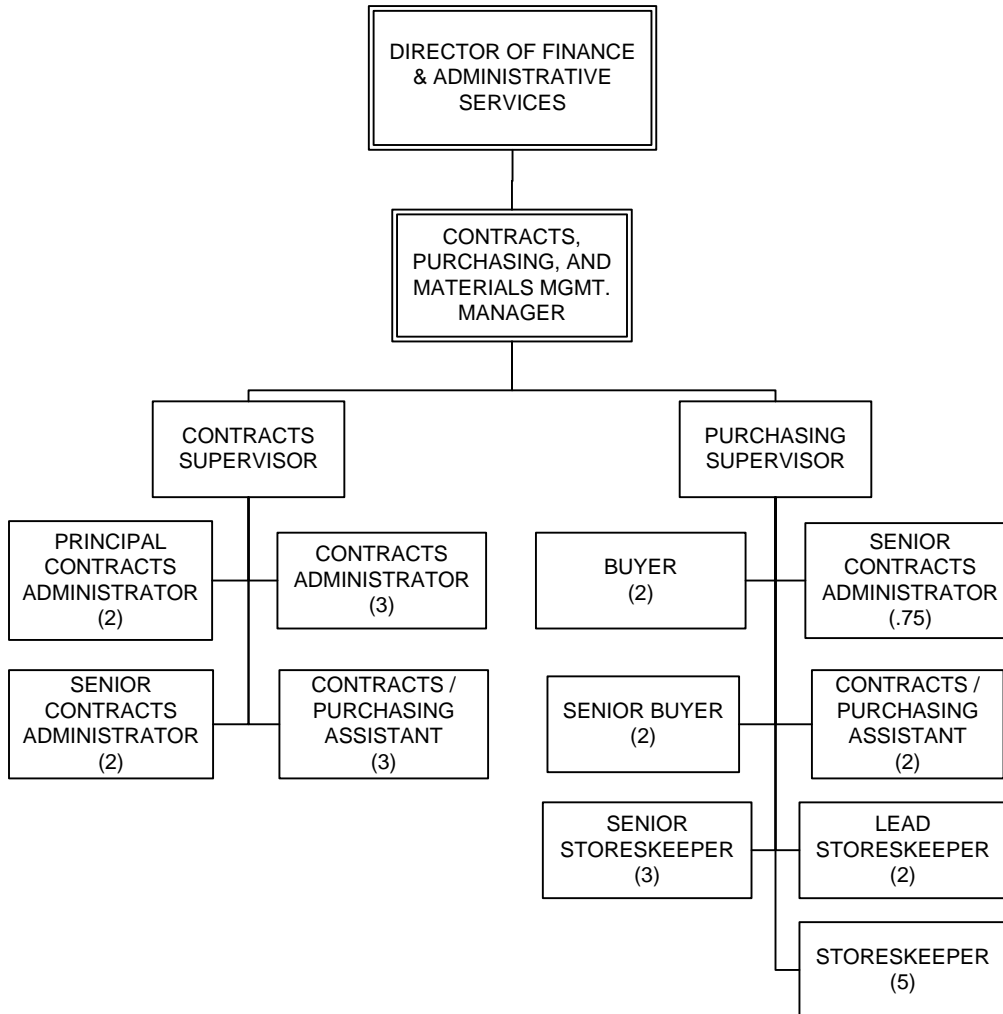
2011-12 Adjusted Budget - Total Operating Requirements	\$ 3,154,010
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	117,200
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(79,900)
Change in OCERS retirement costs	1,700
Change in group insurance costs	10,700
Other benefit cost adjustments	(6,200)
Other Cost Adjustments:	
Increase in postage	195,010
Increase in outside reproduction services	70,010
Increase in meetings	2,140
Decrease in property tax fees	(2,920)
Increase in county service fee	147,790
Increase in temporary services	3,500
Decrease in other contractual services	(11,000)
Increase in audit and accounting services	18,170
Increase in other professional services	174,740
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	540
2012-13 Proposed Budget - Total Operating Requirements	\$ 3,795,490
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	8,400
Change in OCERS retirement costs	2,600
Change in group insurance costs	23,600
Other benefit cost adjustments	(5,500)
Other Cost Adjustments:	
Decrease in postage	(194,990)
Decrease in outside reproduction services	(69,990)
Increase in county service fee	16,750
Decrease in temporary services	(8,000)
Increase in other contractual services	(5,000)
Increase in audit & accounting services	4,010
Increase in other professional services	(174,000)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(80)
2013-14 Proposed Budget - Total Operating Requirements	\$ 3,393,290

2012-13 & 2013-14 Budget

Operating Expenses By Category	2010-11 Actual	2011-12 Revised Budget	2011-12 Projected	2012-13 Proposed	Budget % Change	2013-14 Proposed	Budget % Change
Personnel	\$ 2,289,563	\$ 2,487,800	\$ 2,432,200	\$ 2,531,300	1.75%	\$ 2,560,400	1.15%
Supplies	18,802	32,100	31,190	295,810	821.53%	29,680	(89.97%)
Professional & Contractual Services	673,994	632,310	774,110	966,510	52.85%	801,270	(17.10%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	850	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	537	1,800	1,800	1,870	3.89%	1,940	3.74%
Total	\$ 2,983,746	\$ 3,154,010	\$ 3,239,300	\$ 3,795,490	20.34%	\$ 3,393,290	(10.60%)



Contracts, Purchasing, & Materials Management

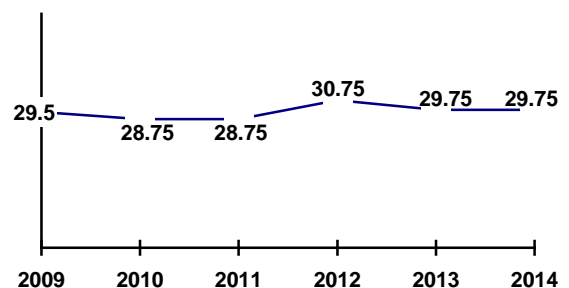


2012-13 & 2013-14 Authorized FTE Positions

Manager	1.00
Supervisors / Professionals	13.75
Administrative & Clerical	15.00

Total 29.75

Staffing Trends



2012-13 & 2013-14 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.

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 implement a PDSA (Professional Design Service Agreement) Contracts Program by end of fiscal 2011.
- ◆ Successfully revise the Delegation of Authority (DOA) 07-04 and have approved by all Committees and Board.
- ◆ Successfully complete the District's Sustainability study.

2011-12 Performance Results

- ◆ 97% accuracy rate achieved by the end of the fiscal year.
- ◆ AEP award received.
- ◆ Program structure developed.
- ◆ DOA under review.
- ◆ Completed.

2012-13 & 2013-14 Performance Objectives

- ◆ Continue the cycle count program and maintain a 97% accuracy rate or better.
- ◆ Obtain the 2012 - 2013 "Achievement of Excellence in Procurement" (AEP) award by meeting all National requirements.
- ◆ Successfully reorganize Plant 1 and Plant 2 warehouse inventories to accommodate staffing relocation.
- ◆ Successfully revise Delegation of Authority 07-04 and have approved by all Committees and Board.
- ◆ Successfully implement two high level service-based Contracts to substantially increase cost savings through economies of scale.

Performance Measures

Summary	2010-11 Actual	2011-12 Projected	2012-13 Proposed	2013-14 Proposed	Justification
◆ Cycle Count	97%	97%	97%	97%	APICS standard
◆ AEP Award	Obtained	Obtained	Obtain	Obtain	NPI, NAPM, NIGP, & CAPPO standards
◆ PDSA Program	Complete	Complete	N/A	N/A	Final phase of Contracts program
◆ New DOA	In progress	In progress	Complete	N/A	Inconsistencies in DOA necessitate revision
◆ Chemical Study	Complete	N/A	N/A	N/A	Chemical shortages

Contracts, Purchasing, & Materials Management

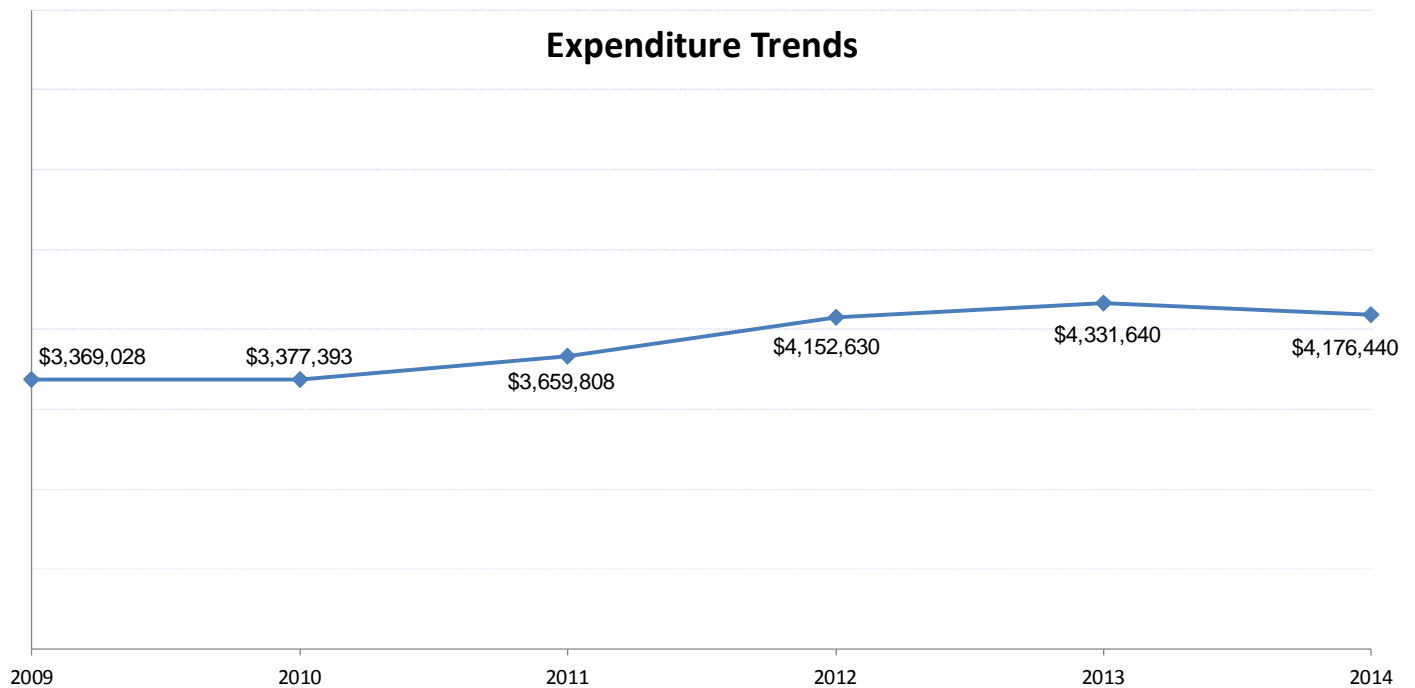
Budget Overview

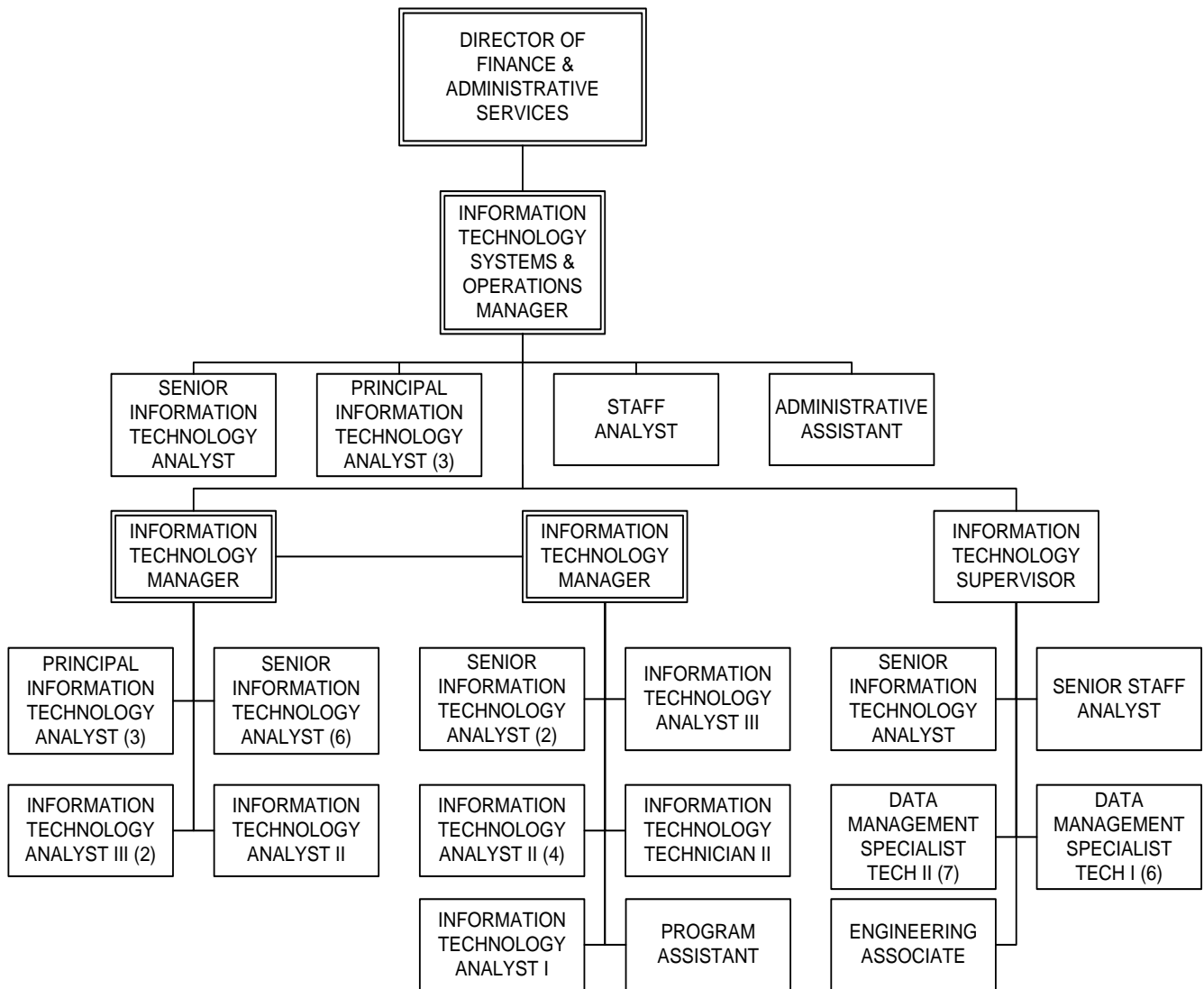
The FY 2012-13 & 2013-14 budgets for the Contracts, Purchasing, & Materials Management Division reflect an increase of 4% and a decrease of 4% over the prior year, respectively. These changes are primarily due to an increase in other professional services for the Strategic Outsourcing Initiative and is somewhat offset by a decrease due to salary and benefits adjustments for FY 2012-13, as well as a decrease in repairs and maintenance costs.

2011-12 Adjusted Budget - Total Operating Requirements	\$ 4,152,630
<i>Salaries for Position Changes:</i>	
Transfer of Positions from/(to) Other Divisions	
New or (decreased) FTE	-
<i>Changes in Personnel Expenses:</i>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(128,200)
Change in OCERS retirement costs	(17,000)
Change in group insurance costs	(19,800)
Other benefit cost adjustments	17,900
<i>Other Cost Adjustments:</i>	
Increase in miscellaneous operating supplies	40,000
Increase in legal services	50,000
Increase in audit and accounting services	75,000
Increase in other professional services	220,000
Decrease in repairs and maintenance	(69,500)
Increase in freight	10,000
<i>Aggregate change in Other Categories:</i>	
Aggregate change in other materials, supplies, and services	610
2012-13 Proposed Budget - Total Operating Requirements	\$ 4,331,640
<i>Changes in Personnel Expenses:</i>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	36,100
Change in OCERS retirement costs	10,500
Change in group insurance costs	39,300
Other benefit cost adjustments	(9,100)
<i>Other Cost Adjustments:</i>	
Decrease in miscellaneous operating supplies	(37,000)
Decrease in legal services	(25,000)
Decrease in other professional services	(170,000)
<i>Aggregate change in Other Categories:</i>	
No other cost changes	-
2013-14 Proposed Budget - Total Operating Requirements	\$ 4,176,440

2012-13 & 2013-14 Budget

Operating Expenses By Category	2010-11 Actual	2011-12 Revised Budget	2011-12 Projected	2012-13 Proposed	Budget % Change	2013-14 Proposed	Budget % Change
Personnel	\$ 3,518,198	\$ 3,969,400	\$ 3,782,500	\$ 3,822,300	(3.71%)	\$ 3,899,100	2.01%
Supplies	46,427	37,430	38,910	77,330	106.60%	40,330	(47.85%)
Professional & Contractual Services	47,609	25,000	60,000	370,000	1380.00%	175,000	(52.70%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	312	70,500	71,000	1,000	(98.58%)	1,000	-
Utilities	-	-	-	-	-	-	-
Other	47,262	50,300	61,110	61,010	21.29%	61,010	-
Total	\$ 3,659,808	\$ 4,152,630	\$ 4,013,520	\$ 4,331,640	4.31%	\$ 4,176,440	(3.58%)



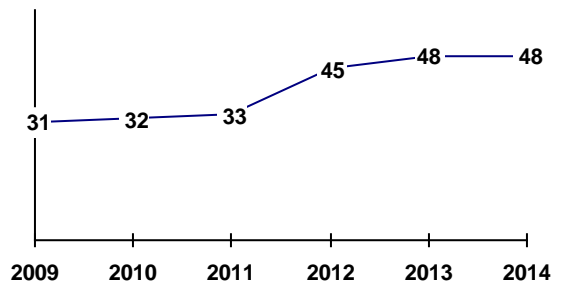


2012-13 & 2013-14 Authorized FTE Positions

Manager	3.0
Supervisors / Professionals	27.0
Technical Staff	16.0
Administrative/Clerical	2.0

Total 48.0

Staffing Trends



2012-13 & 2013-14 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 ratio/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, customer computer programming, system implementation and integration, and database/data warehousing availability and support.

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.

2011-12 Performance Results

- ◆ Prioritized list developed through the Governance process.
- ◆ Completed 90%.
- ◆ Replaced all obsolete equipment.
- ◆ Exceeded target.

2012-13 & 2013-14 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	2010-11 Actual	2011-12 Projected	2012-13 Proposed	2013-14 Proposed	Justification
◆ Maintain Internal Service Level of Agreement (SLA)	Expected	Expected	Expected	Expected	In-house standard
◆ IT Strategic Plan Objectives	12	11	12	12	IT Strategic Plan
◆ Replace obsolete computers	25% of total computers	25% of total computers	25% of total computers	25% of total computers	Rotate Every 4 Years
◆ Critical systems availability	90%	90%	99%	99%	Minimum Business Impact

Information Technology

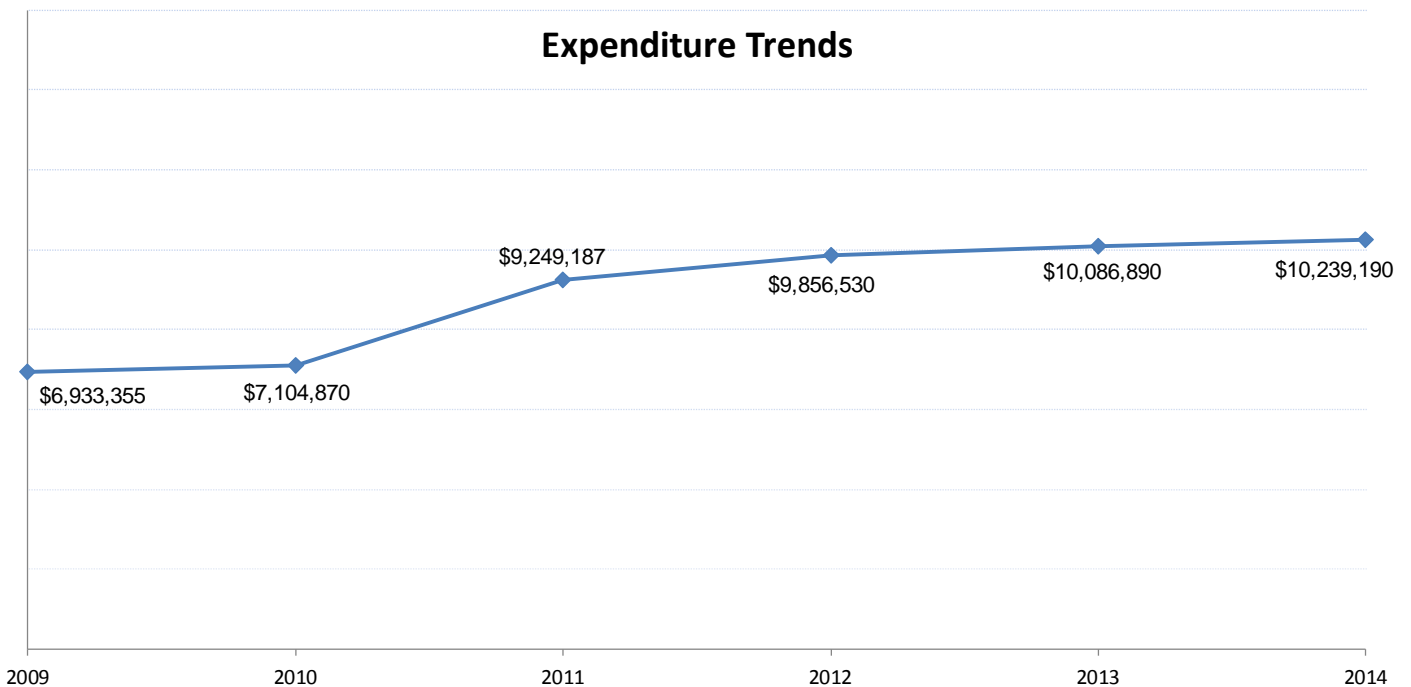
Budget Overview

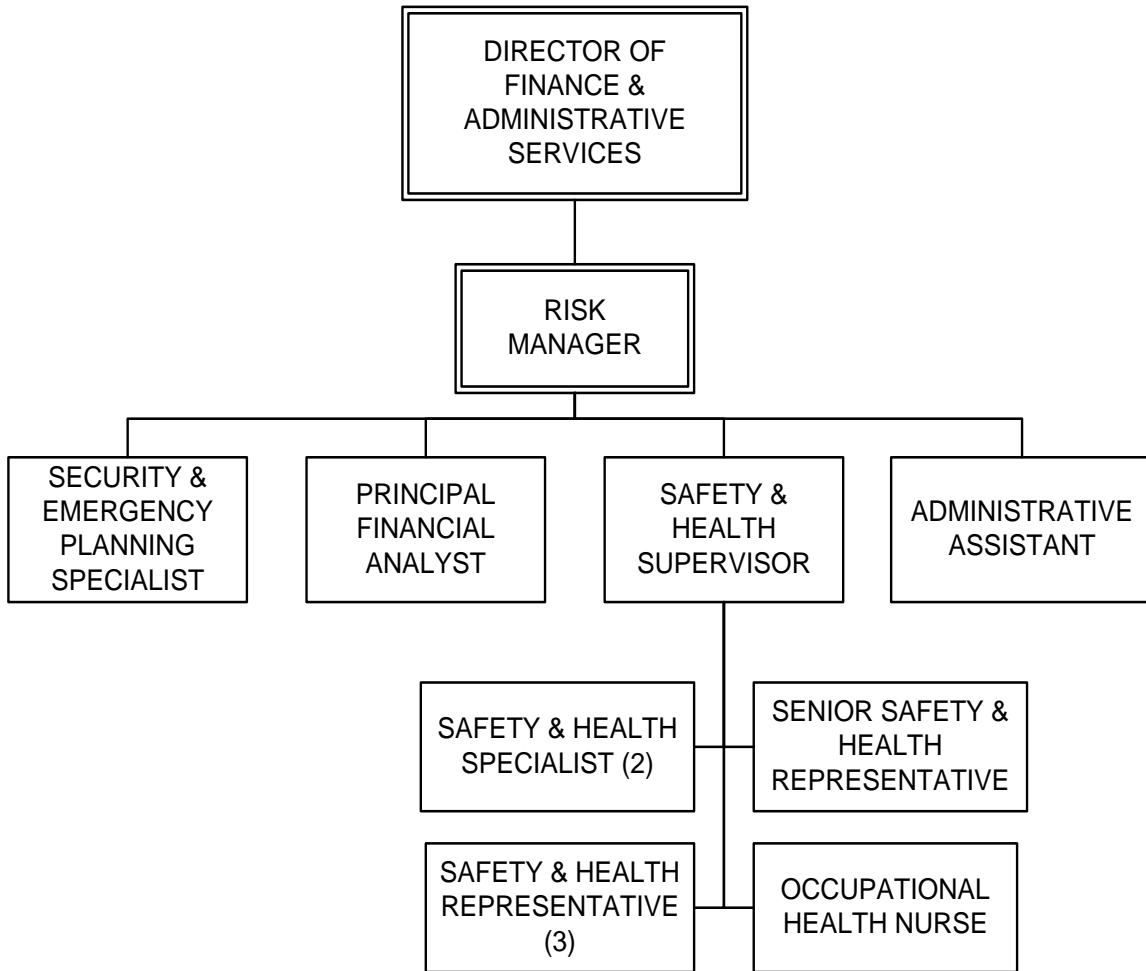
The FY 2012-13 & 2013-14 budgets for the Information Technology Division reflect increases of 2% and a decrease of 2% over the prior year, respectively. The increase is primarily due to salary and benefits adjustments, and increased costs in temporary services and service maintenance agreements.

2011-12 Adjusted Budget - Total Operating Requirements	\$ 9,856,530
<i>Salaries for Position Changes:</i>	
Transfer of Positions from/(to) Other Divisions	13,000
New or (decreased) FTE	-
<i>Changes in Personnel Expenses:</i>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	95,300
Change in OCERS retirement costs	28,400
Change in group insurance costs	21,200
Other benefit cost adjustments	9,500
<i>Other Cost Adjustments:</i>	
Decrease in postage	(10,000)
Decrease in in-house reproduction services	(12,000)
Decrease in meetings	(4,800)
Increase in temporary services	45,000
Increase in software program consulting	10,000
Decrease in repairs and maintenance	(5,000)
Increase in service maintenance agreements	24,750
Increase in telephone	10,000
Increase in safety equipment and tools	1,300
Increase in legal services	1,000
Increase in books and publications expense	1,500
<i>Aggregate change in Other Categories:</i>	
Aggregate change in other materials, supplies, and services	1,210
2012-13 Proposed Budget - Total Operating Requirements	\$ 10,086,890
<i>Changes in Personnel Expenses:</i>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	54,100
Change in OCERS retirement costs	15,400
Change in group insurance costs	62,200
Other benefit cost adjustments	(14,400)
<i>Other Cost Adjustments:</i>	
Increase in software program consulting	(25,000)
Increase in service maintenance agreements	50,000
Increase in telephone	10,000
<i>Aggregate change in Other Categories:</i>	
No other cost changes	-
2013-14 Proposed Budget - Total Operating Requirements	\$ 10,239,190

2012-13 & 2013-14 Budget

Operating Expenses By Category	2010-11 Actual	2011-12 Revised Budget	2011-12 Projected	2012-13 Proposed	Budget % Change	2013-14 Proposed	Budget % Change
Personnel	\$ 6,688,830	\$ 7,038,800	\$ 7,162,900	\$ 7,206,200	2.38%	\$ 7,323,500	1.63%
Supplies	787,116	852,360	847,200	827,740	(2.89%)	827,740	-
Professional & Contractual Services	332,337	390,000	404,050	446,000	14.36%	421,000	(5.61%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	1,218,810	1,275,250	1,270,250	1,295,000	1.55%	1,345,000	3.86%
Utilities	220,830	300,000	250,000	310,000	3.33%	320,000	3.23%
Other	1,264	120	1,890	1,950	1525.00%	1,950	-
Total	\$ 9,249,187	\$ 9,856,530	\$ 9,936,290	\$10,086,890	2.34%	\$ 10,239,190	1.51%



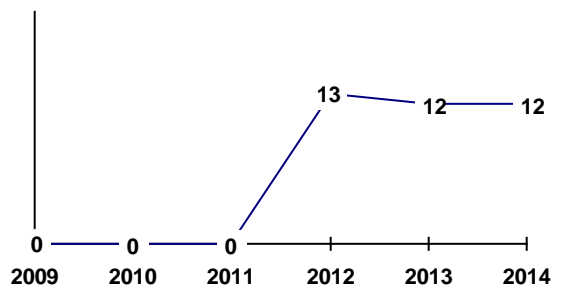


2012-13 & 2013-14 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	10.0
Administrative & Clerical	1.0

Total 12.0

Staffing Trends



2012-13 & 2013-14 Budget

Service Description

The mission of the Risk Management Division is to identify potential risk to the organization and provide solutions for mitigation or reducing the risk to acceptable levels. Through this process the Risk Management Division will create a safe, healthy, and secure environment for District staff, contractors, and visitors. We will provide the support for management and employees to take ownership of identifying risk and controlling the risk within their sphere of control.

2011-12 Performance Objectives

- ◆ Develop Job Safety Analysis for high frequency – high hazard jobs.
- ◆ Develop new lockout/tagout equipment and procedures for high frequency locked out equipment.
- ◆ Reduce OSHA TRIR and LWD rate by 20% over previous calendar year.
- ◆ Obtain the Voluntary Protection Program (VPP) designation.

2011-12 Performance Results

- ◆ Deferred until 2012-13.
- ◆ Deferred until 2012-13.
- ◆ Rates increased due to ergonomic injuries.
- ◆ On-going effort.

2012-13 & 2013-14 Performance Objectives

- ◆ 100% Completion of all Compliance training.
- ◆ Develop Job Safety Analysis for high frequency – high hazard jobs.
- ◆ Update the contractor safety evaluation process to ensure a consistency.
- ◆ Schedule a third party safety audit for OCSD.
- ◆ Develop new claims procedure for OCSD.
- ◆ Work on implementing Department of Homeland Security recommendations.

Performance Measures

Summary	2010-11 Actual	2011-12 Projected	2012-13 Proposed	2013-14 Proposed	Justification
◆ Compliance Training	96%	100%	100%	100%	OCSD Strategic Plan
◆ Develop JSA's	N/A	N/A	Implement	Implement	OSHA Requirement
◆ Contractor Safety Analysis	N/A	N/A	Implement	Complete	Uniform Bid Evaluation
◆ Third Party Safety Audit	100%	100%	Complete	Complete	VPP Requirement
◆ Revise Claims Procedure	N/A	N/A	Implement	Complete	Continuous Improvement
◆ DOHS Recommendations	N/A	N/A	Implement	Complete	Continuous Improvement

Risk Management

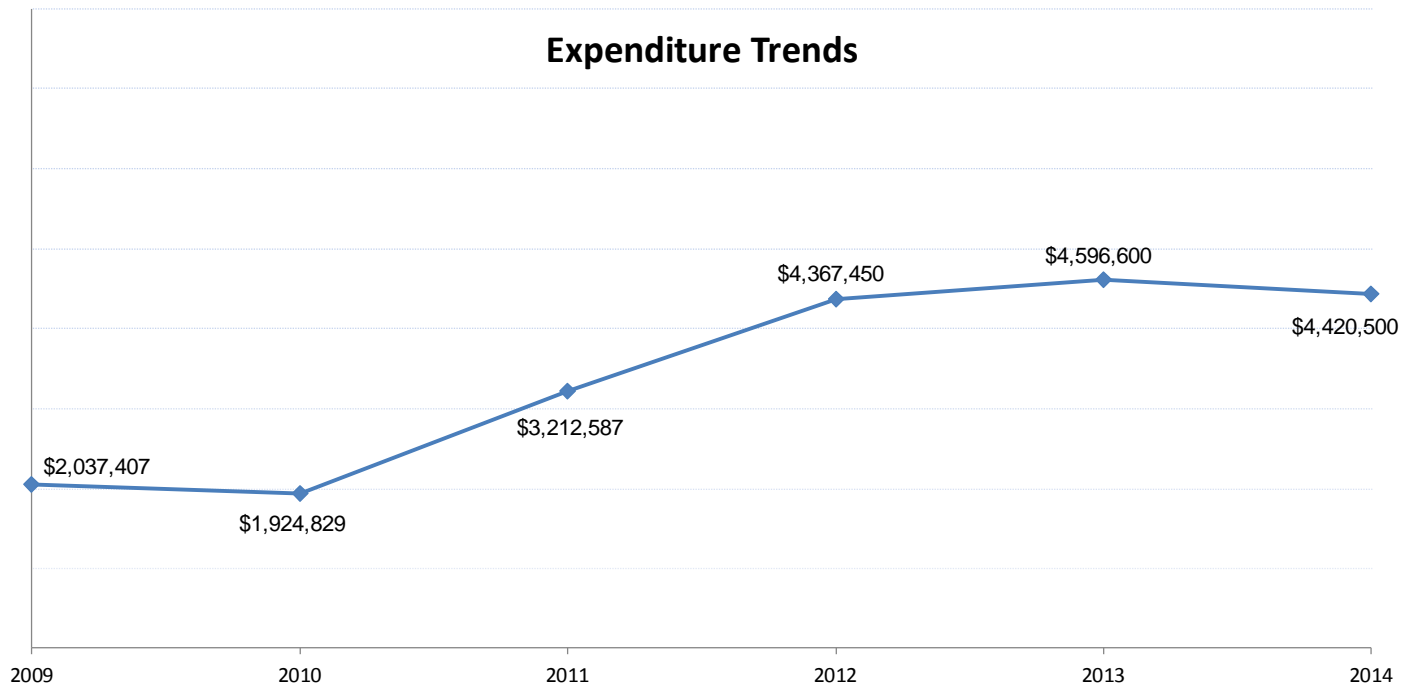
Budget Overview

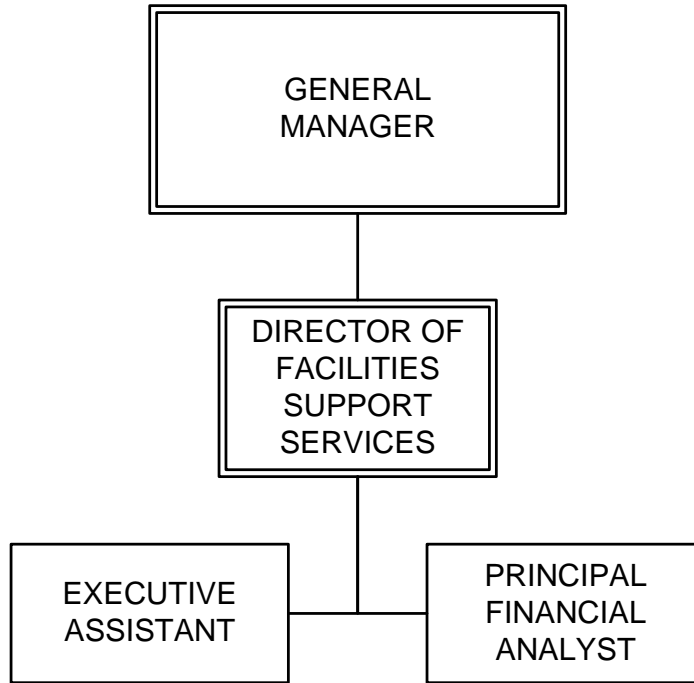
The FY 2012-13 & 2013-14 budgets for the Risk Management Division reflect an increase of 5% and a decrease of 4% from the prior year, respectively. These changes are primarily due to increases in safety equipment and tools and a higher estimate to be paid to the self-insurance fund for property and general liability insurance. These increases are offset somewhat by a decrease due to staff reallocations during the FY 2011-12, in addition to decreases in in security services, and retirement and group insurance costs.

2011-12 Adjusted Budget - Total Operating Requirements	\$ 4,367,450
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(134,800)
Change in OCERS retirement costs	(45,500)
Change in group insurance costs	(17,000)
Other benefit cost adjustments	6,000
Other Cost Adjustments:	
Increase in minor furniture and fixtures	30,000
Increase in training	5,500
Increase in safety equipment and tools	261,920
Increase in other waste disposal	8,200
Decrease in security services	(131,300)
Increase in industrial hygiene services	20,000
Decrease in service maintenance agreements	(5,920)
Increase in property/general liability insurance in-lieu premium	217,900
Decrease in miscellaneous operating expense	(20,590)
Increase in other non-operating expense	30,000
Increase in membership expense	3,600
Increase in books and publications expense	2,000
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(860)
2012-13 Proposed Budget - Total Operating Requirements	\$ 4,596,600
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	1,600
Change in OCERS retirement costs	500
Change in group insurance costs	15,500
Other benefit cost adjustments	(3,700)
Other Cost Adjustments:	
Decrease in safety equipment and tools	(200,000)
Increase in audit & accounting services	10,000
Aggregate change in Other Categories:	
No other cost changes	-
2013-14 Proposed Budget - Total Operating Requirements	\$ 4,420,500

2012-13 & 2013-14 Budget

Operating Expenses By Category	2010-11 Actual	2011-12 Revised Budget	2011-12 Projected	2012-13 Proposed	Budget % Change	2013-14 Proposed	Budget % Change
Personnel	\$ 1,397,376	\$ 1,922,800	\$ 1,605,600	\$ 1,731,500	(9.95%)	\$ 1,745,400	0.80%
Supplies	278,114	396,110	448,630	701,050	76.98%	501,050	(28.53%)
Professional & Contractual Services	570,403	918,380	704,300	812,500	(11.53%)	822,500	1.23%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	4,711	11,420	5,500	5,500	(51.84%)	5,500	-
Utilities	-	-	-	-	-	-	-
Other	961,983	1,118,740	1,115,650	1,346,050	20.32%	1,346,050	-
Total	\$ 3,212,587	\$ 4,367,450	\$ 3,879,680	\$ 4,596,600	5.25%	\$ 4,420,500	(3.83%)

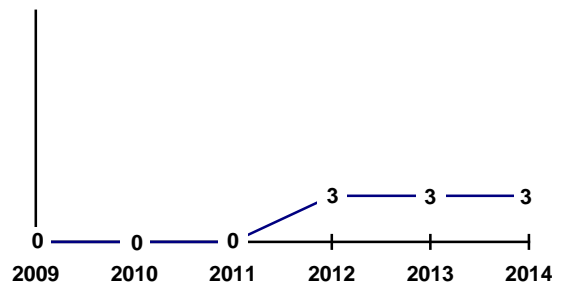




2012-13 & 2013-14 Authorized FTE Positions

Executive Manager	1.00
Supervisors / Professionals	1.00
Administrative / Clerical	1.00
<hr/>	
Total	<u>3.00</u>

Staffing Trends



2012-13 & 2013-14 Budget

Service Description

The mission of the Facilities Support Services Division is to provide leadership, support, management oversight, and development of the Department in managing OCSD's infrastructure. Through its operating Division's staff and outsourced service providers we focus on providing reliable and effective services in the areas of Fleet Management, Equipment Rebuild/Welding/Fabrication and Machine Shop services, Facilities Engineering and Contracted Services management, Source Inspection, Odor and Corrosion Control, and the operation and maintenance of the Sanitary Sewer System Pipelines and Pumping Facilities. The Director collaborates with the Executive Management Team to develop the necessary strategies to maintain alignment with the Board and the District's Strategic Plan and Levels of Service. The Director and staff also proactively network internally and also externally with OCSD member cities and sewerage agencies, regional regulators, and industry best practice partners on infrastructure management issues.

2011-12 Performance Objectives

2011-12 Performance Results

- | | |
|---|---|
| <ul style="list-style-type: none"> ◆ Achieve 100 percent compliance with water, air, safety, and mobile equipment permits. ◆ Achieve a compliance level of 80 to 100 percent of the Levels of Service (LOS) targets consistent with resource availability. ◆ Manage overall expenditures to within 96 to 100 percent of approved budget. | <ul style="list-style-type: none"> ◆ In compliance. ◆ In compliance. ◆ Estimated to be at 90 to 95%. |
|---|---|

2012-13 & 2013-14 Performance Objectives

- ◆ Achieve 100 percent compliance with water, air, safety, and mobile equipment permits.
- ◆ Achieve a compliance level of 80 percent to 100 percent of the Levels of Service (LOS) targets consistent with resource availability.
- ◆ Manage overall expenditures to within 96 to 100 percent of the Department's approved budget.

Performance Measures

Summary	2010-11 Actual	2011-12 Projected	2012-13 Proposed	2013-14 Proposed	Justification
◆ Compliance with Permits	100%	100%	100%	100%	In-house standard
◆ Budget compliance	100.5%	90-95%	96% - 100%	96% - 100%	In-house standard
◆ LOS compliance	95%	95%	80-100%	80-100%	In-house standard

Facilities Support Services Administration

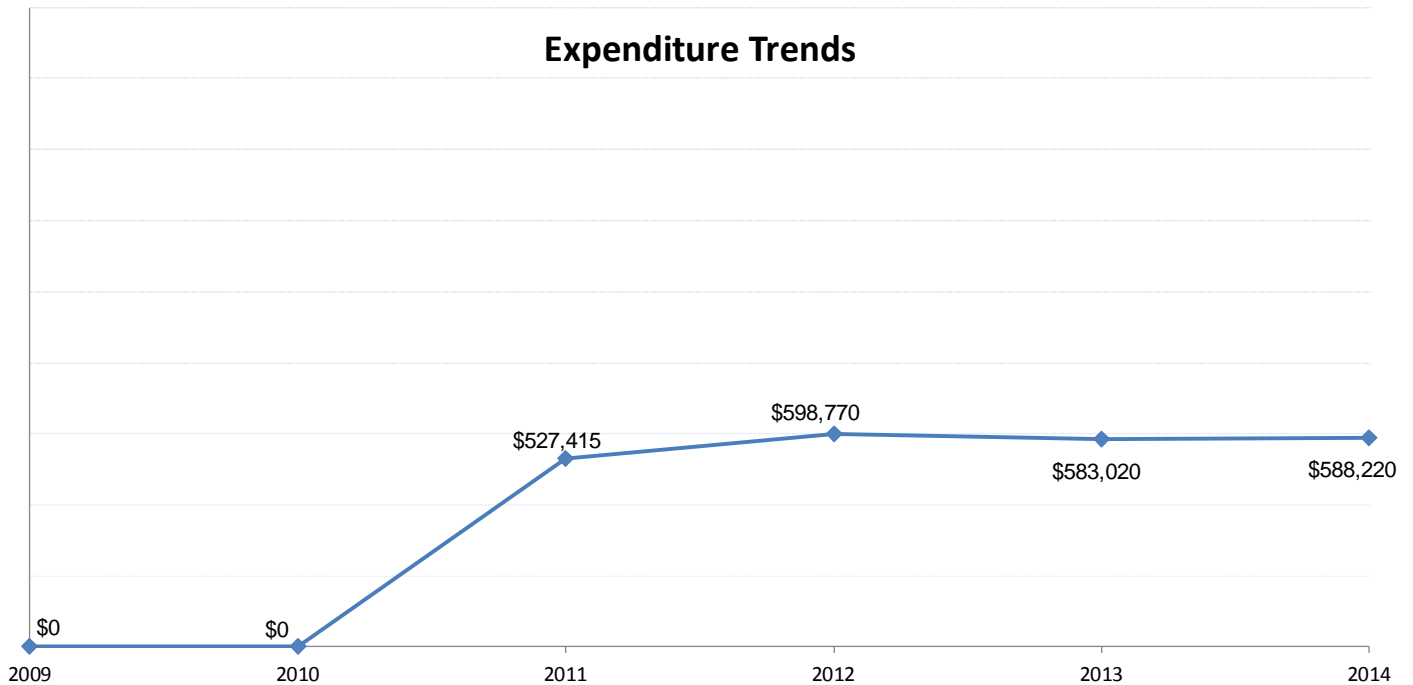
Budget Overview

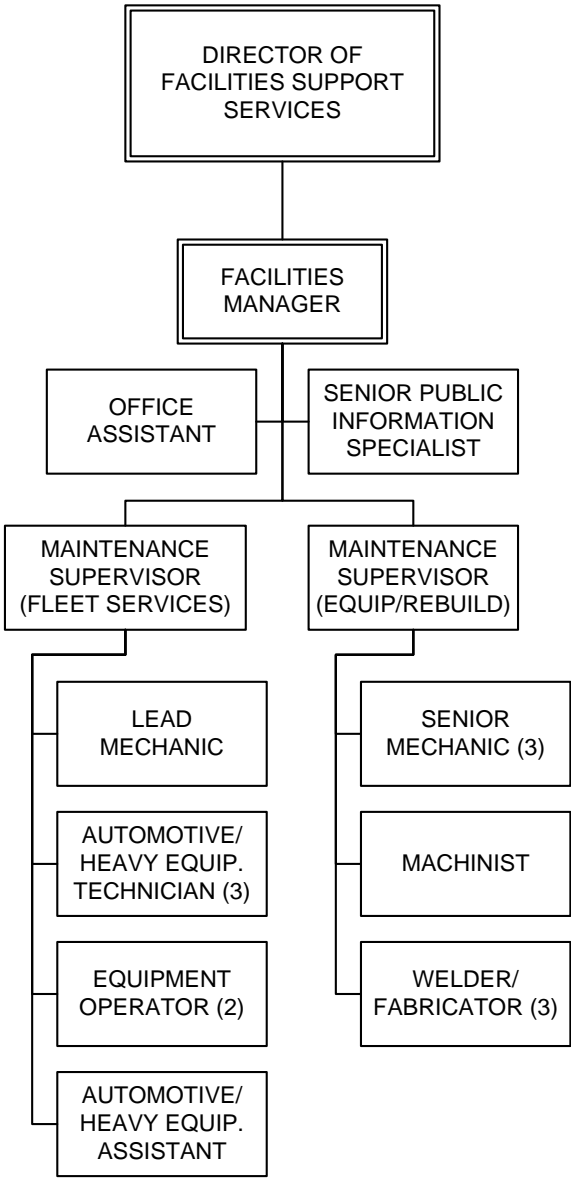
The FY 2012-13 & 2013-14 budgets for the Facilities Support Services Administration Division reflect a decrease of 3% and an increase of 1% over the prior year, respectively. These changes are primarily due to a decrease in salary and benefits adjustments.

2011-12 Adjusted Budget - Total Operating Requirements	\$ 598,770
<i>Salaries for Position Changes:</i>	
Transfer of Positions from/(to) Other Divisions	
New or (decreased) FTE	-
<i>Changes in Personnel Expenses:</i>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(4,100)
Change in OCERS retirement costs	(3,800)
Change in group insurance costs	600
Other benefit cost adjustments	(5,900)
<i>Other Cost Adjustments:</i>	
Decrease in in-house reproduction services	(1,100)
Decrease in outside reproduction services	(800)
Increase in meetings	1,180
Decrease in administrative expense	(990)
<i>Aggregate change in Other Categories:</i>	
Aggregate change in other materials, supplies, and services	(840)
2012-13 Proposed Budget - Total Operating Requirements	\$ 583,020
<i>Changes in Personnel Expenses:</i>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	1,800
Change in OCERS retirement costs	600
Change in group insurance costs	3,700
Other benefit cost adjustments	(900)
<i>Other Cost Adjustments:</i>	
<i>Aggregate change in Other Categories:</i>	
No other cost changes	-
2013-14 Proposed Budget - Total Operating Requirements	\$ 588,220

2012-13 & 2013-14 Budget

Operating Expenses By Category	2010-11 Actual	2011-12 Revised Budget	2011-12 Projected	2012-13 Proposed	Budget % Change	2013-14 Proposed	Budget % Change
Personnel	\$ 522,797	\$ 590,300	\$ 558,000	\$ 577,100	(2.24%)	\$ 582,300	0.90%
Supplies	4,305	7,470	4,870	5,760	(22.89%)	5,760	-
Professional & Contractual Services	78	-	-	-	-	-	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	235	1,000	160	160	(84.00%)	160	-
Total	\$ 527,415	\$ 598,770	\$ 563,030	\$ 583,020	(2.63%)	\$ 588,220	0.89%

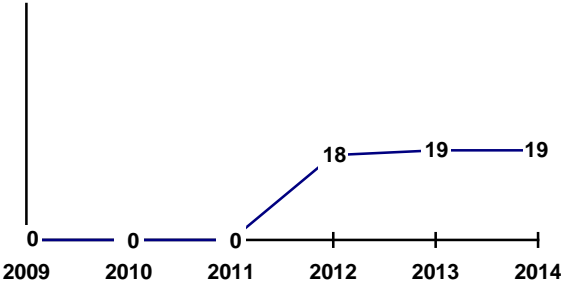




2012-13 & 2013-14 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	2.0
Operations & Maintenance	15.0
Administrative / Clerical	1.0
Total	19.0

Staffing Trends



2012-13 & 2013-14 Budget

Service Description

The mission of the Division, consisting of two subdivisions, is to provide cost-effective, quality focused asset management of the fleet vehicles, mobile equipment, mobile crane support, tour bus, motor pool management, mechanical, rebuild, welding, machining and fabrication services.

2011-12 Performance Objectives

- ◆ Manage Division expenditures to within 95-100% of the approved J.O. budget.
- ◆ Mandatory Safety Training, shop area compliance and near miss reporting.
- ◆ Maintain a Total Injury Case Rate of < 6.0.
- ◆ Maintain 100% compliance with state emissions regulations on all mobile vehicle and equipment.

2011-12 Performance Results

- ◆ Estimate to be at 98-100%.
- ◆ 100% compliance.
- ◆ Estimate to be @ 5.6.
- ◆ 100% emission compliance with conversions, reporting and records.

2012-13 & 2013-14 Performance Objectives

- ◆ Manage Division expenditures to within 95-100% of the approved J.O. budget.
- ◆ Mandatory Safety Training, shop area compliance and near miss reporting.
- ◆ Maintain a Total Injury Case Rate of < 6.0.
- ◆ Maintain 100% compliance with state emissions regulations on all mobile vehicle and equipment.
- ◆ Fleet and Rebuild services in-house survey published with results achieving 80% at or above satisfaction ratings.

Performance Measures

Summary	2010-11 Actual	2011-12 Projected	2012-13 Proposed	2013-14 Proposed	Justification
◆ Joint Operating Budget	N/A (Beyond 2012)	98-100%	98-100%	98-100%	In-house standard
◆ Safety Scorecard	98%	100%	100%	100%	In-house standard
◆ Maintain Total Injury Case Rate < 6.0	5.6	< 6.0	< 6.0	< 6.0	Industry standard
◆ Vehicle & Equipment Compliance	100%	100%	100%	100%	In-house standard
◆ In-house Survey – Satisfaction Rating	N/A	≥ 80%	≥ 80%	≥ 80%	In-house standard

Equipment / Rebuild

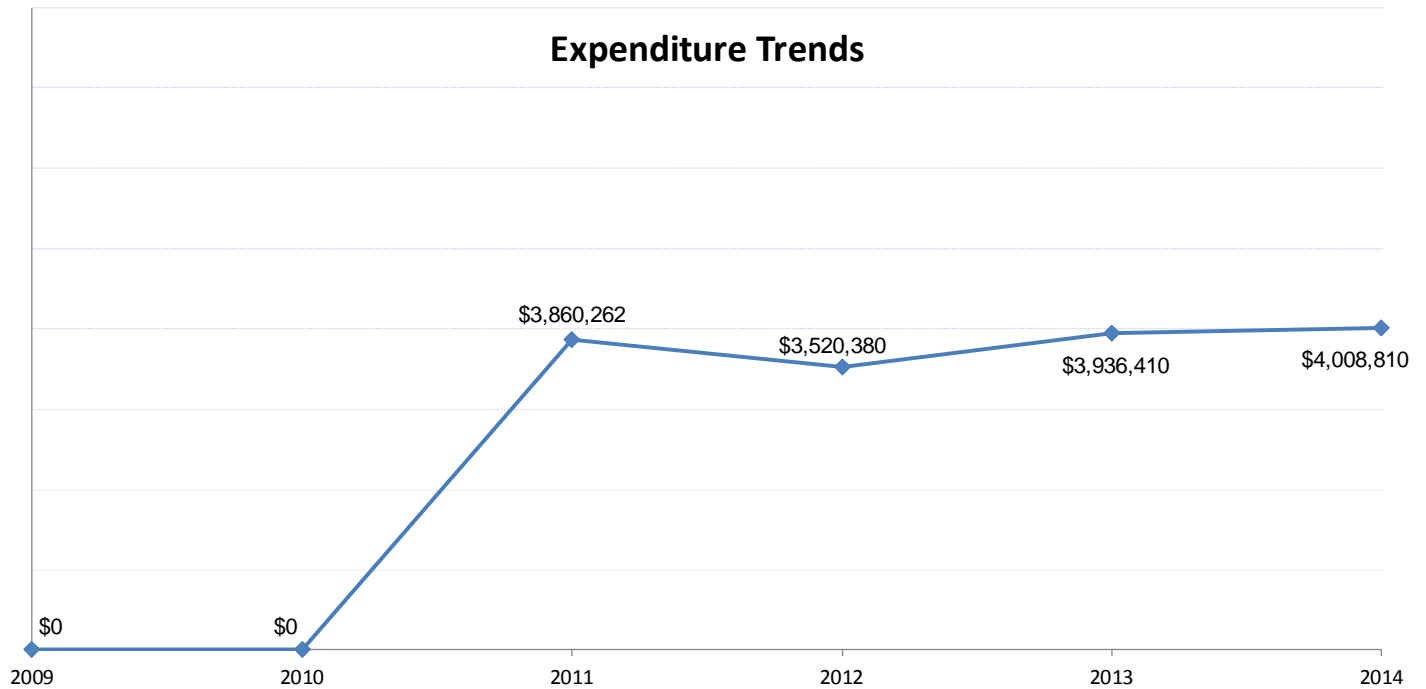
Budget Overview

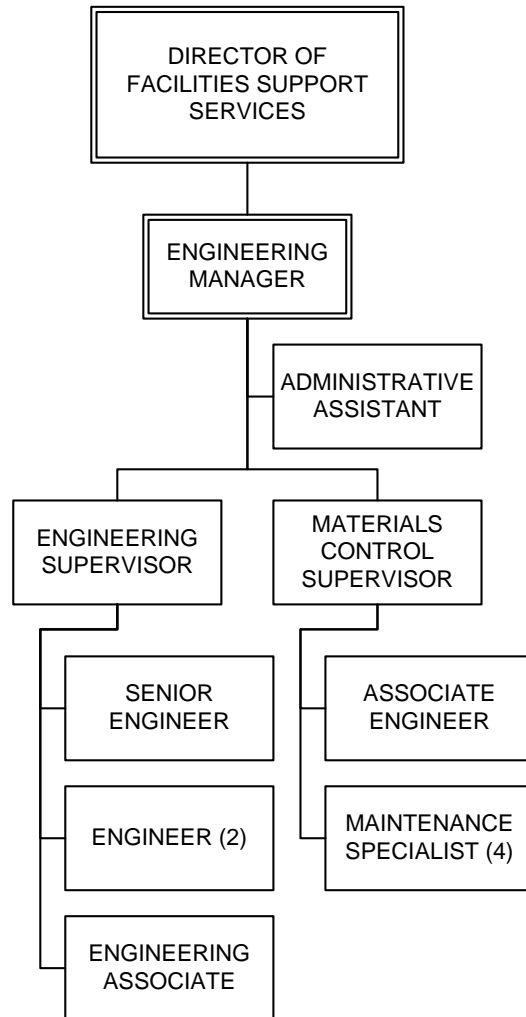
The FY 2012-13 & 2013-14 budgets for the Equipment/Rebuild Division reflect an increase of 12% and a decrease of 2% over the prior year, respectively. These changes are primarily due to increases in repairs and maintenance, vehicle fuel and lubricants, compressed natural gas, and other contractual services.

2011-12 Adjusted Budget - Total Operating Requirements	\$ 3,520,380
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	22,500
Change in OCERS retirement costs	9,100
Change in group insurance costs	10,400
Other benefit cost adjustments	(700)
Other Cost Adjustments:	
Increase in meetings	5,990
Increase in vehicle fuel & lubricants	100,000
Increase in compressed natural gas	65,000
Decrease in safety equipment and tools	(10,000)
Decrease in temporary services	(5,000)
Increase in other contractual services	79,000
Increase in repairs and maintenance	162,000
Decrease in service maintenance agreements	(17,300)
Decrease in administrative expense	(4,580)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(380)
2012-13 Proposed Budget - Total Operating Requirements	\$ 3,936,410
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	36,700
Change in OCERS retirement costs	14,800
Change in group insurance costs	25,300
Other benefit cost adjustments	(5,800)
Other Cost Adjustments:	
Increase in meetings	1,400
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	-
2013-14 Proposed Budget - Total Operating Requirements	\$ 4,008,810

2012-13 & 2013-14 Budget

Operating Expenses By Category	2010-11 Actual	2011-12 Revised Budget	2011-12 Projected	2012-13 Proposed	Budget % Change	2013-14 Proposed	Budget % Change
Personnel	\$ 2,753,035	\$ 2,436,600	\$ 2,692,200	\$ 2,477,900	1.69%	\$ 2,548,900	2.87%
Supplies	426,236	373,600	524,110	533,710	42.86%	535,110	0.26%
Professional & Contractual Services	11,379	10,600	1,200	80,200	656.60%	80,200	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	666,226	690,300	835,000	835,000	20.96%	835,000	-
Utilities	-	-	-	-	-	-	-
Other	3,386	9,280	12,450	9,600	3.45%	9,600	-
Total	\$ 3,860,262	\$ 3,520,380	\$ 4,064,960	\$ 3,936,410	11.82%	\$ 4,008,810	1.84%



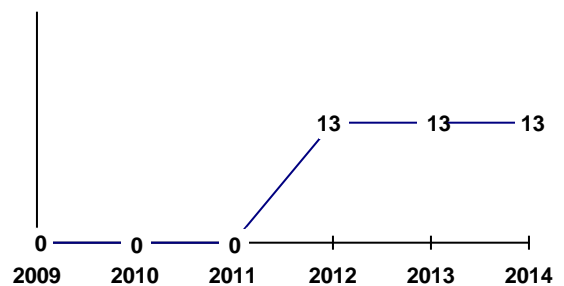


2012-13 & 2013-14 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	10.0
Engineering Insp. / Asst.	1.0
Administrative / Clerical	1.0

Total 13.0

Staffing Trends



2012-13 & 2013-14 Budget

Service Description

The mission of Facilities Engineering is to provide quality engineering, technical, and contract management support for various needs. We provide timely delivery of Facilities Repairs (FR) and other assigned projects and service agreement contracts through staff and outsourced consultants and service providers.

2011-12 Performance Objectives

- ◆ Manage expenditures to within 95-100% of approved budget.
- ◆ Develop 5 new Division Standard Operating Procedures (SOPs).
- ◆ Complete a minimum of 30 FR projects.
- ◆ Best practices against comparable agencies.

2011-12 Performance Results

- ◆ Estimated to be at 95-100%.
- ◆ Table of Contents developed and SOPs identified. Expect to complete 5.
- ◆ 30 projects expected to complete.
- ◆ Work plan finalized March 2012.

2012-13 & 2013-14 Performance Objectives

- ◆ Manage expenditures to within 95-100% of approved budget.
- ◆ Develop 8 new Division SOPs.
- ◆ Complete a minimum of 35 Facility Repair projects.

Performance Measures

Summary	2010-11 Actual	2011-12 Projected	2012-13 Proposed	2013-14 Proposed	Justification
◆ Manage expenditures to within 95-100% of approved budget	N/A	60%	95%	100%	New Division 330 was not in FY 2010-11 Budget
◆ Develop 8 new SOPs each FY (16 in two years)	34 tasks identified	Finish 5 SOPs	Finish 8 SOPs	Finish 8 SOPs	In-house standard
◆ Complete a minimum of 30 FR projects	26	30	35	40	In-house standard

Facilities Engineering

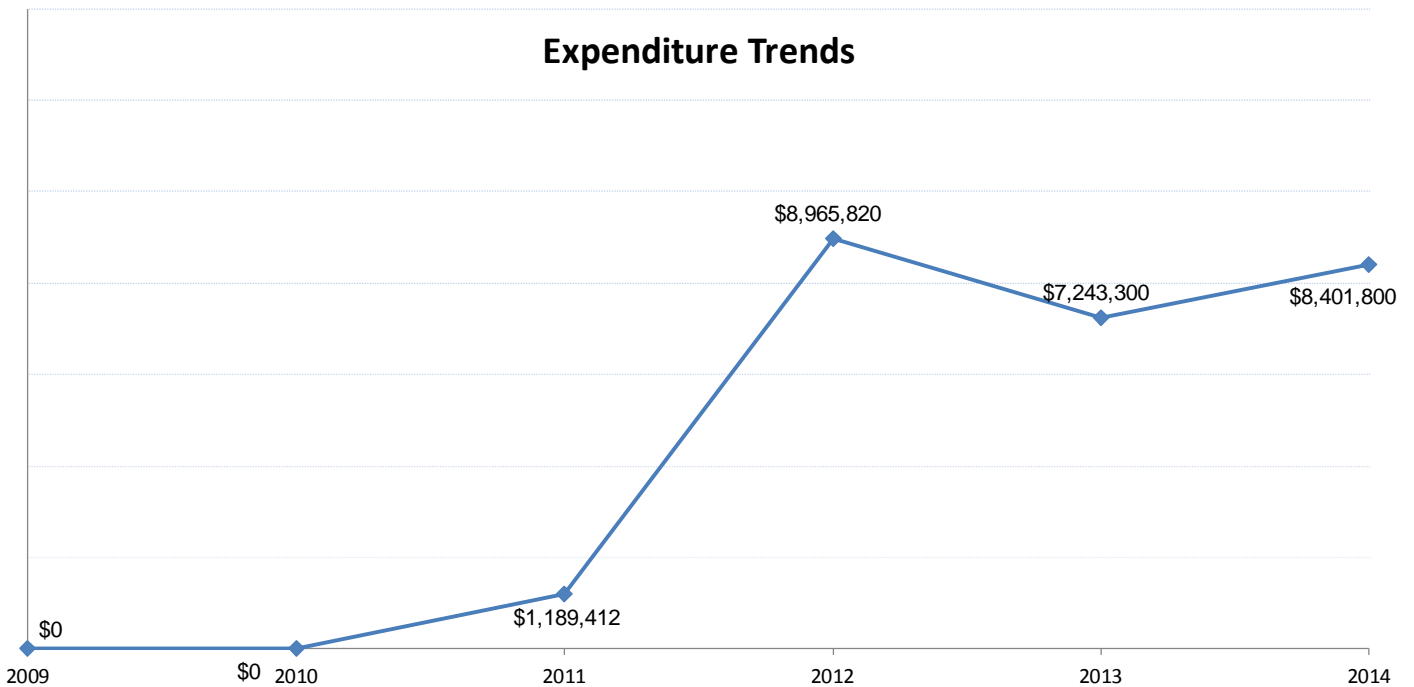
Budget Overview

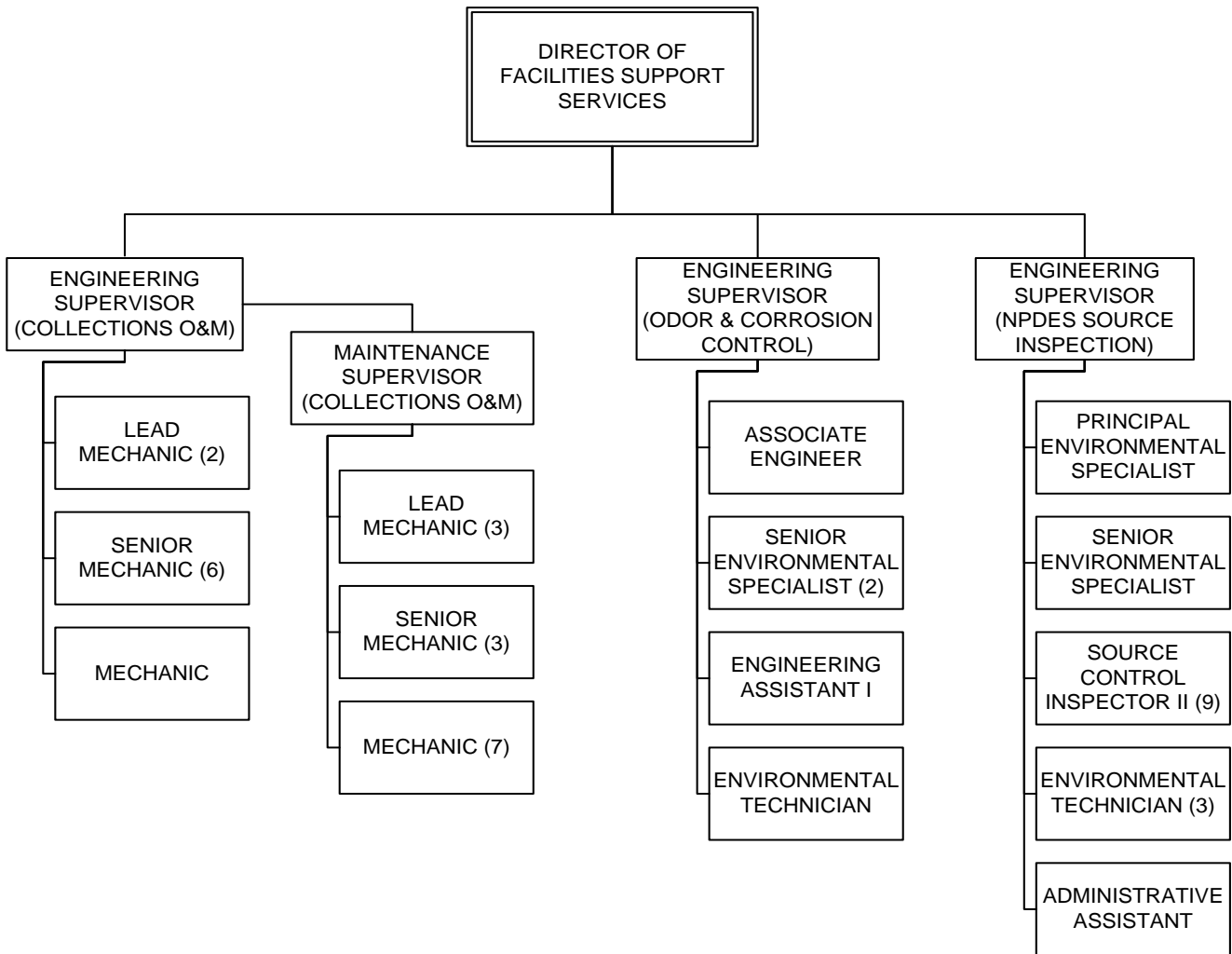
The FY 2012-13 & 2013-14 budgets for the Facilities Engineering Division reflect a decrease of 19% and an increase of 16% over the prior year, respectively. The decrease is primarily due to a reduction in other waste disposal and repairs and maintenance costs for FY 2012-13. These decreases are partially offset by increases in service maintenance agreement costs, other contractual services and engineering services.

2011-12 Adjusted Budget - Total Operating Requirements	\$ 8,965,820
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	66,200
Change in OCERS retirement costs	22,900
Change in group insurance costs	500
Other benefit cost adjustments	5,700
Other Cost Adjustments:	
Decrease in other waste disposal	(1,353,410)
Decrease in groundskeeping services	(20,000)
Increase in janitorial services	17,260
Increase in other contractual services	246,650
Increase in engineering services	75,000
Decrease in repairs and maintenance	(1,186,990)
Increase in service maintenance agreements	408,390
Decrease in temporary services	(15,000)
Increase in meetings	5,970
Increase in administrative expense	1,580
Increase in operating materials and supplies expense	1,030
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	1,700
2012-13 Proposed Budget - Total Operating Requirements	\$ 7,243,300
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	3,600
Change in OCERS retirement costs	1,100
Change in group insurance costs	16,900
Other benefit cost adjustments	(4,000)
Other Cost Adjustments:	
Increase in other waste disposal	406,930
Increase in janitorial services	48,720
Increase in other contractual services	327,000
Decrease in engineering services	(100,000)
Increase in repairs and maintenance	489,000
Decrease in service maintenance agreements	(30,600)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(150)
2013-14 Proposed Budget - Total Operating Requirements	\$ 8,401,800

2012-13 & 2013-14 Budget

Operating Expenses By Category	2010-11 Actual	2011-12 Revised Budget	2011-12 Projected	2012-13 Proposed	Budget % Change	2013-14 Proposed	Budget % Change
Personnel	\$ 1,150,916	\$ 2,104,400	\$ 2,075,900	\$ 2,199,700	4.53%	\$ 2,217,300	0.80%
Supplies	8,088	14,610	19,650	23,990	64.20%	23,840	(0.63%)
Professional & Contractual Services	28,480	3,816,060	2,276,630	2,767,360	(27.48%)	3,450,010	24.67%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	1,916	3,030,450	1,644,710	2,251,850	(25.69%)	2,710,250	20.36%
Utilities	-	-	-	-	-	-	-
Other	12	300	400	400	33.33%	400	-
Total	\$ 1,189,412	\$ 8,965,820	\$ 6,017,290	\$ 7,243,300	(19.21%)	\$ 8,401,800	15.99%

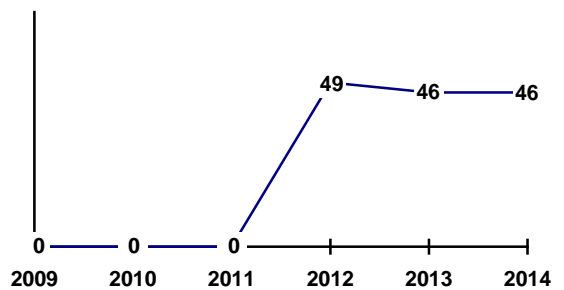




2010-11 & 2011-12 Authorized FTE Positions

Supervisors / Professionals	9.0
Operations & Maintenance	22.0
Administrative / Clerical	1.0
Technical Staff	14.0
Total	46.0

Staffing Trends



2012-13 & 2013-14 Budget

Service Description

The Collections Division is responsible for providing support and services that preserves the integrity of the District's infrastructure to ultimately protect public health and the environment. The Division is comprised of three teams. Source Control Inspection administers and enforces the District's Wastewater Discharge Requirements Ordinance and General Federal Pretreatment Regulations to the industries within our service area. Odor and Corrosion Control assesses and minimizes the impact of odors and corrosion throughout the collection system. The Pipeline and Pump Stations team operates and maintains the sewer systems and auxiliary facilities and responds to sewer spills.

2011-12 Performance Objectives

- ◆ Keep preventable manhole overflows due to mainline blockages below the metric of 2.1 per hundred miles per year, or less than 13 per year.
- ◆ Respond to sewer system spills within 1 hour and ensure full containment within 5 hours.
- ◆ Respond to odor complaints in the sewer system within 24 hours.
- ◆ Collection System Odor Complaints to < 34.
- ◆ Achieve Level of Service (vapor H₂S < 25 ppm) at least 87% of time based on average.
- ◆ Complete 95-100% of industry monitoring tasks.
- ◆ Manage expenditures to within 95-100% of the approved budget.

2011-12 Performance Results

- ◆ In Compliance
- ◆ In Compliance
- ◆ Responses were within 24 hours of notification.
- ◆ Projected to be < 15.
- ◆ Estimated to be 91%.
- ◆ Estimated to be 98%.
- ◆ Estimated to be 95 – 100%.

2012-13 & 2013-14 Performance Objectives

- ◆ Keep preventable manhole overflows due to mainline blockages below the metric of 2.1 per hundred miles per year, or less than 13 per year.
- ◆ Respond to sewer spills within 1 hour and ensure full containment within 5 hours.
- ◆ Respond to odor complaints in the sewer system within 24 hours.
- ◆ Collection System Odor Complaints < 34.
- ◆ Achieve Level of Service (vapor H₂S < 25 ppm) at least 87% of time.
- ◆ Complete 95-100% of industry monitoring tasks.
- ◆ Manage expenditures to within 95-100% of the approved budget.

Performance Measures

Summary	2010-11 Actual	2011-12 Projected	2012-13 Proposed	2013-14 Proposed	Justification
◆ Preventable overflows	5 SSO's	5 SSO's	<13/yr.	<13/yr.	ASCE/EPA report
◆ Respond to sewer spills within 1 hour	100%	100%	100%	100%	Level of service
◆ Odor complaint response within 24 hours	100%	100%	100%	100%	Level of service
◆ Odor complaints caused by collection system	19	14	<34	<34	Level of service
◆ Collection system odor level of service	89%	91%	87%	87%	Level of service
◆ Industry monitoring tasks	95%	98%	95%	95%	In-house standard
◆ Manage approved JO Budget	92.4%	96%	<100%	<100%	In-house standard

Collections

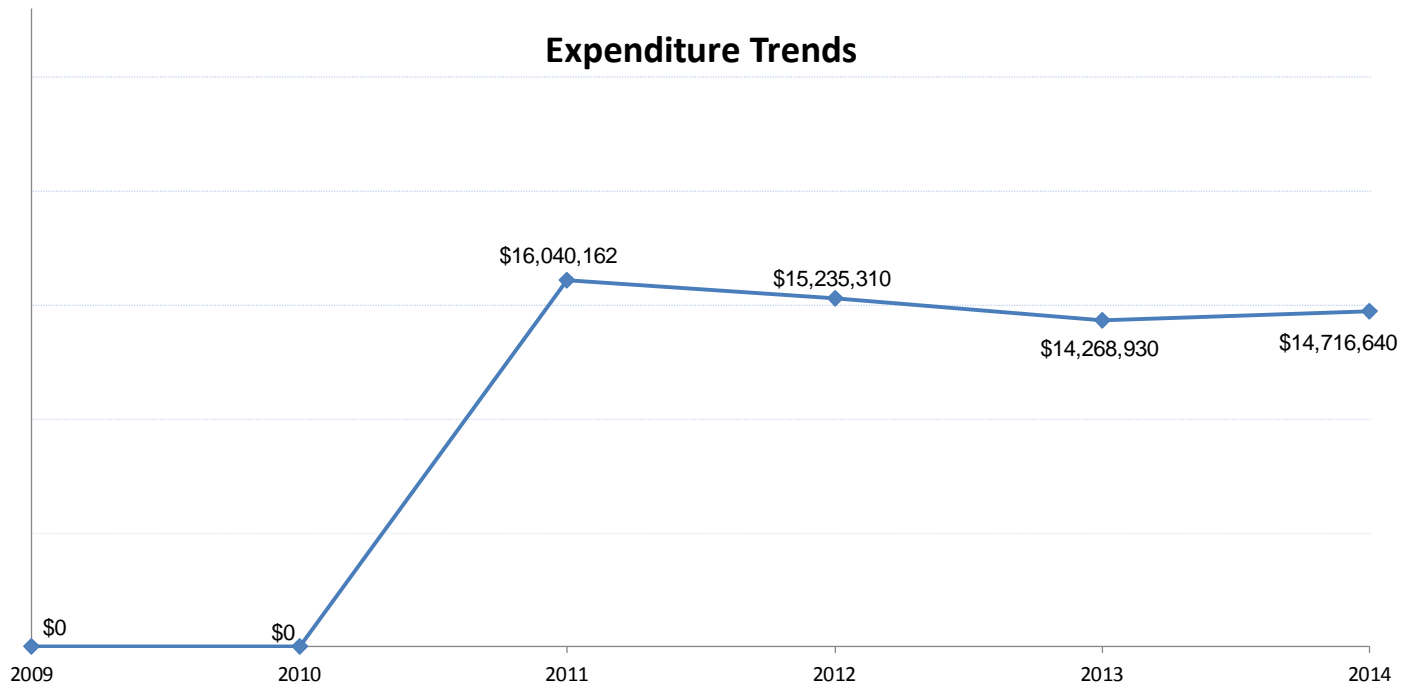
Budget Overview

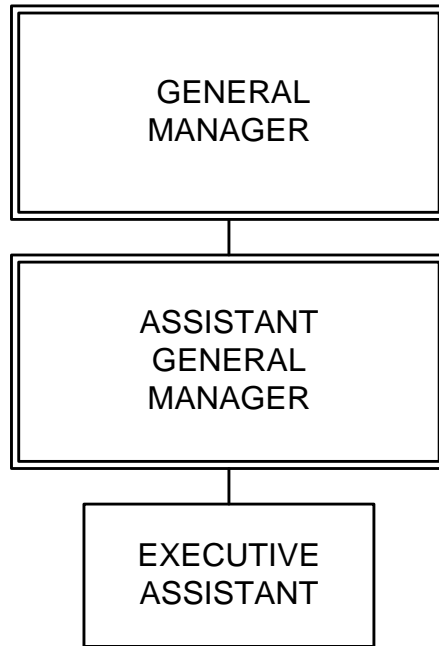
The FY 2012-13 & 2013-14 budgets for the Collections Division reflect a decrease of 6% and an increase of 3% over the prior year, respectively. The decrease is primarily due to the reduction of odor control chemical costs, engineering services and staff reallocations during the FY 2011-12, in addition to decreases of temporary services and retirement and group insurance costs. These decreases are somewhat offset by an increase in repairs and maintenance costs.

2011-12 Adjusted Budget - Total Operating Requirements	\$ 15,235,310
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(158,100)
Change in OCERS retirement costs	(120,000)
Change in group insurance costs	(43,200)
Other benefit cost adjustments	16,300
Other Cost Adjustments:	
Decrease in minor furniture & fixtures	(27,300)
Decrease in odor control chemicals	(512,830)
Decrease in lab chemicals and supplies	(31,410)
Decrease in groundskeeping services	(35,000)
Increase in temporary services	23,200
Decrease in legal services	(45,000)
Increase in audit & accounting services	30,000
Decrease in engineering services	(173,500)
Increase in repairs and maintenance	134,950
Decrease in miscellaneous operating expense	(17,500)
Decrease in printing and publication expense	(3,350)
Decrease in meetings	(3,750)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	110
2012-13 Proposed Budget - Total Operating Requirements	\$ 14,268,930
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	165,500
Change in OCERS retirement costs	28,900
Change in group insurance costs	62,400
Other benefit cost adjustments	(14,100)
Other Cost Adjustments:	
Increase in odor control chemicals	180,370
Increase in safety equipment and tools	22,220
Decrease in audit & accounting services	(30,000)
Increase in electricity costs	35,000
Decrease in temporary services	(9,000)
Increase in minor furniture and fixtures	2,500
Increase in service maintenance agreements	2,520
Increase in water costs	1,000
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	400
2013-14 Proposed Budget - Total Operating Requirements	\$ 14,716,640

2012-13 & 2013-14 Budget

Operating Expenses By Category	2010-11 Actual	2011-12 Revised Budget	2011-12 Projected	2012-13 Proposed	Budget % Change	2013-14 Proposed	Budget % Change
Personnel	\$ 6,418,151	\$ 6,689,500	\$ 6,820,300	\$ 6,384,500	(4.56%)	\$ 6,627,200	3.80%
Supplies	5,849,204	7,312,260	6,734,320	6,721,880	(8.07%)	6,926,970	3.05%
Professional & Contractual Services	1,858,667	465,000	130,600	254,200	(45.33%)	215,600	(15.18%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	1,365,733	117,900	355,850	257,290	118.23%	259,810	0.98%
Utilities	543,260	593,300	582,000	615,200	3.69%	651,200	5.85%
Other	5,147	57,350	34,950	35,860	(37.47%)	35,860	-
Total	\$16,040,162	\$ 15,235,310	\$14,658,020	\$14,268,930	(6.34%)	\$ 14,716,640	3.14%



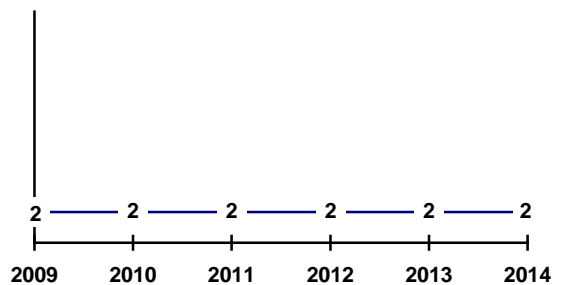


2012-13 & 2013-14 Authorized FTE Positions

Executive Managers	1.0
Administrative / Clerical	1.0

Total	<u>2.0</u>
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Staffing Trends



2012-13 & 2013-14 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.

2011-12 Performance Objectives	2011-12 Performance Results
◆ Expend 90 to 100% of project annual CIP cash flow.	◆ Projected at 73.5%.
◆ Ensure the department's expenditures are managed to less than < 100% of proposed budgets.	◆ 2011-12 to be < 100% (projected).
◆ Ensure that reporting divisions achieve 90% of performance measures.	◆ Reporting divisions will achieve 90% of performance measures.

2012-13 & 2013-14 Performance Objectives

- ◆ Expend 90 to 100% of project annual CIP cash flow.
- ◆ Ensure the department's 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
	2010-11 Actual	2011-12 Projected	2012-13 Proposed	2013-14 Proposed	
◆ Manage project annual cash flows (CIP), min 90-100%	75.6%	73.5%	90%	90%	In-house standard
◆ Manage Dept. Budgets (JO) <100%	98.89%	<100%	<100%	<100%	In-house standard
◆ Ensure reporting divisions achieve performance measures, min 90%	79%	90% min	90% min	90% min	In-house standard

Engineering Administration

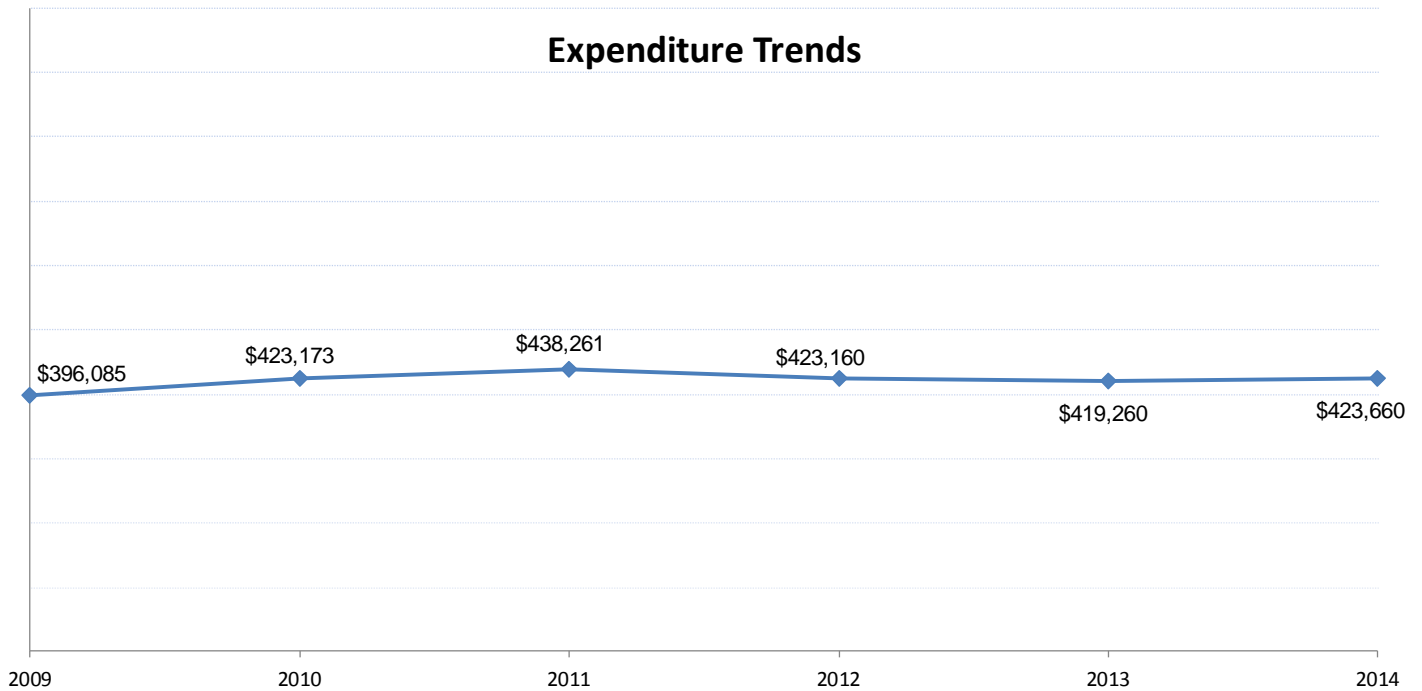
Budget Overview

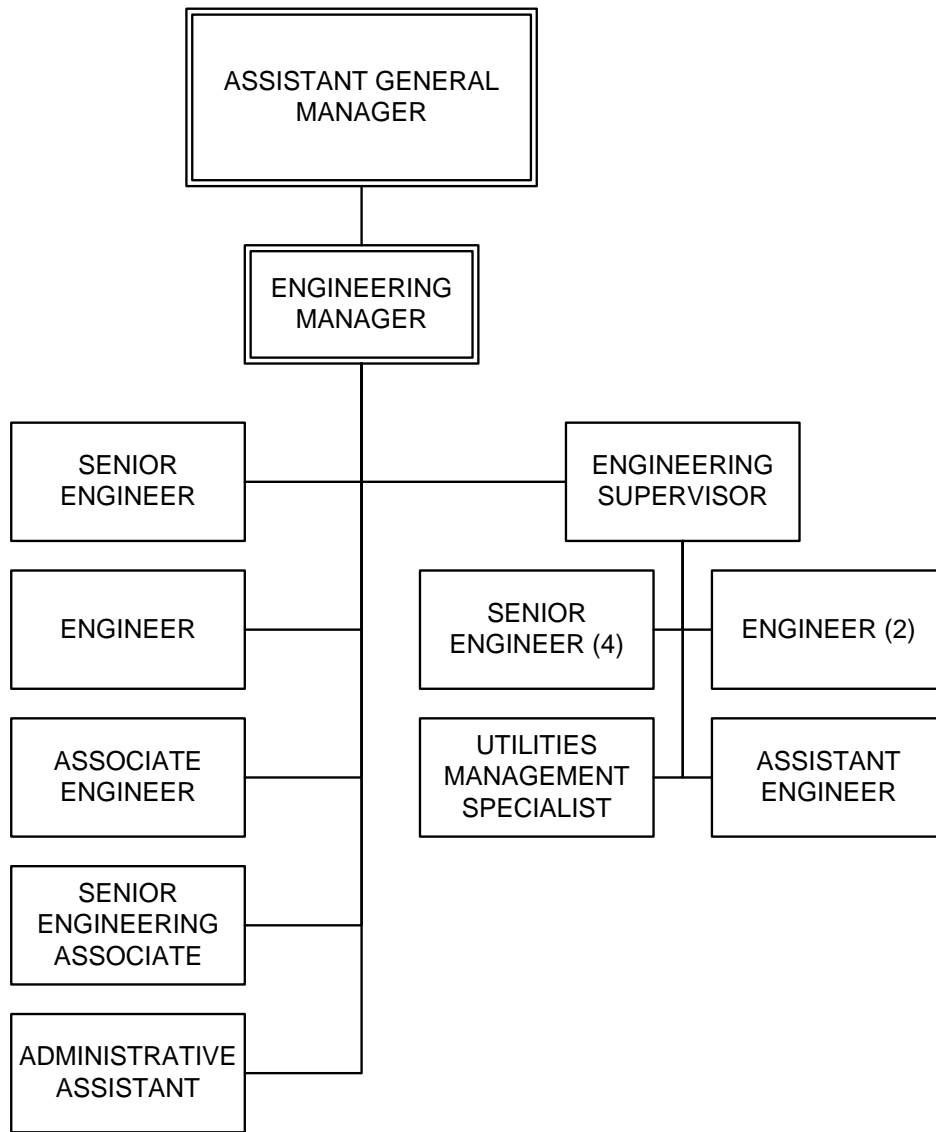
The FY 2012-13 & 2013-14 budgets for the Engineering Administration Division reflect a decrease of 1% and an increase of 1% over the prior year, respectively. There are no significant changes affecting the budget for this division.

2011-12 Adjusted Budget - Total Operating Requirements	\$ 423,160
<i>Salaries for Position Changes:</i>	
Transfer of Positions from/(to) Other Divisions	
New or (decreased) FTE	-
<i>Changes in Personnel Expenses:</i>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	2,100
Change in OCERS retirement costs	1,100
Change in group insurance costs	(300)
Other benefit cost adjustments	(6,800)
<i>Other Cost Adjustments:</i>	
<i>Aggregate change in Other Categories:</i>	
No other cost changes	-
2012-13 Proposed Budget - Total Operating Requirements	\$ 419,260
<i>Changes in Personnel Expenses:</i>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	1,800
Change in OCERS retirement costs	600
Change in group insurance costs	2,600
Other benefit cost adjustments	(600)
<i>Other Cost Adjustments:</i>	
<i>Aggregate change in Other Categories:</i>	
No other cost changes	-
2013-14 Proposed Budget - Total Operating Requirements	\$ 423,660

2012-13 & 2013-14 Budget

Operating Expenses By Category	2010-11 Actual	2011-12 Revised Budget	2011-12 Projected	2012-13 Proposed	Budget % Change	2013-14 Proposed	Budget % Change
Personnel	\$ 433,464	\$ 415,100	\$ 435,100	\$ 411,200	(0.94%)	\$ 415,600	1.07%
Supplies	1,942	3,060	3,060	3,060	-	3,060	-
Professional & Contractual Services	26	5,000	4,000	5,000	-	5,000	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	2,829	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total	\$ 438,261	\$ 423,160	\$ 442,160	\$ 419,260	(0.92%)	\$ 423,660	1.05%



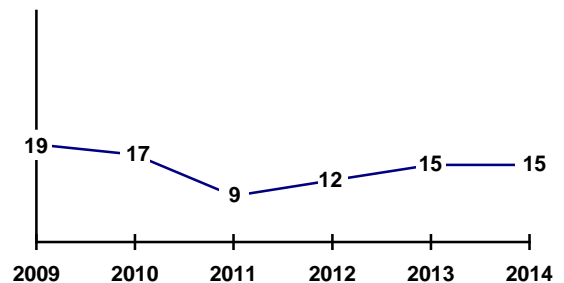


2012-13 & 2013-14 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	13.0
Administrative / Clerical	1.0

Total 15.0

Staffing Trends



2012-13 & 2013-14 Budget

Service Description

The mission of the Planning Division is to provide comprehensive capital planning for the District considering projected capacity requirements, condition assessment of current asset, projected regulatory and level of service changes, and research or business opportunities. The Division is also responsible for water resources management, California Environmental Quality Act review, annexations, connection permitting, easements, and interagency agreements.

2011-12 Performance Objectives

- ◆ Ensure that 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 request.

2011-12 Performance Results

- ◆ The division's expenditures are projected to be <100% of the proposed budget.
- ◆ The division responded to correspondence 100% within the 30-45 timeframe.
- ◆ Greater than 95% of connection permits were issued within one day.

2012-13 & 2012-13 Performance Objectives

- ◆ Ensure the division's expenditures are managed to <100% of proposed budget.
- ◆ Process 95% of connection permits within one day of complete application submittal.
- ◆ Facilitate the District-wide project clearinghouse to properly disposition maintenance, repair, replacement and capital expansion work into projects. Meet regularly and clearly assign tasks.
- ◆ Prepare and maintain a 20-year District-wide capital plan coordinating research, condition assessment, regulatory requirements, changing levels of service, and projected capacity requirements.
- ◆ Response to 100% of environmental correspondence within 45 days.

Performance Measures

Summary	2010-11 Actual	2011-12 Projected	2012-13 Proposed	2013-14 Proposed	Justification
◆ Division's Expenditures	101.1%	<100%	<100%	<100%	In-house standard
◆ Process Connection Permits within one day	>95%	> 95%	> 95%	> 95%	In-house standard
◆ Facilitate project clearinghouse	N/A	N/A	Yes	Yes	In-house standard
◆ Prepare and maintain 20-year capital plan	N/A	Yes	Yes	Yes	In-house standard
◆ Environmental Correspondence	100%	100%	100%	100%	In-house standard

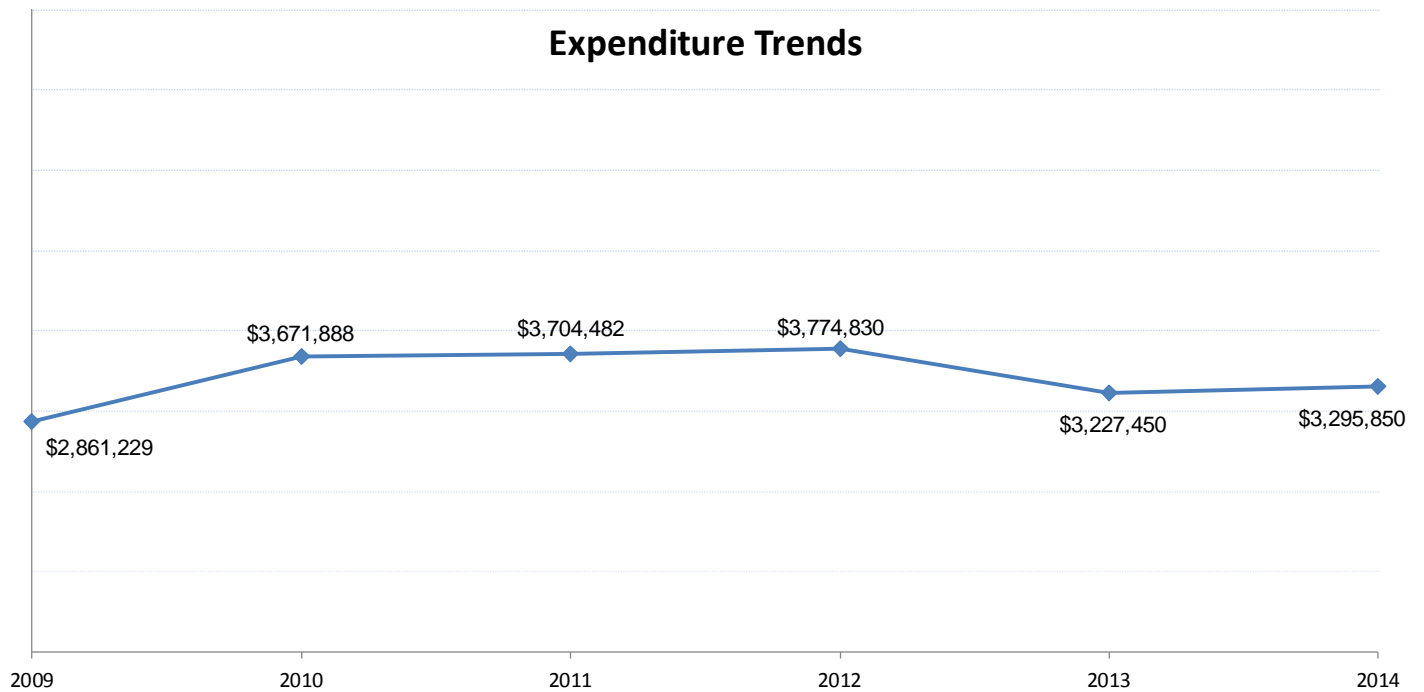
Budget Overview

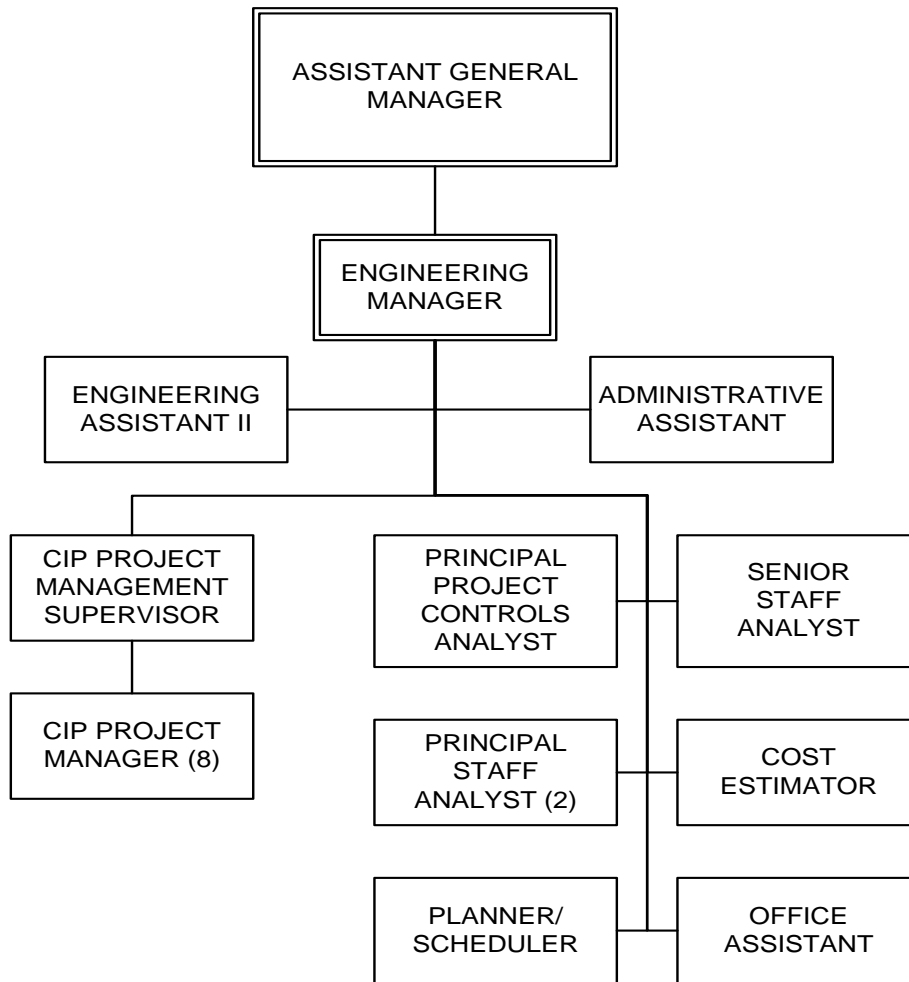
The FY 2012-13 & 2013-14 budgets for the Planning Division reflect a decrease of 15% and an increase of 2% over the prior year, respectively. The decrease is due to staff reallocations during the FY 2011-12, reduction of retirement and group insurance costs and the elimination of 1 FTE position, in addition to a decrease in engineering services.

2011-12 Adjusted Budget - Total Operating Requirements	\$ 3,774,830
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	(100,200)
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(221,900)
Change in OCERS retirement costs	(129,400)
Change in group insurance costs	(46,700)
Other benefit cost adjustments	(2,900)
Other Cost Adjustments:	
Increase in memberships	1,210
Decrease in minor furniture and fixtures	(4,400)
Increase in meetings	7,800
Decrease in safety equipment and tools	(1,500)
Decrease in engineering services	(50,000)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	610
2012-13 Proposed Budget - Total Operating Requirements	\$ 3,227,450
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	1,800
Change in OCERS retirement costs	500
Change in group insurance costs	19,300
Other benefit cost adjustments	(4,600)
Other Cost Adjustments:	
Increase in memberships	1,400
Increase in engineering services	50,000
Aggregate change in Other Categories:	
No other cost changes	-
2013-14 Proposed Budget - Total Operating Requirements	\$ 3,295,850

2012-13 & 2013-14 Budget

Operating Expenses By Category	2010-11 Actual	2011-12 Revised Budget	2011-12 Projected	2012-13 Proposed	Budget % Change	2013-14 Proposed	Budget % Change
Personnel	\$ 3,258,877	\$ 3,332,500	\$ 3,064,900	\$ 2,831,400	(15.04%)	\$ 2,848,400	0.60%
Supplies	115,562	293,140	283,070	296,910	1.29%	298,310	0.47%
Professional & Contractual Services	172,164	145,000	65,000	95,000	(34.48%)	145,000	52.63%
Research & Monitoring	156,328	-	-	-	-	-	-
Repairs & Maintenance	723	1,550	-	1,500	(3.23%)	1,500	-
Utilities	-	-	-	-	-	-	-
Other	828	2,640	(6,180)	2,640	-	2,640	-
Total	\$ 3,704,482	\$ 3,774,830	\$ 3,406,790	\$ 3,227,450	(14.50%)	\$ 3,295,850	2.12%



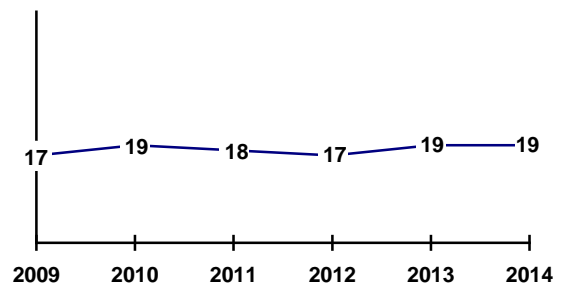


2012-13 & 2012-13 Authorized FTE Positions

Manager	1.00
Supervisors / Professionals	15.00
Administrative / Clerical	2.00
Engineering Insp. / Asst.	1.00

Total 19.00

Staffing Trends



2012-13 & 2013-14 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.

2011-12 Performance Objectives

- ◆ Ensure that the division's JO expenditures are managed to less than 100% of the proposed budget.
- ◆ Expend 90 to 100% of project annual CIP cash flow.
- ◆ 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.

2011-12 Performance Results

- ◆ Will be managed to < 100%.
- ◆ 73.5% (projected).
- ◆ Current rate is 80%.
- ◆ Will maintain at ≥ 1.0.
- ◆ 34.1% (projected).
- ◆ Implemented modified CIP project process to Facilities Engineering projects. Re-organized OCSD to centralize maintenance repair projects.

2012-13 & 2013-14 Performance Objectives

- ◆ Ensure that the division's JO expenditures are managed to less than 100% of the proposed budget.
- ◆ Expend 90 to 100% of project annual CIP cash flow.
- ◆ Maintain or improve non-construction costs at 35% or less.
- ◆ Implement Consultant expenditure tracking program to ensure that consultant contracts are managed within the authorized amount.
- ◆ Develop new design solicitation procedure for a two-step system (RFQ followed by RFP).

Performance Measures

Summary	2010-11 Actual	2011-12 Projected	2012-13 Proposed	2013-14 Proposed	Justification
◆ Manage JO Budget	107.22%	<100%	<100%	<100%	In-house standard
◆ Expend min 90% of budget (CIP)	75.6%	73.5%	90% min	90% min	In-house standard
◆ Non-Construction Costs	33.1%	<35%	<35%	<35%	In-house standard
◆ Consultant tracking program	N/A	N/A	100%	100%	In-house standard
◆ New design solicitation procedure	N/A	N/A	100%	100%	In-house standard

Project Management Office

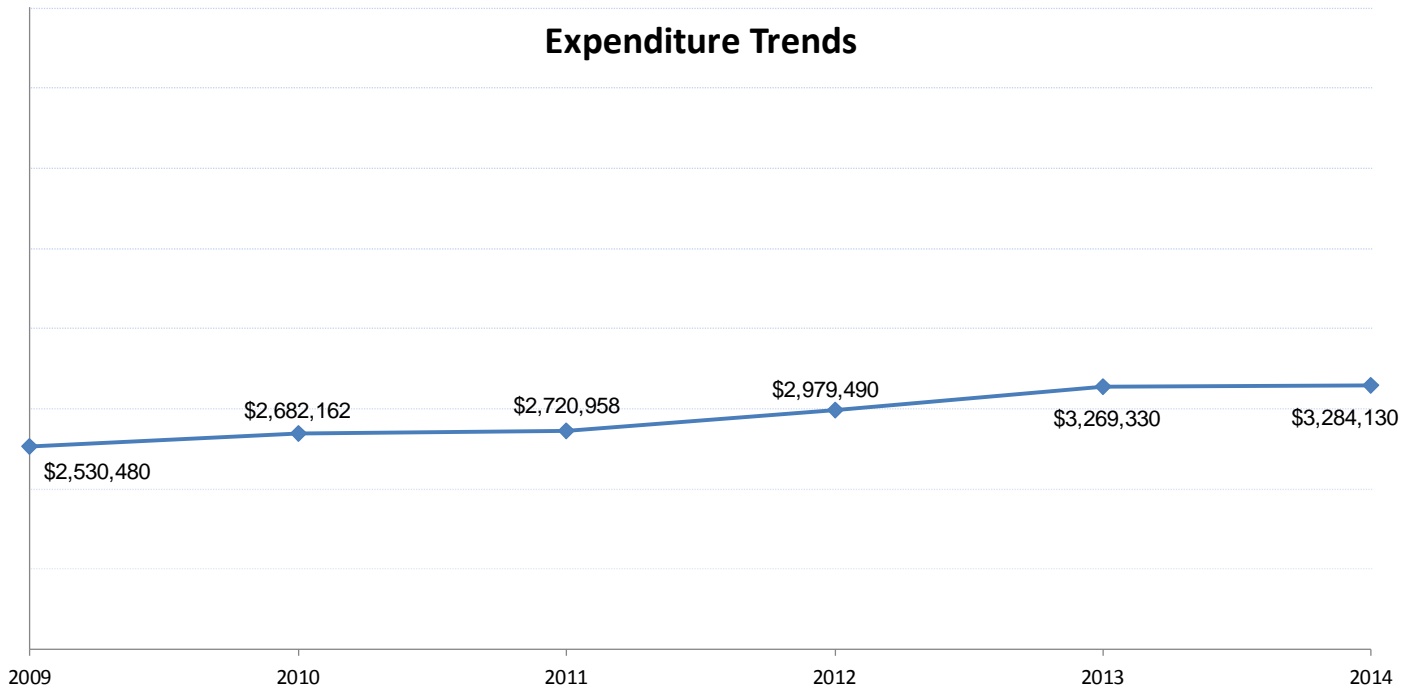
Budget Overview

The FY 2012-13 & 2013-14 budgets for the Project Management Office Division reflect increases of 10% and 0.5% over the prior year, respectively. The increase is mainly due to staffing reallocations during the FY 2011-12 and to increases in retirement and group insurance costs.

2011-12 Adjusted Budget - Total Operating Requirements	\$ 2,979,490
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	189,600
Change in OCERS retirement costs	51,300
Change in group insurance costs	25,900
Other benefit cost adjustments	13,700
Other Cost Adjustments:	
Decrease in office expense - supplies (costs transferred to Division 760)	(500)
Decrease in meetings	200
Increase in minor furniture & fixtures	10,000
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(360)
2012-13 Proposed Budget - Total Operating Requirements	\$ 3,269,330
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	4,400
Change in OCERS retirement costs	1,300
Change in group insurance costs	24,900
Other benefit cost adjustments	(5,800)
Other Cost Adjustments:	
Decrease in minor furniture & fixtures	(10,000)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	-
2013-14 Proposed Budget - Total Operating Requirements	\$ 3,284,130

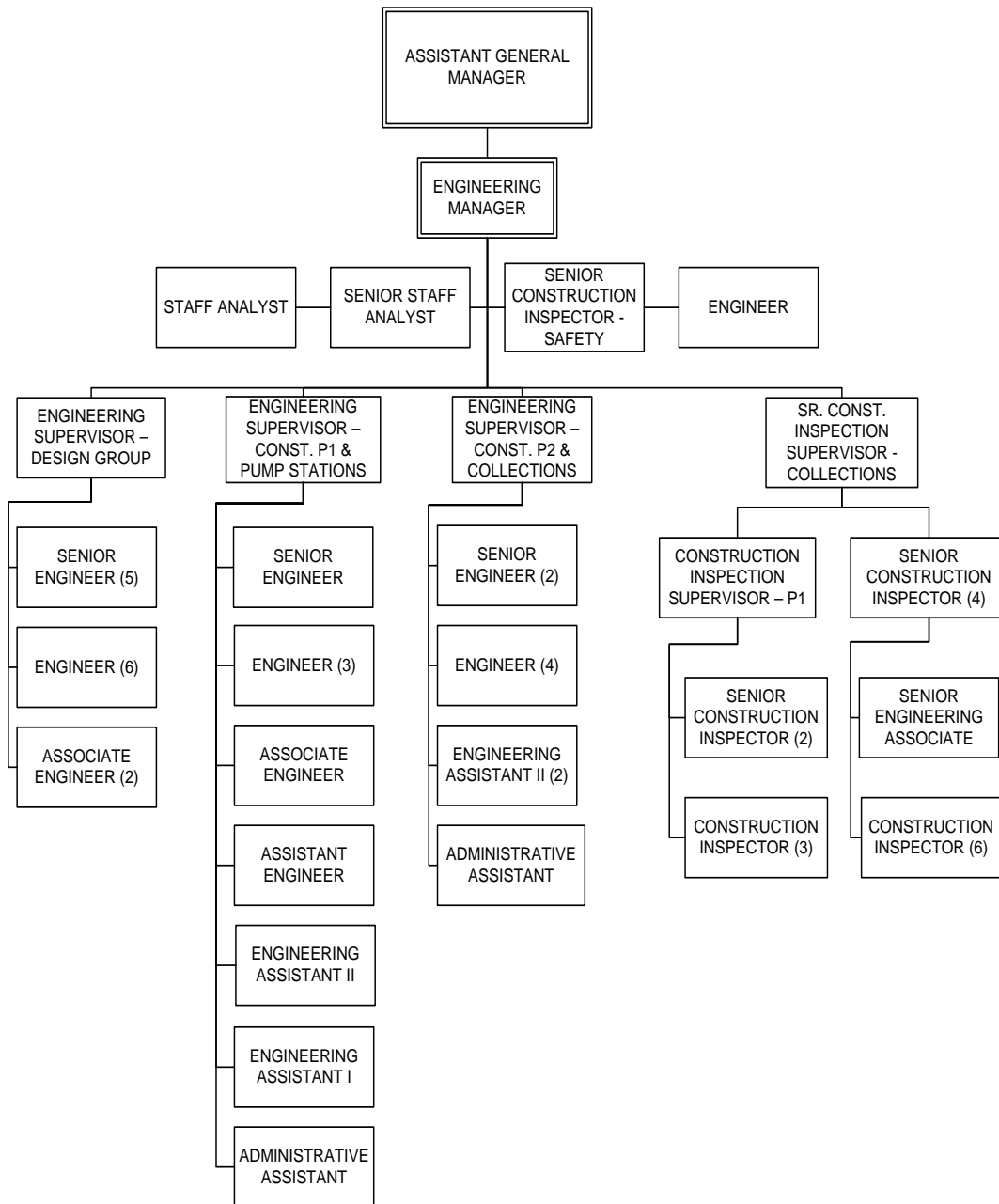
2012-13 & 2013-14 Budget

Operating Expenses By Category	2010-11 Actual	2011-12 Revised Budget	2011-12 Projected	2012-13 Proposed	Budget % Change	2013-14 Proposed	Budget % Change
Personnel	\$ 2,704,169	\$ 2,958,900	\$ 3,038,200	\$ 3,239,400	9.48%	\$ 3,264,200	0.77%
Supplies	16,724	20,040	14,320	29,420	46.81%	19,420	(33.99%)
Professional & Contractual Services	-	-	500	-	-	-	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	65	550	450	510	(7.27%)	510	-
Total	\$ 2,720,958	\$ 2,979,490	\$ 3,053,470	\$ 3,269,330	9.73%	\$ 3,284,130	0.45%



Engineering and Construction

760

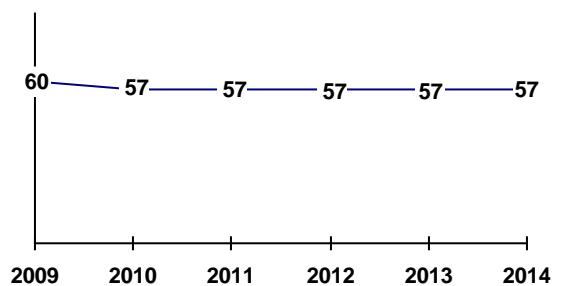


2012-13 & 2013-14 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	33.0
Administrative / Clerical	2.0
Engineering Insp. / Asst.	21.0

Total 57.0

Staffing Trends



2012-13 & 2013-14 Budget

Service Description

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

2011-12 Performance Objectives

- ◆ Ensure that the division's expenditures are managed to <100% of the proposed budget.
- ◆ Overall Staff Utilization rate > 75%.
- ◆ Program change order performance less than the Change Order Management Plan 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.

2011-12 Performance Results

- ◆ Will be managed to < 100%.
- ◆ Currently at 73%.
- ◆ Change order cost to be within COMP goal.
- ◆ Will meet dates.
- ◆ Date extended to 2013.
- ◆ No serious accidents.
- ◆ Performance met.

2012-13 & 2013-14 Performance Objectives

- ◆ Ensure that the division's expenditures are managed to <100% of the proposed budget.
- ◆ Reduce program change order performance towards COMP goal.
- ◆ Meet Full Secondary Consent Decree Dates.
- ◆ Support SARI project relocate by 2013.
- ◆ Implement CIP with no serious accidents.

Performance Measures

Summary	2010-11 Actual	2011-12 Projected	2012-13 Proposed	2013-14 Proposed	Justification
◆ Manage division budget	99.62%	<100%	<100%	<100%	In-house standard
◆ Reduce Program Change Order	Met goal	Meet goal	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	Zero Accident	Zero Accidents	Zero Accidents	In-house standard

Engineering and Construction

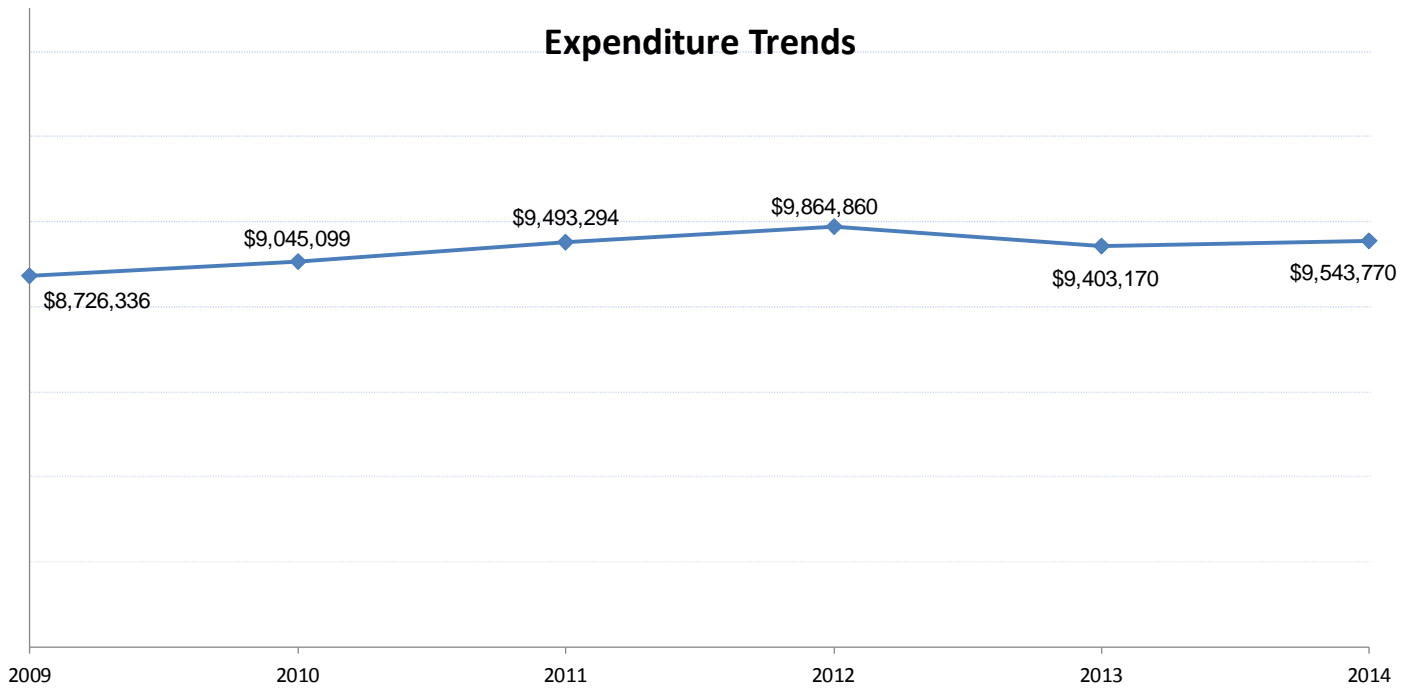
Budget Overview

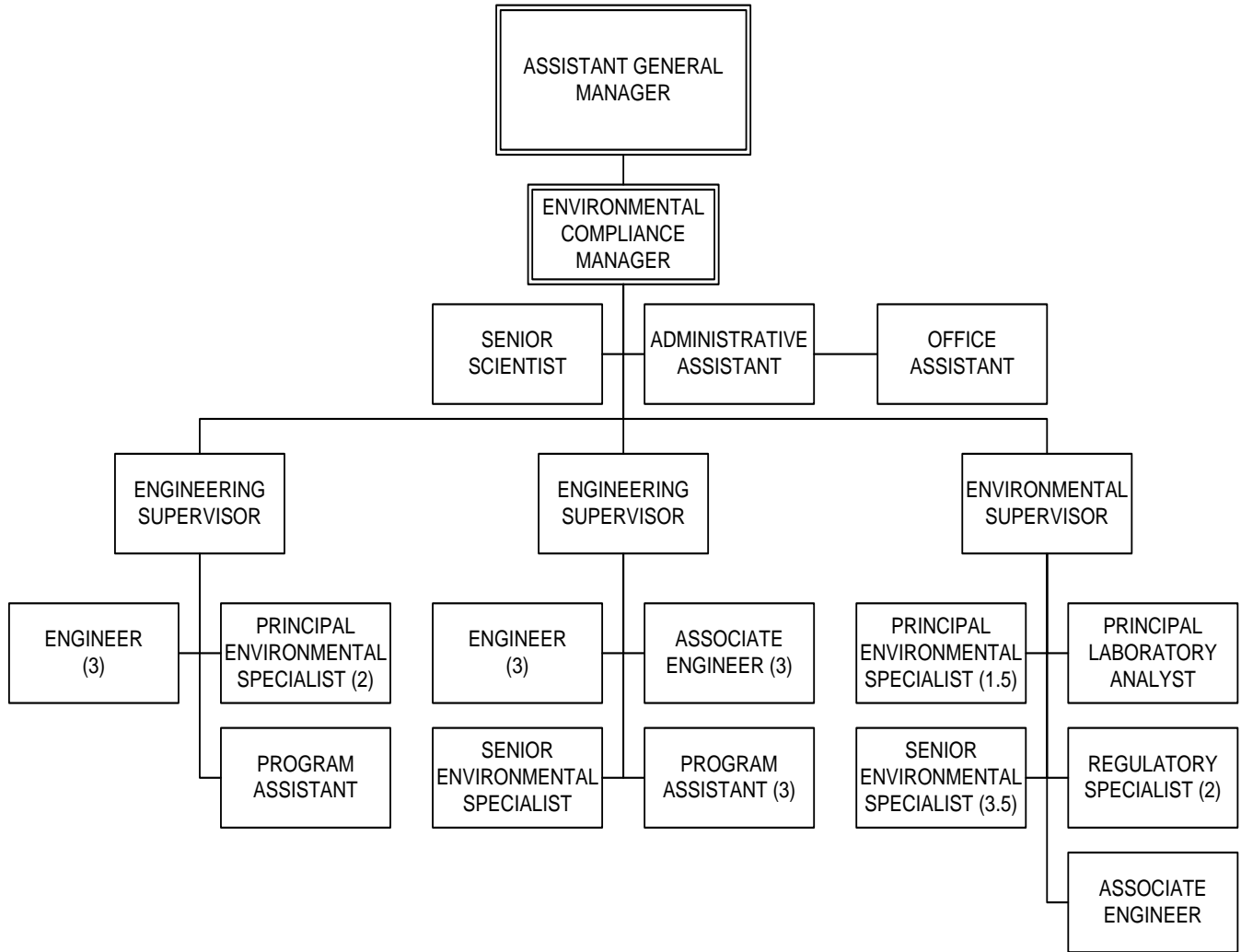
The FY 2012-13 & 2013-14 budgets for the Engineering and Construction Division reflect decreases of 5% and an increase of 2% over the prior year, respectively. The decrease is mainly due to staffing reallocations in during FY 2011-12 and decreases to retirement and group insurance costs.

2011-12 Adjusted Budget - Total Operating Requirements	\$ 9,864,860
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	15,800
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(357,200)
Change in OCERS retirement costs	(78,400)
Change in group insurance costs	(26,900)
Other benefit cost adjustments	2,100
Other Cost Adjustments:	
Increase in office expense - supplies (costs transferred from Division 750)	(7,500)
Increase in books and publications	(1,300)
Decrease in meetings	(2,850)
Decrease in freight expense	(4,000)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(1,440)
2012-13 Proposed Budget - Total Operating Requirements	\$ 9,403,170
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	62,800
Change in OCERS retirement costs	18,000
Change in group insurance costs	75,100
Other benefit cost adjustments	(17,600)
Other Cost Adjustments:	
No other significant cost changes	
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	2,300
2013-14 Proposed Budget - Total Operating Requirements	\$ 9,543,770

2012-13 & 2013-14 Budget

Operating Expenses By Category	2010-11 Actual	2011-12 Revised Budget	2011-12 Projected	2012-13 Proposed	Budget % Change	2013-14 Proposed	Budget % Change
Personnel	\$ 9,433,564	\$ 9,782,800	\$ 9,174,300	\$ 9,338,200	(4.54%)	\$ 9,476,500	1.48%
Supplies	55,635	74,440	58,140	62,040	(16.66%)	64,340	3.71%
Professional & Contractual Services	-	-	-	-	-	-	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	3	-	2,300	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	4,092	7,620	2,930	2,930	(61.55%)	2,930	-
Total	\$ 9,493,294	\$ 9,864,860	\$ 9,237,670	\$ 9,403,170	(4.68%)	\$ 9,543,770	1.50%



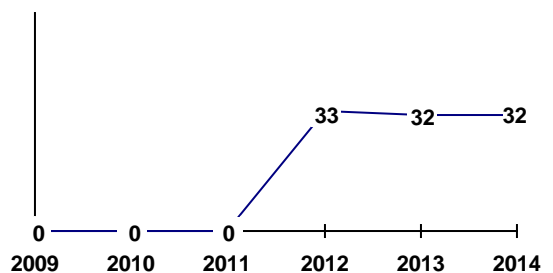


2012-13 & 2013-14 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	25.0
Administrative / Clerical	6.0

Total 32.0

Staffing Trends



2012-13 & 2013-14 Budget

Service Description

The Environmental Compliance Division fulfills regulatory requirements with proper biosolids management, air quality controls, federal pretreatment regulations, stormwater guidelines, non-industrial source control, and water reclamation and reuse. This is done in the most cost effective, practical and beneficial manner that meets regulatory requirements, protects the Sanitation District's assets, employees, and ocean discharge.

2011-12 Performance Objectives

- ◆ Meet 100% of regulatory deadlines for required compliance reports and permit applications.
- ◆ 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.
- ◆ 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.

2011-12 Performance Results

- ◆ To date 100% compliance.
- ◆ Completed.
- ◆ Completed.
- ◆ Developed and issued in January 2012.
- ◆ Staff conducted monitoring of industrial facilities exceeding the 95% of the benchmark.
- ◆ Enforcement follow-up completed (Monitoring moved to Division 340).
- ◆ Staff issued and renewed 100% of the industrial wastewater permits prior to the expiration dates.
- ◆ Courses were completed successfully within the reduced budget.
- ◆ Staff implements the fats, oil & grease (FOG) control program in conformance with the Wastewater Discharged Requirements Order.

2012-13 & 2013-14 Performance Objectives

- ◆ Meet 100% of regulatory deadlines for required compliance reports and permit applications.
- ◆ Maintain ECAP for all existing program areas.
- ◆ Maintain Certified Environmental Management System for Biosolids.
- ◆ Issue and renew 100% of the industrial wastewater permits prior to the expiration date.
- ◆ Continue to implement the fats, oil & grease (FOG) control program and strategies on a regional basis in conformance with the Wastewater Discharge Requirements Order.

Performance Measures

Summary	2010-11 Actual	2011-12 Projected	2012-13 Proposed	2013-14 Proposed	Justification
◆ Meet 100% of regulatory deadlines	N/A	100%	100%	100%	Permit Requirement
◆ ECAP Implementation	N/A	100%	100%	100%	Regulatory Requirement
◆ Conformance with the biosolids EMS program	N/A	100%	100%	100%	Level of Service
◆ Industrial Permit issuance/renewal	100%	100%	100%	100%	Federal Rule and Permit Requirement
◆ Fats, Oil & Grease Program	100%	100%	100%	100%	Permit Requirement

Environmental Compliance

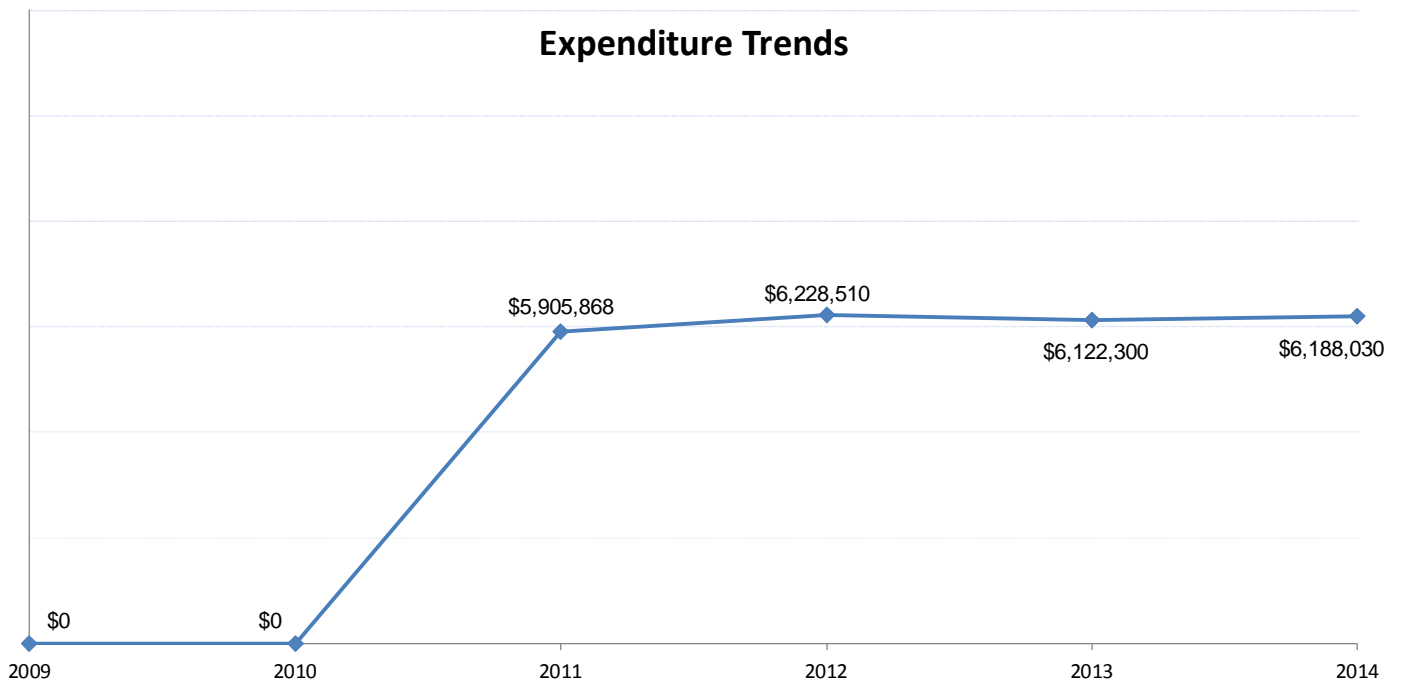
Budget Overview

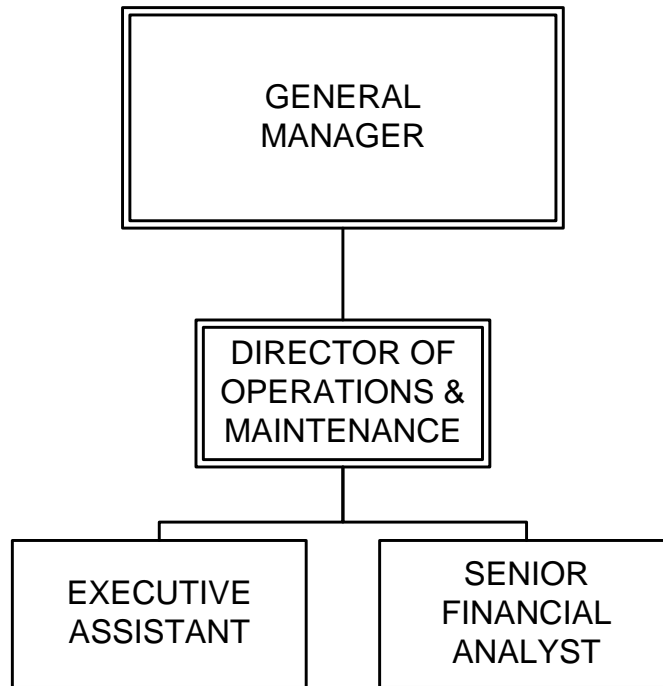
The fiscal year 2012-13 & 2013-14 budgets for the Environmental Compliance Division reflect a decrease of 2% and an increase of 1% over the prior year, respectively. The decrease is mainly due to staffing reallocations during FY 2011-12, as well as decreases in air quality services, other contractual services, and retirement and other benefit cost adjustments. These decreases are largely offset by increases due to the transfer of 1 FTE position, environmental scientific consulting services, regulatory operating fees and legal services.

2011-12 Adjusted Budget - Total Operating Requirements	\$ 6,228,510
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	112,500
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(230,800)
Change in OCERS retirement costs	(20,400)
Change in group insurance costs	(6,800)
Other benefit cost adjustments	(29,400)
Other Cost Adjustments:	
Increase in memberships	(3,200)
Increase in regulatory operating fees	83,000
Increase in legal services	25,000
Decrease in in-house reproduction services	(14,000)
Decrease in other contractual services	(30,000)
Increase in enviro scientific consulting services	85,000
Decrease in other professional services	(21,200)
Decrease in air quality monitoring services	(42,000)
Decrease in research services	(10,000)
Decrease in outside lab services	(3,000)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(910)
2012-13 Proposed Budget - Total Operating Requirements	\$ 6,122,300
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	7,800
Change in OCERS retirement costs	2,400
Change in group insurance costs	41,800
Other benefit cost adjustments	(9,800)
Other Cost Adjustments:	
Decrease in legal services	(15,000)
Increase in engineering services	21,000
Increase in regulatory operating fees	20,000
Decrease in enviro scientific consulting services	(5,000)
Increase in air quality monitoring services	3,000
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(470)
2013-14 Proposed Budget - Total Operating Requirements	\$ 6,188,030

2012-13 & 2013-14 Budget

Operating Expenses By Category	2010-11 Actual	2011-12 Revised Budget	2011-12 Projected	2012-13 Proposed	Budget % Change	2013-14 Proposed	Budget % Change
Personnel	\$ 4,967,151	\$ 5,221,200	\$ 4,882,800	\$ 5,046,300	(3.35%)	\$ 5,088,500	0.84%
Supplies	79,142	74,610	53,497	39,900	(46.52%)	39,430	(1.18%)
Professional & Contractual Services	263,139	178,200	217,173	255,000	43.10%	256,000	0.39%
Research & Monitoring	75,100	145,000	100,000	93,000	(35.86%)	96,000	3.23%
Repairs & Maintenance	52	2,000	100	100	(95.00%)	100	-
Utilities	-	-	-	-	-	-	-
Other	521,284	607,500	677,250	688,000	13.25%	708,000	2.91%
Total	\$ 5,905,868	\$ 6,228,510	\$ 5,930,820	\$ 6,122,300	(1.71%)	\$ 6,188,030	1.07%



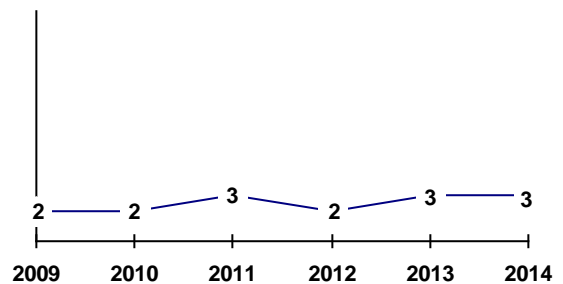


Staffing Trends

2012-13 & 2013-14 Authorized FTE Positions

Executive Manager	1.00
Supervisors / Professionals	1.00
Administrative / Clerical	1.00

Total 3.00



2012-13 & 2013-14 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.

2011-12 Performance Objectives

- ◆ Achieve 100 percent 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.

2011-12 Performance Results

- ◆ In compliance at 100% through March 2012.
- ◆ In compliance at 82%.
- ◆ Project 92% of budget will be expended.

2012-13 & 2013-14 Performance Objectives

- ◆ Achieve 100 percent compliance with water, solids, air, and energy permits.
- ◆ Manage O&M expenditures to within 96 to 100 percent of approved budget.
- ◆ Achieve a compliance level of 90 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.

Performance Measures

Summary	2010-11 Actual	2011-12 Projected	2012-13 Proposed	2013-14 Proposed	Justification
◆ Compliance with Permits	99%	100%	100%	100%	In-house standard for all facilities
◆ Budget compliance	90.3%	92%	96% - 100%	96% - 100%	In-house standard for O&M total
◆ LOS compliance	89%	90%	90-100%	90-100%	In-house standard

Operations & Maintenance Administration

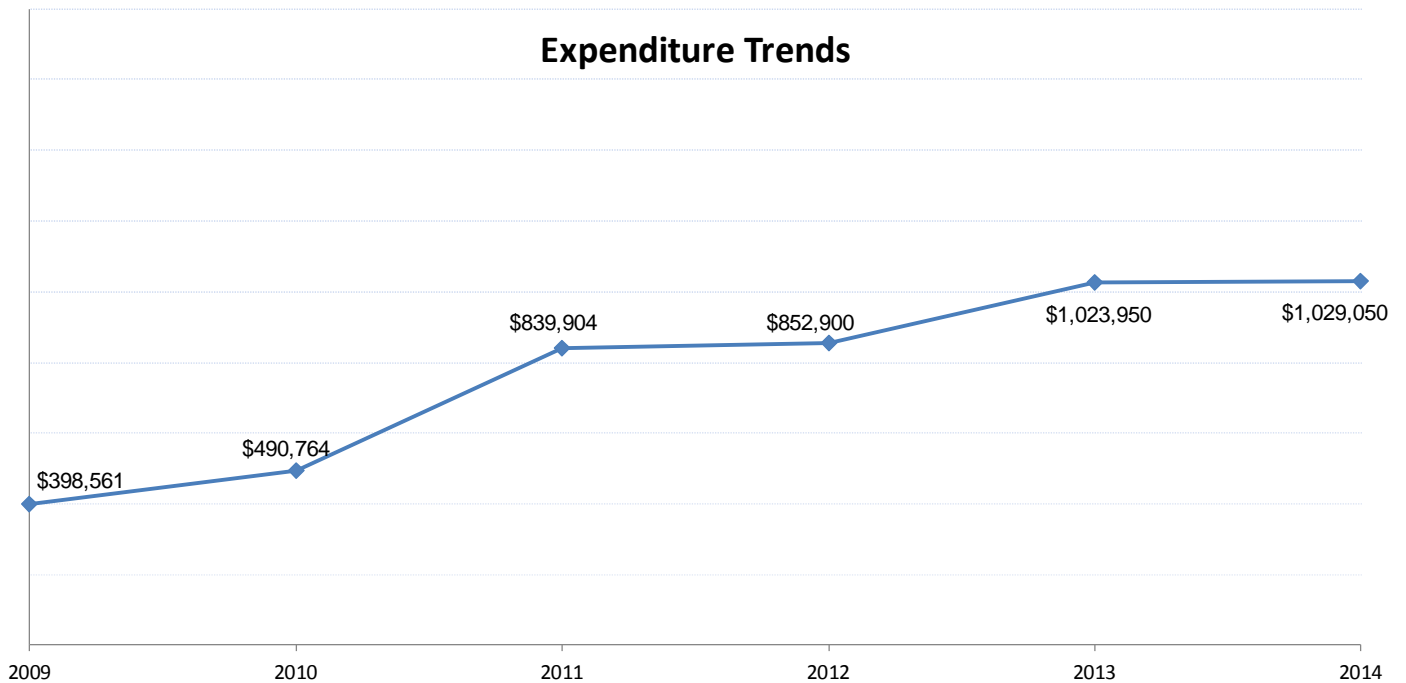
Budget Overview

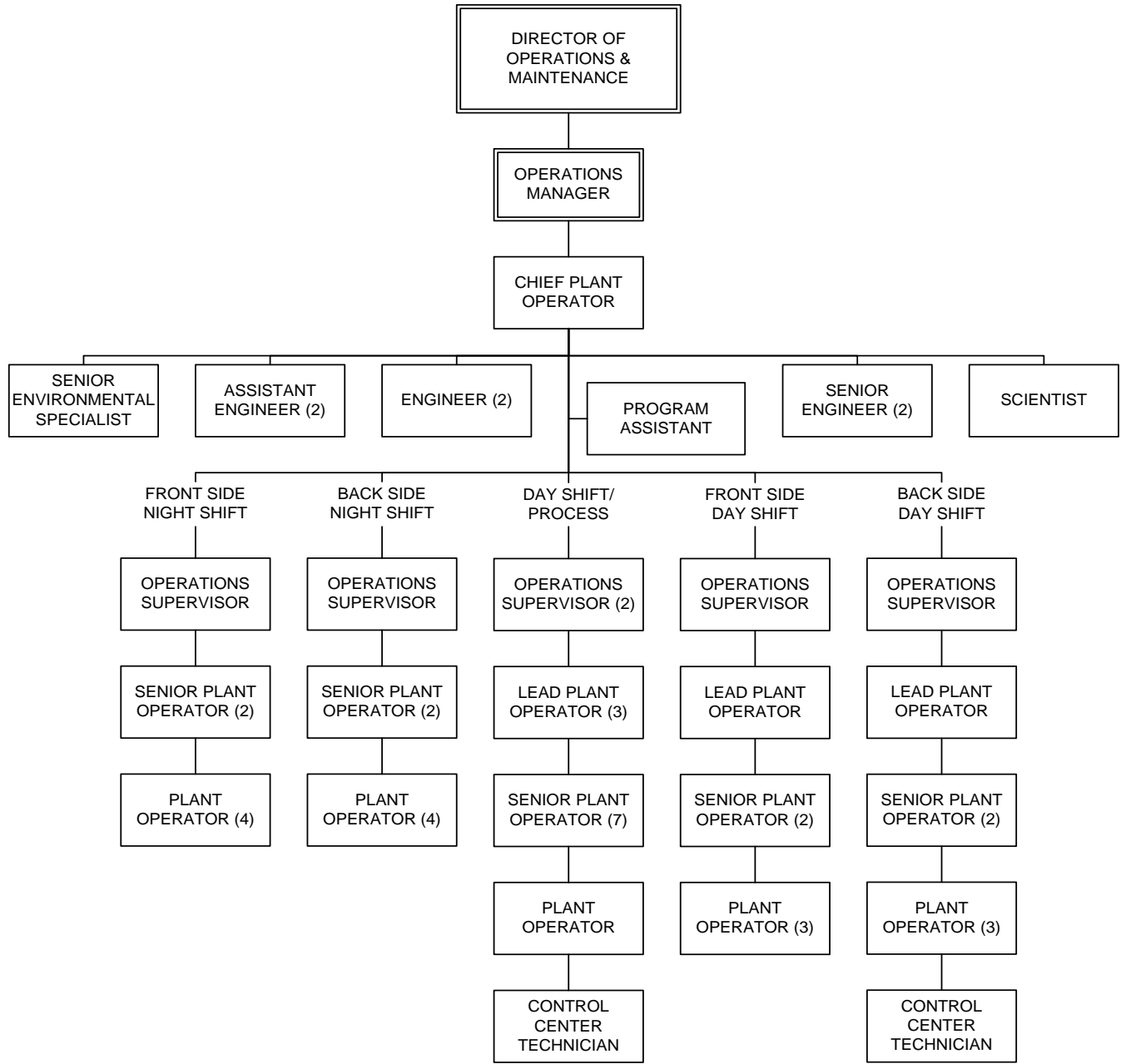
The FY 2012-13 & 2013-14 budgets for the Operations & Maintenance Administration Division reflect increases of 20% and 0.5% over the prior year, respectively. The increase is due to the transfer of 1 FTE position and increases in retirement and group insurance costs.

2011-12 Adjusted Budget - Total Operating Requirements	\$ 852,900
<i>Salaries for Position Changes:</i>	
Transfer of Positions from/(to) Other Divisions	124,000
New or (decreased) FTE	-
<i>Changes in Personnel Expenses:</i>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(3,600)
Change in OCERS retirement costs	39,800
Change in group insurance costs	15,600
Other benefit cost adjustments	2,000
<i>Other Cost Adjustments:</i>	
Decrease in research services	(5,000)
Decrease in legal services	(1,500)
<i>Aggregate change in Other Categories:</i>	
Aggregate change in other materials, supplies, and services	(250)
2012-13 Proposed Budget - Total Operating Requirements	\$ 1,023,950
<i>Changes in Personnel Expenses:</i>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	1,700
Change in OCERS retirement costs	600
Change in group insurance costs	3,700
Other benefit cost adjustments	(900)
<i>Other Cost Adjustments:</i>	
<i>Aggregate change in Other Categories:</i>	
No other cost changes	-
2013-14 Proposed Budget - Total Operating Requirements	\$ 1,029,050

2012-13 & 2013-14 Budget

Operating Expenses By Category	2010-11 Actual	2011-12 Revised Budget	2011-12 Projected	2012-13 Proposed	Budget % Change	2013-14 Proposed	Budget % Change
Personnel	\$ 394,238	\$ 391,600	\$ 395,700	\$ 569,400	45.40%	\$ 574,500	0.90%
Supplies	10,206	7,960	6,150	7,750	(2.64%)	7,750	-
Professional & Contractual Services	641	2,000	-	500	(75.00%)	500	-
Research & Monitoring	432,568	450,000	250,000	445,000	(1.11%)	445,000	-
Repairs & Maintenance	-	40	-	-	(100.00%)	-	-
Utilities	-	-	-	-	-	-	-
Other	2,251	1,300	1,300	1,300	-	1,300	-
Total	\$ 839,904	\$ 852,900	\$ 653,150	\$ 1,023,950	20.06%	\$ 1,029,050	0.50%

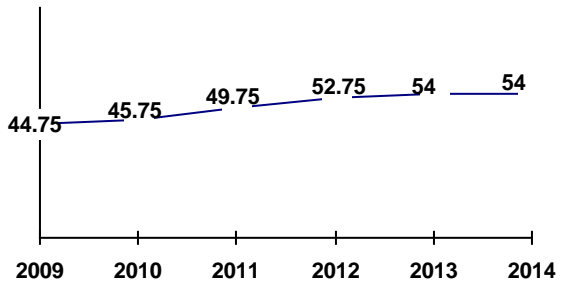




Staffing Trends

2012-13 & 2013-14 Authorized FTE Positions

Manager	1.00
Supervisors / Professionals	15.00
Operations & Maintenance	37.00
Administrative / Clerical	1.00
Total	54.00



2012-13 & 2013-14 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.

2011-12 Performance Objectives	2011-12 Performance Results
◆ Achieve 100% permit compliance.	◆ 100% NPDES compliance.
◆ Maintain 30-day geometric mean for total coliform at the final sampler at or below 100,000 MPN.	◆ 30-day geometric mean has consistently been maintained below 100,000 MPN at the final sampler.
◆ Maintain overtime at less than 9% of total hours worked.	◆ Overtime has consistently been held below 5% of total hours worked.
◆ Maintain total accident rate below 5.2 accidents per 100 employees.	◆ The accident rate was 2.1 for 2011 and is 0 for 2012.
◆ Staff attendance at safety training at 90% or higher.	◆ Attendance is greater than 90%.
◆ Successfully complete P1-102 commissioning.	◆ Commissioning has been delayed until spring of 2012.

2012-13 & 2013-14 Performance Objectives

- ◆ Achieve 100% permit compliance.
- ◆ Maintain 30-day geometric mean for total coliform at the final sampler at or below 250,000 MPN.
- ◆ Maintain overtime at less than 9% of the total hours worked.
- ◆ Maintain a safety scorecard above 90% for overall.
- ◆ Successfully complete P1-102 commissioning and performance acceptance test.

Summary	Performance Measures				Justification
	2010-11 Actual	2011-12 Projected	2012-13 Proposed	2013-14 Proposed	
◆ Compliance	100%	100%	100%	100%	Permit Requirement
◆ 30-Day Geo Mean	<250,000	<250,000	<250,000	<250,000	In-house standard
◆ Overtime	<9%	<9%	<9%	<9%	In-house standard
◆ Safety Scorecard	N/A	>=90%	>=90%	>=90%	In-house standard
◆ P1-102 Commissioning	N/A	N/A	December 2012	December 2012	In-house standard

Plant No. 1 Operations

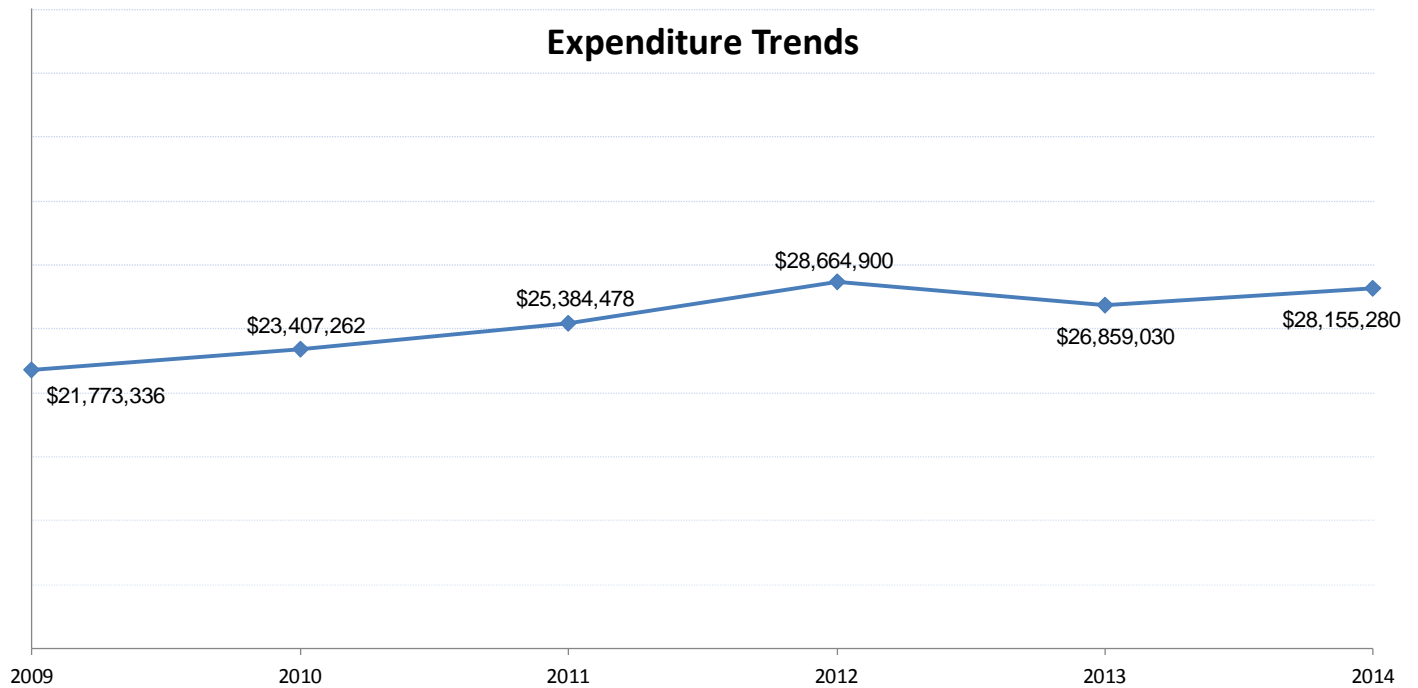
Budget Overview

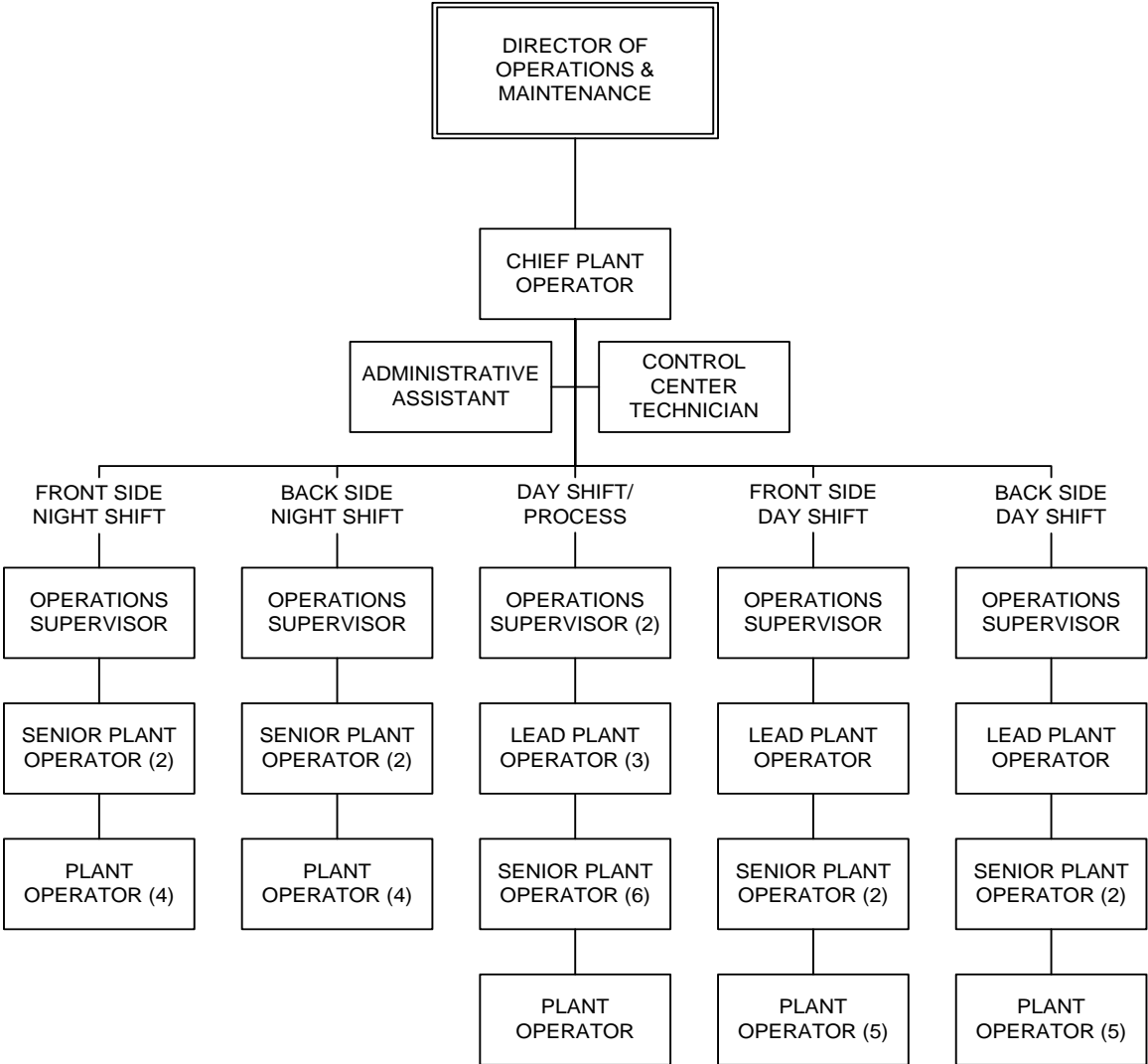
The FY 2012-13 & 2013-14 budgets for the Plant Number 1 Operations Division reflect a decrease of 6% and an increase of 5% over the prior year, respectively. The changes are mainly due to decreases of the costs in FY 2012-13 for chemical coagulants, disinfection chemicals, repairs and maintenance, odor control chemicals, and electricity.

2011-12 Adjusted Budget - Total Operating Requirements	\$ 28,664,900
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	(23,400)
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(68,700)
Change in OCERS retirement costs	(51,600)
Change in group insurance costs	3,000
Other benefit cost adjustments	25,400
Other Cost Adjustments:	
Decrease in chemical coagulants	(499,900)
Decrease in odor control chemicals	(202,600)
Decrease in disinfection chemicals	(429,100)
Increase in safety equipment and tools	2,000
Decrease in office expense	(3,400)
Decrease in lab chemicals and supplies	(5,000)
Decrease in repairs and maintenance services	(364,310)
Increase in contractual services	68,120
Decrease in engineering services	(45,000)
Decrease in legal services	(4,000)
Decrease in natural gas costs	(10,000)
Decrease in electricity costs	(184,000)
Decrease in water costs	(10,000)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(3,380)
2012-13 Proposed Budget - Total Operating Requirements	\$ 26,859,030
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	141,800
Change in OCERS retirement costs	38,100
Change in group insurance costs	72,200
Other benefit cost adjustments	(16,600)
Other Cost Adjustments:	
Increase in chemical coagulants	230,050
Increase in odor control chemicals	75,500
Increase in disinfection chemicals	14,750
Increase in solids removal costs	494,500
Increase in other waste disposal	15,000
Increase in natural gas costs	22,000
Increase in electricity costs	138,750
Increase in water costs	29,200
Increase in engineering services	45,000
Decrease in lab chemicals and supplies	(5,000)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	1,000
2013-14 Proposed Budget - Total Operating Requirements	\$ 28,155,280

2012-13 & 2013-14 Budget

Operating Expenses By Category	2010-11 Actual	2011-12 Revised Budget	2011-12 Projected	2012-13 Proposed	Budget % Change	2013-14 Proposed	Budget % Change
Personnel	\$ 7,192,405	\$ 7,917,600	\$ 7,734,800	\$ 7,802,300	(1.46%)	\$ 8,037,800	3.02%
Supplies	5,375,189	6,690,440	5,429,570	5,551,860	(17.02%)	5,866,860	5.67%
Professional & Contractual Services	10,389,049	10,243,000	9,583,920	10,262,120	0.19%	10,816,830	5.41%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	77,491	460,310	16,000	96,000	(79.14%)	97,000	1.04%
Utilities	2,345,228	3,347,000	3,146,422	3,143,000	(6.10%)	3,332,950	6.04%
Other	5,116	6,550	3,688	3,750	(42.75%)	3,840	2.40%
Total	\$25,384,478	\$ 28,664,900	\$25,914,400	\$26,859,030	(6.30%)	\$ 28,155,280	4.83%



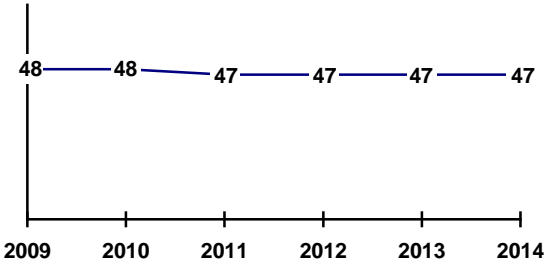


2012-13 & 2013-14 Authorized FTE Positions

Supervisors / Professionals	7.0
Administrative / Clerical	1.0
Operations & Maintenance	39.0

Total 47.0

Staffing Trends



2012-13 & 2013-14 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.

2011-12 Performance Objectives	2011-12 Performance Results
◆ Achieve 100% permit compliance.	◆ 100% NPDES compliance.
◆ Maintain 30-day geometric mean for total coliform at the final sampler at or below 100,000 MPN.	◆ 30-day geometric mean has consistently been maintained below 100,000 MPN at the final sampler.
◆ Maintain overtime at less than 9% of total hours worked.	◆ Overtime has consistently been held below 5% of total hours worked.
◆ Maintain total accident rate below 5.2 accidents per 100 employees.	◆ The accident rate was 6.8 for 2011 and is 0 for 2012.
◆ Staff attendance at safety training at 90% or higher.	◆ Attendance is greater than 90%.
◆ Successfully complete P2-90 commissioning.	◆ Commissioning successfully completed.

2012-13 & 2013-14 Performance Objectives

- ◆ Achieve 100% permit compliance.
- ◆ Maintain 30-day geometric mean for total coliform at the final sampler at or below 250,000 MPN.
- ◆ Maintain overtime at less than 9% of the total hours worked.
- ◆ Maintain a safety scorecard above 90% for overall.
- ◆ Successfully complete P2-66

Summary	Performance Measures				Justification
	2010-11 Actual	2011-12 Projected	2012-13 Proposed	2013-14 Proposed	
◆ Compliance	100%	100%	100%	100%	Permit Requirement
◆ 30-Day Geo Mean	<250,000	<250,000	<250,000	<250,000	In-house standard
◆ Overtime	<9%	<9%	<9%	<9%	In-house standard
◆ Safety Scorecard	N/A	>=90%	>=90%	>=90%	In-house standard
◆ P2-66	N/A	N/A	June 2013	June 2013	In-house standard

Plant No. 2 Operations

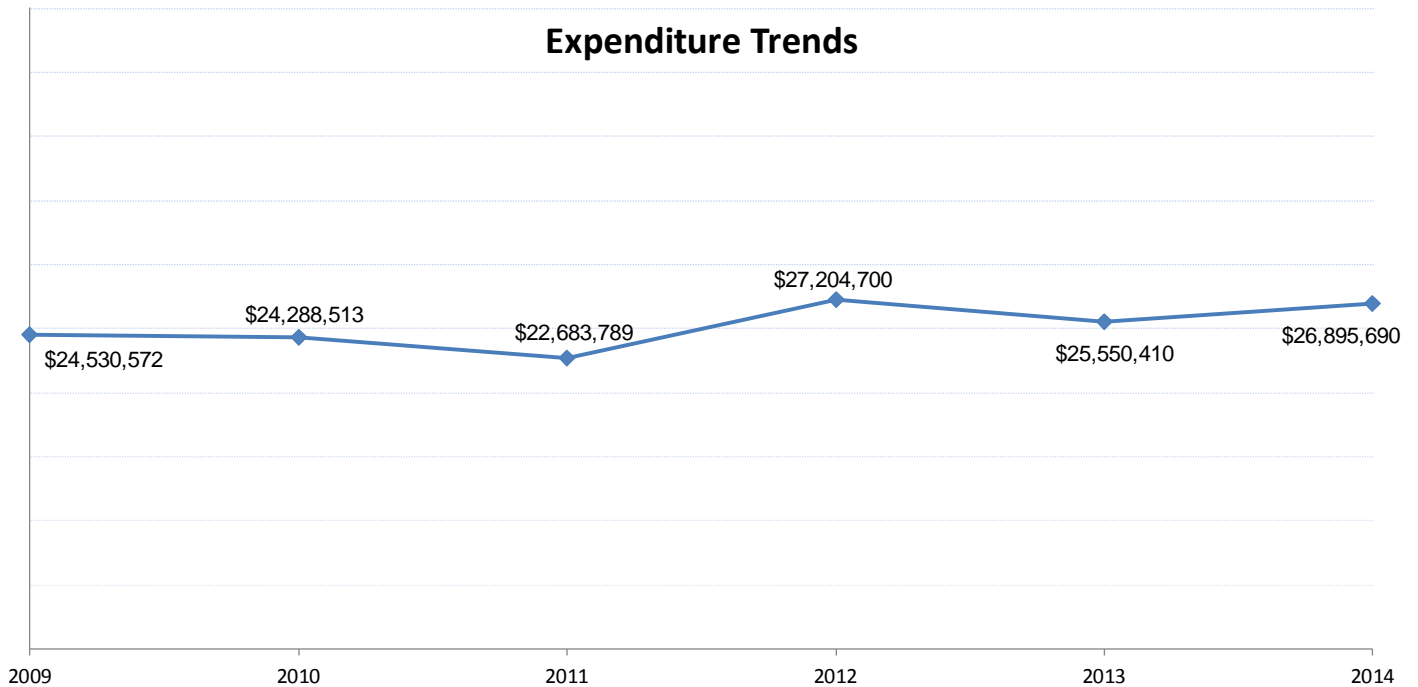
Budget Overview

The FY 2012-13 & 2013-14 budgets for the Plant Number 2 Operations Division reflect a decrease of 6% and an increase of 5% over the prior year, respectively. The changes are mainly due to decreases of the costs in FY 2012-13 for disinfection chemicals, electricity, chemical coagulants and salary and benefits adjustments. The decrease is partially offset with increases to solids removal, repairs and maintenance, and oxygen plant operations costs.

2011-12 Adjusted Budget - Total Operating Requirements	\$ 27,204,700
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	(24,200)
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(146,900)
Change in OCERS retirement costs	(100,400)
Change in group insurance costs	(10,200)
Other benefit cost adjustments	10,200
Other Cost Adjustments:	
Decrease in chemical coagulants	(536,100)
Decrease in odor control chemicals	(23,370)
Decrease in disinfection chemicals	(2,015,100)
Increase in solids removal costs	1,778,000
Increase in other waste disposal	38,000
Increase in oxygen plant operations	95,000
Increase in lab chemicals and supplies expense	3,570
Decrease in engineering services	(45,000)
Increase in repairs and maintenance	308,000
Decrease in natural gas costs	(20,000)
Decrease in electricity costs	(908,000)
Decrease in water costs	(56,250)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(1,540)
2012-13 Proposed Budget - Total Operating Requirements	\$ 25,550,410
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	149,200
Change in OCERS retirement costs	39,100
Change in group insurance costs	63,500
Other benefit cost adjustments	(14,400)
Other Cost Adjustments:	
Increase in chemical coagulants	210,000
Increase in odor control chemicals	20,250
Increase in disinfection chemicals	47,250
Increase in solids removal costs	524,000
Increase in other waste disposal	16,000
Increase in oxygen plant operations	98,500
Increase in engineering services	45,000
Increase in natural gas costs	7,000
Increase in repairs and maintenance services	17,000
Increase in electricity costs	112,700
Increase in water costs	8,140
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	2,040
2013-14 Proposed Budget - Total Operating Requirements	\$ 26,895,690

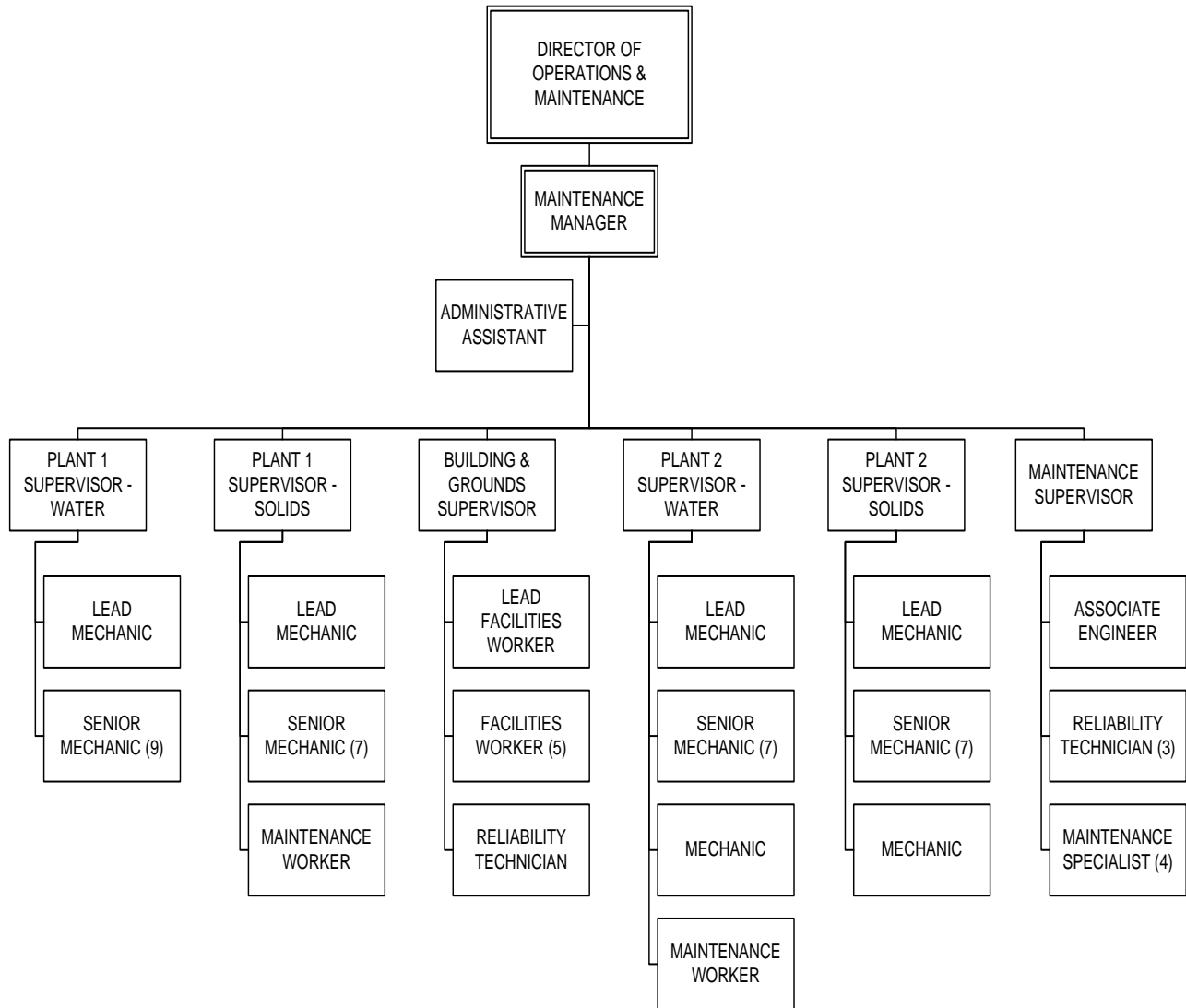
2012-13 & 2013-14 Budget

Operating Expenses By Category	2010-11 Actual	2011-12 Revised Budget	2011-12 Projected	2012-13 Proposed	Budget % Change	2013-14 Proposed	Budget % Change
Personnel	\$ 6,483,794	\$ 6,837,500	\$ 6,694,400	\$ 6,566,000	(3.97%)	\$ 6,803,400	3.62%
Supplies	6,071,699	7,280,950	4,796,160	4,708,060	(35.34%)	4,987,520	5.94%
Professional & Contractual Services	7,753,654	9,575,000	10,537,000	11,441,000	19.49%	12,124,500	5.97%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	16,488	32,000	16,800	340,000	962.50%	357,000	5.00%
Utilities	2,355,080	3,476,000	2,215,000	2,491,750	(28.32%)	2,619,590	5.13%
Other	3,074	3,250	3,520	3,600	10.77%	3,680	2.22%
Total	\$22,683,789	\$ 27,204,700	\$24,262,880	\$25,550,410	(6.08%)	\$ 26,895,690	5.27%



Building, Grounds, and Mechanical Maintenance

850

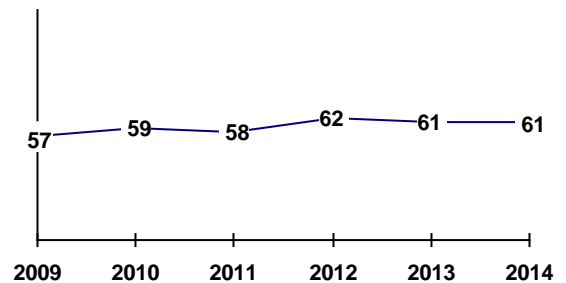


2012-13 & 2013-14 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	7.0
Operations & Maintenance	52.0
Administrative / Clerical	1.0

Total **61.0**

Staffing Trends



2012-13 & 2013-14 Budget

Service Description

To provide appropriate maintenance support for buildings, grounds and wastewater treatment processes in a safe, efficient, and effective manner so that OCSD can meet all discharge requirements.

2011-12 Performance Objectives

- ◆ Maintain a total work order backlog of no greater than 6 weeks.
- ◆ Maintain overtime below 7% of total hours worked.
- ◆ Maintain a calendar yearly safety scorecard rating above 90%.
- ◆ Maintain 100% records compliance for Volatile Organic Compound (VOC's).

2011-12 Performance Results

- ◆ Through 7 months the average backlog was 6.06 weeks.
- ◆ Through 7 months the overtime as a percentage of total hours worked was 4.58%.
- ◆ Through the first 2 quarters the average scorecard rating was 91.24%.
- ◆ Through 7 months the record compliance was 100%.

2012-13 & 2013-14 Performance Objectives

- ◆ Maintain a total work order backlog of no greater than 6 weeks.
- ◆ Maintain overtime below 5% of total hours worked.
- ◆ Maintain a calendar yearly safety scorecard rating above 90%.
- ◆ Maintain 100% records compliance for Volatile Organic Compound (VOC's).

Performance Measures

Summary	2010-11 Actual	2011-12 Projected	2012-13 Proposed	2013-14 Proposed	Justification
◆ Work Order Backlog	8.1 Weeks	<6.5 Weeks	<6 Weeks	<6 Weeks	Industry Standard
◆ Overtime	4.72%	<5%	<5%	<5%	In-House Standard Based on Industry Standards
◆ Safety Scorecard	N/A	>90%	>90%	>90%	In-house Standard
◆ VOC Record Compliance	N/A	100%	100%	100%	Industry Standard

Building, Grounds, and Mechanical Maintenance

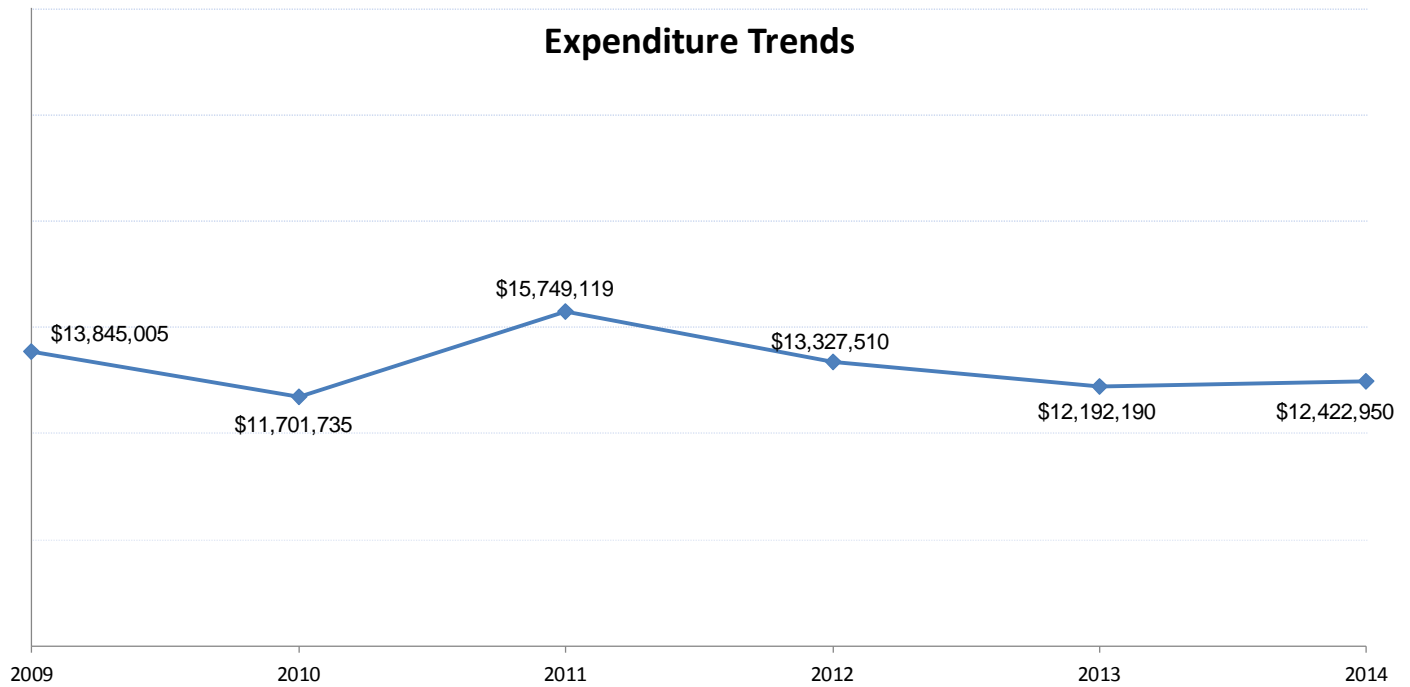
Budget Overview

The FY 2012-13 & 2013-14 budgets for the Building, Grounds, and Mechanical Maintenance Division reflect a decrease of 9% and an increase of 2% from the prior year, respectively. The decrease is primarily due to decreases in repairs and maintenance costs and staffing reallocations, in addition to decreases for loss on obsolete inventory, engineering services, other waste disposal fees, and retirement and group insurance costs. These decreases are offset somewhat by increases to other professional services and safety equipment and tools.

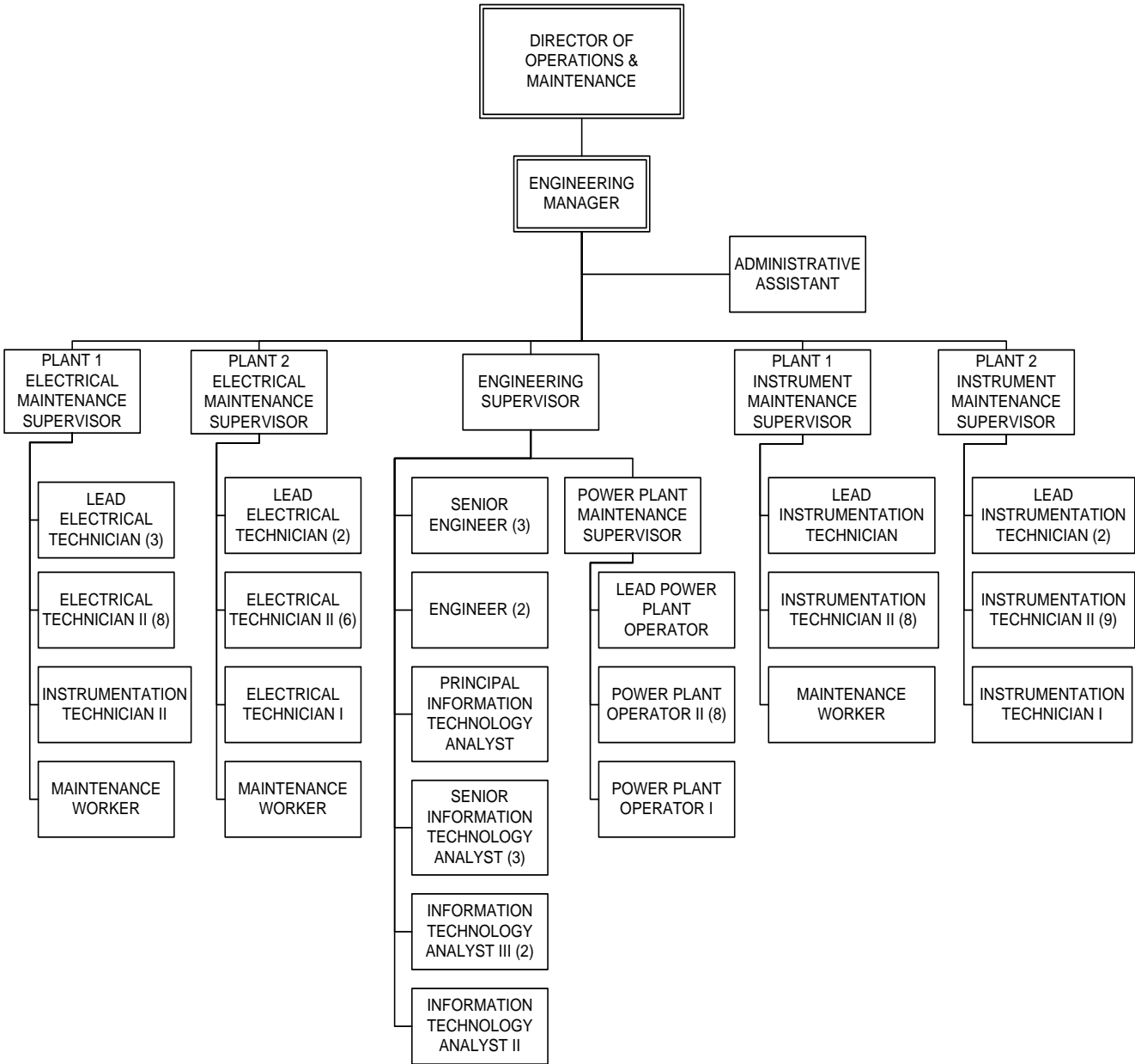
2011-12 Adjusted Budget - Total Operating Requirements	\$ 13,327,510
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	23,600
New or (decreased) FTE	(68,800)
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(291,300)
Change in OCERS retirement costs	(63,300)
Change in group insurance costs	(27,800)
Other benefit cost adjustments	20,700
Other Cost Adjustments:	
Increase in gas, diesel, & oil	6,500
Increase in safety equipment and tools	26,470
Decrease in other waste disposal	(64,900)
Decrease in janitorial services	(20,000)
Decrease in engineering services	(75,000)
Decrease in repairs and maintenance	(580,110)
Decrease in service maintenance agreements	(14,000)
Decrease in loss on obsolete inventory	(91,000)
Decrease in freight expense	(15,000)
Increase in meetings	4,700
Decrease in misc operating supplies expense	(6,000)
Increase in other professional services	100,000
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(80)
2012-13 Proposed Budget - Total Operating Requirements	\$ 12,192,190
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	154,300
Change in OCERS retirement costs	42,200
Change in group insurance costs	81,800
Other benefit cost adjustments	(18,800)
Other Cost Adjustments:	
Decrease in safety equipment and tools	(48,480)
Increase in repairs and maintenance	104,640
Decrease in other professional services	(100,000)
Increase in gas, diesel, & oil	10,000
Increase in meetings	1,350
Increase in misc operating supplies expense	1,000
Increase in janitorial supplies expense	2,000
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	750
2013-14 Proposed Budget - Total Operating Requirements	\$ 12,422,950

2012-13 & 2013-14 Budget

Operating Expenses By Category	2010-11 Actual	2011-12 Revised Budget	2011-12 Projected	2012-13 Proposed	Budget % Change	2013-14 Proposed	Budget % Change
Personnel	\$ 7,694,665	\$ 8,299,500	\$ 7,617,800	\$ 7,892,600	(4.90%)	\$ 8,152,100	3.29%
Supplies	370,861	362,610	340,750	391,740	8.03%	355,160	(9.34%)
Professional & Contractual Services	1,730,325	209,900	63,380	152,000	(27.58%)	54,100	(64.41%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	5,923,777	4,309,300	4,316,000	3,715,190	(13.79%)	3,820,830	2.84%
Utilities	13,720	20,000	13,000	20,000	-	20,000	-
Other	15,771	126,200	18,400	20,660	(83.63%)	20,760	0.48%
Total	\$15,749,119	\$ 13,327,510	\$12,369,330	\$12,192,190	(8.52%)	\$ 12,422,950	1.89%



Instrumentation & Electrical Maintenance

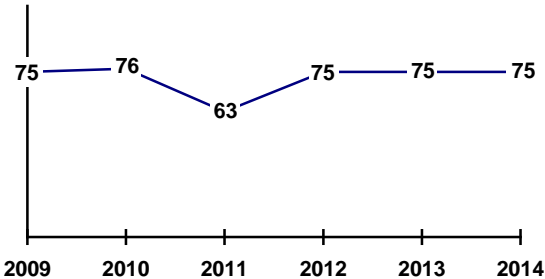


2012-13 & 2013-14 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	18.0
Administrative / Clerical	1.0
Operations & Maintenance	55.0

Total **75.0**

Staffing Trends



2012-13 & 2013-14 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.

2011-12 Performance Objectives

- ◆ Maintain electrical power availability at the distribution level greater than 99.9% (8 hr/yr of unplanned outage).
- ◆ Maintain all three supervisory control and data acquisition system servers above 99.9% (8 hr/yr of unplanned downtime).
- ◆ Maintain a calendar year safety scorecard above 90%.
- ◆ Restrict the wasting of digester gas by flaring to less than 5%.
- ◆ Maintain a work order backlog of less than 6 weeks.
- ◆ Maintain zero budget variance from the proposed budget.

2011-12 Performance Results

- ◆ The power availability has been 100% through February.
- ◆ The SCADA availability has been 100% through February.
- ◆ The average scorecard value through March is 85%.
- ◆ The average flaring rate through February was 1%.
- ◆ The average work order backlog is currently 2.2 weeks.
- ◆ Budget variance through February is minus 4%.

2012-13 & 2013-14 Performance Objectives

- ◆ Maintain electrical power availability at the distribution level greater than 99.9% (8 hr/yr of unplanned outage).
- ◆ Maintain all three supervisory control and data acquisition system servers above 99.9% (8 hr/yr of unplanned downtime).
- ◆ Maintain a calendar year safety scorecard above 90%.
- ◆ Restrict the wasting of digester gas by flaring to less than 5%.
- ◆ Maintain a workorder backlog of less than 6 weeks for Instrument and Electrical Maintenance.
- ◆ Maintain zero budget variance from the proposed budget.

Performance Measures

Summary	2010-11 Actual	2011-12 Projected	2012-13 Proposed	2013-14 Proposed	Justification
◆ Power Availability	100%	100%	>99.9%	>99.9%	In-house standard
◆ SCADA Availability	100%	100%	>99.9%	>99.9%	In-house standard
◆ Safety Scorecard	N/A	>90%	>90%	>90%	District Goal
◆ Di-gas waste	8%	<2%	<5%	<5%	In-house standard
◆ Backlog	4.5	4.8	<6 weeks	<6 weeks	Industry Standard
◆ Budget Variance	-7%	0%	0%	0%	In-house standard

Instrumentation & Electrical Maintenance

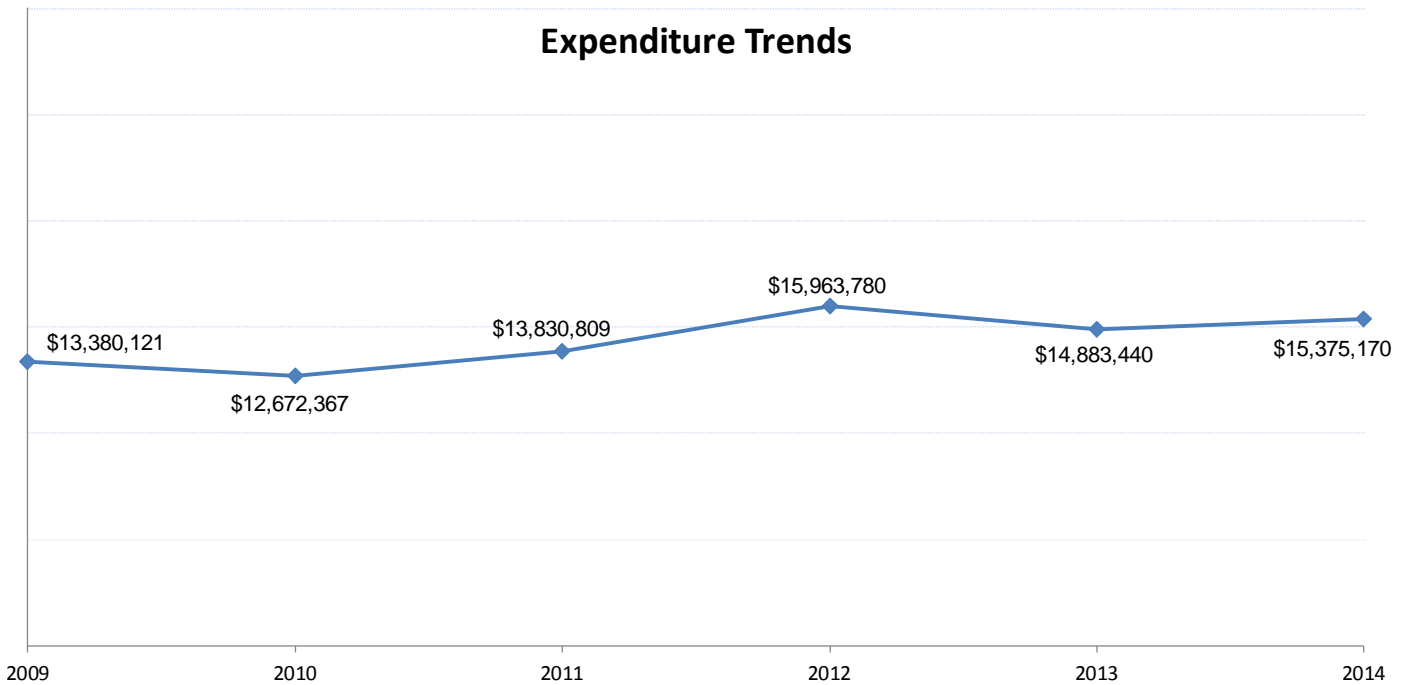
Budget Overview

The FY 2012-13 & 2013-14 budgets for the Instrumentation and Electrical Maintenance Division reflect a decrease of 7% and an increase of 3% over the prior year, respectively. The decrease is primarily due to staffing reallocations, salary and benefits adjustments, and natural gas, as well as decreased costs for engineering services and GAP water.

2011-12 Adjusted Budget - Total Operating Requirements	\$ 15,963,780
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	15,100
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(548,700)
Change in OCERS retirement costs	(103,200)
Change in group insurance costs	(19,800)
Other benefit cost adjustments	(23,900)
Other Cost Adjustments:	
Increase in safety equipment and tools	24,900
Decrease in engineering services	(100,000)
Decrease in freight expense	(17,000)
Increase in repairs and maintenance	64,630
Increase in meetings	2,860
Decrease in in-house reproduction services	(4,500)
Decrease in misc operating supplies expense	(6,000)
Decrease in chemicals - cogen op. expense	(13,000)
Decrease in natural gas costs	(229,000)
Decrease in GAP water costs	(80,000)
Decrease in loss on obsolete inventory	(43,000)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	270
2012-13 Proposed Budget - Total Operating Requirements	\$ 14,883,440
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	179,600
Change in OCERS retirement costs	49,800
Change in group insurance costs	100,400
Other benefit cost adjustments	(23,100)
Other Cost Adjustments:	
Increase in minor furniture and fixtures	200
Increase in safety equipment and tools	5,100
Decrease in engineering services	(75,000)
Increase in repairs and maintenance	102,570
Increase in natural gas costs	156,000
Decrease in software program consulting services	(8,000)
Increase in safety equipment and tools	5,100
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(940)
2013-14 Proposed Budget - Total Operating Requirements	\$ 15,375,170

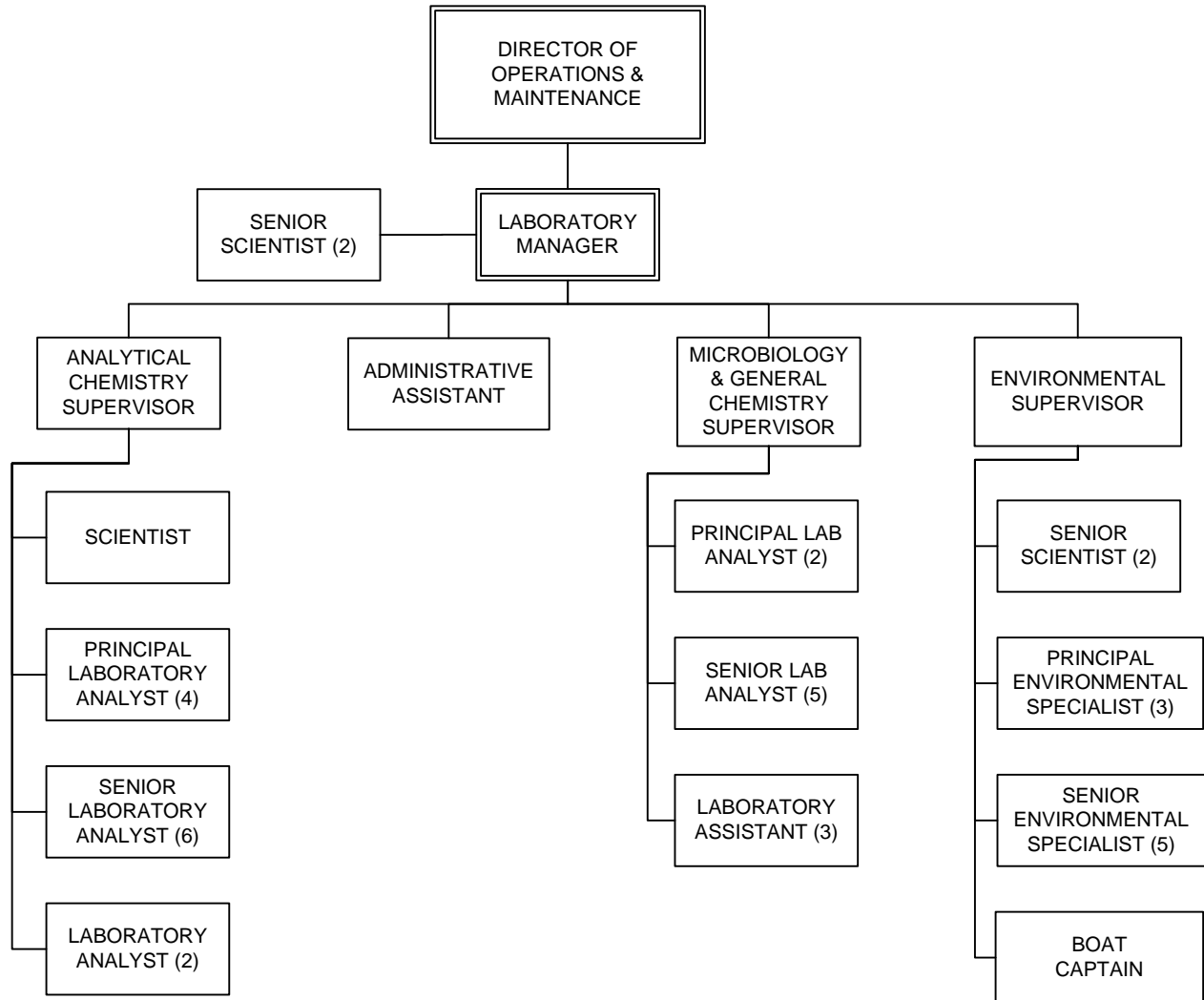
2012-13 & 2013-14 Budget

Operating Expenses By Category	2010-11 Actual	2011-12 Revised Budget	2011-12 Projected	2012-13 Proposed	Budget % Change	2013-14 Proposed	Budget % Change
Personnel	\$10,769,973	\$ 11,850,900	\$11,413,200	\$11,170,400	(5.74%)	\$ 11,477,100	2.75%
Supplies	295,308	283,680	283,690	289,160	1.93%	298,520	3.24%
Professional & Contractual Services	58,199	275,000	125,130	173,000	(37.09%)	90,000	(47.98%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	1,682,332	2,069,200	1,955,000	2,133,730	3.12%	2,236,300	4.81%
Utilities	1,012,509	1,413,000	1,163,000	1,104,000	(21.87%)	1,260,000	14.13%
Other	12,488	72,000	9,440	13,150	(81.74%)	13,250	0.76%
Total	\$13,830,809	\$ 15,963,780	\$14,949,460	\$14,883,440	(6.77%)	\$ 15,375,170	3.30%



Environmental Laboratory and Ocean Monitoring

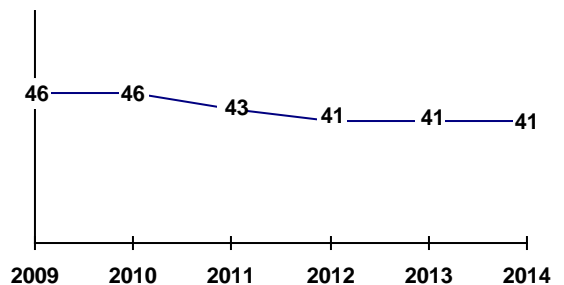
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2012-13 & 2013-14 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	36.0
Administrative / Clerical	1.0
Technical Staff	3.0
Total	41.0

Staffing Trends



2012-13 & 2013-14 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 systems, industrial discharges, offshore and nearshore receiving waters, final effluent and air to determine the effectiveness of wastewater treatment processes, the industrial source control program, compliance with water and air regulations in order to protect and preserve the environment and public health.

2011-12 Performance Objectives

- ◆ Meet with Operations and Source Control to ensure their analytical program is right sized, achievable for ELOM within 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.

2011-12 Performance Results

- ◆ Regular meetings are in place and turnaround times are within requirements.
- ◆ 100% on all Performance tests passed on first attempt.
- ◆ Through January, expenses 6% under budget, infaunal taxonomy program in-sourcing in process.
- ◆ All GWRS special project samples completed on schedule.
- ◆ All samples collected and tested on schedule.

2012-13 & 2013-14 Performance Objectives

- ◆ Continued efficiency improvement as measured by internal standards and benchmarking with other laboratories.
- ◆ Successful performance on proficiency testing standards, greater than 95% on first attempt and 100% on second attempt.
- ◆ Manage division controllable costs to within 10% of budget, and continue to gain efficiency through process improvements.
- ◆ Support GWR special projects and routine monitoring requirements moving toward Phase II completion and planning for the final Phase.
- ◆ Continue to meet all NPDES Permit compliance standards and carry out Strategic Process Studies focused toward advancing OCSD's Mission.

Performance Measures

Summary	2010-11 Actual	2011-12 Projected	2012-13 Proposed	2013-14 Proposed	Justification
◆ Lab Productivity	100%	100%	100%	100%	In-house standard & external benchmarking
◆ Lab Standards	100%	100%	100%	100%	In-house & external standard
◆ Budget vs. actual	95%	95%	≤100%	≤100%	Percent of budget spent
◆ GWR Goals	100%	100%	100%	100%	Percent of goal complete
◆ Permit Compliance	100%	100%	100%	100%	Compliance measure

Environmental Laboratory and Ocean Monitoring

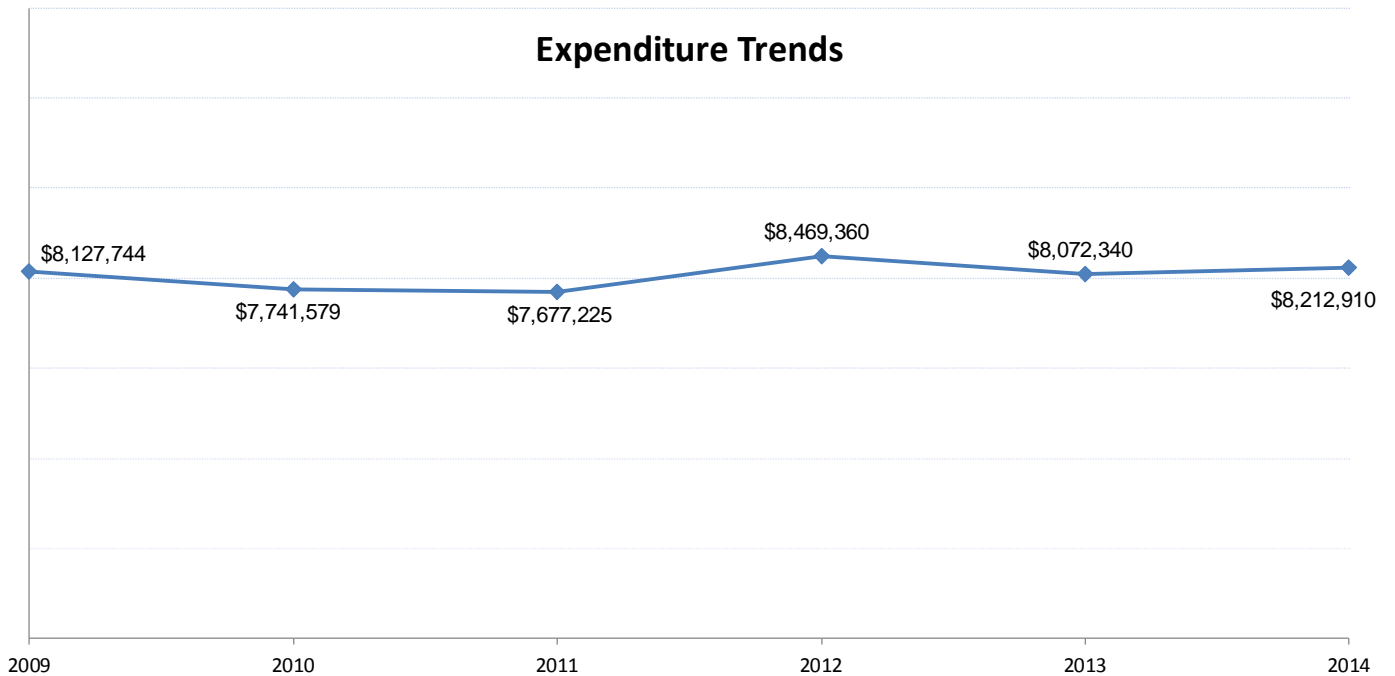
Budget Overview

The FY 2012-13 & 2013-14 budgets for the Environmental Laboratory and Ocean Monitoring Division reflect a decrease of 5% and an increase of 2% over the prior year, respectively. The decrease is primarily due to the reduction in environmental monitoring and research costs, the transfer of 1 FTE, and salary and benefits adjustments, as well as decreased costs for lab chemicals and supplies and service maintenance agreements.

2011-12 Adjusted Budget - Total Operating Requirements	\$ 8,469,360
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	32,600
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(126,400)
Change in OCERS retirement costs	(44,500)
Change in group insurance costs	(7,300)
Other benefit cost adjustments	4,600
Other Cost Adjustments:	
Decrease in in-house reproduction services	(3,000)
Increase in meetings	4,600
Increase in diesel fuel	9,630
Increase in safety equipment and tools	9,000
Decrease in lab chemicals and supplies	(81,000)
Increase in outside lab services	30,000
Increase in temporary services	35,000
Decrease in freight expense	(17,800)
Decrease in environmental scientific consulting	(17,000)
Decrease in environmental monitoring & research costs	(179,620)
Decrease in repairs and maintenance	(11,800)
Decrease in service maintenance agreements	(61,000)
Increase in electricity costs	25,000
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	1,970
2012-13 Proposed Budget - Total Operating Requirements	\$ 8,072,340
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	5,500
Change in OCERS retirement costs	1,400
Change in group insurance costs	53,500
Other benefit cost adjustments	(12,600)
Other Cost Adjustments:	
Increase in meetings	3,200
Decrease in diesel fuel	(3,130)
Increase in safety equipment and tools	(2,000)
Increase in lab chemicals and supplies	16,200
Decrease in temporary services	(27,000)
Increase in enviro scientific consulting services	25,000
Decrease in environmental monitoring & research costs	50,300
Decrease in service maintenance agreements	2,700
Increase in electricity costs	29,000
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(1,500)
2013-14 Proposed Budget - Total Operating Requirements	\$ 8,212,910

2012-13 & 2013-14 Budget

Operating Expenses By Category	2010-11 Actual	2011-12 Revised Budget	2011-12 Projected	2012-13 Proposed	Budget % Change	2013-14 Proposed	Budget % Change
Personnel	\$ 5,935,810	\$ 6,346,100	\$ 5,982,200	\$ 6,205,100	(2.22%)	\$ 6,252,900	0.77%
Supplies	667,808	721,160	680,580	662,660	(8.11%)	675,430	1.93%
Professional & Contractual Services	91,177	173,000	156,000	221,000	27.75%	219,000	(0.90%)
Research & Monitoring	314,810	460,100	355,650	280,480	(39.04%)	330,780	17.93%
Repairs & Maintenance	268,590	311,200	206,600	238,400	(23.39%)	241,100	1.13%
Utilities	348,187	375,000	320,000	400,000	6.67%	429,000	7.25%
Other	50,843	82,800	59,700	64,700	(21.86%)	64,700	-
Total	\$ 7,677,225	\$ 8,469,360	\$ 7,760,730	\$ 8,072,340	(4.69%)	\$ 8,212,910	1.74%



SELF-INSURANCE PROGRAM
SECTION 7

Self-Insurance Program Overview

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 \$57,483,300 in FY 2012-13 and \$57,000,000 in FY 2013-14.

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 \$55.0 million for FY 2012-13 and \$55.0 million for FY 2013-14 for the Property and General Liability program, appropriations for in-lieu premiums charged to the Revenue Areas are recommended at \$909,000 and \$908,800 for FY 2012-13 and FY 2013-14, 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 \$750,000 per occurrence.
- In order to maintain the reserve balance of \$2 million for the Workers' Compensation program, appropriations for in-lieu premiums charged to operating divisions are recommended at \$796,000 and \$796,000 for FY 2012-13 and FY 2013-14, respectively.

2012-13 & 2013-14 Budget

Total of the Self-Insurance Programs

DESCRIPTION OR ACCOUNT TITLE	2010-11 Actuals	2011-12 Budget	2011-12 Projected	2012-13 Proposed	2013-14 Proposed
Beginning Reserves	\$ 57,621,977	\$ 57,500,000	\$ 57,884,596	\$ 57,824,900	\$ 57,483,300
<u>Revenues</u>					
In-Lieu Premiums	1,518,204	1,632,100	1,632,100	1,705,000	1,704,800
Miscellaneous Other Revenue	391,263	-	-	-	-
Claims Reimbursement from Other Funds	-	-	-	-	-
Transfer In	-	-	-	-	-
Service Department Allocation	15,996	24,100	16,000	24,100	24,100
Total Revenues	1,925,463	1,656,200	1,648,100	1,729,100	1,728,900
<u>Expenses</u>					
Benefits/Claims	457,609	450,000	400,000	450,000	450,000
Contractual Services	37,561	46,200	46,200	46,200	46,200
Legal Services	130,187	335,000	110,000	135,000	135,000
Professional Services	46,300	15,000	36,500	49,500	50,000
Transfer Out	-	-	-	-	-
Subtotal	671,657	846,200	592,700	680,700	681,200
Policy Premium Expense	991,187	1,310,000	1,115,000	1,390,000	1,531,000
Total Expenses	1,662,844	2,156,200	1,707,700	2,070,700	2,212,200
Excess Revenue (Expenses)	262,619	(500,000)	(59,600)	(341,600)	(483,300)
Ending Reserves	\$ 57,884,596	\$ 57,000,000	\$ 57,824,996	\$ 57,483,300	\$ 57,000,000

Self-Insurance Program

General Liability and Property Self-Insurance Program

DESCRIPTION OR ACCOUNT TITLE	2010-11 Actuals	2011-12 Budget	2011-12 Projected	2012-13 Proposed	2013-14 Proposed
Beginning Reserves	\$ 55,686,002	\$ 55,500,000	\$ 55,982,548	\$ 56,037,400	\$ 55,579,300
<u>Revenues</u>					
In-Lieu Premiums	939,504	1,082,100	1,082,100	909,000	908,800
Miscellaneous Other Revenue	352,570	-	-	-	-
Claims Reimbursement from Other Funds	-	-	-	-	-
Transfer In	-	-	-	-	-
Service Department Allocation	15,996	24,100	16,000	24,100	24,100
Total Revenues	1,308,070	1,106,200	1,098,100	933,100	932,900
<u>Expenses</u>					
Benefits/Claims	117,764	200,000	50,000	100,000	100,000
Contractual Services	1,200	1,200	1,200	1,200	1,200
Legal Services	75,077	300,000	50,000	75,000	75,000
Professional Services	1,717	5,000	2,000	5,000	5,000
Transfer Out	-	-	-	-	-
Subtotal	195,758	506,200	103,200	181,200	181,200
Policy Premium Expense	815,766	1,100,000	940,000	1,210,000	1,331,000
Total Expenses	1,011,524	1,606,200	1,043,200	1,391,200	1,512,200
Excess Revenue (Expenses)	296,546	(500,000)	54,900	(458,100)	(579,300)
Ending Reserves	\$ 55,982,548	\$ 55,000,000	\$ 56,037,448	\$ 55,579,300	\$ 55,000,000

2012-13 & 2013-14 Budget

Workers' Compensation Self-Insurance Program

DESCRIPTION OR ACCOUNT TITLE	2010-11 Actuals	2011-12 Budget	2011-12 Projected	2012-13 Proposed	2013-14 Proposed
Beginning Reserves	\$ 1,935,975	\$ 2,000,000	\$ 1,902,048	\$ 1,787,500	\$ 1,904,000
Revenues					
In-Lieu Premiums	578,700	550,000	550,000	796,000	796,000
Miscellaneous Other Revenue	38,693	-	-	-	-
Transfer In	-	-	-	-	-
Service Department Allocation	-	-	-	-	-
Total Revenues	617,393	550,000	550,000	796,000	796,000
Expenses					
Benefits/Claims	339,845	250,000	350,000	350,000	350,000
Contractual Services	36,361	45,000	45,000	45,000	45,000
Legal Services	55,110	35,000	60,000	60,000	60,000
Professional Services	44,583	10,000	34,500	44,500	45,000
Transfer Out	-	-	-	-	-
Subtotal	475,899	340,000	489,500	499,500	500,000
Policy Premium Expense	175,421	210,000	175,000	180,000	200,000
Total Expenses	651,320	550,000	664,500	679,500	700,000
Excess Revenue (Expenses)	(33,927)	-	(114,500)	116,500	96,000
Ending Reserves	\$ 1,902,048	\$ 2,000,000	\$ 1,787,548	\$ 1,904,000	\$ 2,000,000

CAPITAL IMPROVEMENTS
SECTION 8

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 capital project covers the life of the project. Thus, many of the projects in the CIP Budget for 2012-14 are continuing projects that were approved in prior years.

In December 2009, the District adopted a new Facilities Master Plan, a planning effort to define the capital projects needed to meet the agency's level of service requirements over the next twenty years, 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 were reevaluated in the 2009 Master Plan.

The Asset Management Program within the Planning Division continues assess the condition of the District's existing assets and systems to assure that these assets and systems can provide the necessary level of service. The Planning Division will continue to review and update the ongoing and future CIP to appropriately manage the risks associated with asset or system failure. This year several projects were delayed, consolidated and rescopeed to help ensure that the CIP is delivered in the most efficient way possible. The Asset Management Program will continue these efforts and will continue to define the future CIP project requirements not currently included on the CIP list but are anticipated within the long term financial plan to ensure effective and efficient operations in the future.

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, as approved by the Board of Directors on July 17, 2002.

In conjunction with preparation for the 2012-14 Budget, District staff has developed and reviewed with the Board of Directors a capital program to

deliver the levels of service included in the District's 5-year Strategic Plan.

District staff has also validated the active CIP projects currently being executed to ensure that the active project scopes of work and cost estimates were accurate. The validated CIP includes 91 large capital projects and 55 special projects with a 20-year expenditure of \$2.789 billion. This total represents a \$12 million increase from the 2011-12 CIP estimate. This increase is mostly attributed to the delay and escalation of large projects to account for inflation.

The proposed 2012-13 CIP budget is organized by treatment process. The funds requested for the current cash flow budget total \$133.6 million, an increase of 3.4 percent from last year's cash flow request of \$129.2 million. The current year cash flow is part of an overall total cost of \$2.789 billion for active projects.

Following is a chart of the 2012-13 Proposed CIP Cash Flows and the total Project Costs for all proposed projects, by project phase, in millions:

<u>Current Status</u>	<u>2012-13 Cash Flow</u>	<u>Total Project Costs</u>
Future	\$0.0	\$791.7
Planning	19.9	493.0
Design	34.2	339.6
Construction	78.7	1,149.9
Capital Equipment	<u>1.1</u>	<u>16.0</u>
Total	<u>\$133.9</u>	<u>\$2,790.2</u>

There are currently 45 projects in the Planning Phase with proposed capital outlay spending in 2012-13. Two of the larger 2012-13 cash flow projects in the Planning Phase are the Central Generation Emissions Control Project and the Corrosion Management Program with current year projected expenditures of \$2.65 million and \$1.42 million respectively. A total of \$148.6 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, the Asset Management Program, and the annual CIP validation effort.

There are currently 15 projects in the Design Phase with proposed capital outlay spending in 2012-13. The two largest projects in the Design Phase are the

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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 \$15.4 million and \$5.86 million respectively.

There are currently 34 projects in the Construction Phase with proposed capital outlay spending in 2011-12. The two most significant projects in the construction phase are the Digester Rehabilitation at Plant 1 and the Outfall and OOBs Piping Rehabilitation at Plant No. 2 with projected FY 2012-13 expenditures of \$17.1 million and \$12.5 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 or disproportionally higher future cost 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 an impact on the District's operating budget.

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

479 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 flows to Secondary Treatment where it is aerated and additional solids are settled out. The resulting water is final effluent.

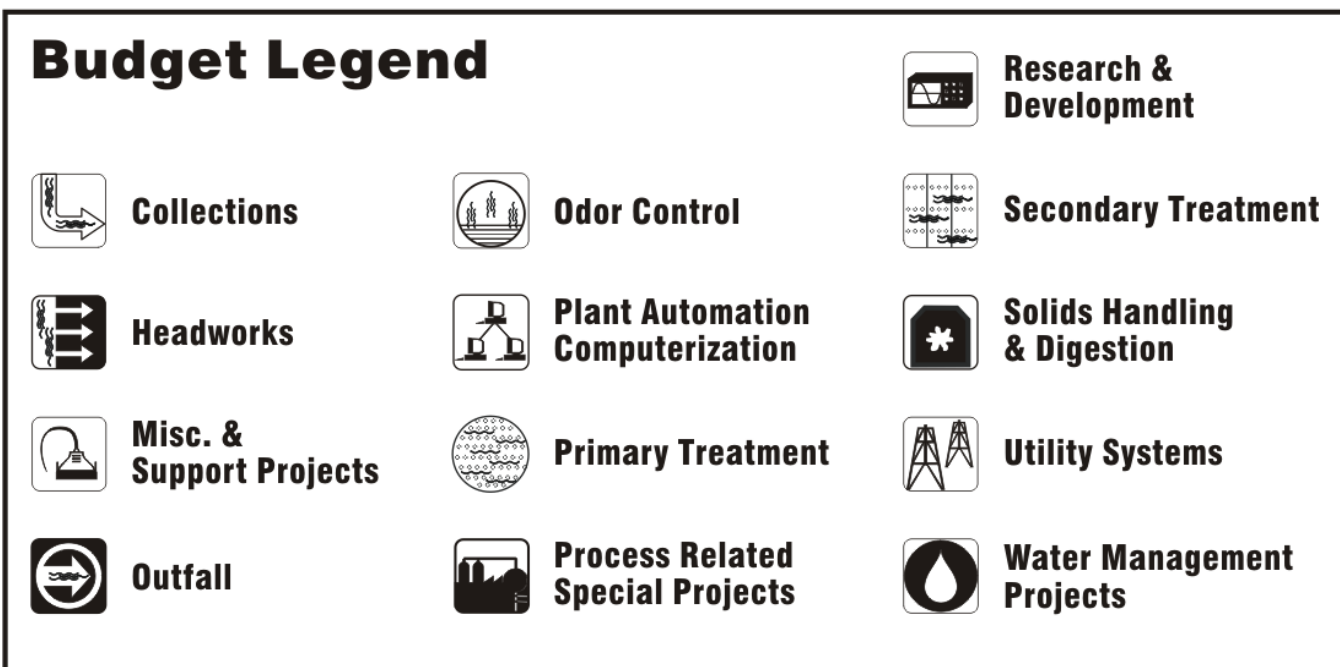
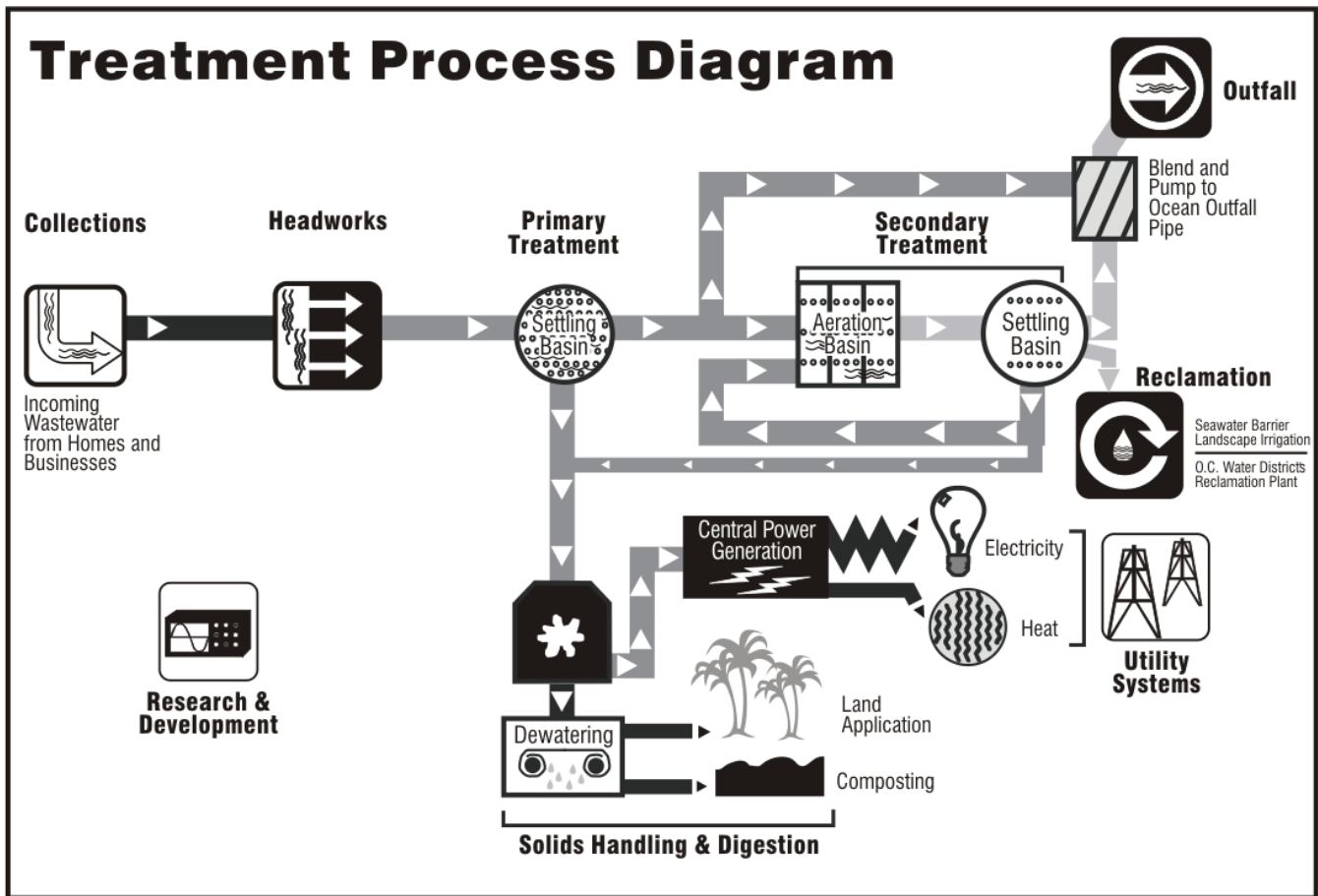
Methane gas generated during the natural decomposition of the solids in the Digesters is used to fuel the Central Power Generation and produce electricity and heat used to operate both treatment plants.

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 treatment and distribution system.

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.

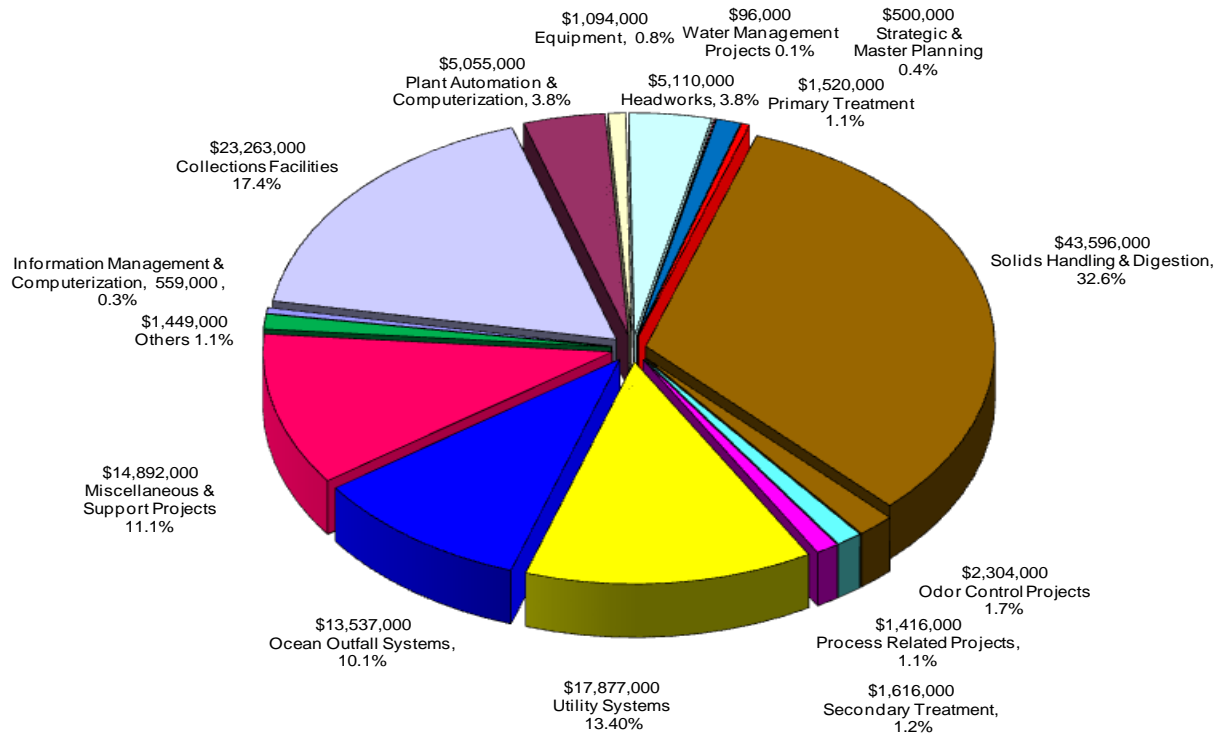


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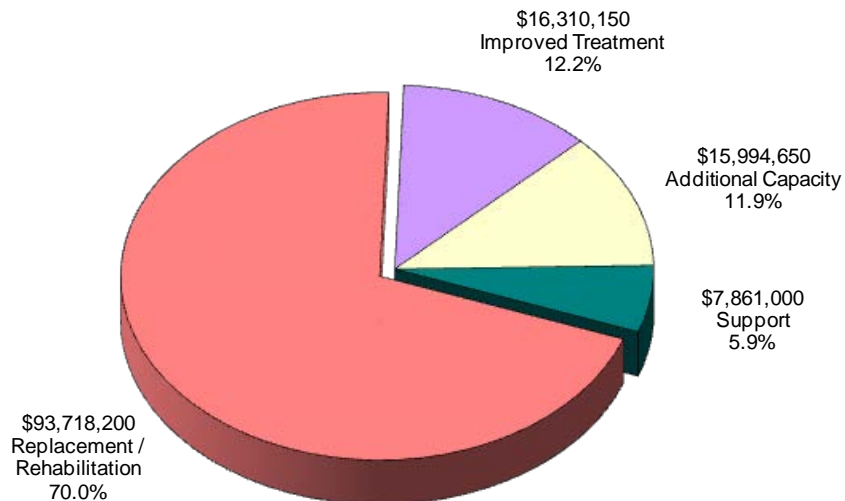
Project Summary FY 2012-13

Item	Replacement/ Rehabilitation	Improved Treatment	Additional Capacity	Support	Total Budget
Collections Facilities	18,647,300	145,300	4,335,100	135,300	23,263,000
Headworks	3,882,500	1,227,500	-	-	5,110,000
Primary Treatment	875,000	645,000	-	-	1,520,000
Secondary Treatment	313,000	902,050	400,950	-	1,616,000
Solids Handling & Digestion	25,264,000	8,320,700	10,011,300	-	43,596,000
Ocean Outfall Systems	13,437,000	100,000	-	-	13,537,000
Utility Systems	14,326,500	2,909,500	222,500	418,500	17,877,000
Odor Control Related Projects	1,776,800	447,200	80,000	-	2,304,000
Process Related Special Projects	-	-	-	1,416,000	1,416,000
Plant Automation & Computerization	2,453,000	-	235,500	2,366,500	5,055,000
Miscellaneous & Support Projects	11,970,600	730,200	-	2,191,200	14,892,000
Water Management Projects	-	-	96,000	-	96,000
Information Management & Computerization	115,000	-	-	444,000	559,000
Strategic & Master Planning	134,000	-	-	366,000	500,000
Others	250,000	609,200	339,800	250,000	1,449,000
Equipment	273,500	273,500	273,500	273,500	1,094,000
Total:	<u>\$93,718,200</u>	<u>\$16,310,150</u>	<u>\$15,994,650</u>	<u>\$7,861,000</u>	<u>\$133,884,000</u>

Summary of Capital Requirements



Total FY 2012-13 Capital Improvement Expenditure by Process - \$133,884,000



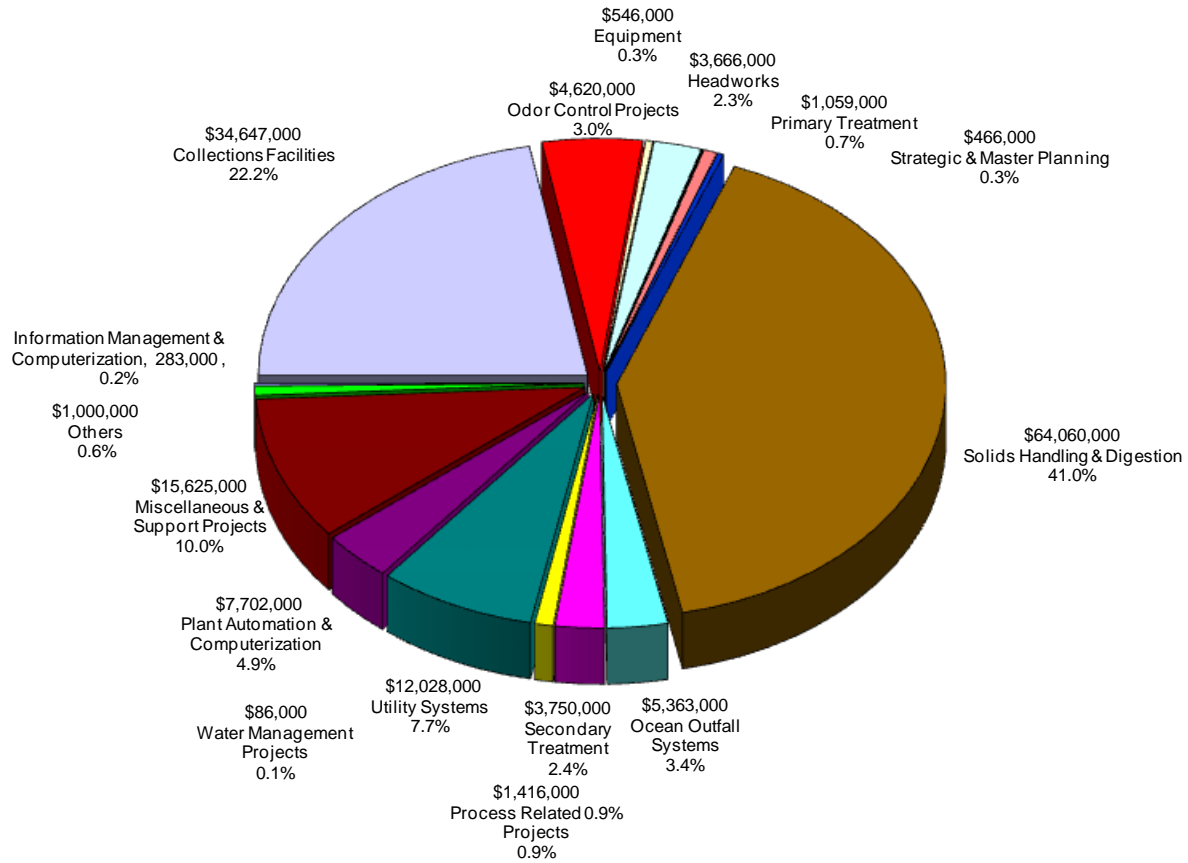
Total FY 2012-13 Capital Improvement Expenditure by Type - \$133,884,000

2012-13 & 2013-14 Budget

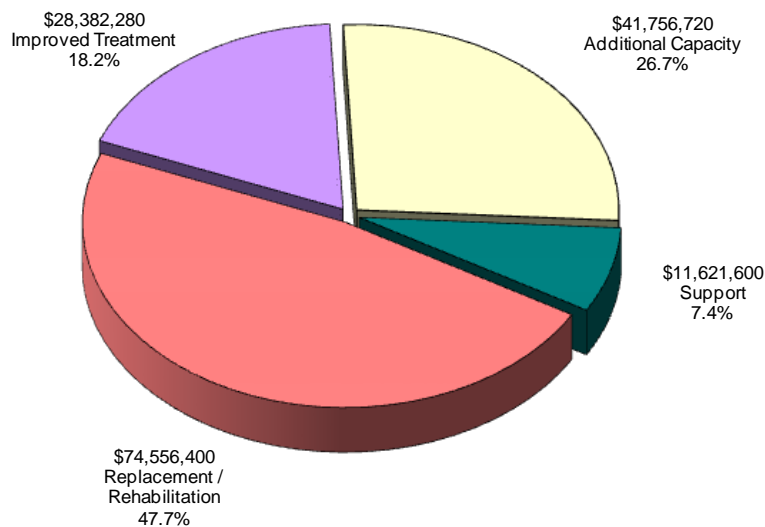
Project Summary FY 2013-14

Item	Replacement/ Rehabilitation	Improved Treatment	Additional Capacity	Support	Total Budget
Collections Facilities	18,440,400	22,500	16,161,600	22,500	34,647,000
Headworks	2,892,900	773,100	-	-	3,666,000
Primary Treatment	1,059,000	-	-	-	1,059,000
Secondary Treatment	413,000	2,292,880	1,044,120	-	3,750,000
Solids Handling & Digestion	18,944,900	21,624,100	23,491,000	-	64,060,000
Ocean Outfall Systems	5,363,000	-	-	-	5,363,000
Utility Systems	9,801,000	1,935,000	192,000	100,000	12,028,000
Odor Control Related Projects	3,245,900	1,214,100	160,000	-	4,620,000
Process Related Special Projects	-	-	-	1,416,000	1,416,000
Plant Automation & Computerization	2,467,000	-	235,500	4,999,500	7,702,000
Miscellaneous & Support Projects	11,373,800	134,100	-	4,117,100	15,625,000
Water Management Projects	-	-	86,000	-	86,000
Information Management & Computerization	103,000	-	-	180,000	283,000
Strategic & Master Planning	66,000	-	-	400,000	466,000
Others	250,000	250,000	250,000	250,000	1,000,000
Equipment	136,500	136,500	136,500	136,500	546,000
Total:	<u><u>\$74,556,400</u></u>	<u><u>\$28,382,280</u></u>	<u><u>\$41,756,720</u></u>	<u><u>\$11,621,600</u></u>	<u><u>\$156,317,000</u></u>

Summary of Capital Requirements



Total FY 2013-14 Capital Improvement Expenditure by Process - \$156,317,000



Total FY 2013-14 Capital Improvement Expenditure by Type - \$156,317,000

2012-13 & 2013-14 Budget

Summary of Capital Requirements – Collection System Improvement Projects

	Project Number	Project Phase 7/1/12	Total Project Budget	Est. Cost to Date 6/30/12	2012-13 Cashflow Budget	2013-14 Cashflow Budget	Future Budget	Page Number
Collections Facilities								
Raitt and Bristol Street Sewer Extension	01-101	Planning	\$ 9,906,000	\$ 258,000			\$ 9,648,000	14
Santa Ana Trunk Sewer Rehab.	01-17	Design	7,331,000	2,292,000	836,000	3,142,000	1,061,000	15
Santa Ana River Interceptor Realignment and Prot.	02-41	Const./Impl.	11,404,000	9,531,000	996,000	298,000	579,000	16
Santa Ana River Interceptor (SARI) Inspection and Mitigation	02-41-7	Const./Impl.	1,217,000	612,000	430,000	175,000		17
SARI Rock Stabilizers Removal	02-41-8	Planning	3,092,000		348,000	2,355,000	389,000	18
Taft Branch Improvements	02-49	Planning	3,143,000	12,000			3,131,000	N/A
Newhope-Placentia Trunk Grade Separation Replacement	02-65	Design	6,390,000	236,000	192,000	1,674,000	4,288,000	19
Fullerton-Brea Interceptor Sewer Relief	02-71	Planning	2,736,000	78,000	184,000	454,000	2,020,000	20
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
Lakeview OCTA Grade Separation	02-75	Const./Impl.	330,000		228,000	102,000		21
Tustin Rose OCTA Grade Separation	02-76	Const./Impl.	2,500,000		2,500,000			22
Orangethorpe OCTA Grade Separation	02-77	Design	3,900,000		50,000	3,850,000		23
Westside Relief Interceptor Relief	03-55	Planning	26,482,000				26,482,000	24
Rehabilitation of Magnolia Trunk Sewer	03-58	Const./Impl.	19,786,000	19,168,000	618,000			25
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	26,356,000				26,356,000	N/A
Rehabilitation of 3-6, 3-8, and 3-21-1 Sewers	03-64	Planning	88,720,000				88,720,000	N/A
Balboa Trunk Sewer Rehabilitation	05-47	Design	9,446,000	1,214,000	315,000	2,310,000	5,607,000	26
Replacement of the Bitter Point Pump Station	05-49	Const./Impl.	31,610,000	29,717,000	1,212,000	681,000		27
Replacement of the Rocky Point Pump Station	05-50	Const./Impl.	22,550,000	21,071,000	1,479,000			28
Bitter Point Force Main Rehabilitation	05-58	Const./Impl.	44,290,000	33,062,000	5,625,000	1,097,000	4,506,000	29
Newport Force Main Condition Rehabilitation	05-60	Design	23,779,000	2,533,000	1,876,000	670,000	18,700,000	30
Dover Drive Trunk Sewer Relief	05-63	Const./Impl.	14,296,000	1,904,000	1,818,000	8,541,000	2,033,000	31
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	5,638,000	18,000	54,000	850,000	4,716,000	32
Southwest Costa Mesa Trunk	06-19	Planning	14,993,000	384,000	799,000	956,000	12,854,000	33
Gisler-Redhill System Improvements, Reach B	07-37	Design	11,402,000	2,467,000	2,134,000	5,960,000	841,000	34
Browning Subtrunk Sewer Relief	07-60	Planning	11,172,000			1,057,000	10,115,000	35
Von Karman Trunk Sewer Relief	07-62	Planning	433,000				433,000	N/A

Summary of Capital Requirements

Summary of Capital Requirements – Treatment System Improvement Projects

	Project Number	Project Phase 7/1/12	Total Project Budget	Est. Cost toDate 6/30/12	2012-13 Cashflow Budget	2013-14 Cashflow Budget	Future Budget	Page Number
Collections								
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
Wintersburg Channel Siphon Protection Project	11-32	Planning	75,000	18,000	16,000	41,000		36
Edinger Pumping Station Upgrade and Rehabilitation	11-33	Planning	11,474,000				11,474,000	N/A
Facilities Engineering Projects - Collections	FE-Collect	Const./Impl.	8,250,000	4,480,000	902,000	150,000	2,718,000	37
Siphon and Manhole Upgrade Feasibility Study	SP-138	Planning	300,000	290,000	10,000			38
Bay Bridge Pump Station and Forcemains Rehabilitation Study	SP-178	Planning	150,000		100,000	50,000		39
Main Street Flume Downsizing Study	SP-179	Planning	75,000		75,000			40
Revenue Area 3 Asset Management Plan	SP-180	Planning	400,000		266,000	134,000		41
Revenue Area 7 Asset Management Plan	SP-181	Planning	300,000		200,000	100,000		42
Total Collections Projects			611,651,000	129,345,000	23,263,000	34,647,000	424,396,000	

2012-13 & 2013-14 Budget

Summary of Capital Requirements –Treatment System Improvement Projects

	Project Number	Project Phase 7/1/12	Total Project Budget	Est. Cost to Date 6/30/12	2012-13 Cashflow Budget	2013-14 Cashflow Budget	Future Budget	Page Number
Headworks								
Headworks Rehabilitation at Plant No. 1	P1-105	Planning	72,058,000			592,000	71,466,000	43
Headworks Expansion	P1-120	Planning	222,804,000				222,804,000	N/A
Headworks Improvements at Plant No. 2	P2-66	Const./Impl.	258,124,000	250,240,000	4,910,000	2,974,000		44
Plant No.1 Headworks & Bypass Asset Management Plan	SP-182	Planning	300,000		200,000	100,000		45
Headworks Total			553,286,000	250,240,000	5,110,000	3,666,000	294,270,000	
Primary Treatment								
Joint GWRS Microfiltration Backwash Redirection Project	J-36-1	Const./Impl.	1,111,000	466,000	645,000			46
Primary Effluent Pipeline Joint Repairs	P1-118	Planning	3,246,000				3,246,000	N/A
Plant No.1 Primary Treatment Upgrades	P1-124	Design	17,835,000		245,000	897,000	16,693,000	47
Primary Treatment Area Rehabilitation Study	SP-137	Planning	848,000	56,000	630,000	162,000		48
Primary Treatment Total			23,040,000	522,000	1,520,000	1,059,000	19,939,000	
Secondary Treatment								
New Secondary Treatment System at Plant No. 1	P1-102	Const./Impl.	255,471,000	251,092,000	1,215,000	3,164,000		49
Trickling Filters at Plant No. 2	P2-90	Const./Impl.	220,206,000	219,945,000	88,000	173,000		50
Oxygen Plant Rehabilitation at Plant No. 2	SP-129	Design	2,208,000	135,000	45,000	281,000	1,747,000	51
Plant No.1 Secondary Treatment Asset Management Plan	SP-183	Planning	200,000		134,000	66,000		52
Plant No.2 Secondary Oxygen Plant Asset Management Plan	SP-185	Planning	200,000		134,000	66,000		53
Secondary Treatment Total			478,285,000	471,172,000	1,616,000	3,750,000	1,747,000	
Solids Handling & Digestion								
Sludge Digester Rehabilitation at Plant 1	P1-100	Const./Impl.	57,205,000	29,827,000	17,113,000	5,855,000	4,410,000	54
Sludge Dewatering and Odor Control at Plant 1	P1-101	Design	147,270,000	19,942,000	15,402,000	36,140,000	75,786,000	55
Digester Ferric Chloride System Rehabilitation	P2-105	Design	4,078,000	898,000	1,088,000	1,744,000	348,000	56
Demolition of Digesters A and B and Gas Holders	P2-110	Planning	5,405,000				5,405,000	N/A
Solids Storage Silo Rehabilitation	P2-114	Planning	37,604,000				37,604,000	N/A
Solids Thickening and Processing Upgrades	P2-89	Design	48,146,000	10,622,000	5,860,000	17,861,000	13,803,000	57
Digester Rehabilitation at Plant No. 2	P2-91-1	Planning	45,637,000	152,000		446,000	45,039,000	58
Sludge Dewatering and Odor Control at Plant 2	P2-92	Planning	71,860,000	3,847,000	3,999,000	1,948,000	62,066,000	59
Plant No. 2 Digesters and Boilers Plant Asset Management Plan	SP-186	Planning	200,000		134,000	66,000		60
Solids Handling & Digestion Total			417,405,000	65,288,000	43,596,000	64,060,000	244,461,000	
Ocean Outfall Systems								
Final Effluent Sampler and Building Area Upgrades	J-110	Planning	12,585,000	191,000	740,000	954,000	10,700,000	61
Outfall Land Section and OOBs Piping Rehabilitation	J-112	Const./Impl.	24,139,000	8,783,000	12,497,000	2,859,000		62
66-inch Interplant Effluent Pipeline Rehabilitation	J-116	Planning	72,517,000				72,517,000	N/A
Ocean Outfall System Rehabilitation	J-117	Planning	15,402,000			1,450,000	13,952,000	63
Alternative Effluent Disinfection Study	SP-156	Planning	100,000		100,000			64
Plant No. 2 Outfall Systems Asset Management Plan	SP-187	Planning	300,000		200,000	100,000		65
Ocean Outfall Systems Total			125,043,000	8,974,000	13,537,000	5,363,000	97,169,000	

Summary of Capital Requirements

Summary of Capital Requirements –Treatment System Improvement Projects

	Project Number	Project Phase 7/1/12	Total Project Budget	Est. Cost to Date 6/30/12	2012-13 Cashflow Budget	2013-14 Cashflow Budget	Future Budget	Page Number
Utility Systems								
Interplant Gas Line Rehabilitation	J-106	Const./Impl.	5,634,000	1,258,000	4,000,000	74,000	302,000	66
Cengen Cooling Water System Replacement	J-109	Const./Impl.	11,337,000	4,030,000	6,339,000	968,000		67
Cengen Emissions Control Project	J-111	Planning	31,251,000	697,000	2,654,000	1,743,000	26,157,000	68
UPS System Upgrades	J-121	Planning	13,012,000				13,012,000	N/A
Central Generation Automation	J-79-1	Const./Impl.	23,346,000	23,302,000	44,000			69
Electrical Power Distribution System Improvements	J-98	Planning	9,773,000			960,000	8,813,000	70
Plant Water System Rehabilitation at Plant No.1	P1-112	Design	10,029,000	695,000	869,000	5,439,000	3,026,000	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 Water System Rehabilitation at Plant No.2	P2-101	Planning	3,864,000	282,000	554,000	1,132,000	1,896,000	72
Additional High Pressure Flare	P2-103	Planning	2,116,000				2,116,000	N/A
15 kV Upgrades at Plant No. 2	P2-108	Design	4,658,000	938,000	1,531,000	1,612,000	577,000	73
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
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
Digester Gas Facilities Assessment	SP-141	Planning	700,000		700,000			74
Utility Water Systems Study	SP-146	Planning	800,000	110,000	690,000			75
Plant Air System Master Plan	SP-148	Planning	340,000				340,000	N/A
Electrical System Base Map	SP-149	Planning	250,000				250,000	N/A
Uninterruptible Power System (UPS) Study	SP-150	Planning	342,000	92,000	250,000			76
Sidestream Pumping System and Water Characterization Study	SP-155	Planning	246,000		246,000			77
Standby Power Generation Study	SP-158	Planning	400,000				400,000	N/A
Power Outage Recovery Plan	SP-170	Planning	100,000			100,000		78
Potable Water Quality Study	SP-175	Planning	50,000				50,000	N/A
Utility Systems Total			197,533,000	31,404,000	17,877,000	12,028,000	136,224,000	
Odor Control Related Projects								
Coyote Hills Golf Course Odor Control Station	02-74	Planning	8,365,000				8,365,000	N/A
Primary and Secondary Odor Control at Plant No.1	P1-114	Planning	48,600,000			716,000	47,884,000	79
Trunk Line Odor Control Improvements	P1-123	Design	10,016,000	8,000	150,000	737,000	9,121,000	80
Chemical Scrubber Conversions and Piping System Improvements	P2-106	Design	2,807,000	279,000	1,420,000	1,108,000		81
Primary Treatment Odor Control Upgrades	P2-98	Planning	35,691,000			1,093,000	34,598,000	82
Odor Control Master Plan	SP-166	Planning	1,200,000		400,000	800,000		83
Collection System Odor Control Systems Study	SP-189	Planning	500,000		334,000	166,000		84
Odor Control Related Projects Total			107,179,000	287,000	2,304,000	4,620,000	99,968,000	
Process Related Special Projects								
Corrosion Management	SP-68-1	Planning	14,372,000	5,876,000	1,416,000	1,416,000	5,664,000	85
Process Related Special Projects Total			14,372,000	5,876,000	1,416,000	1,416,000	5,664,000	

2012-13 & 2013-14 Budget

Summary of Capital Requirements –Treatment System Improvement Projects

	Project Number	Project Phase 7/1/12	Total Project Budget	Est. Cost to Date 6/30/12	2012-13 Cashflow Budget	2013-14 Cashflow Budget	Future Budget	Page Number
Plant Automation & Computerization								
Process SCADA Replacement	J-120	Planning	24,680,000				24,680,000	N/A
Power Monitoring and Control Systems	J-33-3	Const./Impl.	13,050,000	4,549,000	2,553,000	3,244,000	2,704,000	86
SCADA System and Network Upgrades	P2-107	Planning	22,895,000			2,496,000	20,399,000	87
Strategic Information Architecture (SIA)	SP-03	Const./Impl.	1,995,000	1,058,000	100,000	100,000	737,000	88
Internet/Intranet Development	SP-09	Const./Impl.	650,000	564,000	25,000	25,000	36,000	89
CMMS System Replacement	SP-100	Const./Impl.	5,000,000	2,770,000	942,000	942,000	346,000	90
PDS2D Software Replacement	SP-103	Const./Impl.	250,000		160,000	90,000		91
Geographic Information System	SP-15	Const./Impl.	4,047,000	1,101,000	445,000	365,000	2,136,000	92
Network Equipment Upgrade	SP-89	Const./Impl.	2,905,000	810,000	830,000	440,000	825,000	93
Plant Automation & Computerization Total			75,472,000	10,852,000	5,055,000	7,702,000	51,863,000	
Miscellaneous & Support Projects								
Facilities Engineering Projects - Joint	FE-J	Const./Impl.	23,910,000	3,685,000	344,000	335,000	19,546,000	94
Facilities Engineering Projects - Plant 1	FE-P1	Const./Impl.	20,910,000	16,286,000	1,873,000	124,000	2,627,000	95
Facilities Engineering Projects - Plant 2	FE-P2	Const./Impl.	20,910,000	9,781,000	2,651,000	435,000	8,043,000	96
Emergency Operation Center	J-115	Planning	160,000				160,000	97
Contracts and Purchasing Building Extension	J-118	Planning	3,589,000				3,589,000	N/A
Operations Center Entrance/Building Repairs	J-122	Planning	2,325,000	168,000	491,000	1,292,000	374,000	98
Fall Protection Improvements at Plants Nos.1 and 2	J-123	Const./Impl.	2,967,000	310,000	1,273,000	1,002,000	382,000	99
Title 24 Access Compliance and Building Rehabilitation Project	P1-115	Design	30,276,000	1,630,000	2,154,000	3,114,000	23,378,000	100
Plant No. 2 Landscaping Project	P2-96	Planning	1,077,000	225,000	142,000	618,000	92,000	101
2009 NPDES Permit Renewal	SP-133	Const./Impl.	150,000	74,000	76,000			102
Software and Computer Equipment Replacement Project	SP-135	Const./Impl.	2,700,000	435,000	400,000	400,000	1,465,000	103
Land Records Information System	SP-136	Const./Impl.	410,000	266,000	144,000			104
Facility Assets Assessment	SP-145	Planning	2,960,000	246,000	218,000	220,000	2,276,000	105
Plant 2 WSSPS Motor Location	SP-145-2	Planning	72,000		18,000	54,000		106
Stormwater Master Plan	SP-167	Planning	300,000		300,000			107
Information Technology Workroom Replacement	SP-176	Planning	2,566,000			2,566,000		108
Public Address System Study	SP-188	Planning	75,000		75,000			109
Plant No.2 Tunnels Systems Asset Management Plan	SP-191	Planning	200,000		134,000	66,000		110
Small Capital Replacement/Rehabilitation Project	SP-34	Const./Impl.	37,200,000	8,000,000	4,200,000	5,000,000	20,000,000	111
Asset Management Program	SP-68-2	Planning	4,800,000	2,805,000	399,000	399,000	1,197,000	112
Miscellaneous & Support Projects Total			157,557,000	43,911,000	14,892,000	15,625,000	83,129,000	
Water Management Projects								
Initial Expansion of the Groundwater Replenishment System	SP-139	Planning	300,000	118,000	96,000	86,000		113
Effluent Reuse Study	SP-173	Planning	60,000				60,000	N/A
Water Management Projects Total			360,000	118,000	96,000	86,000	60,000	
Strategic & Master Planning								
Facilities-Wide Safety Assessment	SP-145-1	Planning	300,000	84,000	216,000			114
Landscape Master Plan	SP-145-4	Planning	150,000		150,000			115
Climate Change Impact Study	SP-152	Planning	100,000			100,000		116
Treatment Plant Hydraulic Assessment	SP-168	Planning	300,000			300,000		117
Settlement and Liquefaction Study	SP-177	Planning	173,000				173,000	N/A
Plant No.1 Effluent & Interplant Piping Asset Management Plan	SP-184	Planning	200,000		134,000	66,000		118
Strategic & Master Planning Total			1,223,000	84,000	500,000	466,000	173,000	

Summary of Capital Requirements

Summary of Capital Requirements –Treatment System Improvement Projects

	Project Number	Project Phase 7/1/12	Total Project Budget	Est. Cost toDate 6/30/12	2012-13 Cashflow Budget	2013-14 Cashflow Budget	Future Budget	Page Number
Others								
Research - Superoxygentation	SP-121	Planning	850,000	401,000	449,000			119
Operational Research Projects (annual allocation)	SP-125	Planning	10,000,000	450,000	1,000,000	1,000,000	7,550,000	120
Process SCADA Link to Pump Stations	SP-157	Planning	271,000	10,000	115,000	103,000	43,000	121
Data Storage Addition	SP-163	Planning	444,000		444,000			122
Information Technology Data Center Replacement	SP-174	Planning	180,000			180,000		123
Others Total			11,745,000	861,000	2,008,000	1,283,000	7,593,000	
Total Treatment and Disposal Projects			2,162,500,000	889,589,000	109,527,000	121,124,000	1,042,260,000	
Capital Equipment Purchases			16,000,000	1,407,000	1,094,000	546,000	12,953,000	
Total Collection, Treatment and Disposal Projects			\$ 2,790,151,000	\$ 1,020,341,000	\$ 133,884,000	\$ 156,317,000	\$ 1,479,609,000	

2012-13 & 2013-14 Budget

Project Name & Number	Raitt and Bristol Street Sewer Extension - 01-101		
Project Category	Collections Facilities	Project Status:	Revised

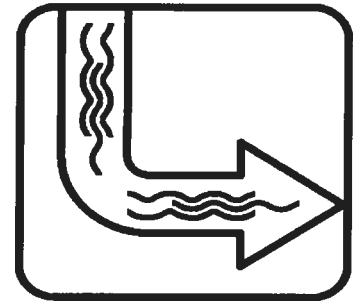
Description

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 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	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	254,000	254,000						
Preliminary Design	338,000				338,000			
Design	1,066,000	4,000			590,000	472,000		
Const. & Installation	7,394,000					1,057,000	6,228,000	109,000
Commission	124,000						114,000	10,000
Close-Out	122,000							122,000
Contingency	608,000							608,000
Total	9,906,000	258,000			928,000	1,529,000	6,342,000	849,000

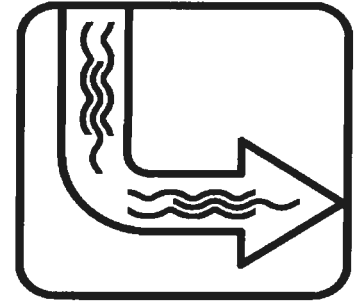
Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Santa Ana Trunk Sewer Rehab. - 01-17		
Project Category	Collections Facilities	Project Status:	Revised

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 original 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. During pipeline inspection, pipeline coring confirmed the rehabilitation of the pipeline can be deferred at least 10 years. Only the most severely corroded manholes, 20 in total, need to be rehabilitated with a protective liner, or replaced. Deferring the lining of the pipeline until it is needed will minimize the life cycle cost of maintaining the sewer.



**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 manholes are deteriorating due to corrosive sewer gases. These manholes were not originally constructed with protective linings. The project will repair the most severely corroded manholes to minimize the risks from potential failures.

During pipeline inspection, pipeline coring confirmed the rehabilitation of the pipeline can be deferred at least 10 years. Deferring the lining of the pipeline until it is needed will minimize the life cycle cost of maintaining the sewer.

The project budget has been decreased from \$21,156,000 to \$7,331,000 to reflect the revised project cost estimate.

The project's construction cost budget is \$2,832,868. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	180,000	180,000						
Preliminary Design	1,953,000	1,953,000						
Design	827,000		827,000					
Const. & Installation	3,438,000	159,000	9,000	3,108,000	162,000			
Commission	60,000			34,000	26,000			
Close-Out	89,000				89,000			
Contingency	784,000				784,000			
Total	7,331,000	2,292,000	836,000	3,142,000	1,061,000			

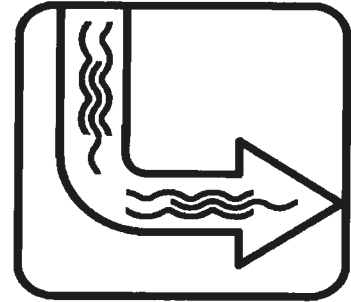
Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	Santa Ana River Interceptor Realignment and Prot. - 02-41		
Project Category	Collections Facilities	Project Status:	Revised

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.

This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	184,000	184,000						
Preliminary Design	2,325,000	2,325,000						
Design	6,224,000	6,224,000						
Const. & Installation	1,506,000	540,000	808,000	158,000				
Commission	484,000	256,000	188,000	40,000				
Close-Out	132,000	2,000		100,000	30,000			
Contingency	549,000				549,000			
Total	11,404,000	9,531,000	996,000	298,000	579,000			

Reimbursable Costs \$4,913,000

CIP Project Detail Sheets

Project Name & Number	Santa Ana River Interceptor (SARI) Inspection and Mitigation - 02-41-7		
Project Category	Collections Facilities	Project Status:	Revised

Description

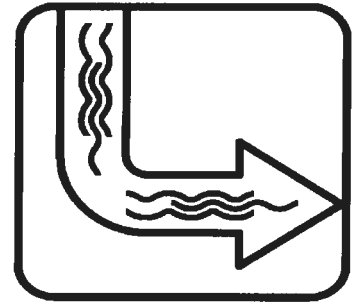
This project provides funding for the inspection, repair designs, and mitigation monitoring for the existing Santa Ana River Interceptor (SARI) until Project 2-41 is complete. Project 2-41 is relocating a portion of the SARI located within the floodplain of the Santa Ana River between Weir Canyon Road 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.

The project budget has been increased from \$900,000 to \$1,217,438 to reflect project scope changes, contingency reduction and construction bids which were lower than anticipated.

The project's construction cost budget is \$557,507. This project will not have an impact on operational budgets.



Collections Facilities

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	36,000	8,000	18,000	10,000				
Preliminary Design	30,000	5,000	16,000	9,000				
Design	206,000	67,000	80,000	59,000				
Const. & Installation	923,000	528,000	304,000	91,000				
Commission	16,000	2,000	8,000	6,000				
Close-Out	6,000	2,000	4,000					
Contingency								
Total	1,217,000	612,000	430,000	175,000				

Reimbursable Costs \$366,000

2012-13 & 2013-14 Budget

Project Name & Number	SARI Rock Stabilizers Removal - 02-41-8		
Project Category	Collections Facilities	Project Status:	New

Description

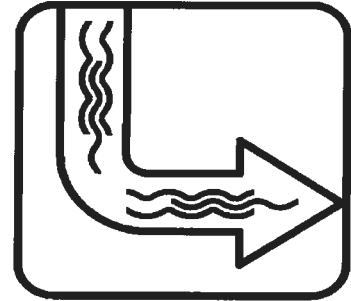
This project will prepare construction plans and specifications and obtain all permits for the removal and disposal of all rip rap rocks protecting the Santa Ana River Interceptor (SARI) trunkline within the Santa Ana River between SAVI Ranch and the Green River Golf Course in Yorba Linda. The rock to be removed was installed under emergency authorization to temporarily protect the SARI line since 2005. The rock must be removed after the old SARI Line is abandoned.

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 \$2,287,000 to \$2,736,000 to reflect project scope changes.

The project's construction cost budget is \$1,157,000. This project will not have an impact on operational budgets.



**Collections
Facilities**

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	14,000		14,000					
Preliminary Design	103,000		103,000					
Design	304,000		231,000	73,000				
Const. & Installation	2,275,000			2,275,000				
Commission								
Close-Out	35,000			7,000	28,000			
Contingency	361,000				361,000			
Total	3,092,000		348,000	2,355,000	389,000			

Reimbursable Costs N/A

CIP Project Detail Sheets

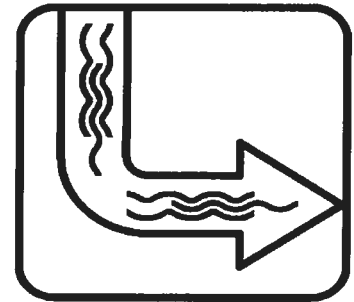
Project Name & Number	Newhope-Placentia Trunk Grade Separation Replacement - 02-65		
Project Category	Collections Facilities	Project Status:	Revised

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 project budget has been increased from \$5,928,000 to \$6,390,000 to reflect project scope changes.

The project's construction cost budget is \$3,280,000. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	104,000	104,000						
Preliminary Design	63,000	63,000						
Design	337,000	69,000	192,000	76,000				
Const. & Installation	4,084,000			1,598,000	2,486,000			
Commission								
Close-Out	30,000				22,000	8,000		
Contingency	1,772,000					1,772,000		
Total	6,390,000	236,000	192,000	1,674,000	2,508,000	1,780,000		

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	Fullerton-Brea Interceptor Sewer Relief - 02-71		
Project Category	Collections Facilities	Project Status:	Revised

Description

This project increases the capacity of the Fullerton-Brea Interceptor sewer to provide for future flows.

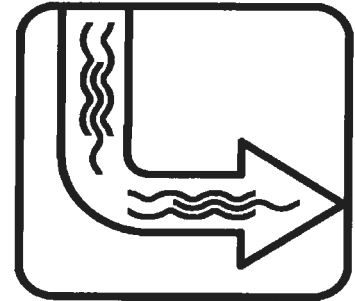
The existing 2,200 feet of 12-inch pipeline runs southerly from Evergreen, along Maple, to south of Bastanchury, in the City of Fullerton.

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 \$2,287,000 to \$2,736,000 to reflect project scope changes.

The project's construction cost budget is \$1,157,000. This project will not have an impact on operational budgets.



**Collections
Facilities**

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	72,000	72,000						
Preliminary Design	214,000	6,000	182,000	26,000				
Design	532,000		2,000	428,000	102,000			
Const. & Installation	1,552,000				316,000	1,228,000	8,000	
Commission	40,000				27,000	13,000		
Close-Out	94,000					3,000	91,000	
Contingency	232,000							232,000
Total	2,736,000	78,000	184,000	454,000	445,000	1,244,000	99,000	232,000

Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Lakeview OCTA Grade Separation - 02-75		
Project Category	Collections Facilities	Project Status:	Revised

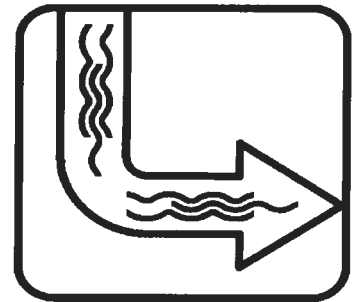
Description

This project will provide construction costs and staff support costs for the realignment of an OCSD trunkline as part of Orange County Transit Authority's (OCTA) Grade Separation Project near the intersection of Lakeview and Orangethorpe Avenues.

Justification

The Orange County Transportation Authority (OCTA) will construct a vehicle overpass at the intersection of Lakeview and Orangethorpe Avenues, along the Burlington Northern Santa Fe railroad track. An OCSD trunkline will need to be relocated as part of the project. The design of relocating OCSD's trunkline is complete and was paid for by OCTA.

This project will not impact operational budgets.



**Collections
Facilities**

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev								
Preliminary Design								
Design								
Const. & Installation	330,000		228,000	102,000				
Commission								
Close-Out								
Contingency								
Total	330,000		228,000	102,000				

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

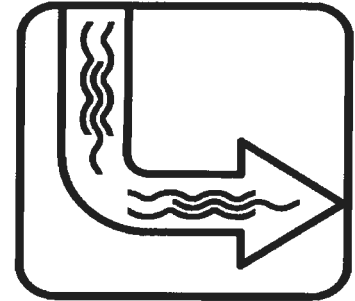
Project Name & Number	Tustin Rose OCTA Grade Separation - 02-76		
Project Category	Collections Facilities	Project Status:	New

Description

This project will provide construction costs and staff support costs for the realignment of an OCSD trunkline as part of Orange County Transit Authority's (OCTA) Grade Separation Project near the intersection of Tustin Avenue/Rose Drive and Orangethorpe Avenue.

Justification

The Orange County Transportation Authority (OCTA) will construct a vehicle overpass at the intersection of Tustin Avenue/Rose Drive and Orangethorpe Avenue, along the Burlington Northern Santa Fe railroad track. An OCSD trunkline will need to be relocated as part of the project. The design of relocating OCSD's trunkline is complete and was paid for by OCTA.



**Collections
Facilities**

This project will not impact operational budgets.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev								
Preliminary Design								
Design								
Const. & Installation	2,500,000		2,500,000					
Commission								
Close-Out								
Contingency								
Total	2,500,000		2,500,000					

Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Orangethorpe OCTA Grade Separation - 02-77		
Project Category	Collections Facilities	Project Status:	New

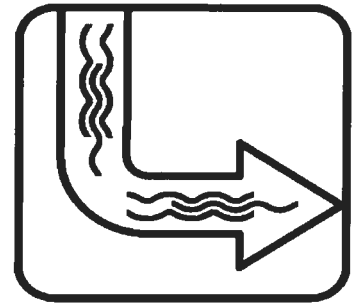
Description

This project will provide construction costs and staff support costs for the realignment of an OCSD trunkline as part of Orange County Transit Authority's (OCTA) Grade Separation Project near the intersection of Orangethorpe and Chapman Avenues.

Justification

The Orange County Transportation Authority (OCTA) will reconstruct Orangethorpe Avenue as a bridge to allow vehicles to pass over the BNSF Railway tracks to separate rail and roadway traffic. An OCSD trunkline will need to be relocated as part of the project. The design of relocating OCSD's trunkline is complete and was paid for by OCTA.

This project will not impact operational budgets.



**Collections
Facilities**

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev								
Preliminary Design								
Design								
Const. & Installation	3,900,000		50,000	3,850,000				
Commission								
Close-Out								
Contingency								
Total	3,900,000		50,000	3,850,000				

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	Westside Relief Interceptor Relief - 03-55		
Project Category	Collections Facilities	Project Status:	Continuing

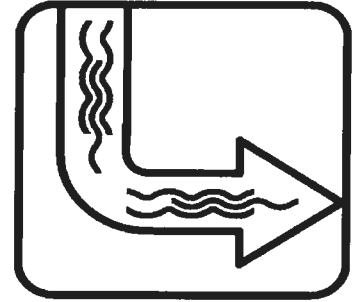
Description

This project will increase the size of the Westside Relief Interceptor sewer to provide additional capacity for future flows projected from redevelopment and infill in the City of Cypress. The project includes upgrading approximately 8,600 feet of 36-inch and 39-inch diameter pipe with 48-inch to 60-inch diameter pipe along Los Alamitos Boulevard, Katella Avenue, Denni Street, Orange Avenue, and Moody Street in the Cities of Los Alamitos and Cypress.

Justification

This section of the Westside Relief Interceptor sewer to be upsized was originally built in 1971. Based on current flow projections and hydraulic modeling, this project needs to be completed by 2018. These improvements will accommodate projected increase in flow from planned developments and growth and be designed to convey potential wet weather surcharges.

This project will not have an impact on operational budgets.



**Collections
Facilities**

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	146,000							146,000
Preliminary Design	257,000							257,000
Design	2,042,000							2,042,000
Const. & Installation	19,942,000							19,942,000
Commission	422,000							422,000
Close-Out	339,000							339,000
Contingency	3,334,000							3,334,000
Total	26,482,000							26,482,000

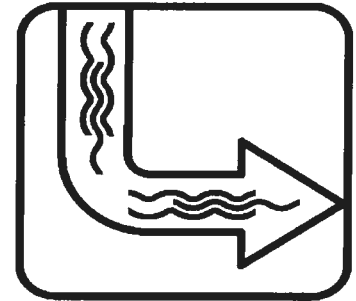
Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Rehabilitation of Magnolia Trunk Sewer - 03-58		
Project Category	Collections Facilities	Project Status:	Continuing

Description

This project will complete the 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 approximately 5 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 \$22,132,000 to \$19,786,000 to reflect contingency reduction and construction bids which were lower than anticipated.

The project's construction cost budget is \$15,552,189. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	1,014,000	1,014,000						
Preliminary Design	1,097,000	1,097,000						
Design	714,000	714,000						
Const. & Installation	16,324,000	16,267,000	57,000					
Commission	4,000	4,000						
Close-Out	122,000	72,000	50,000					
Contingency	511,000		511,000					
Total	19,786,000	19,168,000	618,000					

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	Balboa Trunk Sewer Rehabilitation - 05-47		
Project Category	Collections Facilities	Project Status:	Continuing

Description

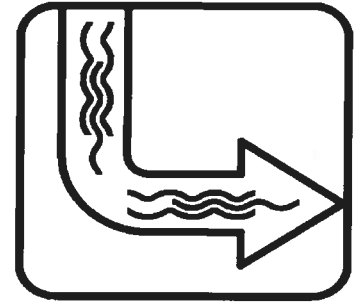
This project will rehabilitate the existing Balboa Trunk Sewer along Newport and Balboa Boulevards between the "A" Street Pump Station and the Lido Pump Station in the City of Newport Beach. The scope of the project includes approximately 12,600 feet of 15-inch and 24-inch pipe.

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 \$5,720,000. This project will not have an impact on operational budgets.



Collections Facilities

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	144,000	144,000						
Preliminary Design	1,026,000	1,010,000	16,000					
Design	396,000		299,000	97,000				
Const. & Installation	6,533,000	60,000		2,213,000	4,260,000			
Commission	151,000				151,000			
Close-Out	71,000				33,000	38,000		
Contingency	1,125,000					1,125,000		
Total	9,446,000	1,214,000	315,000	2,310,000	4,444,000	1,163,000		

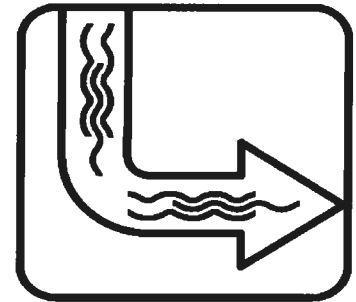
Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Replacement of the Bitter Point Pump Station - 05-49		
Project Category	Collections Facilities	Project Status:	Revised

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. 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 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 decreased from \$31,693,000 to \$31,610,015 to reflect the revised project cost estimate.

The project's construction cost budget is \$20,198,566. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	42,000	42,000						
Preliminary Design	593,000	593,000						
Design	4,489,000	4,489,000						
Const. & Installation	25,328,000	24,242,000	1,086,000					
Commission	348,000	348,000						
Close-Out	137,000	3,000	126,000	8,000				
Contingency	673,000			673,000				
Total	31,610,000	29,717,000	1,212,000	681,000				

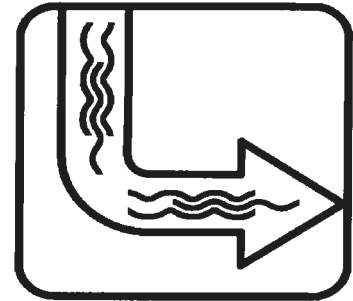
Reimbursable Costs \$4,000

2012-13 & 2013-14 Budget

Project Name & Number	Replacement of the Rocky Point Pump Station - 05-50		
Project Category	Collections Facilities	Project Status:	Revised

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 increased from \$20,751,000 to \$21,949,578 to reflect the revised project cost estimate.

The project's construction cost budget is \$9,286,900. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	14,000	14,000						
Preliminary Design	2,524,000	2,524,000						
Design	5,040,000	5,040,000						
Const. & Installation	12,879,000	12,648,000	231,000					
Commission	742,000	740,000	2,000					
Close-Out	221,000	105,000	116,000					
Contingency	1,130,000		1,130,000					
Total	22,550,000	21,071,000	1,479,000					

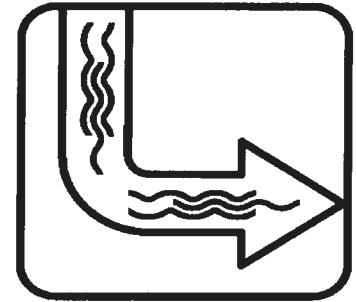
Reimbursable Costs \$3,000

CIP Project Detail Sheets

Project Name & Number	Bitter Point Force Main Rehabilitation - 05-58		
Project Category	Collections Facilities	Project Status:	Revised

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 increased from \$40,781,000 to \$44,290,000 to reflect the revised project cost estimate.

The project's construction cost budget is \$29,375,028. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	164,000	164,000						
Preliminary Design	805,000	805,000						
Design	1,398,000	1,398,000						
Const. & Installation	36,947,000	30,527,000	5,619,000	801,000				
Commission	168,000	168,000						
Close-Out	306,000		6,000	296,000	4,000			
Contingency	4,502,000				4,502,000			
Total	44,290,000	33,062,000	5,625,000	1,097,000	4,506,000			

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	Newport Force Main Condition Rehabilitation - 05-60		
Project Category	Collections Facilities	Project Status:	Continuing

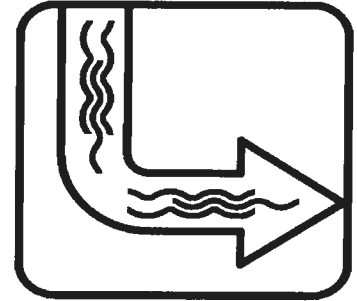
Description

This is a project to perform a rehabilitation of approximately 28,000 feet of network of force mains along Pacific Coast Highway in Newport Beach. The force main network consists of two parallel, interconnected pipelines, varying in size from 22 to 36 inches. The force mains extend from the Bay Bridge Pump Station, located at the mouth of the Upper Newport Bay, to a junction structure within Banning Ranch, adjacent to the Santa Ana River, across from the Plant No. 2.

Justification

The system has reached the end of its useful life and needs rehabilitation. OCSD 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's construction cost budget is \$14,930,000. This project will not have an impact on operational budgets.



**Collections
Facilities**

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	1,224,000	1,224,000						
Preliminary Design	2,846,000	1,277,000	1,569,000					
Design	1,211,000	14,000	307,000	670,000	220,000			
Const. & Installation	16,414,000	18,000			5,915,000	7,596,000	2,885,000	
Commission								
Close-Out	20,000						20,000	
Contingency	2,064,000							2,064,000
Total	23,779,000	2,533,000	1,876,000	670,000	6,135,000	7,596,000	2,905,000	2,064,000

Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Dover Drive Trunk Sewer Relief - 05-63		
Project Category	Collections Facilities	Project Status:	Revised

Description

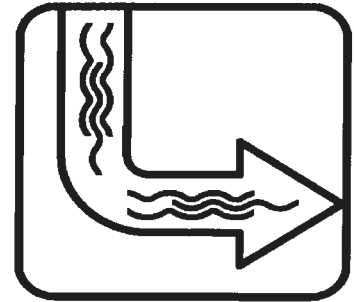
This project consists of conducting a feasibility study to increase the hydraulic capacity for 7,300 lineal feet of existing 15-inch through 18-inch sewer line located along Dover Drive between Irvine Avenue and Pacific Coast Highway in the City of Newport Beach. This project allows for the design and 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 \$13,346,000 to \$14,296,000 to reflect project scope changes.

The project's construction cost budget is \$9,537,324. This project will not have an impact on operational budgets.



**Collections
Facilities**

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	326,000	326,000						
Preliminary Design	578,000	578,000						
Design	1,219,000	963,000	256,000					
Const. & Installation	10,995,000	37,000	1,562,000	8,396,000	1,000,000			
Commission	137,000			137,000				
Close-Out	61,000			8,000	53,000			
Contingency	980,000					980,000		
Total	14,296,000	1,904,000	1,818,000	8,541,000	1,053,000	980,000		

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	District 6 Trunk Sewer Relief - 06-17		
Project Category	Collections Facilities	Project Status:	Revised

Description

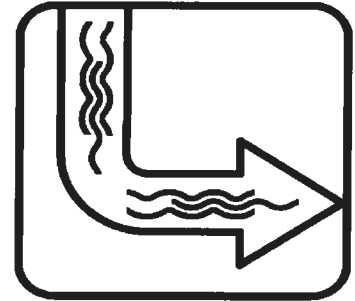
This project is to increase the capacity of the District 6 Trunk sewer to provide for future flows. The existing 3,700 feet of 12-inch through 18-inch pipeline runs west of Pomona, southerly to 16th Street, to Newport Boulevard, and southerly along Newport Boulevard towards Coast Highway in the Cities 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 \$5,126,000 to \$5,638,000 to reflect contingency increase and the revised project cost estimate.

The project's construction cost budget is \$3,033,000. This project will not have an impact on operational budgets.



Collections Facilities

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	32,000	18,000	14,000					
Preliminary Design	170,000		40,000	130,000				
Design	746,000			720,000	26,000			
Const. & Installation	3,819,000				1,319,000	2,500,000		
Commission	61,000					61,000		
Close-Out	61,000					21,000	40,000	
Contingency	749,000							749,000
Total	5,638,000	18,000	54,000	850,000	1,345,000	2,582,000	40,000	749,000

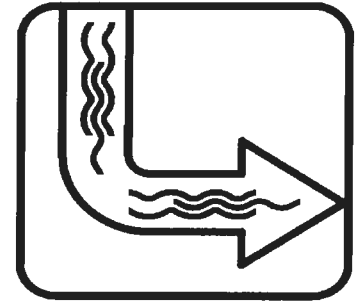
Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Southwest Costa Mesa Trunk - 06-19		
Project Category	Collections Facilities	Project Status:	Revised

Description

This project will design and construct a sewer system for the southwest portion of Costa Mesa and relieve the existing sewers in Fairveiw Avenue. The project will investigate and determine the best solution for the area considering the local agencies desire to eliminate their sewage pumping stations serving the southwest portion of Costa Mesa and the northeast portion of the Newport Beach. This effort will include the preparation of any necessary environmental document to comply with the California Environmental Quality Act (CEQA).



**Collections
Facilities**

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. Constructing this project will allow for the local agencies to abandon those stations and OCSD to eliminate the previously planned 06-18 project.

The project budget has been decreased from \$15,240,000 to \$14,993,000 to reflect the revised project cost estimate.

The project's construction cost budget is \$8,913,000. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	1,392,000	310,000	766,000	316,000				
Preliminary Design	606,000	74,000	33,000	499,000				
Design	1,339,000			141,000	850,000	348,000		
Const. & Installation	10,028,000					862,000	7,987,000	1,179,000
Commission	158,000						2,000	156,000
Close-Out	155,000							155,000
Contingency	1,315,000							1,315,000
Total	14,993,000	384,000	799,000	956,000	850,000	1,210,000	7,989,000	2,805,000

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	Gisler-Redhill System Improvements, Reach B - 07-37		
Project Category	Collections Facilities	Project Status:	Revised

Description

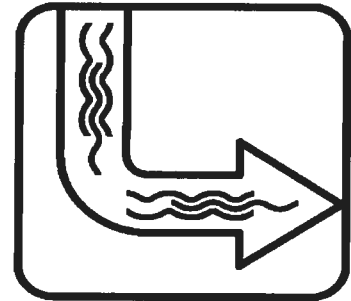
This project will rehabilitate sewers in the Gisler-Redhill System. This will include providing interties, new diversion settings, and sliplining. The project includes repairs of up to 13,200 feet along Redhill Avenue in the Cities of Santa Ana, Tustin and Irvine.

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 \$11,002,000 to \$11,402,000 to reflect project scope changes and the revised project cost estimate.

The project's construction cost budget is \$7,000,000. This project will not have an impact on operational budgets.



**Collections
Facilities**

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	16,000	16,000						
Preliminary Design	294,000	294,000						
Design	1,944,000	1,801,000	143,000					
Const. & Installation	8,194,000	356,000	1,957,000	5,881,000				
Commission	80,000		34,000	46,000				
Close-Out	47,000			33,000	14,000			
Contingency	827,000				827,000			
Total	11,402,000	2,467,000	2,134,000	5,960,000	841,000			

Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Browning Subtrunk Sewer Relief - 07-60		
Project Category	Collections Facilities	Project Status:	Continuing

Description

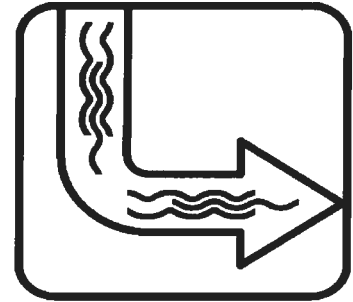
This project increases the capacity of the Browning Subtrunk sewer to provide for future flows.

The existing 7,800 feet of 8-inch through 12-inch pipeline runs along Browning Avenue from Mitchell Avenue to Irvine Boulevard, in the City of Tustin and unincorporated territory.

Justification

This 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 2011.

The project's construction cost budget is \$7,030,000. This project will not have an impact on operational budgets.



**Collections
Facilities**

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	62,000			62,000				
Preliminary Design	108,000			36,000	72,000			
Design	863,000				348,000	504,000	11,000	
Const. & Installation	8,415,000			959,000			5,411,000	2,045,000
Commission	177,000						62,000	115,000
Close-Out	142,000							142,000
Contingency	1,405,000							1,405,000
Total	11,172,000			1,057,000	420,000	504,000	5,484,000	3,707,000

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	Wintersburg Channel Siphon Protection Project - 11-32		
Project Category	Collections Facilities	Project Status:	Continuing

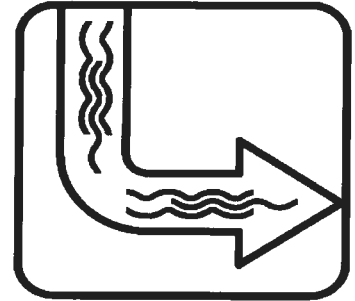
Description

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 have an impact on operational budgets.



**Collections
Facilities**

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	16,000	16,000						
Preliminary Design								
Design	2,000	2,000						
Const. & Installation	26,000		16,000	10,000				
Commission								
Close-Out								
Contingency	31,000			31,000				
Total	75,000	18,000	16,000	41,000				

Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Facilities Engineering Projects - Collections - FE-Collect		
Project Category	Collections Facilities	Project Status:	Continuing

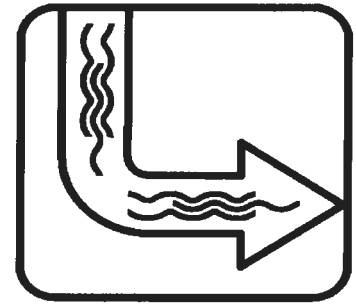
Description

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	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev								
Preliminary Design								
Design	3,065,000	1,804,000	361,000	50,000	50,000	50,000	50,000	700,000
Const. & Installation	5,017,000	2,676,000	541,000	100,000	100,000	100,000	100,000	1,400,000
Commission								
Close-Out								
Contingency	168,000							168,000
Total	8,250,000	4,480,000	902,000	150,000	150,000	150,000	150,000	2,268,000

Reimbursable Costs \$107,205

2012-13 & 2013-14 Budget

Project Name & Number	Siphon and Manhole Upgrade Feasibility Study - SP-138		
Project Category	Collections Facilities	Project Status:	Continuing

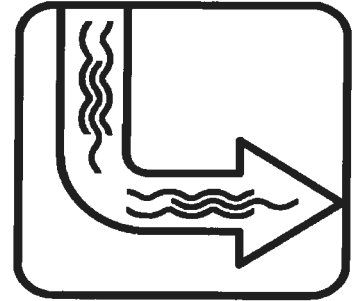
Description

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.

The results of the study and any potential cost saving or increases will be determined in this study.



**Collections
Facilities**

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	300,000	290,000	10,000					
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
Total	300,000	290,000	10,000					

Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Bay Bridge Pump Station and Forcemains Rehabilitation Study - SP-178		
Project Category	Collections Facilities	Project Status:	New

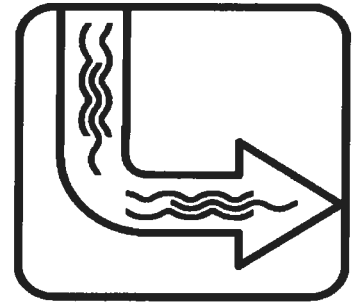
Description

This project will investigate operation, maintenance, and code compliance issues associated with the Bay Bridge Pump Station and the forcemains leaving the station. This includes odor control needs, equipment inspection, hydraulic capacities, National Fire Protection Association (NFPA) compliance, and Occupational Safety & Health Administration (OSHA) requirements.

Justification

This project will provide needed recommendations and direction for future Project No.05-67, Bay Bridge Pumping Station Upgrade and Rehabilitation.

This project will not impact operational budgets.



**Collections
Facilities**

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	150,000		100,000	50,000				
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
Total	150,000		100,000	50,000				

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	Main Street Flume Downsizing Study - SP-179		
Project Category	Collections Facilities	Project Status:	New

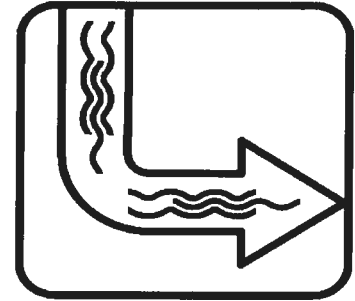
Description

This study will investigate metering options at the Main Street Flume. The study will address flows that are currently at or below the level which the existing meter can reliably measure. This study will also ensure that higher flow volumes expected in the winter months can still be accommodated.

Justification

Currently flow is at or below the existing metering range for measuring flows. Flows from IRWD have dropped from 12-14 mgd to 2-3 mgd over the past 5 years with the expansion of IRWD's Michelson Water Reclamation Facility. Also, IRWD is expecting to reduce this flow by another 1 mgd when its solids facilities come on line in 2014. Potentially inaccurate metering readings may cause misallocations of costs to IRWD.

This project will not impact operational budgets. Costs for this study are reimbursable from IRWD.



**Collections
Facilities**

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	75,000		75,000					
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
Total	75,000		75,000					

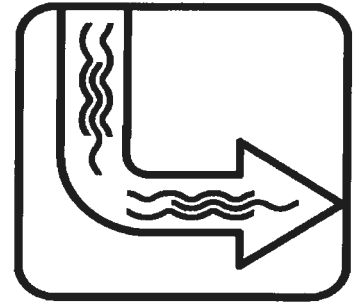
Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Revenue Area 3 Asset Management Plan - SP-180		
Project Category	Collections Facilities	Project Status:	New

Description

This project will update the 2006 Strategic Plan Update collection system model and 2009 Master Plan for Revenue Area 3. The collection system model will be updated based on the recently developed Geographical Information System (GIS) database and the most recent Census and land use information. This effort will also include the collection flow monitoring data at key locations to calibrate the hydraulic model, review pipe condition data, review rehabilitation planning needs, and revised the capital planning for the Revenue area based on the findings. The Seal Beach Pumping Station and force main will be focused on and a scope of work for future repairs will be created under this study.



**Collections
Facilities**

Justification

Recent inspections of OCSD trunklines of Revenue Area 3 have revealed issues which need to be addressed. However, not all of the trunklines have been inspected. Flows in Revenue Area 3 have not been monitored since 2005. A comprehensive plan for rehabilitating, replacing, or upgrading these trunklines is needed to plan and scope the approximately \$170 million in future design and construction projects in Revenue Area 3.

This project will not impact operational budgets.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	400,000		266,000	134,000				
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
Total	400,000		266,000	134,000				

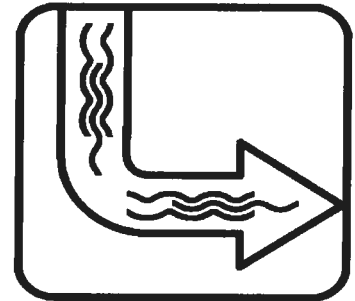
Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	Revenue Area 7 Asset Management Plan - SP-181		
Project Category	Collections Facilities	Project Status:	New

Description

This project will update the 2006 Strategic Plan Update collection system model and 2009 Master Plan for Revenue Area 7. The collection system model will be updated based on the recently developed Geographical Information System (GIS) database and the most recent Census and land use information. This effort will also include the collection flow monitoring data at key locations to calibrate the hydraulic model, review pipe condition data, review rehabilitation planning needs, and revise the capital planning for the Revenue Area based on the findings.



**Collections
Facilities**

Justification

Recent inspections of OCSD trunklines of Revenue Area 7 have revealed issues which need to be addressed. However, not all of the trunklines have been inspected. Flows in Revenue Area 7 have not been monitored since 2005. A comprehensive plan for rehabilitating, replacing, or upgrading these trunklines and pump stations is needed to plan and scope the approximately \$19 million in future design and construction projects in Revenue Area 7.

This project will not impact operational budgets.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	300,000		200,000	100,000				
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
Total	300,000		200,000	100,000				

Reimbursable Costs N/A

CIP Project Detail Sheets

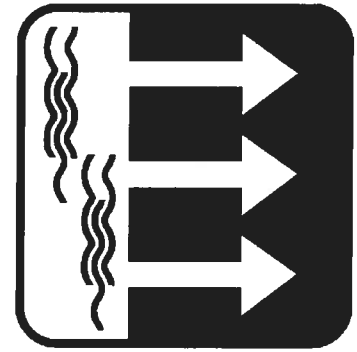
Project Name & Number	Headworks Rehabilitation at Plant No. 1 - P1-105		
Project Category	Headworks	Project Status:	Revised

Description

This project corrects electrical system problems and improves reliability at the Plant 1 Headworks facility and supports the strategy for plant electrical power system expansion through the year 2020. The work includes modifications to existing motor control centers, transformers, power distribution network and standby power generation.

Justification

The Headworks No. 2 was originally constructed in 1987. Job No. J-25-4 provided comprehensive electrical system analyses / studies to identify electrical system problems and recommend cost-effective improvement alternatives. This project is needed to construct the recommended improvements from J-25-4 to increase the reliability of Headworks No. 2 at Plant No. 1. The result of the work will minimize power interruptions, eliminate domino effect during system faults, improve system safeguards, eliminate electrical equipment life reduction caused by power quality problems, improve effectiveness of system grounding, eliminate motor starting problems, and provide adequate standby generation for critical loads served by the power building at the Headworks area.



Headworks

The project's construction cost budget is \$44,181,000. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	172,000			172,000				
Preliminary Design	1,730,000			420,000	1,310,000			
Design	5,259,000				1,727,000	3,363,000	169,000	
Const. & Installation	52,836,000						31,463,000	21,373,000
Commission	2,698,000						608,000	2,090,000
Close-Out	528,000							528,000
Contingency	8,835,000							8,835,000
Total	72,058,000			592,000	3,037,000	3,363,000	32,240,000	32,826,000

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

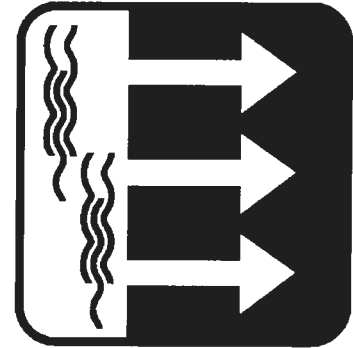
Project Name & Number	Headworks Improvements at Plant No. 2 - P2-66		
Project Category	Headworks	Project Status:	Revised

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 \$257,733,000 to \$258,124,000 to reflect the revised project cost estimate.

The project's construction cost budget is \$196,423,684. This project will increase operational budgets by \$500,000 annually.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	64,000	64,000						
Preliminary Design	3,905,000	3,905,000						
Design	14,992,000	14,992,000						
Const. & Installation	230,371,000	226,370,000	4,001,000					
Commission	5,533,000	4,907,000	626,000					
Close-Out	377,000	2,000	283,000	92,000				
Contingency	2,882,000			2,882,000				
Total	258,124,000	250,240,000	4,910,000	2,974,000				

Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Plant No.1 Headworks & Bypass Asset Management Plan - SP-182		
Project Category	Headworks	Project Status:	New

Description

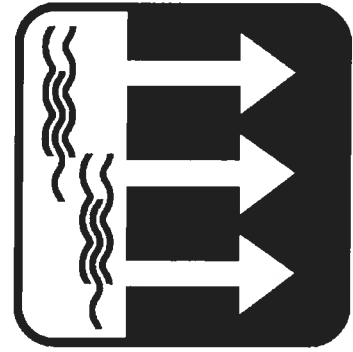
This study will provide recommendations and direction to optimize future planned headworks and interplant line rehabilitation/expansion projects.

The study will review recent condition assessment data, area odor control and grit removal studies, and operation and maintenance issues. The study will also perform additional condition assessments, calculations, and provide recommendations to provide an overall plan for the Plant No.1 Headworks area and interplant trunklines.

Justification

Recent condition assessments have revealed the need for rehabilitation in the hearworks area. Also, recent studies have recommended needed odor control and grit removal improvements. A comprehensive plan is needed to support future design and construction projects in the Plant No.1 Headworks and Interplant line area.

This project will not impact operational budgets.



Headworks

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	300,000		200,000	100,000				
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
Total	300,000		200,000	100,000				

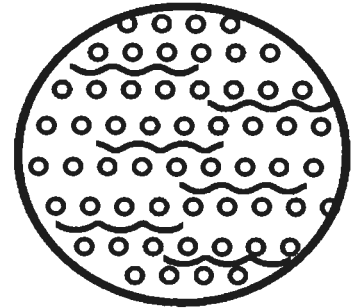
Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	Joint GWRS Microfiltration Backwash Redirection Project - J-36-1		
Project Category	Primary Treatment	Project Status:	Revised

Description

The microfiltration waste backwash flows from the GWRS currently go back to OCSD Plant No. 1 and are processed through its primary treatment process. By implementing some minor piping changes, this flow can be diverted directly to the secondary treatment process, resulting in a \$600,000 annual operation cost savings. Based on this saving the proposed project is cost neutral for OCSD.



Primary Treatment

Justification

This project will reduce the current shortfall in water production from the GWR System and reduce OCSD operational costs. By storing waste backwash from the GWRS in unused primary treatment basins during the day and draining them at night, OCWD will increase production from GWRS. The amended Joint Exercise Agreement states that the OCSD and OCWD will meet in the event there is a shortfall in production from GWRS. The Joint Steering Committee approved the project, as recommended, with each agency paying 50% of the project cost totaling \$1,061,000 each. Based on the potential savings, the proposed project is cost neutral for OCSD.

The project budget has been decreased from \$1,311,000 to \$1,111,000 to reflect the revised project cost estimate.

The project's construction cost budget is \$740,000. This project will decrease operational budgets by \$600,000 annually.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev								
Preliminary Design								
Design	75,000	75,000						
Const. & Installation	916,000	391,000	525,000					
Commission								
Close-Out								
Contingency	120,000		120,000					
Total	1,111,000	466,000	645,000					

Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Plant No.1 Primary Treatment Upgrades - P1-124		
Project Category	Primary Treatment	Project Status:	New

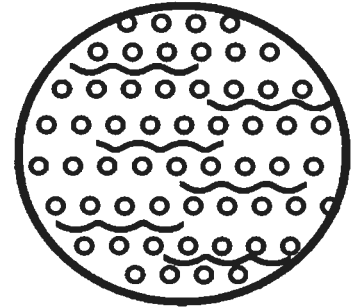
Description

This project will upgrade the east side of the sludge pumping system for the rectangular primary clarifiers at Plant No.1. This project will also investigate and resolve operational, maintenance, corrosion, and safety issues in the area.

Justification

Recent studies have identified the need to upgrade the east side sludge pumping system in the rectangular clarifiers at Plant No.1. Also, recent investigations uncovered corrosion, safety, operational, and maintenance issues which need to be addressed.

The current construction estimate is \$10,231,000. It is currently unknown how this project will impact operational budgets.



Primary Treatment

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	162,000		162,000					
Preliminary Design	290,000		83,000	207,000				
Design	1,476,000			690,000	767,000	19,000		
Const. & Installation	13,160,000					9,355,000	3,805,000	
Commission	332,000					121,000	211,000	
Close-Out	222,000						209,000	13,000
Contingency	2,193,000							2,193,000
Total	17,835,000		245,000	897,000	767,000	9,495,000	4,225,000	2,206,000

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	Primary Treatment Area Rehabilitation Study - SP-137		
Project Category	Primary Treatment	Project Status:	Revised

Description

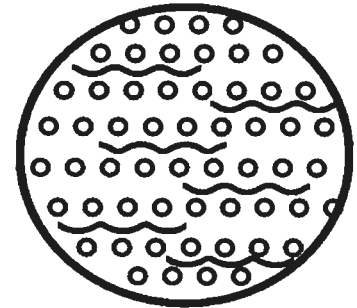
This project will provide a comprehensive condition assessment of the Primary Treatment area of Plant No. 1. The results of the study will be used to identify and plan future rehabilitation efforts for the area of the treatment plant.

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.

The project budget has been increased from \$300,000 to \$848,372 to reflect project scope changes.

The results of the study and any potential cost saving or increases will be determined in this study.



Primary Treatment

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	848,000	56,000	630,000	162,000				
Total	848,000	56,000	630,000	162,000				

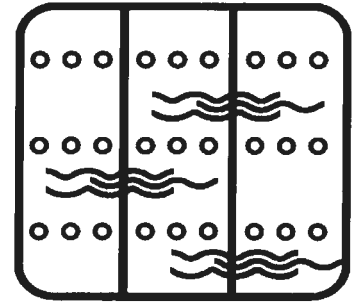
Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	New Secondary Treatment System at Plant No. 1 - P1-102		
Project Category	Secondary Treatment	Project Status:	Revised

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 budget has been decreased from \$255,644,000 to \$255,470,468 to reflect the revised project cost estimate.

The project's construction cost budget is \$207,065,059. This project will decrease operational budgets by \$750,000 annually.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	140,000	140,000						
Preliminary Design	5,257,000	5,257,000						
Design	13,057,000	13,057,000						
Const. & Installation	230,321,000	230,166,000	155,000					
Commission	2,858,000	2,472,000	386,000					
Close-Out	682,000		674,000	8,000				
Contingency	3,156,000			3,156,000				
Total	255,471,000	251,092,000	1,215,000	3,164,000				

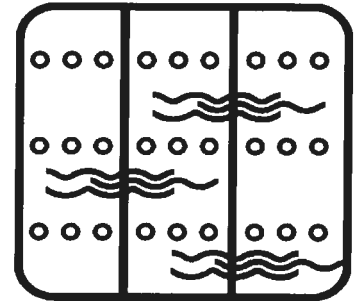
Reimbursable Costs \$97,868

2012-13 & 2013-14 Budget

Project Name & Number	Trickling Filters at Plant No. 2 - P2-90		
Project Category	Secondary Treatment	Project Status:	Revised

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.



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. 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 \$181,062,643. This project will increase operational budgets by \$3,290,140 annually.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	294,000	294,000						
Preliminary Design	3,474,000	3,474,000						
Design	8,983,000	8,983,000						
Const. & Installation	202,223,000	202,215,000	8,000					
Commission	4,152,000	4,102,000	50,000					
Close-Out	907,000	877,000	30,000					
Contingency	173,000			173,000				
Total	220,206,000	219,945,000	88,000	173,000				

Reimbursable Costs \$50,253

CIP Project Detail Sheets

Project Name & Number	Oxygen Plant Rehabilitation at Plant No. 2 - SP-129		
Project Category	Secondary Treatment	Project Status:	Revised

Description

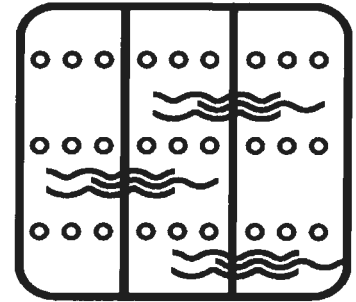
This project removes the existing cryogenic facility, compressors and associated equipment. The plant is currently operated and maintained by Air Products and Chemicals, Inc. per agreement. The assets are owned by OCSD.

Justification

Operations is currently rehabilitating the existing liquid oxygen system in order to receive truck shipments. This was shown to be less expensive than generating liquid oxygen on site. It is anticipated that the cryogenic facility and compressors will have a salvage value.

The project budget has been decreased from \$2,500,000 to \$2,208,000 to reflect the revised project cost estimate.

The project's construction cost budget is \$900,000. This project will increase operational budgets by \$26,000 annually.



Secondary Treatment

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	16,000	16,000						
Preliminary Design	36,000	36,000						
Design	566,000	77,000	45,000	281,000	163,000			
Const. & Installation	1,203,000				54,000	337,000	606,000	206,000
Commission	32,000	4,000						28,000
Close-Out	54,000	2,000						52,000
Contingency	301,000							301,000
Total	2,208,000	135,000	45,000	281,000	217,000	337,000	606,000	587,000

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	Plant No.1 Secondary Treatment Asset Management Plan - SP-183		
Project Category	Secondary Treatment	Project Status:	New

Description

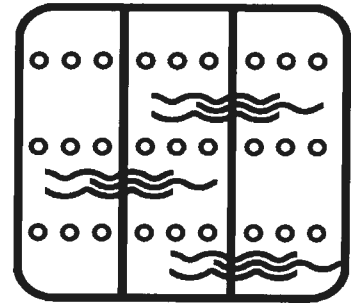
This study will provide recommendations and direction to optimize future rehabilitation efforts at Plant No.1's Secondary Treatment facilities. This includes piping from PEPS to secondary effluent piping, as well as return activated sludge systems for AS Plant No.1.

The study will review recent condition assessment data, area studies, code compliance, and operation and maintenance issues. The study will also perform additional condition assessments, calculations, and provide recommendations to provide an overall plan for Plant No.1's Secondary Treatment facilities.

Justification

Recent condition assessments have revealed the need for rehabilitation in Plant No.1's Secondary Treatment facilities. Also, cable tray issues have been identified in the area and need to be addressed. A comprehensive plan is needed to support future design and construction projects in Plant No.1's Secondary Treatment facilities.

This project will not impact operational budgets.



Secondary Treatment

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	200,000		134,000	66,000				
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
Total	200,000		134,000	66,000				

Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Plant No.2 Secondary Oxygen Plant Asset Management Plan - SP-185		
Project Category	Secondary Treatment	Project Status:	New

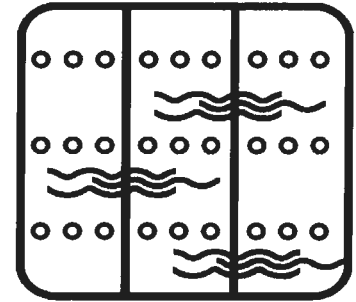
Description

This study will provide recommendations and direction to optimize future planned rehabilitation efforts for the Plant No. 2 Secondary Oxygen Plant.

The study will review recent condition assessment data, area studies, and operation and maintenance issues. The study will also perform additional condition assessments, calculations, and provide recommendations to provide an overall plan for Plant No. 2 Secondary Oxygen Plant.

Justification

Recent condition assessments have revealed the need for rehabilitation in the Secondary Oxygen Plant area, at Plant No.2. Also, cable tray issues have been identified in the area and need to be addressed. A comprehensive plan is needed to support future design and construction projects in the Plant No. 2 Secondary Oxygen Plant area.



Secondary Treatment

This project will not impact operational budgets.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	200,000		134,000	66,000				
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
Total	200,000		134,000	66,000				

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	Sludge Digester Rehabilitation at Plant 1 - P1-100		
Project Category	Solids Handling & Digestion	Project Status:	Revised

Description

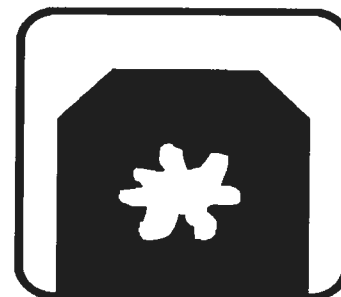
The project rehabilitates Digesters No. 5 through No. 16 at Plant No. 1 to replace aging equipment and improve solids handling capacity. The equipment rehabilitation includes sludge pumping, heating, structural systems, mechanical systems, electrical and control systems.

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 increased from \$55,515,000 to \$57,205,451 to reflect contingency increase and consultant fee proposals which were higher than anticipated.

The project's construction cost budget is \$34,382,429. This project will not have an impact on operational budgets.



**Solids Handling
& Digestion**

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	218,000	218,000						
Preliminary Design	3,082,000	3,082,000						
Design	3,598,000	3,598,000						
Const. & Installation	43,591,000	22,130,000	16,268,000	5,193,000				
Commission	2,019,000	789,000	845,000	385,000				
Close-Out	295,000	10,000		277,000	8,000			
Contingency	4,402,000				4,402,000			
Total	57,205,000	29,827,000	17,113,000	5,855,000	4,410,000			

Reimbursable Costs N/A

CIP Project Detail Sheets

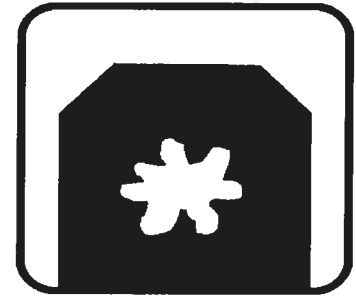
Project Name & Number	Sludge Dewatering and Odor Control at Plant 1 - P1-101		
Project Category	Solids Handling & Digestion	Project Status:	Continuing

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.



Solids Handling & Digestion

The project's construction cost budget is \$103,949,456. This project will increase operational budgets by \$6,000,000 annually.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	330,000	330,000						
Preliminary Design	6,757,000	6,757,000						
Design	10,937,000	10,894,000	43,000					
Const. & Installation	117,755,000	1,959,000	15,359,000	36,140,000	53,366,000	10,931,000		
Commission	2,095,000				1,553,000	542,000		
Close-Out	611,000	2,000				599,000	10,000	
Contingency	8,785,000						8,785,000	
Total	147,270,000	19,942,000	15,402,000	36,140,000	54,919,000	12,072,000	8,795,000	

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

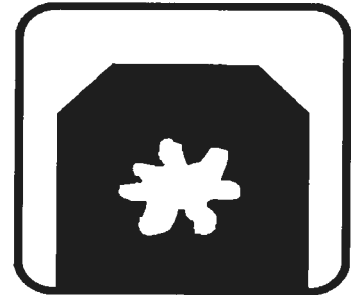
Project Name & Number	Digester Ferric Chloride System Rehabilitation - P2-105		
Project Category	Solids Handling & Digestion	Project Status:	Revised

Description

This project will replace the deteriorating ferric chloride station and associated pipe lines that serve the digester system at Plant No. 2. This includes replacing chemical piping and installing a new concrete containment structure 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.



Solids Handling & Digestion

The project budget has been increased from \$2,905,000 to \$4,077,500 to reflect consultant fee proposals which were higher than anticipated and the revised project cost estimate.

The project's construction cost budget is \$2,000,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	124,000	124,000						
Preliminary Design	163,000	163,000						
Design	635,000	611,000	24,000					
Const. & Installation	2,636,000		1,064,000	1,572,000				
Commission	142,000			142,000				
Close-Out	50,000			30,000	20,000			
Contingency	328,000				328,000			
Total	4,078,000	898,000	1,088,000	1,744,000	348,000			

Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Solids Thickening and Processing Upgrades - P2-89		
Project Category	Solids Handling & Digestion	Project Status:	Revised

Description

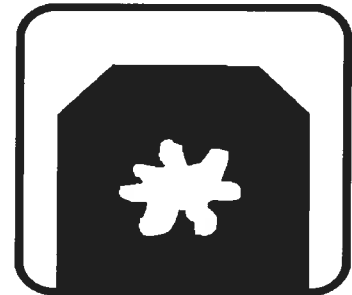
This project will rehabilitate and upgrade the four existing Dissolved Air Flotation Thickeners (DAFTs) to treat the current Activated Sludge Plant solids as well as the additional solids that will be generated from the new secondary Trickling Filter/Solids Contactor (TF/SC) process. This project will also convert two "holding" digesters into "working" digesters to 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 \$57,796,000 to \$48,146,000 to reflect construction bids which were lower than anticipated and the revised project cost estimate.

The project's construction cost budget is \$27,750,000. This project will not have an impact on operational budgets.



Solids Handling & Digestion

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	182,000	182,000						
Preliminary Design	3,462,000	3,462,000						
Design	5,589,000	5,589,000						
Const. & Installation	34,160,000	1,389,000	5,860,000	17,859,000	9,019,000	33,000		
Commission	1,104,000			2,000	1,102,000			
Close-Out	370,000				142,000	228,000		
Contingency	3,279,000					3,279,000		
Total	48,146,000	10,622,000	5,860,000	17,861,000	10,263,000	3,540,000		

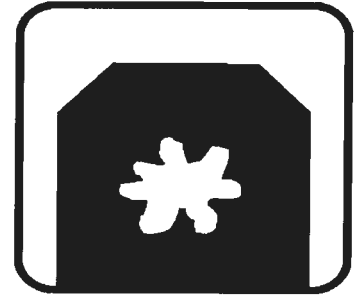
Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	Digester Rehabilitation at Plant No. 2 - P2-91-1		
Project Category	Solids Handling & Digestion	Project Status:	Continuing

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 Tricking 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'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	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	244,000	150,000		94,000				
Preliminary Design	1,823,000			352,000	492,000	979,000		
Design	3,236,000	2,000				836,000	1,272,000	1,126,000
Const. & Installation	33,436,000						40,000	33,396,000
Commission	481,000							481,000
Close-Out	351,000							351,000
Contingency	6,066,000							6,066,000
Total	45,637,000	152,000		446,000	492,000	1,815,000	1,312,000	41,420,000

Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Sludge Dewatering and Odor Control at Plant 2 - P2-92		
Project Category	Solids Handling & Digestion	Project Status:	Revised

Description

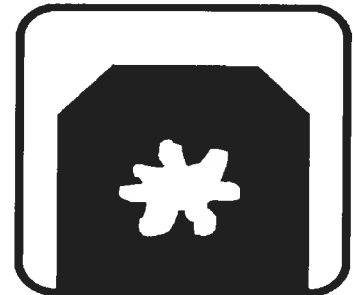
This project constructs facilities to improve solids handling capacity, replaces sludge dewatering facilities with aging equipment and, to reduce biosolids handling and disposal, replaces aging solids handling odor control equipment, and temporarily expands sludge dewatering facilities to accommodate 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 \$64,868,000 to \$71,860,000 to reflect the revised project cost estimate.

The project's construction cost budget is \$47,500,000. This project will not have an impact on operational budgets.



Solids Handling & Digestion

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	588,000	588,000						
Preliminary Design	2,698,000	2,698,000						
Design	5,289,000	561,000	3,999,000	729,000				
Const. & Installation	53,820,000			1,219,000	15,116,000	30,718,000	6,767,000	
Commission	1,678,000					851,000	827,000	
Close-Out	96,000						38,000	58,000
Contingency	7,691,000							7,691,000
Total	71,860,000	3,847,000	3,999,000	1,948,000	15,116,000	31,569,000	7,632,000	7,749,000

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	Plant No. 2 Digesters and Boilers Plant Asset Management Plan - SP-186		
Project Category	Solids Handling & Digestion	Project Status:	New

Description

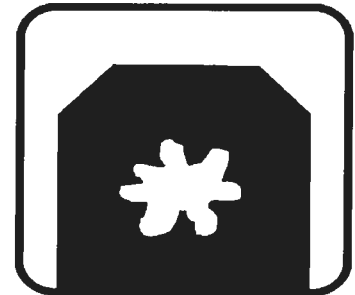
This study will provide recommendations and direction to optimize future planned rehabilitation efforts for the Plant No. 2 Digesters and Boilers.

The study will review recent condition assessment data, area studies, and operation and maintenance issues. The study will also perform additional condition assessments, calculations, and provide recommendations to provide an overall plan for the Plant No. 2 Digesters and Boilers.

Justification

Recent condition assessments have revealed the need for rehabilitation in the Plant No. 2 Digesters and Boilers. A comprehensive plan is needed to support future design and construction projects in the Plant No. 2 Digesters and Boilers area.

This project will not impact operational budgets.



**Solids Handling
& Digestion**

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	200,000		134,000	66,000				
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
Total	200,000		134,000	66,000				

Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Final Effluent Sampler and Building Area Upgrades - J-110		
Project Category	Ocean Outfall Systems	Project Status:	Continuing

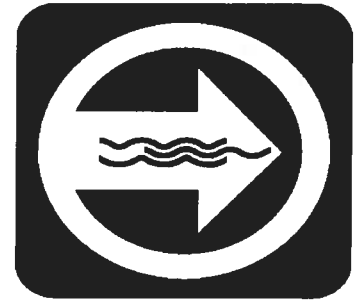
Description

This project will renovate, replace, or demolish facilities surrounding the final effluent sampler 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 and sampling trailer with a new building, the removal of the adjacent unused buildings, rehabilitation of the short ocean outfall system, and landscaping and drainage improvements near the new building.

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's construction cost budget is \$7,350,000. This project will not have an impact on operational budgets.



**Ocean Outfall
Systems**

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	102,000	102,000						
Preliminary Design	962,000	89,000	740,000	133,000				
Design	893,000			821,000	72,000			
Const. & Installation	8,662,000				575,000	3,739,000	3,792,000	556,000
Commission	251,000						59,000	192,000
Close-Out	221,000							221,000
Contingency	1,494,000							1,494,000
Total	12,585,000	191,000	740,000	954,000	647,000	3,739,000	3,851,000	2,463,000

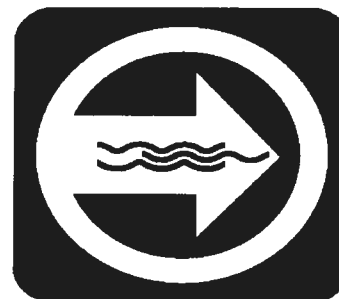
Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	Outfall Land Section and OOBS Piping Rehabilitation - J-112		
Project Category	Ocean Outfall Systems	Project Status:	Revised

Description

This project includes inspection, design and construction. The project will be completed in two phases. In Phase 1, the OOBS suction and discharge piping between OOBS and Surge Tower No. 2 will be cleaned and inspected for corrosion. Rehabilitation will consist of weld overs in corroded areas; sandblasting and recoating of all outfall piping; and installation of temporary sampling and flow metering facilities and a structural liner in one segment of the outfall pipe. In Phase 2, the land portion of the 120-inch outfall from Surge Tower No. 2 to the Beach Box will be inspected. Rehabilitation will consist of sandblasting and recoating of Surge Tower 2; replacement of the existing effluent flow meter, repairing corroded areas of the outfall and risers, abandonment of the meter vaults, and installing an outfall pipe segment and manhole riser in the Beach Box.



Ocean Outfall Systems

Justification

O&M staff inspected a portion of the suction and discharge piping in the OOBS pump station as well as the outfall between OOBS and the Beach Box. Significant corrosion was observed in all areas inspected upstream of Surge Tower No. 2. It is expected that similar corrosion exists in the portion of the suction and discharge piping not inspected. Staff has been investigating the structural integrity of a portion of the outfall pipe upstream of the surge tower due to corrosion. Corrosion has also been observed in portions of the outfall downstream of Surge Tower No. 2 and in the Beach Box.

This project scope and budget are based on repairs needed as a result of inspections and repairing of adjacent outfall facilities.

The project budget has been increased from \$21,739,000 to \$24,139,000 to reflect project scope changes.

The project's construction cost budget is \$11,858,537. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	82,000	82,000						
Preliminary Design	3,470,000	3,470,000						
Design	1,582,000	1,582,000						
Const. & Installation	15,809,000	3,649,000	12,160,000					
Commission	225,000		225,000					
Close-Out	126,000		112,000	14,000				
Contingency	2,845,000			2,845,000				
Total	24,139,000	8,783,000	12,497,000	2,859,000				

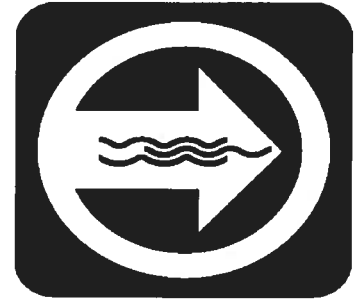
Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Ocean Outfall System Rehabilitation - J-117		
Project Category	Ocean Outfall Systems	Project Status:	Continuing

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.



Ocean Outfall Systems

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 \$9,700,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	80,000			80,000				
Preliminary Design	152,000			50,000	102,000			
Design	1,197,000				479,000	703,000	15,000	
Const. & Installation	11,602,000			1,320,000			7,464,000	2,818,000
Commission	244,000						86,000	158,000
Close-Out	192,000							192,000
Contingency	1,935,000							1,935,000
Total	15,402,000			1,450,000	581,000	703,000	7,565,000	5,103,000

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	Alternative Effluent Disinfection Study - SP-156		
Project Category	Ocean Outfall Systems	Project Status:	Continuing

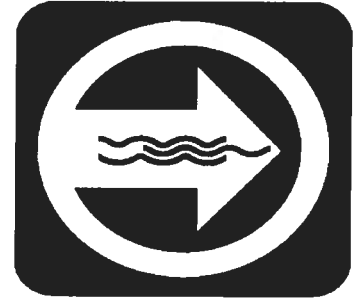
Description

Recommendations for OCSD disinfection practices are pending from a National Water Research Institute (NWRI) panel. This study will study the feasibility of implementing the findings of the NWRI study, and will evaluate the proximity of EPSA to the AS channel bleach feed point.

Justification

There are a variety of considerations potentially affecting the operational philosophy of Ocean Outfall Disinfection. Secondary effluent that is routed from a bleach feed point at the Plant No. 2 Activated Sludge (AS) channel to the Effluent Pump Station Annex (EPSA) has a limited detention time. Recommendations for OCSD disinfection practices are pending from a National Water Research Institute (NWRI) panel.

The results of the study and any potential cost saving or increases will be determined in this study.



Ocean Outfall Systems

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	100,000		100,000					
Total	100,000		100,000					

Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Plant No. 2 Outfall Systems Asset Management Plan - SP-187		
Project Category	Ocean Outfall Systems	Project Status:	New

Description

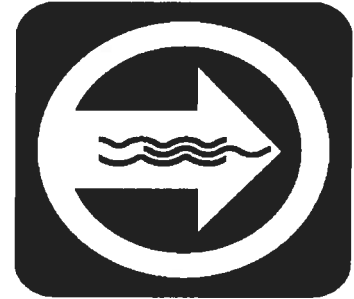
This study will provide recommendations and direction to optimize future planned rehabilitation efforts for the Outfall Systems at Plant No. 2.

The study will review recent condition assessment data, area studies, and operation and maintenance issues. The study will also perform additional condition assessments, calculations, and provide recommendations to provide an overall plan for the Outfall Systems at Plant No. 2.

Justification

Recent condition assessments have revealed the need for rehabilitation in the Outfall Systems at Plant No. 2. A comprehensive plan is needed to support future design and construction projects in the Outfall Systems area.

This project will not impact operational budgets.



**Ocean Outfall
Systems**

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	300,000		200,000	100,000				
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
Total	300,000		200,000	100,000				

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	Interplant Gas Line Rehabilitation - J-106		
Project Category	Utility Systems	Project Status:	Revised

Description

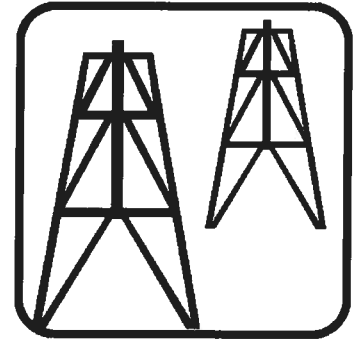
This project rehabilitates the Interplant Gas Line. The line transports digester gas between Reclamation Plant No. 1 (Plant No. 1) and Treatment Plant No. 2 (Plant No. 2). A liner will be installed within the existing pipe to protect the pipeline from corrosion, and to prevent future pipe failures.

Justification

The interplant gas line has suffered several corrosion related failures. At this time, a complete inspection or slip lining 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 \$5,271,000 to \$5,634,000 to reflect contingency increase.

The project's construction cost budget is \$3,040,041. The impacts to operational budgets have not yet been determined.



Utility Systems

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	66,000	66,000						
Preliminary Design	204,000	204,000						
Design	951,000	951,000						
Const. & Installation	3,691,000	37,000	3,654,000					
Commission	322,000		322,000					
Close-Out	98,000		24,000	74,000				
Contingency	302,000				302,000			
Total	5,634,000	1,258,000	4,000,000	74,000	302,000			

Reimbursable Costs N/A

CIP Project Detail Sheets

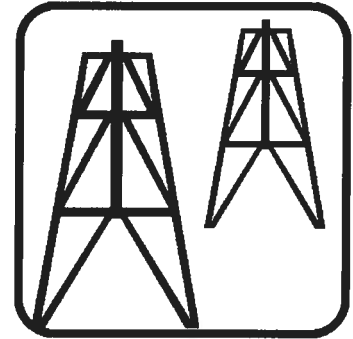
Project Name & Number	Cengen Cooling Water System Replacement - J-109		
Project Category	Utility Systems	Project Status:	Revised

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 decreased from \$12,628,000 to \$11,337,000 to reflect construction bids which were lower than anticipated.

The project's construction cost budget is \$5,758,000. This project will decrease operational budgets by \$500,000 annually.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	120,000	120,000						
Preliminary Design	1,132,000	1,132,000						
Design	1,362,000	1,362,000						
Const. & Installation	7,422,000	1,416,000	5,988,000	18,000				
Commission	298,000		298,000					
Close-Out	91,000		53,000	38,000				
Contingency	912,000			912,000				
Total	11,337,000	4,030,000	6,339,000	968,000				

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

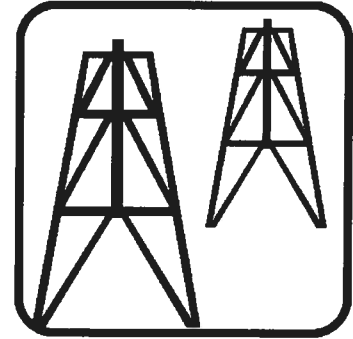
Project Name & Number	Cengen Emissions Control Project - J-111		
Project Category	Utility Systems	Project Status:	Revised

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. Also, OCSD is subject to an existing SCAQMD air toxic rule (Rule 1402) that would require significant reductions in emissions associated with health risks. This project will bring OCSD in compliance with the proposed and existing Rules for air emissions based on the results of the pilot testing conducted under Project No. J-79.



Utility Systems

The project budget has been increased from \$30,279,000 to \$31,251,000 to reflect project scope changes.

The project's construction cost budget is \$19,598,459. This project will increase operational budgets by \$300,000 annually.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	154,000	154,000						
Preliminary Design	1,230,000	543,000	687,000					
Design	2,119,000		1,967,000	152,000				
Const. & Installation	23,712,000			1,591,000	13,069,000	8,674,000	378,000	
Commission								
Close-Out	118,000						108,000	10,000
Contingency	3,918,000							3,918,000
Total	31,251,000	697,000	2,654,000	1,743,000	13,069,000	8,674,000	486,000	3,928,000

Reimbursable Costs N/A

CIP Project Detail Sheets

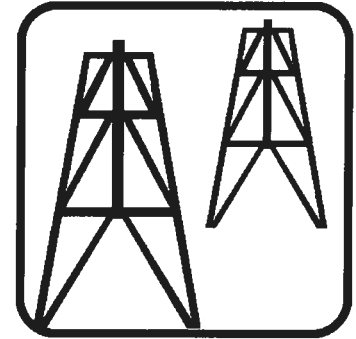
Project Name & Number	Central Generation Automation - J-79-1		
Project Category	Utility Systems	Project Status:	Revised

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. this Project was completed in December 2011.



Utility Systems

The project budget has been increased from \$23,261,000 to \$23,346,000 to reflect the revised project cost estimate.

The project's construction cost budget is \$14,570,710. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	24,000	24,000						
Preliminary Design	819,000	819,000						
Design	2,059,000	2,059,000						
Const. & Installation	20,385,000	20,385,000						
Commission								
Close-Out	59,000	15,000	44,000					
Contingency								
Total	23,346,000	23,302,000	44,000					

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	Electrical Power Distribution System Improvements - J-98		
Project Category	Utility Systems	Project Status:	Continuing

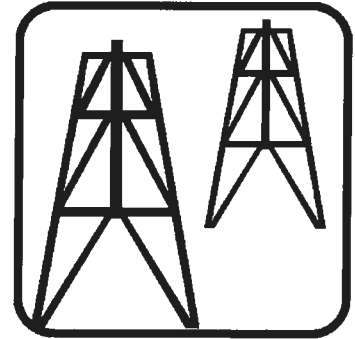
Description

This project provides various electrical distribution system improvements at Plant Nos. 1 and 2, which are needed for compliance with the National Electrical Code (NEC) requirements, as recommended by the J-25-4 project study. This includes replacing electrical cables, protective devices and other electrical equipment, and modifying the configuration of the plant electrical systems.

Justification

These improvements are required for compliance with NEC requirements. As the plants have grown through expansion projects, the electrical distribution systems have experienced increasing electrical loads. Through this gradual change, parts of the system fall below the capacity for which they are rated. This may or may not be a continuous condition, and rarely causes immediate problems.

The project's construction cost budget is \$5,763,688. This project will not have an impact on operational budgets.



Utility Systems

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	64,000			64,000				
Preliminary Design	328,000			69,000	259,000			
Design	1,012,000				262,000	734,000	16,000	
Const. & Installation	6,979,000			827,000			4,466,000	1,686,000
Commission	112,000						42,000	70,000
Close-Out	125,000							125,000
Contingency	1,153,000							1,153,000
Total	9,773,000			960,000	521,000	734,000	4,524,000	3,034,000

Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Plant Water System Rehabilitation at Plant No.1 - P1-112		
Project Category	Utility Systems	Project Status:	Continuing

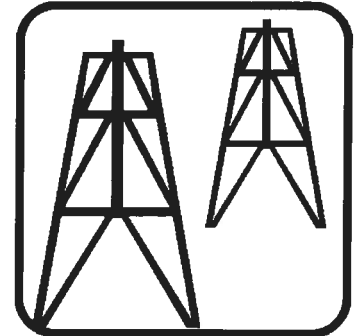
Description

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's construction cost budget is \$6,005,000. This project will not have an impact on operational budgets.



Utility Systems

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	136,000	136,000						
Preliminary Design	336,000	336,000						
Design	1,055,000	223,000	832,000					
Const. & Installation	7,404,000		37,000	5,439,000	1,928,000			
Commission	84,000				84,000			
Close-Out	12,000				8,000	4,000		
Contingency	1,002,000						1,002,000	
Total	10,029,000	695,000	869,000	5,439,000	2,020,000	4,000	1,002,000	

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	Plant Water System Rehabilitation at Plant No.2 - P2-101		
Project Category	Utility Systems	Project Status:	Continuing

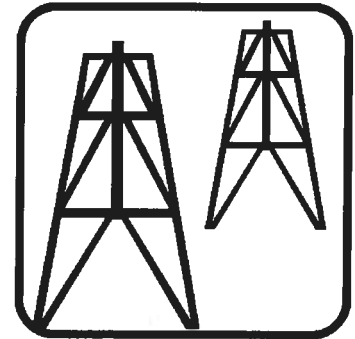
Description

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's construction cost budget is \$1,820,000. This project will not have an impact on operational budgets.



Utility Systems

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	122,000	122,000						
Preliminary Design	313,000	160,000	153,000					
Design	503,000		401,000	102,000				
Const. & Installation	2,321,000			1,030,000	1,291,000			
Commission	56,000				56,000			
Close-Out	32,000				24,000	8,000		
Contingency	517,000					517,000		
Total	3,864,000	282,000	554,000	1,132,000	1,371,000	525,000		

Reimbursable Costs N/A

CIP Project Detail Sheets

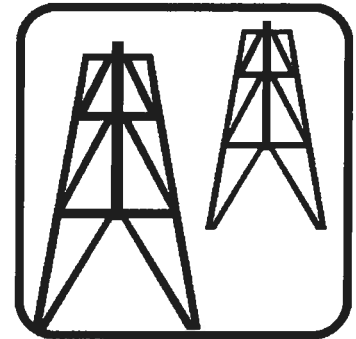
Project Name & Number	15 kV Upgrades at Plant No. 2 - P2-108		
Project Category	Utility Systems	Project Status:	Revised

Description

This project will upgrade the 15kV feeders to Distribution Center "A" and "B" and will replace switchgear in Power Building A and B which are at the end of their useful life. The project will also replace six 15 kV pull boxes in the 15kV main distribution system to Distribution Center A and B, Power Buildings A, B, and C.

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 budget has been decreased from \$5,958,000 to \$4,658,000 to reflect construction bids which were lower than anticipated.

The project's construction cost budget is \$2,770,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	142,000	142,000						
Preliminary Design	102,000	102,000						
Design	340,000	340,000						
Const. & Installation	3,373,000	354,000	1,531,000	1,488,000				
Commission	80,000			80,000				
Close-Out	64,000			44,000	20,000			
Contingency	557,000				557,000			
Total	4,658,000	938,000	1,531,000	1,612,000	577,000			

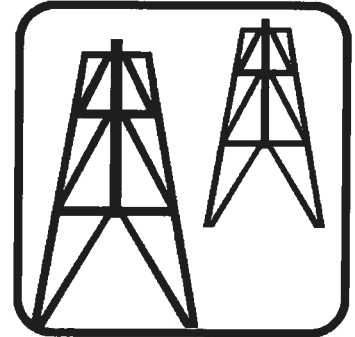
Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	Digester Gas Facilities Assessment - SP-141		
Project Category	Utility Systems	Project Status:	Continuing

Description

This study will evaluate the Plant Nos. 1 and 2 Digester Gas Facilities to study various issues impacting the facilities including the following:



Utility Systems

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.

The results of the study and any potential cost saving or increases will be determined in this study.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	700,000		700,000					
Total	700,000		700,000					

Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Utility Water Systems Study - SP-146		
Project Category	Utility Systems	Project Status:	Continuing

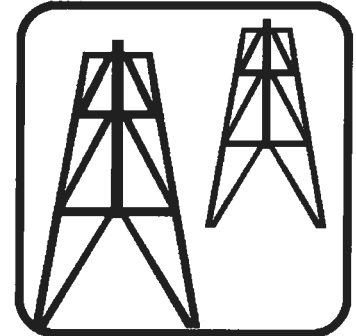
Description

This study will provide a Master Plan for the Plant Utility Water Systems (Potable, Reclaimed, Plant Water) at Plant No. 1 and Plant No. 2.

Justification

Base maps for these facilities are not complete. A master plan was recently prepared for the Plant No. 1 Potable Water (City Water) system, but the other systems do not have a master plan. Demand quantities and locations are not known, and the system hydraulics need to be optimized. OCSD Engineering Standards should also be reviewed for compliance with City of Fountain Valley and City of Huntington Beach Standards.

The results of the study and any potential cost saving or increases will be determined in this study.



Utility Systems

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	800,000	110,000	690,000					
Total	800,000	110,000	690,000					

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	Uninterruptible Power System (UPS) Study - SP-150		
Project Category	Utility Systems	Project Status:	Continuing

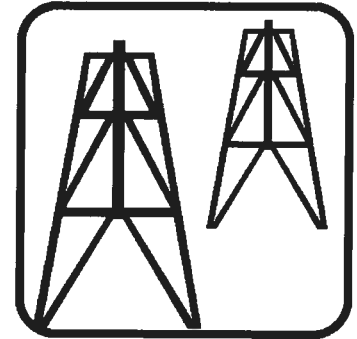
Description

This study will further develop the UPS system recommendations from the Energy Master Plan, to provide a conceptual layout, and an implementation plan. This is described as Option 5, TM-9 (Plant UPS Rehabilitation and Master Planning) of the Energy Master Plan, which proposes replacing all existing UPS units with a limited number of larger units.

Justification

The existing UPS system does not provide an ideal level of reliability or cost effective operation. It includes units of various sizes, configurations, and capabilities. The following issues result from this system:

- 1) Units fail without warning.
- 2) Units do provide redundancy.
- 3) Units are in locations where they are difficult to maintain.
- 4) Maintaining numerous smaller units is more expensive than fewer large units.
- 5) Some UPS units may not be supported by diesel standby generators.



Utility Systems

The results of the study and any potential cost saving or increases will be determined in this study.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	342,000	92,000	250,000					
Total	342,000	92,000	250,000					

Reimbursable Costs N/A

CIP Project Detail Sheets

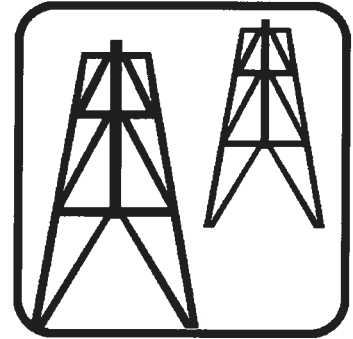
Project Name & Number	Sidestream Pumping System and Water Characterization Study - SP-155		
Project Category	Utility Systems	Project Status:	Continuing

Description

This study will update the information in the Plant No. 1 and Plant No. 2 sidestream data, and evaluate the hydraulic capacity and the potential to flood of the Waste Sidestream Pumping Stations (WSSPS).

Justification

The 2009 Master Plan effort compiled a list of the various sidestream sources from the information available, but much of the information is not complete. Additional information is needed to understand the operational and regulatory impacts of sidestreams, including water quality, whether the flows are rain dependent or controllable, and confirm flows that are reportable to the RWQCB. This includes a capacity analysis of WSSPS's to ensure that they have sufficient capacity as flows increase to OCSD and an assessment of the potential to flood the equipment in the stations.



Utility Systems

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	246,000		246,000					
Total	246,000		246,000					

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	Power Outage Recovery Plan - SP-170		
Project Category	Utility Systems	Project Status:	Continuing

Description

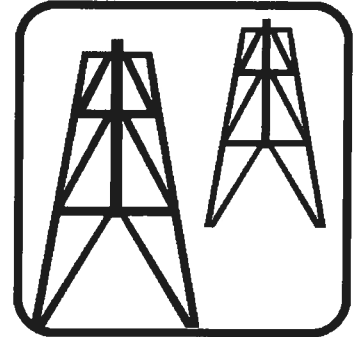
This project study will prepare a recovery plan to clarify the potential events, staff tasks, costs, and impacts associated with SCE power outages.

Information developed in this study will be used by the study to optimize the standby power systems at Plant Nos. 1 and 2.

Justification

The OCS D treatment facilities are currently being upgraded to operate at secondary treatment standards. As a result of these and other upgrades, significant changes are occurring in plant configuration, power demand, plant operation, and regulatory expectations. The Energy Master Plan reviewed the Plant standby power systems in light of these changes to identify areas of concern, and made the following observations:

1. Some power buildings will need more power in the future.
2. Some power buildings may have more standby power than needed.
3. There may be beneficial modifications that can balance the distribution of power at minimal cost.
4. Some diesel generators could be removed without affecting reliability. This would reduce operating and maintenance costs, and could assist with meeting future air quality compliance needs.
5. There are a number of process areas in which a single failure could cause a significant process disruption.



Utility Systems

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	100,000			100,000				
Total	100,000			100,000				

Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Primary and Secondary Odor Control at Plant No.1 - P1-114		
Project Category	Odor Control Related Projects	Project Status:	Revised

Description

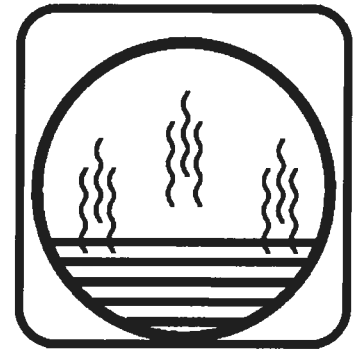
This project will provide odor control modifications necessary to meet the Board required level of service of 10 D/T for the Plant No. 1 Primary and Secondary Treatment area. This includes replacement of the air scrubbing system and related equipment. This project will also rehabilitate electrical cable tray systems and bring them into compliance with code requirements, to improve safety and operational reliability.

Justification

The current odor control facilities are at the end of their useful life and cannot meet the Board approved long term level of service of 10 D/T at the property line. Also, the cable trays were installed prior to 1987 and do not comply with the current National Electrical Code.

The project budget has been increased from \$41,732,000 to \$48,600,000 to reflect project scope changes and the revised project cost estimate.

The project's construction cost budget is \$29,610,256. The impacts to operational budgets have not yet been determined.



Odor Control

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	422,000			422,000				
Preliminary Design	1,160,000			294,000	866,000			
Design	3,522,000				1,618,000	1,877,000	27,000	
Const. & Installation	35,408,000						25,409,000	9,999,000
Commission	1,809,000						691,000	1,118,000
Close-Out	354,000							354,000
Contingency	5,925,000							5,925,000
Total	48,600,000			716,000	2,484,000	1,877,000	26,127,000	17,396,000

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	Trunk Line Odor Control Improvements - P1-123		
Project Category	Odor Control Related Projects	Project Status:	New

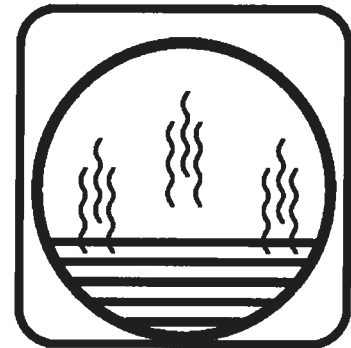
Description

Scrubbers 9 and 10 will be replaced with new biotowers. The new biotowers will treat air from SALS, Waste Hauler Station, Sunflower Pump Station and M&D Structure. The treated air will then continue to Chemical Scrubbers 1 through 4 for further treatment. The second part of the scope is the rehabilitation of the air base air jumper.

Justification

It was determined under J-71-8 studies that replacing odor control scrubbers 9 and 10 would be a very cost effective way of increasing odor treatment effectiveness for the Steve Anderson Lift Station, Waste Hauler Station and the incoming trunk lines. This analysis included a review of odor complaints and past modeling efforts.

The project's construction cost budget is \$6,220,000. This project will not have an impact on operational budgets.



Odor Control

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev								
Preliminary Design	269,000	8,000	150,000	111,000				
Design	841,000			626,000	215,000			
Const. & Installation	7,470,000				403,000	6,519,000	548,000	
Commission	190,000					159,000	31,000	
Close-Out	126,000						126,000	
Contingency	1,120,000							1,120,000
Total	10,016,000	8,000	150,000	737,000	618,000	6,678,000	705,000	1,120,000

Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Chemical Scrubber Conversions and Piping System Improvements - P2-106		
Project Category	Odor Control Related Projects	Project Status:	Continuing

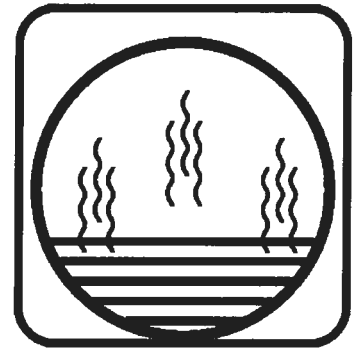
Description

This project will demo the existing scrubbers H and I. Also the Plant No. 2 boiler will receive new burners and feed water tank.

Justification

These projects reduce labor and equipment maintenance costs by increasing operational reliabilities. 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 feed water piping.

The project's construction cost budget is \$1,600,000. This project will not have an impact on operational budgets.



Odor Control

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev								
Preliminary Design								
Design	287,000	279,000	8,000					
Const. & Installation	1,758,000		1,332,000	426,000				
Commission	83,000		70,000	13,000				
Close-Out	36,000		10,000	26,000				
Contingency	643,000			643,000				
Total	2,807,000	279,000	1,420,000	1,108,000				

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	Primary Treatment Odor Control Upgrades - P2-98		
Project Category	Odor Control Related Projects	Project Status:	Continuing

Description

This project will provide a Process Data Network at Plant No. 2 which is independent and isolated from the Office Data and Security systems. These improvements will provide greater security, increase SCADA system capacity, and provide the network needed for the Load Management and Load Shedding System. Load Management and Load Shedding items will be provided by another project.

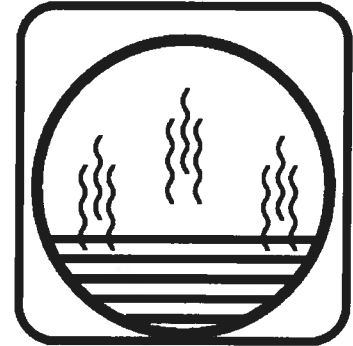
moved to J-124

Justification

The project will address three issues associated with the existing SCADA system:

- 1) The existing system is obsolete, parts to expand the current system are not available. Projects P2-66, P2-90, and future planned projects will exceed the number of available SCADA addresses.
- 2) The Process Ethernet data network must also be isolated from the Office data system. Currently, the Process Ethernet network is shared by the office data system and the Process SCADA System. The Office Data System requires less restrictions to allow exchange of information with consultants, vendors, and the public for general District business. A much more restrictive system is appropriate for the Process SCADA system.
- 3) The infrastructure is needed to support a Load Management and Load Shedding systems to reduce energy costs and increase reliability.

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	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev								
Preliminary Design								
Design	2,528,000			1,093,000	1,400,000	35,000		
Const. & Installation	27,837,000					20,008,000	7,829,000	
Commission	376,000					135,000	241,000	
Close-Out	273,000						258,000	15,000
Contingency	4,677,000							4,677,000
Total	35,691,000			1,093,000	1,400,000	20,178,000	8,328,000	4,692,000

Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Odor Control Master Plan - SP-166		
Project Category	Odor Control Related Projects	Project Status:	Continuing

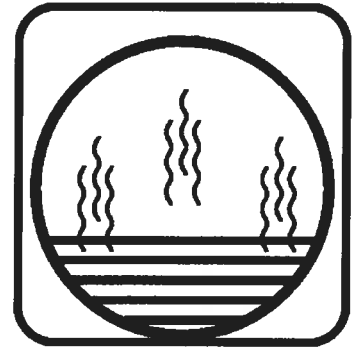
Description

This project is a comprehensive assessment of the existing odor control program at both plants and the subsequent design and installation of recent projects. This project will update the last comprehensive odor control study, done in the early 2000's, that was the basis for the District's present odor collection and treatment systems.

Justification

The Odor Modeling and Control Plans for Plant Nos. 1 and 2 were completed in June 2005. As new treatment facilities are constructed, further modeling will be needed in order to understand the effectiveness of the existing odor control facilities and the need for additional facilities.

The results of the study and any potential cost saving or increases will be determined in this study.



Odor Control

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	1,200,000		400,000	800,000				
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
Total	1,200,000		400,000	800,000				

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

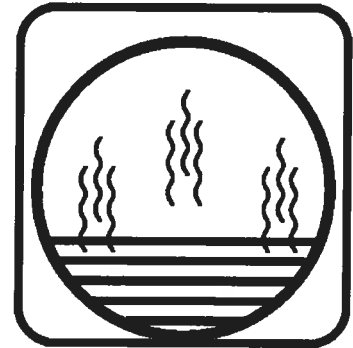
Project Name & Number	Collection System Odor Control Systems Study - SP-189		
Project Category	Odor Control Related Projects	Project Status:	New

Description

This project will develop a comprehensive plan odor control in the collection system. This effort will update and expand the work completed in the 2002 Odor Control Master Plan. The project will review and collect data from the collection system and determine the best programmatic approach to minimize odor complaints in the collection system. This effort will include the review of the potential technologies to control odors and determine potential locations that would best serve the function of controlling odors.

Justification

Staff have been collecting data and implementing programs that spawned from 2002 Odor Control Master Plan. After ten years, the comprehensive plan needs to be updated to analyze existing data, document the changes in the collection system, determine impacts the program has had on the downstream treatment plants, study application of current odor control systems on other parts of the collection system, evaluate possible new technology alternatives, and support future design and construction projects for the odor control systems in the collections area.



Odor Control

This project will not impact operational budgets.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	500,000		334,000	166,000				
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
Total	500,000		334,000	166,000				

Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Corrosion Management - SP-68-1		
Project Category	Process Related Special Projects	Project Status:	Continuing

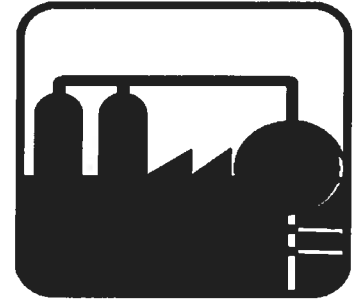
Description

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.

No change in operational costs are anticipated from this project.



Process Related Special Project

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	314,000	314,000						
Preliminary Design	11,998,000	4,648,000	1,225,000	1,225,000	1,225,000	1,225,000	1,225,000	1,225,000
Design	225,000	225,000						
Const. & Installation	1,745,000	599,000	191,000	191,000	191,000	191,000	191,000	191,000
Commission	20,000	20,000						
Close-Out	70,000	70,000						
Contingency								
Total	14,372,000	5,876,000	1,416,000	1,416,000	1,416,000	1,416,000	1,416,000	1,416,000

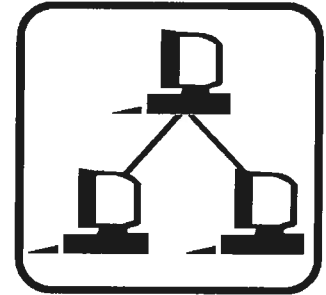
Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	Power Monitoring and Control Systems - J-33-3		
Project Category	Plant Automation & Computerization	Project Status:	Continuing

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 \$4,659,884. This project will decrease operational budgets by \$170,000 annually.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	194,000	194,000						
Preliminary Design	595,000	595,000						
Design	2,452,000	2,452,000						
Const. & Installation	8,008,000	1,299,000	2,329,000	2,962,000	1,418,000			
Commission	601,000	9,000	224,000	282,000	86,000			
Close-Out	153,000				141,000	12,000		
Contingency	1,047,000					1,047,000		
Total	13,050,000	4,549,000	2,553,000	3,244,000	1,645,000	1,059,000		

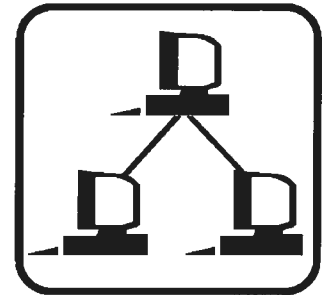
Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	SCADA System and Network Upgrades - P2-107		
Project Category	Plant Automation & Computerization	Project Status:	Continuing

Description

This project will provide a Process Data Network at Plant No. 2 which is independent and isolated from the Office Data and Security systems. These improvements will provide greater security, increase SCADA system capacity, and provide the network needed for the Load Management and Load Shedding System. Load Management and Load Shedding items will be provided under this project.



Plant Automation & Computerization

Justification

The project will address three issues associated with the existing SCADA system:

- 1) The existing system is obsolete, parts to expand the current system are not available. Projects P2-66, P2-90, and future planned projects will exceed the number of available SCADA addresses.
- 2) The Process Ethernet data network must also be isolated from the Office data system. Currently, the Process Ethernet network is shared by the office data system and the Process SCADA System. The Office Data System requires less restrictions to allow exchange of information with consultants, vendors, and the public for general District business. A much more restrictive system is appropriate for the Process SCADA system.
- 3) The infrastructure is needed to support a Load Management and Load Shedding systems to reduce energy costs and increase reliability.

The project's construction cost budget is \$14,334,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	188,000			188,000				
Preliminary Design	767,000			208,000	559,000			
Design	1,548,000				705,000	827,000	16,000	
Const. & Installation	17,084,000			2,100,000			10,971,000	4,013,000
Commission	280,000						101,000	179,000
Close-Out	159,000							159,000
Contingency	2,869,000							2,869,000
Total	22,895,000			2,496,000	1,264,000	827,000	11,088,000	7,220,000

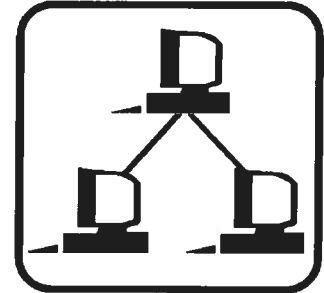
Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	Strategic Information Architecture (SIA) - SP-03		
Project Category	Plant Automation & Computerization	Project Status:	Continuing

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.



Plant Automation & Computerization

Justification

Each Department leverages information technology to accomplish its mission. This project supports the alignment of information technology resources with the business.

No changes in operational budgets are anticipated from this project.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev								
Preliminary Design								
Design	468,000		50,000	50,000	50,000	50,000	50,000	218,000
Const. & Installation	1,527,000	1,058,000	50,000	50,000	50,000	50,000	50,000	219,000
Commission								
Close-Out								
Contingency								
Total	1,995,000	1,058,000	100,000	100,000	100,000	100,000	100,000	437,000

Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Internet/Intranet Development - SP-09		
Project Category	Plant Automation & Computerization	Project Status:	Continuing

Description

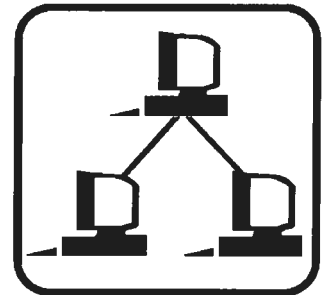
This project makes improvements to both the District's public-facing Internet site and the internally used Intranet site.

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.

No operational budget changes are anticipated from this project.



Plant Automation & Computerization

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev								
Preliminary Design								
Design								
Const. & Installation	650,000	564,000	25,000	25,000	25,000	11,000		
Commission								
Close-Out								
Contingency								
Total	650,000	564,000	25,000	25,000	25,000	11,000		

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	CMMS System Replacement - SP-100		
Project Category	Plant Automation & Computerization	Project Status:	Continuing

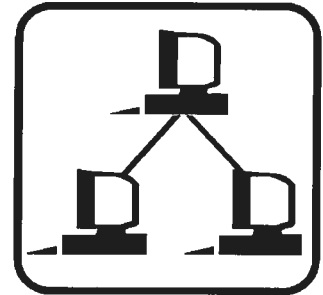
Description

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.

The results of the study and any potential cost saving or increases will be determined in the first phase of the project implementation.



Plant Automation & Computerization

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	1,656,000	1,301,000	150,000	150,000	55,000			
Preliminary Design	887,000	746,000	62,000	62,000	17,000			
Design	160,000	55,000	40,000	40,000	25,000			
Const. & Installation	1,684,000	419,000	550,000	550,000	165,000			
Commission	523,000	213,000	120,000	120,000	70,000			
Close-Out	90,000	36,000	20,000	20,000	14,000			
Contingency								
Total	5,000,000	2,770,000	942,000	942,000	346,000			

Reimbursable Costs N/A

CIP Project Detail Sheets

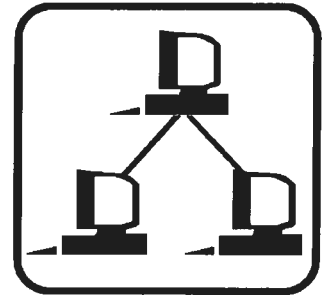
Project Name & Number	PDS2D Software Replacement - SP-103		
Project Category	Plant Automation & Computerization	Project Status:	Continuing

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

No operational budget changes are anticipated from this project.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	10,000		10,000					
Preliminary Design	20,000		20,000					
Design	20,000		20,000					
Const. & Installation	165,000		110,000	55,000				
Commission	25,000			25,000				
Close-Out	10,000			10,000				
Contingency								
Total	250,000		160,000	90,000				

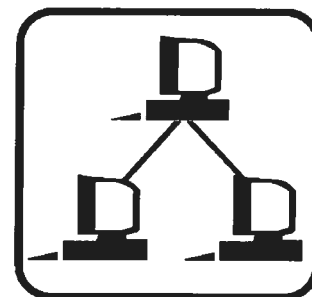
Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	Geographic Information System - SP-15		
Project Category	Plant Automation & Computerization	Project Status:	Continuing

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.

No operational budget changes are anticipated from this project.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	30,000		10,000	10,000	10,000			
Preliminary Design	30,000		10,000	10,000	10,000			
Design	90,000		40,000	40,000	10,000			
Const. & Installation	3,817,000	1,101,000	355,000	275,000	275,000	245,000	245,000	1,321,000
Commission	50,000		20,000	20,000	10,000			
Close-Out	30,000		10,000	10,000	10,000			
Contingency								
Total	4,047,000	1,101,000	445,000	365,000	325,000	245,000	245,000	1,321,000

Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Network Equipment Upgrade - SP-89		
Project Category	Plant Automation & Computerization	Project Status:	Continuing

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 district network infrastructure is built and maintained according to industry standards for design, security, and investment protection.

Justification

To further expand and automate the network, the 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.

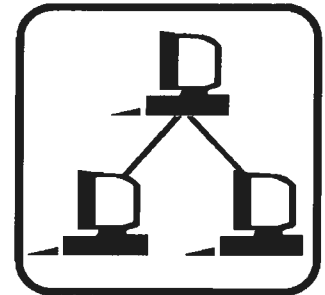
Proposed design goals include:

- 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.

This project will not have an impact on operational budgets.



Plant Automation & Computerization

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev								
Preliminary Design								
Design	380,000	60,000	130,000	85,000	60,000	45,000		
Const. & Installation	2,525,000	750,000	700,000	355,000	355,000	365,000		
Commission								
Close-Out								
Contingency								
Total	2,905,000	810,000	830,000	440,000	415,000	410,000		

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	Facilities Engineering Projects - Joint - FE-J		
Project Category	Miscellaneous & Support Projects	Project Status:	Continuing

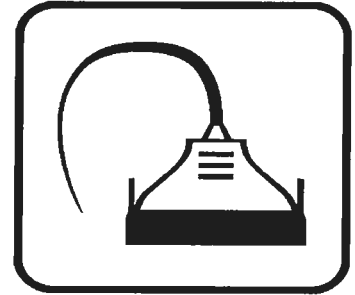
Description

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	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev								
Preliminary Design								
Design	4,943,000	1,619,000	24,000	100,000		200,000	200,000	2,800,000
Const. & Installation	18,814,000	2,066,000	320,000	235,000	193,000	1,000,000	1,000,000	14,000,000
Commission								
Close-Out								
Contingency	153,000							153,000
Total	23,910,000	3,685,000	344,000	335,000	193,000	1,200,000	1,200,000	16,953,000

Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Facilities Engineering Projects - Plant 1 - FE-P1		
Project Category	Miscellaneous & Support Projects	Project Status:	Continuing

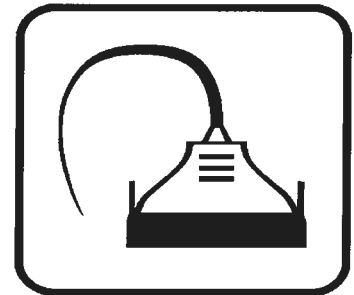
Description

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	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev								
Preliminary Design								
Design	7,258,000	6,633,000	174,000	24,000	24,000	24,000	24,000	355,000
Const. & Installation	13,052,000	9,653,000	1,699,000	100,000	100,000	100,000	100,000	1,300,000
Commission								
Close-Out								
Contingency	600,000							600,000
Total	20,910,000	16,286,000	1,873,000	124,000	124,000	124,000	124,000	2,255,000

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	Facilities Engineering Projects - Plant 2 - FE-P2		
Project Category	Miscellaneous & Support Projects	Project Status:	Continuing

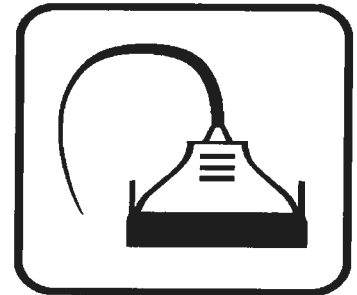
Description

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	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev								
Preliminary Design								
Design	4,845,000	2,952,000	93,000	100,000	100,000	100,000	100,000	1,400,000
Const. & Installation	15,352,000	6,829,000	2,558,000	335,000	335,000	335,000	335,000	4,625,000
Commission								
Close-Out								
Contingency	713,000							713,000
Total	20,910,000	9,781,000	2,651,000	435,000	435,000	435,000	435,000	6,738,000

Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Emergency Operation Center - J-115		
Project Category	Miscellaneous & Support Projects	Project Status:	Continuing

Description

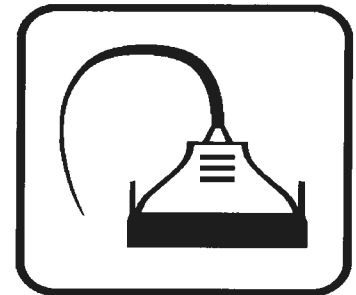
This project will convert an existing space into a dedicated Emergency Operations Center (EOC). The EOC will be the central point of coordination for overall management of emergencies at District facilities. This space would include all the necessary communication equipment to function and include a 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	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	10,000				10,000			
Preliminary Design								
Design	20,000				10,000	10,000		
Const. & Installation	130,000				90,000	40,000		
Commission								
Close-Out								
Contingency								
Total	160,000				110,000	50,000		

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	Operations Center Entrance/Building Repairs - J-122		
Project Category	Miscellaneous & Support Projects	Project Status:	Continuing

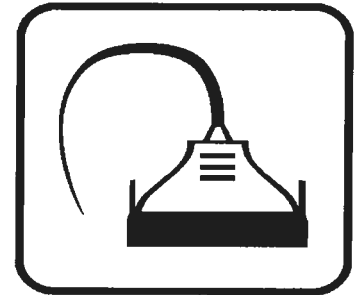
Description

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.

The project's construction cost budget is \$1,100,000. This project will not have an impact on operational budgets.



Misc. & Support Projects

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	2,000	2,000						
Preliminary Design	86,000	80,000	6,000					
Design	373,000	86,000	287,000					
Const. & Installation	1,468,000		198,000	1,270,000				
Commission								
Close-Out	44,000			22,000	22,000			
Contingency	352,000				352,000			
Total	2,325,000	168,000	491,000	1,292,000	374,000			

Reimbursable Costs N/A

CIP Project Detail Sheets

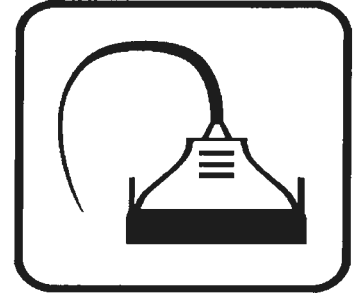
Project Name & Number	Fall Protection Improvements at Plants Nos.1 and 2 - J-123		
Project Category	Miscellaneous & Support Projects	Project Status:	Revised

Description

This project will install active fall protection systems at various locations in the process areas of Plant Nos. 1 and 2. Primary work elements include the installation of guard rail, fixed point anchor and cable systems, gates, ladders, and other improvements as needed to enhance the fall protection systems (please refer to the attached document for more detail).

Justification

Several locations in the process areas of Plant Nos. 1 and 2 require the fall protection systems to be improved to enhance worker safety. In some cases, no fall protection exists and needs to be installed to minimize exposure to potential fall hazards. Staff implements appropriate precautions to ensure worker safety when working in these areas; however, the installation of the active fall protection systems would greatly enhance worker safety, reduce staff costs, and bring the areas into compliance with OSHA standards. This project will consolidate several smaller Facilities Engineering (FE) projects and will allow for improved efficiency in managing this work as one project instead of several smaller projects.



**Misc. &
Support Projects**

The project budget has been decreased from \$3,399,000 to \$2,967,000 to reflect construction bids which were lower than anticipated.

The project's construction cost budget is \$1,810,832. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev								
Preliminary Design								
Design	40,000	40,000						
Const. & Installation	2,485,000	270,000	1,273,000	942,000				
Commission								
Close-Out	80,000			60,000	20,000			
Contingency	362,000				362,000			
Total	2,967,000	310,000	1,273,000	1,002,000	382,000			

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	Title 24 Access Compliance and Building Rehabilitation Project - P1-115		
Project Category	Miscellaneous & Support Projects	Project Status:	Revised

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, Shop B, Building 5/6, Auto Shop, Purchasing, Warehouses, and supporting office trailers. The grounds modifications include changes to the parking areas, asphalt repair, drainage improvements, and accessibility improvements.

The project costs being developed for the Preliminary Design Report for the Laboratory, Administration Building, Human Resources Building, and supporting trailers will be used for comparison to other options for housing the staff and laboratory such as the construction of new facilities and/or repurposing the Laboratory.

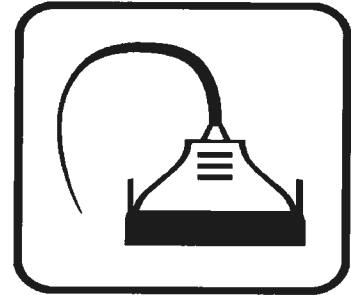
Justification

State and federal law requires that OCSD ensure that these facilities can be accessible to individuals with disabilities.

Roofing, some ventilation equipment, and other building features are at the end of their useful life and require replacement.

The project budget has been increased from \$28,778,000 to \$29,776,000 to reflect project scope changes and the revised project cost estimate.

The project's construction cost budget is \$19,132,750. This project will not have an impact on operational budgets.



Misc. & Support Projects

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	86,000	86,000						
Preliminary Design	1,494,000	1,494,000						
Design	2,979,000	50,000	2,154,000	311,000	116,000	127,000	128,000	93,000
Const. & Installation	22,303,000			2,803,000	2,976,000	3,294,000	5,031,000	8,199,000
Commission								
Close-Out	341,000							341,000
Contingency	3,073,000							3,073,000
Total	30,276,000	1,630,000	2,154,000	3,114,000	3,092,000	3,421,000	5,159,000	11,706,000

Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Plant No. 2 Landscaping Project - P2-96		
Project Category	Miscellaneous & Support Projects	Project Status:	Revised

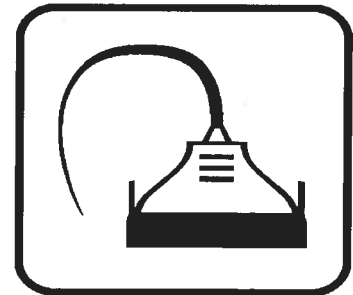
Description

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. The project will also reconstruct the west perimeter road and provide additional screening, landscaping, watering systems along the road.

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.

This project will not have an impact on operational budgets.



**Misc. &
Support Projects**

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	1,012,000	160,000	142,000	618,000	92,000			
Preliminary Design	46,000	46,000						
Design	17,000	17,000						
Const. & Installation	2,000	2,000						
Commission								
Close-Out								
Contingency								
Total	1,077,000	225,000	142,000	618,000	92,000			

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	2009 NPDES Permit Renewal - SP-133		
Project Category	Miscellaneous & Support Projects	Project Status:	Continuing

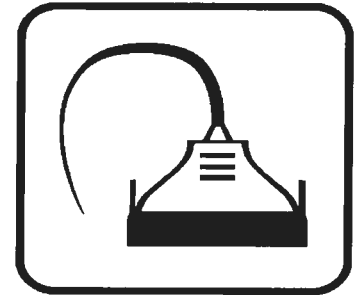
Description

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.

No operational budget changes are anticipated from this project.



Misc. & Support Projects

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	78,000	2,000	76,000					
Preliminary Design	22,000	22,000						
Design	22,000	22,000						
Const. & Installation	18,000	18,000						
Commission	10,000	10,000						
Total	150,000	74,000	76,000					

Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Software and Computer Equipment Replacement Project - SP-135		
Project Category	Miscellaneous & Support Projects	Project Status:	Continuing

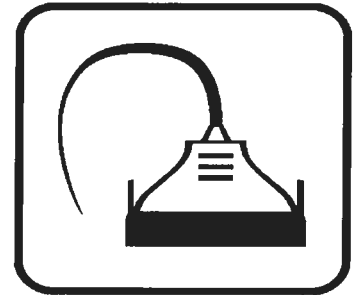
Description

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	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev								
Preliminary Design								
Design								
Const. & Installation	2,700,000	435,000	400,000	400,000	400,000	400,000	355,000	310,000
Commission								
Close-Out								
Contingency								
Total	2,700,000	435,000	400,000	400,000	400,000	400,000	355,000	310,000

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

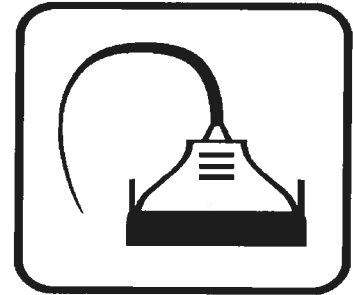
Project Name & Number	Land Records Information System - SP-136		
Project Category	Miscellaneous & Support Projects	Project Status:	Revised

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	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev								
Preliminary Design								
Design								
Const. & Installation	410,000	266,000	144,000					
Commission								
Close-Out								
Contingency								
Total	410,000	266,000	144,000					

Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Facility Assets Assessment - SP-145		
Project Category	Miscellaneous & Support Projects	Project Status:	Revised

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:

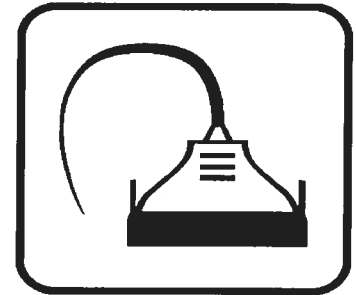
- 1) Piping (other than the major process piping currently being assessed by staff)
- 2) Structural components: tunnels, aeration basins, clarifiers, digesters, Plant No. 1 Headworks structures, flow control structures (diversion, distribution, metering), process area support structures such as chemical stations.

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.

The project budget has been decreased from \$3,260,000 to \$2,960,000 to reflect project scope changes.

The impacts to operational budgets have not yet been determined.



**Misc. &
Support Projects**

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	2,960,000	246,000	218,000	220,000	220,000	220,000	222,000	1,614,000
Total	2,960,000	246,000	218,000	220,000	220,000	220,000	222,000	1,614,000

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	Plant 2 WSSPS Motor Location - SP-145-2		
Project Category	Miscellaneous & Support Projects	Project Status:	Continuing

Description

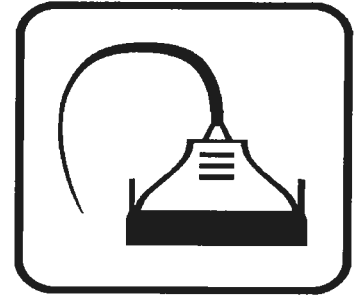
This study will evaluate the potential for the Plant No. 2 waste sidestream pumping station (WSSPS) 2A pumps and motors to become damaged by flooding, and provide alternatives to the existing configuration.

This study will evaluate access limitations created by area classification modifications made by the J-35 Project.

Justification

The pumps and motor for the waste sidestream pumping station (WSSPS) 2A are located in a recessed area within Tremblay Tunnel subject to flooding and have been flooded at least three times in the past. This occurred recently due to a water pipeline leak. The tunnel sump pumps failed to prevent inundation. It is possible that the pump shaft could be extended to move the motors above the tunnel, or the pump/motor assembly might be replaced with a dry pit submersible unit. Area classification modifications made by the J-35 Project impacted access to the pump and motor.

This item is based on OCSD 2009 Facilities Master Plan Recommendation 040902. The results of the study and any potential cost saving or increases will be determined in this study.



Misc. & Support Projects

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	72,000		18,000	54,000				
Total	72,000		18,000	54,000				

Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Stormwater Master Plan - SP-167		
Project Category	Miscellaneous & Support Projects	Project Status:	Continuing

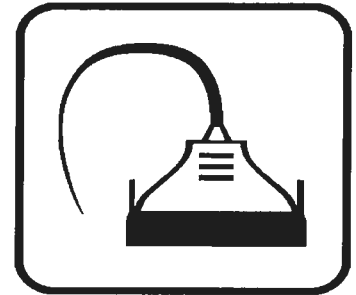
Description

This study will provide an update to the June 2005 Peak Flow Management Stormwater Master Plan, Project No. J-67 (2005 SWMP), following the installation of 2012 facilities, analyze stormwater flow at Plant Nos. 1 and 2, evaluate drainage and collection facilities, and consider stormwater diversion and alternate disposal options for reducing onsite ponding and minimizing potential for off-site runoff. The study will also evaluate capital costs and policy and regulatory requirements.

Justification

Onsite ponding during storm events can be a nuisance. There can also be some potential for treatment plant stormwater flows at either plant to leave the site during a storm event. When the June 2005 Peak Flow Management Stormwater Master Plan (2005 SWMP) was completed, assumptions were made regarding the 2012 plant configuration. When those improvements are completed, the change in configuration could invalidate the 2005 SWMP findings. It may be possible to reduce the demand on the 120-inch outfall during storm events by implementing the alternatives of the 2005 SWMP.

The results of the study and any potential cost saving or increases will be determined in this study.



**Misc. &
Support Projects**

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	300,000		300,000					
Total	300,000		300,000					

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

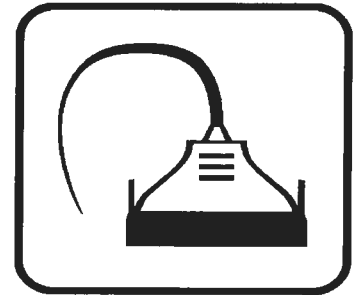
Project Name & Number	Information Technology Workroom Replacement - SP-176		
Project Category	Miscellaneous & Support Projects	Project Status:	Continuing

Description

This project will replace the existing IT workroom with a dedicated workroom.

Justification

There is no dedicated room for the repair of IT equipment and parts storage. No operational budget changes are anticipated from this project.



Misc. & Support Projects

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev								
Preliminary Design								
Design								
Const. & Installation	2,566,000			2,566,000				
Commission								
Close-Out								
Contingency								
Total	2,566,000			2,566,000				

Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Public Address System Study - SP-188		
Project Category	Miscellaneous & Support Projects	Project Status:	New

Description

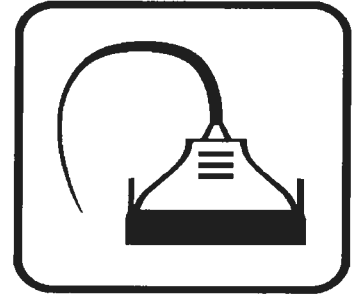
This study will provide recommendations and direction to optimize future planned rehabilitation and expansion efforts for the Public Address System.

The study will review recent condition assessment data, area studies, regulatory requirements, and operation and maintenance issues. The study will also perform additional condition assessments, investigate current capabilities, and provide recommendations to provide an overall plan for the Plant No. 2 Digesters and Boilers.

Justification

Recent investigations have revealed the need for rehabilitation and expansion of the Public Address System. A comprehensive plan is needed to support future upgrades to the Public Address System.

This project will not impact operational budgets.



**Misc. &
Support Projects**

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	75,000		75,000					
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
Total	75,000		75,000					

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	Plant No.2 Tunnels Systems Asset Management Plan - SP-191		
Project Category	Miscellaneous & Support Projects	Project Status:	New

Description

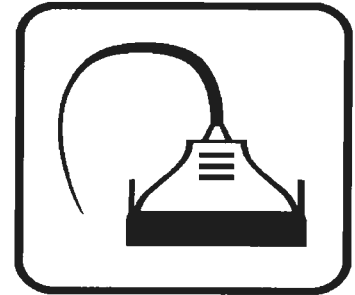
This study will provide recommendations and direction to optimize future planned rehabilitation efforts for the Plant No.2 Tunnels Systems.

The study will review recent condition assessment data, area studies, and operation and maintenance issues. The study will also perform additional condition assessments, calculations, and provide recommendations to provide an overall plan for the Tunnels Systems at Plant No.2.

Justification

Recent condition assessments have revealed the need for rehabilitation in the Plant No.2 Tunnels Systems. A comprehensive plan is needed to support future design and construction projects in the tunnels areas at Plant No.1.

This project will not impact operational budgets.



Misc. & Support Projects

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	200,000		134,000	66,000				
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
Total	200,000		134,000	66,000				

Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Small Capital Replacement/Rehabilitation Project - SP-34		
Project Category	Miscellaneous & Support Projects	Project Status:	Revised

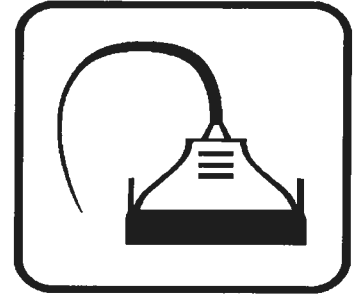
Description

This project will provide for the replacement/rehabilitation of various plant processes and pump station equipment as well as the replacement/rehabilitation 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/rehabilitate equipment that is beyond economical repair or is at the end of its useful life or repair/rehabilitate facilities that are not included in a capital improvement project. It is also used to replace equipment when parts or services needed for repair can no longer be purchased.

The project budget increases will reduce the future rehabilitation budget allocations by the same amount. No operational budget changes are anticipated from this project.



**Misc. &
Support Projects**

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	37,200,000	8,000,000	4,200,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
Total	37,200,000	8,000,000	4,200,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000

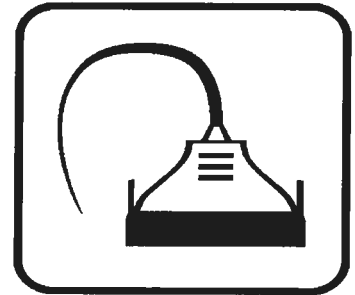
Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	Asset Management Program - SP-68-2		
Project Category	Miscellaneous & Support Projects	Project Status:	Continuing

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 and utilize consultant support only as needed.

The results of the study and any potential cost saving or increases will be determined in this study.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	685,000	685,000						
Preliminary Design	410,000	410,000						
Design	3,563,000	1,568,000	399,000	399,000	399,000	399,000	399,000	
Const. & Installation	140,000	140,000						
Commission	2,000	2,000						
Close-Out								
Contingency								
Total	4,800,000	2,805,000	399,000	399,000	399,000	399,000	399,000	

Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Initial Expansion of the Groundwater Replenishment System - SP-139		
Project Category	Water Management Projects	Project Status:	Continuing

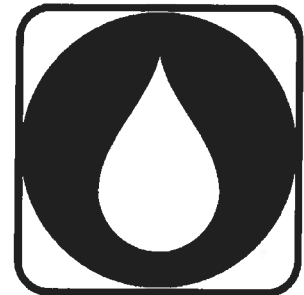
Description

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.

No operational budget changes are anticipated from this project.



**Water Management
Projects**

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	296,000	114,000	96,000	86,000				
Design	2,000	2,000						
Const. & Installation	2,000	2,000						
Total	300,000	118,000	96,000	86,000				

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	Facilities-Wide Safety Assessment - SP-145-1		
Project Category	Strategic & Master Planning	Project Status:	Continuing

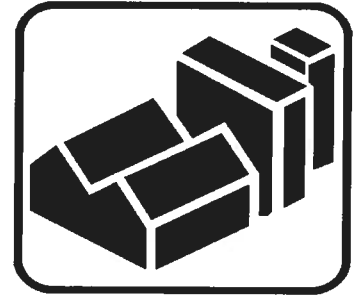
Description

This study will provide a facility-wide assessment of the significant structural safety issues (ladders, handrail, hatches, etc.) potentially affecting the CIP program. The significance is determined by the potential for: worker injury, OCSD liability, or high mitigation cost.

This study is not intended to address non-structural safety issues such as training, Personal Protective Equipment (PPE), or operational plans.

Justification

OCSD facilities have been constructed with varying compliance with safety codes. While the safety issues created by the configurations may have a low probability of causing injury, the consequence could be high in terms of injury and OCSD liability. The cost to mitigate these structural issues after construction is high. Dealing with these issues on a case-by-case basis is not cost effective. OCSD would benefit greatly by having consistent facilities-wide structural safety standards.



Strategic & Master Planning

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	300,000	84,000	216,000					
Total	300,000	84,000	216,000					

Reimbursable Costs N/A

CIP Project Detail Sheets

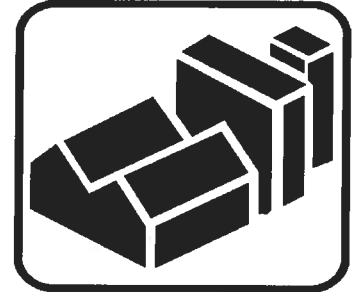
Project Name & Number	Landscape Master Plan - SP-145-4		
Project Category	Strategic & Master Planning	Project Status:	Continuing

Description

This study will provide a Landscape Master Plan for all OCSD facilities (Plant No. 1, Plant No. 2, and pump stations).

Justification

The OCSD facilities do not have a cohesive landscape plan. No operational budget changes are anticipated from this project.



Strategic & Master Planning

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	150,000		150,000					
Total	150,000		150,000					

Reimbursable Costs N/A

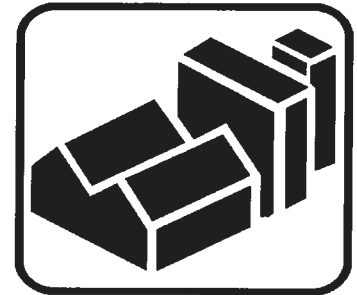
2012-13 & 2013-14 Budget

Project Name & Number	Climate Change Impact Study - SP-152		
Project Category	Strategic & Master Planning	Project Status:	Continuing

Description

This study provides a site specific vulnerability analysis of potential impacts to OCSD facilities from global climate change in response to the Governor's Executive Order (EO) S-13-08.

Technical Services is actively pursuing a climate change strategy through its Environmental Footprint Strategic Initiative efforts and is working in conjunction with UCI to create a detailed carbon footprint study. The next step and the subject of the this study includes a site specific vulnerability analysis of potential climate change impacts to OCSD.



Strategic & Master Planning

Justification

Global warming is predicted to lead to thermal expansion of sea water, along with partial melting of land-based glaciers and sea-ice, resulting in a rise of sea level. On November 14, 2008, Governor Arnold Schwarzenegger issued an executive order directing state agencies to plan for sea level rise and climate impacts.

The results of the study and any potential cost saving or increases will be determined in this study.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	100,000			100,000				
Total	100,000			100,000				

Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Treatment Plant Hydraulic Assessment - SP-168		
Project Category	Strategic & Master Planning	Project Status:	Continuing

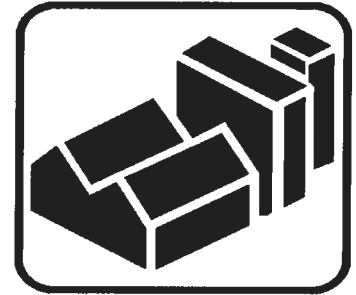
Description

This project study will provide an updated hydraulic profile for each treatment plant.

Justification

The new consolidated profile will be used a baseline for future design efforts to reduce the need to recreate the profile for sections of the treatment works. The last hydraulic profile calculation (with profile) prepared for the entire plants was the 1999 Strategic Plan. Since that document was prepared, the configuration of each plant has changed considerably. Various projects in design since 1999 have evaluated only portions of the plant hydraulics as needed for their project designs.

The results of the study and any potential cost saving or increases will be determined in this study.



Strategic & Master Planning

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	300,000			300,000				
Total	300,000			300,000				

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	Plant No.1 Effluent & Interplant Piping Asset Management Plan - SP-184		
Project Category	Strategic & Master Planning	Project Status:	New

Description

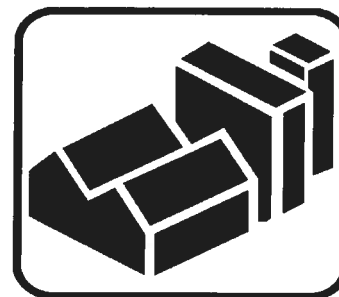
This study will provide recommendations and direction to optimize future planned rehabilitation efforts for the effluent and interplant piping systems leaving Plant No.1.

The study will review recent condition assessment data, area studies, and operation and maintenance issues. The study will also perform additional condition assessments, calculations, and provide recommendations to provide an overall plan for the effluent and interplant piping systems leaving Plant No.1.

Justification

Recent condition assessments have revealed the need for rehabilitation in the effluent and interplant piping systems leaving Plant No.1. A comprehensive plan is needed to support future design and construction projects in the effluent and interplant piping systems leaving Plant No.1.

This project will not impact operational budgets.



Strategic & Master Planning

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	200,000		134,000	66,000				
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
Total	200,000		134,000	66,000				

Reimbursable Costs N/A

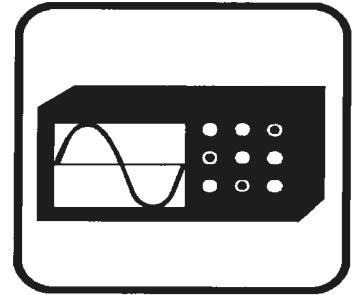
CIP Project Detail Sheets

Project Name & Number	Research - Superoxygenation - SP-121		
Project Category	Research & Development	Project Status:	Continuing

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 other locations in the collection system or to the primary influent in a treatment plant. Primary influent might be oxygenated before it reaches the treatment plant, or treating the grit chamber discharge flow could provide oxygen either to oxidize the odorous compounds that are present or to 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.



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.

The results of the study and any potential cost saving or increases will be determined in this study.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	850,000	401,000	449,000					
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
Total	850,000	401,000	449,000					

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

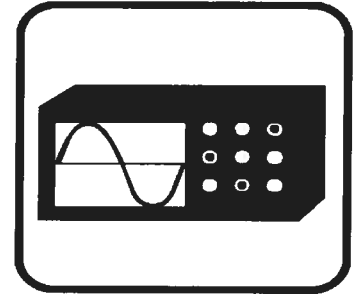
Project Name & Number	Operational Research Projects (annual allocation) - SP-125		
Project Category	Research & Development	Project Status:	Continuing

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	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev	10,000,000	450,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	4,550,000
Preliminary Design								
Design								
Const. & Installation								
Commission								
Close-Out								
Contingency								
Total	10,000,000	450,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	4,550,000

Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Process SCADA Link to Pump Stations - SP-157		
Project Category	Information Management & Computerizat	Project Status:	Revised

Description

This project will replace the existing leased land line communications between the Plants and the Pump Stations. The goal is to have a solution for voice, video, and data

Justification

Communication between the pump stations and the Plants is currently done through leased land lines. These lines are not highly reliable, and the phone company is planning to phase these out in the future due to the high maintenance costs associated with them. At some time in the future, the land lines either become significantly more expensive, or may not be available at all.

No operational budget changes are anticipated from this project.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev								
Preliminary Design								
Design	50,000	10,000	20,000	20,000				
Const. & Installation	221,000		95,000	83,000	43,000			
Commission								
Close-Out								
Contingency								
Total	271,000	10,000	115,000	103,000	43,000			

Reimbursable Costs N/A

2012-13 & 2013-14 Budget

Project Name & Number	Data Storage Addition - SP-163		
Project Category	Information Management & Computerizal	Project Status:	Continuing

Description

This project will provide the additional capacity and replication needed for the existing computer storage area network.

Justification

Computer data is currently stored on a HP Storage Area Network. Our storage volume needs double every year. In the near future, we will exceed the capacity of the existing unit. We could expand that unit replacing the drives with larger capacity drives but that option has a limited capacity, and discards the existing drives. The more cost effective option is to purchase an additional HP SAN unit.

The project's construction cost budget is \$444,000

This project will have no impact to operational budgets.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev								
Preliminary Design								
Design								
Const. & Installation	444,000		444,000					
Commission								
Close-Out								
Contingency								
Total	444,000		444,000					

Reimbursable Costs N/A

CIP Project Detail Sheets

Project Name & Number	Information Technology Data Center Replacement - SP-174		
Project Category	Information Management & Computerizat	Project Status:	Continuing

Description
 This project will relocate the existing Information Technology Data Center with a more functional facility.

Justification
 The current room in the Control Center basement housing the data storage unit is not suitable for the equipment. The project will relocate the Center to an area that has the following features:

1. Redundant environment controls (temperature, humidity).
2. Raised floor or overhead cable management.
3. Secure room (no windows, walls continuous to real ceiling).
4. Gas and fire suppression system.
5. Sensors to alarm on failure.
6. Dedicated power/UPS.
7. Suitable access (not located in a basement subject to flooding).
8. Delivery and equipment access (large doors, ground floor or elevator access).

The project's construction cost budget is \$180,000

This project will have no impact to operational budgets.

Budget Projections

Budget Phase	Total Project Budget	Cost To-Date	2012-13	2013-14	2014-15	2015-16	2016-17	Thereafter
Project Dev								
Preliminary Design								
Design								
Const. & Installation	180,000			180,000				
Commission								
Close-Out								
Contingency								
Total	180,000			180,000				

Reimbursable Costs N/A

2012-13 & 2013-14 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
Collections Facilities									
Raitt and Bristol Street Sewer Extension	9,906,000			100%		-	-	9,906,000	-
Santa Ana Trunk Sewer Rehab.	7,331,000	100%				7,331,000	-	-	-
Santa Ana River Interceptor Realignment and Prot.	11,404,000	100%				11,404,000	-	-	-
Santa Ana River Interceptor (SARI) Inspection and Mitigation	1,217,000	100%				1,217,000	-	-	-
SARI Rock Stabilizers Removal	3,092,000	100%				3,092,000	-	-	-
Taft Branch Improvements	3,143,000	50%		50%		1,571,500	-	1,571,500	-
Newhope-Placentia Trunk Grade Separation Replacement	6,390,000	25%		75%		1,597,500	-	4,792,500	-
Fullerton-Brea Interceptor Sewer Relief	2,736,000			100%		-	-	2,736,000	-
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	-	-	-
Lakeview OCTA Grade Separation	330,000	100%				330,000	-	-	-
Tustin Rose OCTA Grade Separation	2,500,000	100%				2,500,000	-	-	-
Orangethorpe OCTA Grade Separation	3,900,000	100%				3,900,000	-	-	-
Westside Relief Interceptor Relief	26,482,000	25%		75%		6,620,500	-	19,861,500	-
Rehabilitation of Magnolia Trunk Sewer	19,786,000	100%				19,786,000	-	-	-
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	26,356,000	100%				26,356,000	-	-	-
Rehabilitation of 3-6, 3-8, and 3-21-1 Sewers	88,720,000	100%				88,720,000	-	-	-
Balboa Trunk Sewer Rehabilitation	9,446,000	100%				9,446,000	-	-	-
Replacement of the Bitter Point Pump Station	31,610,000	90%		10%		28,449,000	-	3,161,000	-
Replacement of the Rocky Point Pump Station	22,550,000	90%		10%		20,295,000	-	2,255,000	-
Bitter Point Force Main Rehabilitation	44,290,000	100%				44,290,000	-	-	-
Newport Force Main Condition Rehabilitation	23,779,000	100%				23,779,000	-	-	-
Dover Drive Trunk Sewer Relief	14,296,000			100%		-	-	14,296,000	-
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	5,638,000			100%		-	-	5,638,000	-
Southwest Costa Mesa Trunk	14,993,000			100%		-	-	14,993,000	-
Gisler-Redhill System Improvements, Reach B	11,402,000	50%		50%		5,701,000	-	5,701,000	-
Browning Subtrunk Sewer Relief	11,172,000			100%		-	-	11,172,000	-
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	-
Wintersburg Channel Siphon Protection Project	75,000	100%				75,000	-	-	-
Continued									

Collection System Improvement Projects

2012-13 & 2013-14 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
Collections Facilities (Continued)									
Edinger Pumping Station Upgrade and Rehabilitation	11,474,000	100%				11,474,000	-	-	-
Facilities Engineering Projects - Collections	8,250,000	70%	15%		15%	5,775,000	1,237,500	-	1,237,500
Siphon and Manhole Upgrade Feasibility Study	300,000		100%			-	300,000	-	-
Bay Bridge Pump Station and Forcemains Rehabilitation Study	150,000	100%				150,000	-	-	-
Main Street Flume Downsizing Study	75,000	100%				75,000	-	-	-
Revenue Area 3 Asset Management Plan	400,000	100%				400,000	-	-	-
Revenue Area 7 Asset Management Plan	300,000	100%				300,000	-	-	-
Collections Facilities Projects Total	611,651,000					436,984,600	3,332,500	170,096,400	1,237,500

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
Headworks									
Headworks Rehabilitation at Plant No. 1	72,058,000	95%	5%			68,455,100	3,602,900	-	-
Headworks Expansion	222,804,000	20%		80%		44,560,800	-	178,243,200	-
Headworks Improvements at Plant No. 2	258,124,000	75%	25%			193,593,000	64,531,000	-	-
Plant No.1 Headworks & Bypass Asset Management Plan	300,000	100%				300,000	-	-	-
Headworks Projects Total	553,286,000					306,908,900	68,133,900	178,243,200	-
Primary Treatment									
Joint GWRS Microfiltration Backwash Redirection Project	1,111,000		100%			-	1,111,000	-	-
Primary Effluent Pipeline Joint Repairs	3,246,000	100%				3,246,000	-	-	-
Plant No.1 Primary Treatment Upgrades	17,835,000	100%				17,835,000	-	-	-
Primary Treatment Area Rehabilitation Study	848,000	100%				848,000	-	-	-
Primary Treatment Projects Total	23,040,000					21,929,000	1,111,000	-	-
Secondary Treatment									
New Secondary Treatment System at Plant No. 1	255,471,000		67%	33%		-	171,165,570	84,305,430	-
Trickling Filters at Plant No. 2	220,206,000		100%			-	220,206,000	-	-
Oxygen Plant Rehabilitation at Plant No. 2	2,208,000	100%				2,208,000	-	-	-
Plant No.1 Secondary Treatment Asset Management Plan	200,000	100%				200,000	-	-	-
Plant No.2 Secondary Oxygen Plant Asset Management Plan	200,000	100%				200,000	-	-	-
Secondary Treatment Projects Total	478,285,000					2,608,000	391,371,570	84,305,430	-
Solids Handling & Digestion									
Sludge Digester Rehabilitation at Plant 1	57,205,000	100%				57,205,000	-	-	-
Sludge Dewatering and Odor Control at Plant 1	147,270,000		35%	65%		-	51,544,500	95,725,500	-
Digester Ferric Chloride System Rehabilitation	4,078,000	100%				4,078,000	-	-	-
Demolition of Digesters A and B and Gas Holders	5,405,000	100%				5,405,000	-	-	-
Solids Storage Silo Rehabilitation	37,604,000	100%				37,604,000	-	-	-
Solids Thickening and Processing Upgrades	48,146,000	50%	50%			24,073,000	24,073,000	-	-
Digester Rehabilitation at Plant No. 2	46,637,000	90%	10%			41,073,300	4,563,700	-	-
Sludge Dewatering and Odor Control at Plant 2	71,860,000	100%				71,860,000	-	-	-
Plant No. 2 Digesters and Boilers Plant Asset Management Plan	200,000	100%				200,000	-	-	-
Solids Handling & Digestion Projects Total	417,405,000					241,498,300	80,181,200	95,725,500	-
Ocean Outfall Systems									
Final Effluent Sampler and Building Area Upgrades	12,585,000	100%				12,585,000	-	-	-
Outfall Land Section and OOBs Piping Rehabilitation	24,139,000	100%				24,139,000	-	-	-
66-inch Interplant Effluent Pipeline Rehabilitation	72,517,000	100%				72,517,000	-	-	-
Ocean Outfall System Rehabilitation	15,402,000	100%				15,402,000	-	-	-
Alternative Effluent Disinfection Study	100,000		100%			-	100,000	-	-
Plant No. 2 Outfall Systems Asset Management Plan	300,000	100%				300,000	-	-	-
Ocean Outfall Systems Projects Total	125,043,000					124,943,000	100,000	-	-
Utility Systems									
Interplant Gas Line Rehabilitation	5,634,000	100%				5,634,000	-	-	-
Cengen Cooling Water System Replacement	11,337,000	100%				11,337,000	-	-	-
Cengen Emissions Control Project	31,251,000		100%			-	31,251,000	-	-
UPS System Upgrades	13,012,000	80%		20%		10,409,600	-	2,602,400	-

2012-13 & 2013-14 Budget

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
Utility Systems (Continued.)									
Electrical Power Distribution System Improvements	9,773,000	60%	20%	20%		5,863,800	1,954,600	1,954,600	-
Plant Water System Rehabilitation at Plant No.1	10,029,000	100%				10,029,000	-	-	-
Flare Addition	2,083,000			100%		-	-	2,083,000	-
Gas Compressor Upgrades	27,181,000	80%		20%		21,744,800	-	5,436,200	-
Plant Water System Rehabilitation at Plant No.2	3,864,000	100%				3,864,000	-	-	-
Additional High Pressure Flare	2,116,000	30%		70%		634,800	-	1,481,200	-
15 kV Upgrades at Plant No. 2	4,658,000	100%				4,658,000	-	-	-
Gas Compressor Upgrades	22,362,000	100%				22,362,000	-	-	-
SCE Feed Reliability Improvements	22,490,000		100%			-	22,490,000	-	-
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
Digester Gas Facilities Assessment	700,000	100%				700,000	-	-	-
Utility Water Systems Study	800,000	25%	25%	25%	25%	200,000	200,000	200,000	200,000
Plant Air System Master Plan	340,000	25%	25%	25%	25%	85,000	85,000	85,000	85,000
Electrical System Base Map	250,000				100%	-	-	-	250,000
Uninterruptible Power System (UPS) Study	342,000	60%	20%	20%		205,200	68,400	68,400	-
Sidestream Pumping System and Water Characterization Study	246,000				100%	-	-	-	246,000
Standby Power Generation Study	400,000	60%	20%	20%		240,000	80,000	80,000	-
Power Outage Recovery Plan	100,000				100%	-	-	-	100,000
Potable Water Quality Study	50,000		100%			-	50,000	-	-
Utility Systems Projects Total	197,533,000					105,612,850	76,531,450	13,990,800	1,397,900
Odor Control Related Projects									
Coyote Hills Golf Course Odor Control Station	8,365,000		100%			-	8,365,000	-	-
Primary and Secondary Odor Control at Plant No.1	48,600,000	100%				48,600,000	-	-	-
Trunk Line Odor Control Improvements	10,016,000	60%	40%			6,009,600	4,006,400	-	-
Chemical Scrubber Conversions and Piping System Improvements	2,807,000	100%				2,807,000	-	-	-
Primary Treatment Odor Control Upgrades	35,691,000	50%	50%			17,845,500	17,845,500	-	-
Odor Control Master Plan	1,200,000	50%	30%	20%		600,000	360,000	240,000	-
Collection System Odor Control Systems Study	500,000	20%	80%			100,000	400,000	-	-
Odor Control Related Projects Projects Total	107,179,000					75,962,100	30,976,900	240,000	-
Process Related Special Projects									
Corrosion Management	14,372,000				100%	-	-	-	14,372,000
Process Related Special Projects Projects Total	14,372,000					-	-	-	14,372,000
Plant Automation & Computerization									
Process SCADA Replacement	24,680,000				100%	-	-	-	24,680,000
Power Monitoring and Control Systems	13,050,000	50%			50%	6,525,000	-	-	6,525,000
SCADA System and Network Upgrades	22,895,000				100%	-	-	-	22,895,000
Strategic Information Architecture (SIA)	1,995,000				100%	-	-	-	1,995,000
Internet/Intranet Development	650,000				100%	-	-	-	650,000
CMMS System Replacement	5,000,000	50%		25%	25%	2,500,000	-	1,250,000	1,250,000
PDS2D Software Replacement	250,000				100%	-	-	-	250,000
Geographic Information System	4,047,000				100%	-	-	-	4,047,000
Network Equipment Upgrade	2,905,000	85%			15%	2,469,250	-	-	435,750
Plant Automation & Computerization Projects Total	75,472,000					11,494,250	-	1,250,000	62,727,750

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
Miscellaneous & Support Projects									
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
Emergency Operation Center	160,000				100%	-	-	-	160,000
Contracts and Purchasing Building Extension	3,589,000				100%	-	-	-	3,589,000
Operations Center Entrance/Building Repairs	2,325,000	100%				2,325,000	-	-	-
Fall Protection Improvements at Plants Nos.1 and 2	2,967,000	100%				2,967,000	-	-	-
Title 24 Access Compliance and Building Rehabilitation Project	30,276,000	100%				30,276,000	-	-	-
Plant No. 2 Landscaping Project	1,077,000				100%	-	-	-	1,077,000
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
Facility Assets Assessment	2,960,000	100%				2,960,000	-	-	-
Plant 2 WSSPS Motor Location	72,000	100%				72,000	-	-	-
Stormwater Master Plan	300,000				100%	-	-	-	300,000
Information Technology Workroom Replacement	2,566,000				100%	-	-	-	2,566,000
Public Address System Study	75,000	100%				75,000	-	-	-
Plant No.2 Tunnels Systems Asset Management Plan	200,000	100%				200,000	-	-	-
Small Capital Replacement/Rehabilitation Project	37,200,000	100%				37,200,000	-	-	-
Asset Management Program	4,800,000				100%	-	-	-	4,800,000
Miscellaneous & Support Projects Projects Total	157,557,000					122,086,000	9,859,500	-	25,611,500
Water Management Projects									
Initial Expansion of the Groundwater Replenishment System	300,000			100%		-	-	300,000	-
Effluent Reuse Study	60,000		100%			-	60,000	-	-
Water Management Projects Projects Total	360,000					-	60,000	300,000	-
Strategic & Master Planning									
Facilities-Wide Safety Assessment	300,000				100%	-	-	-	300,000
Landscape Master Plan	150,000				100%	-	-	-	150,000
Climate Change Impact Study	100,000				100%	-	-	-	100,000
Treatment Plant Hydraulic Assessment	300,000				100%	-	-	-	300,000
Settlement and Liquefaction Study	173,000				100%	-	-	-	173,000
Plant No.1 Effluent & Interplant Piping Asset Management Plan	200,000	100%				200,000	-	-	-
Strategic & Master Planning Projects Total	1,223,000					200,000	-	-	1,023,000
Others									
Research - Superoxygentation	850,000		80%	20%		-	680,000	170,000	-
Operational Research Projects (annual allocation)	10,000,000	25%	25%	25%	25%	2,500,000	2,500,000	2,500,000	2,500,000
Process SCADA Link to Pump Stations	271,000	100%				271,000	-	-	-
Data Storage Addition	444,000				100%	-	-	-	444,000
Information Technology Data Center Replacement	180,000				100%	-	-	-	180,000
Others Projects Total	11,745,000					2,771,000	3,180,000	2,670,000	3,124,000
Treatment and Disposal Improvement Projects Total	2,162,500,000					1,016,013,400	661,505,520	376,724,930	108,256,150
Capital Equipment	16,000,000					4,000,000	4,000,000	4,000,000	4,000,000
Total Capital Improvement Program	\$2,790,151,000					\$1,456,998,000	\$668,838,020	\$550,821,330	\$113,493,650

2012-13 & 2013-14 Budget

Collections System Improvement Projects – Budget By Project Status

Proj. #	Title	Total Budget	New	Continuing	Revised	Future
Collections Facilities						
02-41-8	SARI Rock Stabilizers Removal	3,092,000	3,092,000			
02-76	Tustin Rose OCTA Grade Separation	2,500,000	2,500,000			
02-77	Orangethorpe OCTA Grade Separation	3,900,000	3,900,000			
SP-178	Bay Bridge Pump Station and Forcemains Rehabilitation Study	150,000	150,000			
SP-179	Main Street Flume Downsizing Study	75,000	75,000			
SP-180	Revenue Area 3 Asset Management Plan	400,000	400,000			
SP-181	Revenue Area 7 Asset Management Plan	300,000	300,000			
03-55	Westside Relief Interceptor Relief	26,482,000		26,482,000		
03-58	Rehabilitation of Magnolia Trunk Sewer	19,786,000		19,786,000		
05-47	Balboa Trunk Sewer Rehabilitation	9,446,000		9,446,000		
05-60	Newport Force Main Condition Rehabilitation	23,779,000		23,779,000		
07-60	Browning Subtrunk Sewer Relief	11,172,000		11,172,000		
11-32	Wintersburg Channel Siphon Protection Project	75,000		75,000		
FE-Collect	Facilities Engineering Projects - Collections	8,250,000		8,250,000		
SP-138	Siphon and Manhole Upgrade Feasibility Study	300,000		300,000		
01-101	Raitt and Bristol Street Sewer Extension	9,906,000			9,906,000	
01-17	Santa Ana Trunk Sewer Rehab.	7,331,000			7,331,000	
02-41	Santa Ana River Interceptor Realignment and Prot.	11,404,000			11,404,000	
02-41-7	Santa Ana River Interceptor (SARI) Inspection and Mitigation	1,217,000			1,217,000	
02-65	Newhope-Placentia Trunk Grade Separation Replacement	6,390,000			6,390,000	
02-71	Fullerton-Brea Interceptor Sewer Relief	2,736,000			2,736,000	
02-75	Lakeview OCTA Grade Separation	330,000			330,000	
05-49	Replacement of the Bitter Point Pump Station	31,610,000			31,610,000	
05-50	Replacement of the Rocky Point Pump Station	22,550,000			22,550,000	
05-58	Bitter Point Force Main Rehabilitation	44,290,000			44,290,000	
05-63	Dover Drive Trunk Sewer Relief	14,296,000			14,296,000	
06-17	District 6 Trunk Sewer Relief	5,638,000			5,638,000	
06-19	Southwest Costa Mesa Trunk	14,993,000			14,993,000	
07-37	Gisler-Redhill System Improvements, Reach B	11,402,000			11,402,000	
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

Summary by Project Status

Collections System Improvement Projects – Budget By Project Status

Proj. #	Title	Total Budget	New	Continuing	Revised	Future
Collections Facilities (Continued)						
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	26,356,000				26,356,000
03-64	Rehabilitation of 3-6, 3-8, and 3-21-1 Sewers	88,720,000				88,720,000
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
07-62	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
Collections Facilities Total Budget		611,651,000	10,417,000	99,290,000	184,093,000	317,851,000

2012-13 & 2013-14 Budget

Treatment & Disposal Projects – Budget By Project Status

Proj. #	Title	Total Budget	New	Continuing	Revised	Future
Headworks						
SP-182	Plant No.1 Headworks & Bypass Asset Management Plan	300,000	300,000			
P1-105	Headworks Rehabilitation at Plant No. 1	72,058,000			72,058,000	
P2-66	Headworks Improvements at Plant No. 2	258,124,000			258,124,000	
P1-120	Headworks Expansion	222,804,000				222,804,000
Headworks Total Budget		553,286,000	300,000	-	330,182,000	222,804,000
Primary Treatment						
P1-124	Plant No.1 Primary Treatment Upgrades	17,835,000	17,835,000			
J-36-1	Joint GWRS Microfiltration Backwash Redirection Project	1,111,000			1,111,000	
SP-137	Primary Treatment Area Rehabilitation Study	848,000			848,000	
P1-118	Primary Effluent Pipeline Joint Repairs	3,246,000				3,246,000
Primary Treatment Total Budget		23,040,000	17,835,000	-	1,959,000	3,246,000
Secondary Treatment						
SP-183	Plant No.1 Secondary Treatment Asset Management Plan	200,000	200,000			
SP-185	Plant No.2 Secondary Oxygen Plant Asset Management Plan	200,000	200,000			
P1-102	New Secondary Treatment System at Plant No. 1	255,471,000			255,471,000	
P2-90	Trickling Filters at Plant No. 2	220,206,000			220,206,000	
SP-129	Oxygen Plant Rehabilitation at Plant No. 2	2,208,000			2,208,000	
Secondary Treatment Total Budget		478,285,000	400,000	-	477,885,000	-
Solids Handling & Digestion						
SP-186	Plant No. 2 Digesters and Boilers Plant Asset Management Plan	200,000	200,000			
P1-101	Sludge Dewatering and Odor Control at Plant 1	147,270,000		147,270,000		
P2-91-1	Digester Rehabilitation at Plant No. 2	45,637,000		45,637,000		
P1-100	Sludge Digester Rehabilitation at Plant 1	57,205,000			57,205,000	
P2-105	Digester Ferric Chloride System Rehabilitation	4,078,000			4,078,000	
P2-89	Solids Thickening and Processing Upgrades	48,146,000			48,146,000	
P2-92	Sludge Dewatering and Odor Control at Plant 2	71,860,000			71,860,000	
P2-110	Demolition of Digesters A and B and Gas Holders	5,405,000				5,405,000
P2-114	Solids Storage Silo Rehabilitation	37,604,000				37,604,000
Solids Handling & Digestion Total Budget		417,405,000	200,000	192,907,000	181,289,000	43,009,000
Ocean Outfall Systems						
SP-187	Plant No. 2 Outfall Systems Asset Management Plan	300,000	300,000			
J-110	Final Effluent Sampler and Building Area Upgrades	12,585,000		12,585,000		
J-117	Ocean Outfall System Rehabilitation	15,402,000		15,402,000		
SP-156	Alternative Effluent Disinfection Study	100,000		100,000		
J-112	Outfall Land Section and OOBS Piping Rehabilitation	24,139,000			24,139,000	
J-116	66-inch Interplant Effluent Pipeline Rehabilitation	72,517,000				72,517,000
Ocean Outfall Systems Total Budget		125,043,000	300,000	28,087,000	24,139,000	72,517,000

Summary by Project Status

Treatment & Disposal Projects – Budget By Project Status

Proj. #	Title	Total Budget	New	Continuing	Revised	Future
Utility Systems						
J-98	Electrical Power Distribution System Improvements	9,773,000		9,773,000		
P1-112	Plant Water System Rehabilitation at Plant No.1	10,029,000		10,029,000		
P2-101	Plant Water System Rehabilitation at Plant No.2	3,864,000		3,864,000		
SP-141	Digester Gas Facilities Assessment	700,000		700,000		
SP-146	Utility Water Systems Study	800,000		800,000		
SP-150	Uninterruptible Power System (UPS) Study	342,000		342,000		
SP-155	Sidestream Pumping System and Water Characterization Study	246,000		246,000		
SP-170	Power Outage Recovery Plan	100,000		100,000		
J-106	Interplant Gas Line Rehabilitation	5,634,000			5,634,000	
J-109	Cengen Cooling Water System Replacement	11,337,000			11,337,000	
J-111	Cengen Emissions Control Project	31,251,000			31,251,000	
J-79-1	Central Generation Automation	23,346,000			23,346,000	
P2-108	15 kV Upgrades at Plant No. 2	4,658,000			4,658,000	
J-121	UPS System Upgrades	13,012,000				13,012,000
P1-119	Flare Addition	2,083,000				2,083,000
P1-121	Gas Compressor Upgrades	27,181,000				27,181,000
P2-103	Additional High Pressure Flare	2,116,000				2,116,000
P2-109	Gas Compressor Upgrades	22,362,000				22,362,000
P2-111	SCE Feed Reliability Improvements	22,490,000				22,490,000
P2-116	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-148	Plant Air System Master Plan	340,000				340,000
SP-149	Electrical System Base Map	250,000				250,000
SP-158	Standby Power Generation Study	400,000				400,000
SP-175	Potable Water Quality Study	50,000				50,000
Utility Systems Total Budget		197,533,000	-	25,854,000	76,226,000	95,453,000
Odor Control Related Projects						
P1-123	Trunk Line Odor Control Improvements	10,016,000	10,016,000			
SP-189	Collection System Odor Control Systems Study	500,000	500,000			
P2-106	Chemical Scrubber Conversions and Piping System Improvements	2,807,000		2,807,000		
P2-98	Primary Treatment Odor Control Upgrades	35,691,000		35,691,000		
SP-166	Odor Control Master Plan	1,200,000		1,200,000		
P1-114	Primary and Secondary Odor Control at Plant No.1	48,600,000			48,600,000	
02-74	Coyote Hills Golf Course Odor Control Station	8,365,000				8,365,000
Odor Control Related Projects Total Budget		107,179,000	10,516,000	39,698,000	48,600,000	8,365,000

2012-13 & 2013-14 Budget

Treatment & Disposal Projects – Budget By Project Status

Proj. #	Title	Total Budget	New	Continuing	Revised	Future
Process Related Special Projects						
SP-68-1	Corrosion Management	14,372,000		14,372,000		
Process Related Special Projects Total Budget		14,372,000	-	14,372,000	-	-
Plant Automation & Computerization						
J-33-3	Power Monitoring and Control Systems	13,050,000		13,050,000		
P2-107	SCADA System and Network Upgrades	22,895,000		22,895,000		
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	5,000,000		5,000,000		
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	2,905,000		2,905,000		
J-120	Process SCADA Replacement	24,680,000				24,680,000
Plant Automation & Computerization Total Budget		75,472,000	-	50,792,000	-	24,680,000
Miscellaneous & Support Projects						
SP-188	Public Address System Study	75,000	75,000			
SP-191	Plant No.2 Tunnels Systems Asset Management Plan	200,000	200,000			
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	160,000		160,000		
J-122	Operations Center Entrance/Building Repairs	2,325,000		2,325,000		
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-145-2	Plant 2 WSSPS Motor Location	72,000		72,000		
SP-167	Stormwater Master Plan	300,000		300,000		
SP-176	Information Technology Workroom Replacement	2,566,000		2,566,000		
SP-68-2	Asset Management Program	4,800,000		4,800,000		
J-123	Fall Protection Improvements at Plants Nos.1 and 2	2,967,000			2,967,000	
P1-115	Title 24 Access Compliance and Building Rehabilitation Project	30,276,000			30,276,000	
P2-96	Plant No. 2 Landscaping Project	1,077,000			1,077,000	
SP-136	Land Records Information System	410,000			410,000	
SP-145	Facility Assets Assessment	2,960,000			2,960,000	
SP-34	Small Capital Replacement/Rehabilitation Project	37,200,000			37,200,000	
J-118	Contracts and Purchasing Building Extension	3,589,000				3,589,000
Miscellaneous & Support Projects Total Budget		157,557,000	275,000	78,803,000	74,890,000	3,589,000

Summary by Project Status

Treatment & Disposal Projects – Budget By Project Status

Proj. #	Title	Total Budget	New	Continuing	Revised	Future
Water Management Projects						
SP-139	Initial Expansion of the Groundwater Replenishment System	300,000		300,000		
SP-173	Effluent Reuse Study	60,000				60,000
Water Management Projects Total Budget		360,000	-	300,000	-	60,000
Strategic & Master Planning						
SP-184	Plant No.1 Effluent & Interplant Piping Asset Management Plan	200,000	200,000			
SP-145-1	Facilities-Wide Safety Assessment	300,000		300,000		
SP-145-4	Landscape Master Plan	150,000		150,000		
SP-152	Climate Change Impact Study	100,000		100,000		
SP-168	Treatment Plant Hydraulic Assessment	300,000		300,000		
SP-177	Settlement and Liquefaction Study	173,000				173,000
Strategic & Master Planning Total Budget		1,223,000	200,000	850,000	-	173,000
Others						
SP-121	Research - Superoxygentation	850,000		850,000		
SP-125	Operational Research Projects (annual allocation)	10,000,000		10,000,000		
SP-163	Data Storage Addition	444,000		444,000		
SP-174	Information Technology Data Center Replacement	180,000		180,000		
SP-157	Process SCADA Link to Pump Stations	271,000			271,000	
Others Total Budget		11,745,000	-	11,474,000	271,000	-
Treatment and Disposal Projects Total Budget		2,162,500,000	30,026,000	443,137,000	1,215,441,000	473,896,000
Equipment Total Budget		16,000,000		16,000,000		
Total Capital Improvement Program Budget		\$2,790,151,000	\$40,443,000	\$558,427,000	\$1,399,534,000	\$791,747,000

2012-13 & 2013-14 Budget

Proposed Equipment Budget 2012-13

Department	Trucks & Vehicles 09410000	Other Mobile Eq 09410001	Machine Eq & Tools 09410002	Comm Equipment 09410003
Contracts, Purchasing, and Materials Management	-	-	-	-
Information Technology	-	-	-	-
Equipment / Rebuild	119,000	21,200	-	-
Collection Facilities	-	-	30,000	-
Plant No. 1 Operations	-	-	-	-
Plant No. 2 Operations	-	-	-	-
Mechanical & Reliability Maintenance	-	-	29,900	-
Instrumentation & Electrical Maintenance	-	-	-	-
Environmental Laboratory and Ocean Monitoring	-	-	-	-
Total Proposed Capital Equipment	\$ 119,000	\$ 21,200	\$ 59,900	\$ -

Proposed Equipment Budget Summary

Proposed Equipment Budget 2012-13

Department	Instr / Test Equipment 09410004	Safety & Traffic Eq 09410005	Office Fix & Eq 09410006	Computer Equipment 09410007	2012-13 Proposed Budget
Contracts, Purchasing, and Materials Management	-	-	\$ 11,000	-	\$ 11,000
Information Technology	-	-	-	255,000	255,000
Equipment / Rebuild	-	-	-	-	140,200
Collection Facilities	37,770	-	-	-	67,770
Plant No. 1 Operations	82,650	-	-	-	82,650
Plant No. 2 Operations	65,000	-	-	-	65,000
Mechanical & Reliability Maintenance	50,000	-	-	-	79,900
Instrumentation & Electrical Maintenance	41,910	-	-	-	41,910
Environmental Laboratory and Ocean Monitoring	350,970	-	-	-	350,970
Total Proposed Capital Equipment	\$ 628,300	\$ -	\$ 11,000	\$ 255,000	\$ 1,094,400

2012-13 & 2013-14 Budget

Proposed Equipment Budget Detail

<u>Division</u>	<u>Equipment Type</u>	<u>Proposed Equip. Budget</u>
<u>230 - Contracts, Purchasing, and Materials Management</u>		
	Two (2) Steelcase 9' x 12' Cubicles for P1 Warehouse	\$ 11,000
	Total	11,000
<u>250 - Information Technology</u>		
	Information Kiosk	8,000
	Virtual Host for P2 High Availability	58,000
	Cen-Gen SCADA Dev't Lab Server & Software	30,000
	Historian License Upgrade	72,000
	Video and Storage Equipment (Re-budget)	30,000
	Video Equipment (Re-budget)	20,000
	Absence Compliance Tracker Software	37,000
	Total	255,000
<u>320 - Equipment / Rebuild</u>		
	Construction Trailer Rig - Replace V# 0382	62,000
	Middle-size Truck - Replace V# 0499	57,000
	Trailer for Div 340	21,200
	Total	140,200
<u>340 - Collection Facilities</u>		
	Sampler - New Technology (3)	30,000
	Odor Meter/Analyzer	37,770
	Total	67,770
<u>830 - Plant No. 1 Operations</u>		
	Jerome 631 H2S Meter - Replacement	10,000
	Strap-on Sonic Flow Meter - Replacement	7,650
	Chem Scan Analyzer Model UV-4100	65,000
	Total	82,650
<u>840 - Plant No. 2 Operations</u>		
	Chem Scan Analyzer Model UV-4100	65,000
	Total	65,000
<u>850 - Mechanical & Reliability Maintenance</u>		
	Mobile Centrifugal Oil Separator - Replacement	29,900
	CSI 2130 Machinery Health Analyzer	25,000
	SDT270DU Static/Dynamic/UAS ATEX Kit - Ultrasound Instrument	25,000
	Total	79,900

Proposed Equipment Budget Detail

Proposed Equipment Budget Detail

<u>Division</u>	<u>Equipment Type</u>	<u>Proposed Equip. Budget</u>
<u>860 - Instrumentation & Electrical Maintenance</u>		
	Hart Field Communicator (2)	\$ 12,180
	Portable Power Quality Meter	5,990
	Ultrasound Detection System	8,320
	Portable Flow Meter (2)	15,420
	Total	<u>41,910</u>
<u>890 - Environmental Laboratory and Ocean Monitoring</u>		
	Syncore Concentrator Device - Replacement	17,890
	Triple Quadrupole GCMS - Replacement	188,570
	Volatiles Autosampler - Replacement	29,630
	Autoextraction Manifold Device	48,880
	Water Sampler/CTD - Replacement	66,000
	Total	<u>350,970</u>
	Total Proposed 2012-13 CORF Equipment Budget	<u>\$ 1,094,400</u>

2012-13 & 2013-14 Budget

Proposed Equipment Budget 2013-14

Department	<u>Trucks & Vehicles 09410000</u>	<u>Other Mobile Eq 09410001</u>	<u>Machine Eq & Tools 09410002</u>	<u>Comm Equipment 09410003</u>
Information Technology	-	-	-	-
Equipment / Rebuild	221,000	63,500	-	-
Collection Facilities	-	-	20,050	-
Mechanical & Reliability Maintenance	-	-	-	-
Environmental Laboratory and Ocean Monitoring	-	-	-	-
Total Proposed Capital Equipment	<u>\$ 221,000</u>	<u>\$ 63,500</u>	<u>\$ 20,050</u>	<u>\$ -</u>

Proposed Equipment Budget Summary

Proposed Equipment Budget 2013-14

Department	Instr / Test Equipment 09410004	Safety & Traffic Eq 09410005	Office Fix & Eq 09410006	Computer Equipment 09410007	2013-14 Proposed Budget
Information Technology	-	-	-	\$ 90,000	\$ 90,000
Equipment / Rebuild	-	-	-	-	284,500
Collection Facilities	10,500	-	-	-	30,550
Mechanical & Reliability Maintenance	10,000	-	-	-	10,000
Environmental Laboratory and Ocean Monitoring	130,920	-	-	-	130,920
Total Proposed Capital Equipment	\$ 151,420	\$ -	\$ -	\$ 90,000	\$ 545,970

2012-13 & 2013-14 Budget

Proposed Equipment Budget Detail

<u>Division</u>	<u>Equipment Type</u>	<u>Proposed Equip. Budget</u>
<u>250 - Information Technology</u>		
	Risk Management Database	\$ 60,000
	Video and Storage Equipment	30,000
	Total	<u>90,000</u>
<u>320 - Equipment / Rebuild</u>		
	Hydraulic Driven Pull Rig - Replace V# 0385	102,000
	Secondary Trailer Rig - Replace V# 0383	62,000
	Truck, Pump Station Maintenance - Replace V# 0451	57,000
	Dump Trailers (3) for Div 340 - Replace E# 0902, 0903 & 0904	63,500
	Total	<u>284,500</u>
<u>340 - Collection Facilities</u>		
	Sampler - New Technology (2)	20,050
	VOC Meter Replacement	10,500
	Total	<u>30,550</u>
<u>850 - Mechanical & Reliability Maintenance</u>		
	CSI 2600 Machinery Health Expert - Upgrade from 12 Channels to 24	10,000
	Total	<u>10,000</u>
<u>890 - Environmental Laboratory and Ocean Monitoring</u>		
	Total Organic Compound Analyzer	48,490
	Upgrade of Air Concentrator and Air Autosampler	82,430
	Total	<u>130,920</u>
	Total Proposed 2013-14 CORF Equipment Budget	<u>\$ 545,970</u>

DEBT PROGRAM
SECTION 9

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

Summary of Certificates of Participation				
Series	2000 Series	2007A Series	2007B Series	2008A
Issue Name	Refunding COPs	Refunding COPs	COPs	Refunding COPs
Issue Date	08-31-2000	05-22-2007	12-20-2007	05-29-08
Original Par	\$218,600,000	\$95,180,000	\$300,000,000	\$77,165,000
Outstanding Par	\$196,600,000	\$93,655,000	\$300,000,000	\$77,165,000
Payment Date	August 1	February 1	February 1	August 1
Use of Proceeds	Refund/Reimb.	Advance Refunding	Current/Future CIP	Adv. Refunding
Lien or Tier	Open Senior	Open Senior	Open Senior	Open Senior
Interest Rate Mode	Variable	Fixed	Fixed	Fixed
Final Maturity Date	08-01-2030	02-01-2030	02-01-2032	08-01-2013
Series	2008B Series	2009A Series	2010A Series	2010C Series
Issue Name	Refunding COPs	COPs	Taxable BABs	Taxable BABs
Issue Date	09-04-2008	04-23-2009	05-18-10	11-29-10
Original Par	\$27,800,000	\$200,000,000	\$80,000,000	\$157,000,000
Outstanding Par	\$26,550,000	\$191,265,000	\$80,000,000	\$157,000,000
Payment Date	August 1	February 1	February 1	February 1
Use of Proceeds	Advance Refunding	Current/Future CIP	Current/Future CIP	Current/Future CIP
Lien or Tier	Open Senior	Open Senior	Open Senior	Open Senior
Interest Rate Mode	Fixed	Fixed	Fixed	Fixed
Final Maturity Date	08-01-2016	02-01-2030	02-01-2040	02-01-2044
Series	2011A Series	2011B Series	2012A Series	
Issue Name	Refunding COPs	Refunding CANs	Refunding COPs	
Issue Date	09-15-11	11-02-11	02-28-12	
Original Par	\$147,595,000	\$143,205,000	\$100,645,000	
Outstanding Par	\$147,595,000	\$143,205,000	\$100,645,000	
Payment Date	February 1	November 9	February 1	
Use of Proceeds	Advance Refunding	Current Refunding	Advance Refunding	
Lien or Tier	Open Senior	Open Senior	Open Senior	
Interest Rate Mode	Fixed	Fixed	Fixed	
Final Maturity Date	02-01-2026	11-09-2012	02-01-2033	

2012-13 & 2013-14 Budget

In conjunction with preparation for the 2012-14 Budget, District staff has developed and reviewed with the Board of Directors a capital program to deliver the levels of service included in the District's 5-year Strategic Plan.

District staff has also validated the active CIP projects currently being executed to ensure that the active project scopes of work and cost estimates were accurate. The validated CIP includes 91 large capital projects and 55 special projects with a 20-year expenditure of \$2.789 billion. This total represents a \$12 million increase from the 2011-12 CIP estimate. This increase is mostly attributed to the delay and escalation of large projects to account for inflation.

The District 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.

As of July 1, 2012, the total outstanding COP indebtedness is \$1.5 billion.

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.

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 2.69 and 2.52 for FY 2012-13 and FY 2013-14, respectively.

Debt Financing Program

BAB Financings

The District issued the \$80.0 million Wastewater Revenue Obligation, Series 2010A in May 2010 and the \$157.0 million Wastewater Revenue Obligations, Series 2010C in November 2010 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.

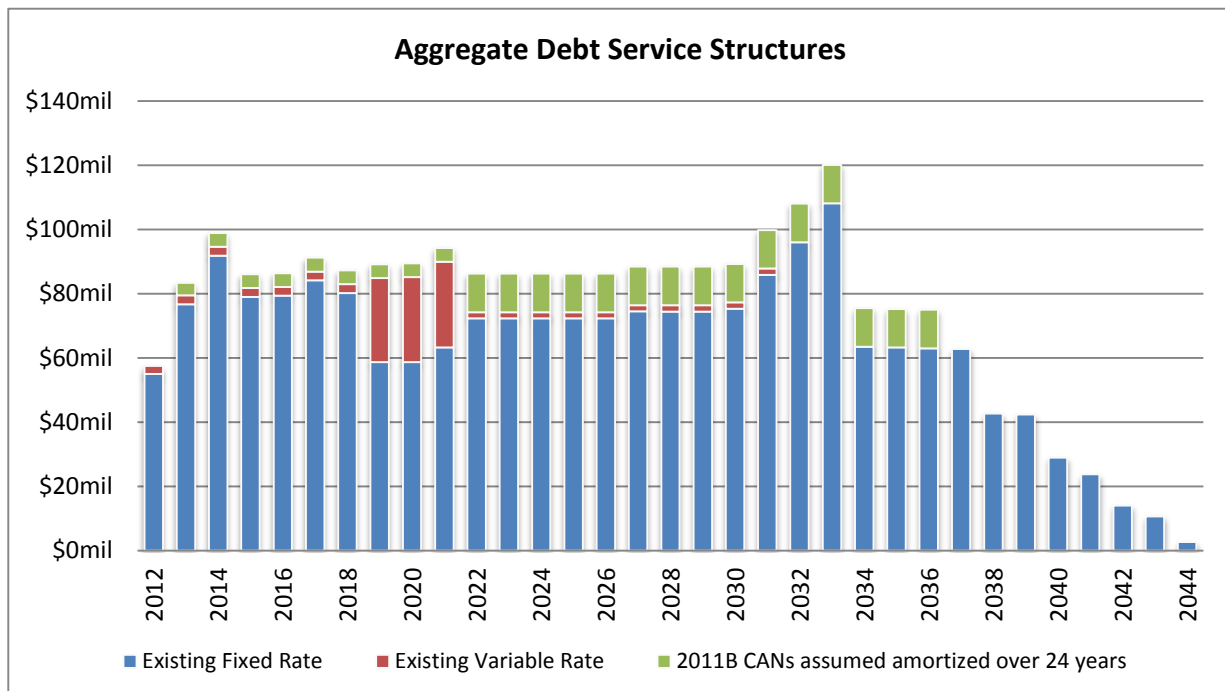
The 35 percent subsidy is available for certain debt issuances prior to January 1, 2011.

Future Financings

As a result of having a prudent reserve policy, experienced management, and prudent

planning, the District has been able to secure “AAA” credit ratings from both Fitch Ratings and Standard and Poors. 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 \$2.0 billion in future treatment plant and collection system capital replacement, refurbishment, and rehabilitation 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 does not require any new money debt issuances over the next ten-years as all capital improvements planned over this time period primarily exist of replacement, refurbishment, and rehabilitation of existing projects which are to be funded through existing reserves and current sewer charges.



2012-13 & 2013-14 Budget

Figure 2

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
New COP Issues	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
CIP Outlays	\$137.3	\$174.4	\$189.6	\$194.4	\$238.6	\$209.2	\$239.6	\$188.5	\$192.8	\$232.7

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2012-13 & 2013-14 Budget

Total Certificates of Participation Debt Service Requirements

Principal and Interest Combined

Fiscal Year Of Payments	2000A&B Refunding (Var. Series)	2007A Refunding (partial 2003)	2007B Acquisition/ Construction	2008A Refunding (1992 Series)	2008B Refunding (1993 Series)	2009A Acquisition/ Construction
2012-13	1,838,000	4,367,927	19,591,087	7,211,553	1,243,585	12,714,425
2013-14	1,838,000	4,368,761	19,621,566	19,478,126	1,244,110	12,784,425
2014-15	1,838,000	4,369,194	19,612,962	-	8,900,980	12,854,175
2015-16	1,838,000	4,369,227	19,601,634	-	8,889,825	12,875,700
2016-17	1,838,000	4,368,861	19,581,025	-	8,947,225	12,954,200
2017-18	1,838,000	4,368,094	19,578,025	-	-	13,041,700
2018-19	25,398,000	4,366,927	19,566,817	-	-	13,043,450
2019-20	25,899,667	4,365,361	19,595,900	-	-	13,043,950
2020-21	26,381,333	8,780,978	19,633,646	-	-	13,042,700
2021-22	1,712,333	4,130,753	19,622,437	-	-	13,039,200
2022-23	1,782,500	4,129,179	19,614,209	-	-	13,042,950
2023-24	1,752,500	4,127,041	19,602,813	-	-	13,042,950
2024-25	1,820,667	4,129,239	19,597,042	-	-	13,043,700
2025-26	1,788,667	4,130,667	19,585,604	-	-	13,039,450
2026-27	1,854,833	23,030,094	19,572,396	-	-	13,039,700
2027-28	1,919,000	22,972,569	19,561,062	-	-	13,043,450
2028-29	1,981,167	22,916,494	19,545,209	-	-	13,039,700
2029-30	1,943,167	23,762,819	19,533,376	-	-	13,042,950
2030-31	2,003,333	-	19,518,917	-	-	13,062,000
2031-32	-	-	19,505,229	-	-	13,061,000
2032-33	-	-	19,490,563	-	-	13,064,000
2033-34	-	-	19,473,167	-	-	13,059,750
2034-35	-	-	19,456,188	-	-	13,062,500
2035-36	-	-	19,437,625	-	-	13,060,750
2036-37	-	-	19,420,375	-	-	13,063,500
2037-38	-	-	-	-	-	13,059,250
2038-39	-	-	-	-	-	13,062,000
2039-40	-	-	-	-	-	-
2039-41	-	-	-	-	-	-
2039-42	-	-	-	-	-	-
2039-43	-	-	-	-	-	-
2039-44	-	-	-	-	-	-
Totals	\$ 107,265,167	\$ 157,054,185	\$ 488,918,874	\$ 26,689,679	\$ 29,225,725	\$ 351,283,525

Debt Financing Program

Total Certificates of Participation Debt Service Requirements

Principal and Interest Combined

Fiscal Year Of Payments	2010A Revenue Obligation	2010C Build America Bonds Acqui./Constr.	2011A Refunding (Partial Ser. 200C & Ser. 2003)	2011B Refunding Notes (Series 2010B)	2012A Refunding (Remaining Series 2003)	Total Payment Per Fiscal Year
2012-13	2,897,639	6,523,780	13,813,050	146,061,144	3,206,648	219,468,838
2013-14	2,897,639	6,523,780	16,004,300	-	3,735,900	88,496,607
2014-15	2,897,639	6,523,780	14,880,450	-	3,735,900	75,613,080
2015-16	2,897,639	6,523,780	15,223,725	-	3,735,900	75,955,430
2016-17	2,897,639	6,523,780	19,909,725	-	3,735,900	80,756,355
2017-18	2,897,639	6,523,780	24,832,350	-	3,735,900	76,815,488
2018-19	2,897,639	6,523,780	3,348,350	-	3,735,900	78,880,863
2019-20	2,897,639	6,523,780	3,348,350	-	3,735,900	79,410,547
2020-21	2,897,639	6,523,780	3,348,350	-	3,735,900	84,344,326
2021-22	2,897,639	6,523,780	17,143,350	-	3,735,900	68,805,392
2022-23	2,897,639	6,523,780	17,093,600	-	3,735,900	68,819,757
2023-24	2,897,639	6,523,780	17,136,200	-	3,735,900	68,818,823
2024-25	2,897,639	6,523,780	17,088,450	-	3,735,900	68,836,417
2025-26	2,897,639	6,523,780	17,141,250	-	3,735,900	68,842,957
2026-27	2,897,639	6,523,780	-	-	3,735,900	70,654,342
2027-28	2,897,639	6,523,780	-	-	3,735,900	70,653,400
2028-29	2,897,639	6,523,780	-	-	3,735,900	70,639,889
2029-30	2,897,639	6,523,780	-	-	3,735,900	71,439,631
2030-31	2,897,639	12,258,780	-	-	32,725,900	82,466,569
2031-32	2,897,639	23,382,068	-	-	31,921,200	90,767,136
2032-33	2,897,639	23,476,472	-	-	44,304,000	103,232,674
2033-34	12,487,639	13,967,040	-	-	-	58,987,596
2034-35	12,696,056	13,897,232	-	-	-	59,111,976
2035-36	12,919,416	13,834,528	-	-	-	59,252,319
2036-37	13,151,453	13,758,096	-	-	-	59,393,424
2037-38	13,399,607	13,667,936	-	-	-	40,126,793
2038-39	13,658,823	13,574,048	-	-	-	40,294,871
2039-40	13,937,832	13,481,016	-	-	-	27,418,848
2039-41	-	22,698,216	-	-	-	22,698,216
2039-42	-	13,457,728	-	-	-	13,457,728
2039-43	-	10,305,640	-	-	-	10,305,640
2039-44	-	2,583,168	-	-	-	2,583,168
Totals	\$ 153,101,243	\$ 321,770,012	\$200,311,500	\$146,061,144	\$175,668,048	\$ 2,157,349,102

2012-13 & 2013-14 Budget

Certificates of Participation Debt Service Requirements

Annual Interest Payments

Fiscal Year Of Payments	2000A&B Refunding (Var. Series)	2007A Refunding (partial 2003)	2007B Acquisition/ Construction	2008A Refunding (1992 Series)	2008B Refunding (1993 Series)	2009A Acquisition/ Construction
2012-13	1,838,000	4,142,927	13,741,087	696,553	768,585	9,214,425
2013-14	1,838,000	4,133,761	13,476,566	283,126	754,110	9,109,425
2014-15	1,838,000	4,124,194	13,162,962	-	630,980	8,999,175
2015-16	1,838,000	4,114,227	12,826,634	-	389,825	8,825,700
2016-17	1,838,000	4,103,861	12,471,025	-	132,225	8,704,200
2017-18	1,838,000	4,093,094	12,108,025	-	-	8,576,700
2018-19	1,398,000	4,081,927	11,726,817	-	-	8,353,450
2019-20	899,667	4,070,361	11,360,900	-	-	8,118,950
2020-21	381,333	3,980,978	10,988,646	-	-	7,872,700
2021-22	312,333	3,860,753	10,547,437	-	-	7,614,200
2022-23	282,500	3,849,179	10,084,209	-	-	7,342,950
2023-24	252,500	3,837,041	9,597,813	-	-	7,057,950
2024-25	220,667	3,824,239	9,087,042	-	-	6,758,700
2025-26	188,667	3,810,667	8,550,604	-	-	6,444,450
2026-27	154,833	3,435,094	7,987,396	-	-	6,114,700
2027-28	119,000	2,537,569	7,396,062	-	-	5,768,450
2028-29	81,167	1,601,494	6,775,209	-	-	5,404,700
2029-30	43,167	607,819	6,123,376	-	-	5,022,950
2030-31	3,333	-	5,438,917	-	-	4,642,000
2031-32	-	-	4,720,229	-	-	4,221,000
2032-33	-	-	3,965,563	-	-	3,779,000
2033-34	-	-	3,173,167	-	-	3,314,750
2034-35	-	-	2,341,188	-	-	2,827,500
2035-36	-	-	1,467,625	-	-	2,315,750
2036-37	-	-	550,375	-	-	1,778,500
2037-38	-	-	-	-	-	1,214,250
2038-39	-	-	-	-	-	622,000
2039-40	-	-	-	-	-	-
2040-41	-	-	-	-	-	-
2041-42	-	-	-	-	-	-
2042-43	-	-	-	-	-	-
2043-44	-	-	-	-	-	-
Totals	\$ 15,365,167	\$ 64,209,185	\$ 209,668,874	\$ 979,679	\$ 2,675,725	\$ 160,018,525

Debt Financing Program

Certificates of Participation Debt Service Requirements

Annual Interest Payments

Fiscal Year Of Payments	2010A Revenue Obligation	2010C Build America Bonds Acqui./Constr.	2011A Refunding (Partial Ser. 2000 & Ser. 2003)	2011B Refunding Notes (Series 2010B)	2012A Refunding (Remaining Series 2003)	Total Interest Per Fiscal Year
2012-13	2,897,639	6,523,780	6,413,050	2,856,144	3,206,648	52,298,838
2013-14	2,897,639	6,523,780	6,154,300	-	3,735,900	48,906,607
2014-15	2,897,639	6,523,780	5,825,450	-	3,735,900	47,738,080
2015-16	2,897,639	6,523,780	5,398,725	-	3,735,900	46,550,430
2016-17	2,897,639	6,523,780	4,774,725	-	3,735,900	45,181,355
2017-18	2,897,639	6,523,780	3,872,350	-	3,735,900	43,645,488
2018-19	2,897,639	6,523,780	3,348,350	-	3,735,900	42,065,863
2019-20	2,897,639	6,523,780	3,348,350	-	3,735,900	40,955,547
2020-21	2,897,639	6,523,780	3,348,350	-	3,735,900	39,729,326
2021-22	2,897,639	6,523,780	3,348,350	-	3,735,900	38,840,392
2022-23	2,897,639	6,523,780	2,658,600	-	3,735,900	37,374,757
2023-24	2,897,639	6,523,780	2,081,200	-	3,735,900	35,983,823
2024-25	2,897,639	6,523,780	1,328,450	-	3,735,900	34,376,417
2025-26	2,897,639	6,523,780	816,250	-	3,735,900	32,967,957
2026-27	2,897,639	6,523,780	-	-	3,735,900	30,849,342
2027-28	2,897,639	6,523,780	-	-	3,735,900	28,978,400
2028-29	2,897,639	6,523,780	-	-	3,735,900	27,019,889
2029-30	2,897,639	6,523,780	-	-	3,735,900	24,954,631
2030-31	2,897,639	6,523,780	-	-	3,735,900	23,241,569
2031-32	2,897,639	6,287,068	-	-	2,866,200	20,992,136
2032-33	2,897,639	5,581,472	-	-	1,704,000	17,927,674
2033-34	2,897,639	4,837,040	-	-	-	14,222,596
2034-35	2,551,056	4,457,232	-	-	-	12,176,976
2035-36	2,184,416	4,064,528	-	-	-	10,032,319
2036-37	1,796,453	3,658,096	-	-	-	7,783,424
2037-38	1,384,607	3,237,936	-	-	-	5,836,793
2038-39	948,823	2,804,048	-	-	-	4,374,871
2039-40	487,832	2,356,016	-	-	-	2,843,848
2040-41		1,893,216	-	-	-	1,893,216
2041-42		1,027,728	-	-	-	1,027,728
2042-43		510,640	-	-	-	510,640
2043-44		103,168	-	-	-	103,168
Totals	<u>\$ 73,101,243</u>	<u>\$ 164,770,012</u>	<u>\$ 52,716,500</u>	<u>\$ 2,856,144</u>	<u>\$ 75,023,048</u>	<u>\$ 821,384,102</u>

2012-13 & 2013-14 Budget

Certificates of Participation Debt Service Requirements

Annual Principal Payments

Fiscal Year Of Payments	2000A&B Refunding (Var. Series)	2007A Refunding (partial 2003)	2007B Acquisition/ Construction	2008A Refunding (1992 Series)	2008B Refunding (1993 Series)	2009A Acquisition/ Construction
2012-13	-	225,000	5,850,000	6,515,000	475,000	3,500,000
2013-14	-	235,000	6,145,000	19,195,000	490,000	3,675,000
2014-15	-	245,000	6,450,000	-	8,270,000	3,855,000
2015-16	-	255,000	6,775,000	-	8,500,000	4,050,000
2016-17	-	265,000	7,110,000	-	8,815,000	4,250,000
2017-18	-	275,000	7,470,000	-	-	4,465,000
2018-19	24,000,000	285,000	7,840,000	-	-	4,690,000
2019-20	25,000,000	295,000	8,235,000	-	-	4,925,000
2020-21	26,000,000	4,800,000	8,645,000	-	-	5,170,000
2021-22	1,400,000	270,000	9,075,000	-	-	5,425,000
2022-23	1,500,000	280,000	9,530,000	-	-	5,700,000
2023-24	1,500,000	290,000	10,005,000	-	-	5,985,000
2024-25	1,600,000	305,000	10,510,000	-	-	6,285,000
2025-26	1,600,000	320,000	11,035,000	-	-	6,595,000
2026-27	1,700,000	19,595,000	11,585,000	-	-	6,925,000
2027-28	1,800,000	20,435,000	12,165,000	-	-	7,275,000
2028-29	1,900,000	21,315,000	12,770,000	-	-	7,635,000
2029-30	1,900,000	23,155,000	13,410,000	-	-	8,020,000
2030-31	2,000,000	-	14,080,000	-	-	8,420,000
2031-32	-	-	14,785,000	-	-	8,840,000
2032-33	-	-	15,525,000	-	-	9,285,000
2033-34	-	-	16,300,000	-	-	9,745,000
2034-35	-	-	17,115,000	-	-	10,235,000
2035-36	-	-	17,970,000	-	-	10,745,000
2036-37	-	-	18,870,000	-	-	11,285,000
2037-38	-	-	-	-	-	11,845,000
2038-39	-	-	-	-	-	12,440,000
2039-40	-	-	-	-	-	-
2040-41	-	-	-	-	-	-
2041-42	-	-	-	-	-	-
2042-43	-	-	-	-	-	-
2043-44	-	-	-	-	-	-
Totals	91,900,000	\$ 92,845,000	\$ 279,250,000	\$ 25,710,000	\$ 26,550,000	\$ 191,265,000

Debt Financing Program

Certificates of Participation Debt Service Requirements

Annual Principal Payments

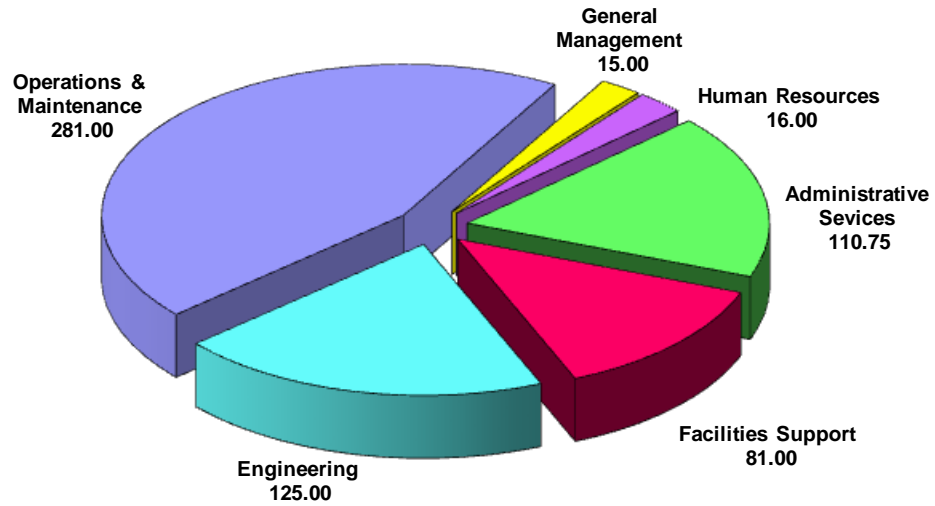
Fiscal Year Of Payments	2010A Build America Bonds Acqui./Constr.	2010C Build America Bonds Acqui./Constr.	2011A Refunding (Partial Ser. 2000 & Ser. 2003)	2011B Refunding Notes (Series 2010B)	2012A Refunding (Remaining Series 2003)	Total Principal Per Fiscal Year
2012-13	-	-	7,400,000	143,205,000	-	167,170,000
2013-14	-	-	9,850,000	-	-	39,590,000
2014-15	-	-	9,055,000	-	-	27,875,000
2015-16	-	-	9,825,000	-	-	29,405,000
2016-17	-	-	15,135,000	-	-	35,575,000
2017-18	-	-	20,960,000	-	-	33,170,000
2018-19	-	-	-	-	-	36,815,000
2019-20	-	-	-	-	-	38,455,000
2020-21	-	-	-	-	-	44,615,000
2021-22	-	-	13,795,000	-	-	29,965,000
2022-23	-	-	14,435,000	-	-	31,445,000
2023-24	-	-	15,055,000	-	-	32,835,000
2024-25	-	-	15,760,000	-	-	34,460,000
2025-26	-	-	16,325,000	-	-	35,875,000
2026-27	-	-	-	-	-	39,805,000
2027-28	-	-	-	-	-	41,675,000
2028-29	-	-	-	-	-	43,620,000
2029-30	-	-	-	-	-	46,485,000
2030-31	-	5,735,000	-	-	28,990,000	59,225,000
2031-32	-	17,095,000	-	-	29,055,000	69,775,000
2032-33	-	17,895,000	-	-	42,600,000	85,305,000
2033-34	9,590,000	9,130,000	-	-	-	44,765,000
2034-35	10,145,000	9,440,000	-	-	-	46,935,000
2035-36	10,735,000	9,770,000	-	-	-	49,220,000
2036-37	11,355,000	10,100,000	-	-	-	51,610,000
2037-38	12,015,000	10,430,000	-	-	-	34,290,000
2038-39	12,710,000	10,770,000	-	-	-	35,920,000
2039-40	13,450,000	11,125,000	-	-	-	24,575,000
2040-41	-	20,805,000	-	-	-	20,805,000
2041-42	-	12,430,000	-	-	-	12,430,000
2042-43	-	9,795,000	-	-	-	9,795,000
2043-44	-	2,480,000	-	-	-	2,480,000
Totals	<u>\$ 80,000,000</u>	<u>\$ 157,000,000</u>	<u>\$ 147,595,000</u>	<u>\$ 143,205,000</u>	<u>\$ 100,645,000</u>	<u>\$ 1,335,965,000</u>

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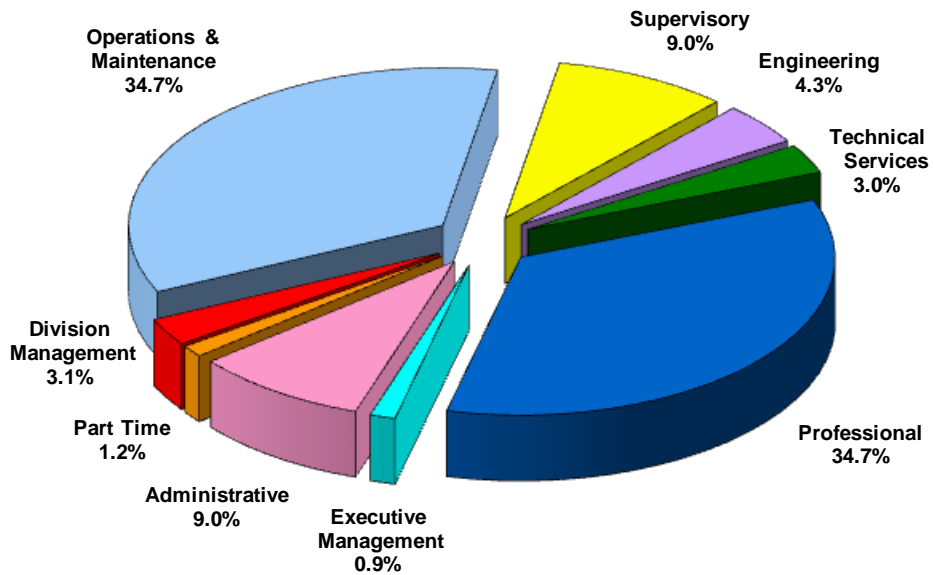
APPENDIX
SECTION 10

Staffing Allocation

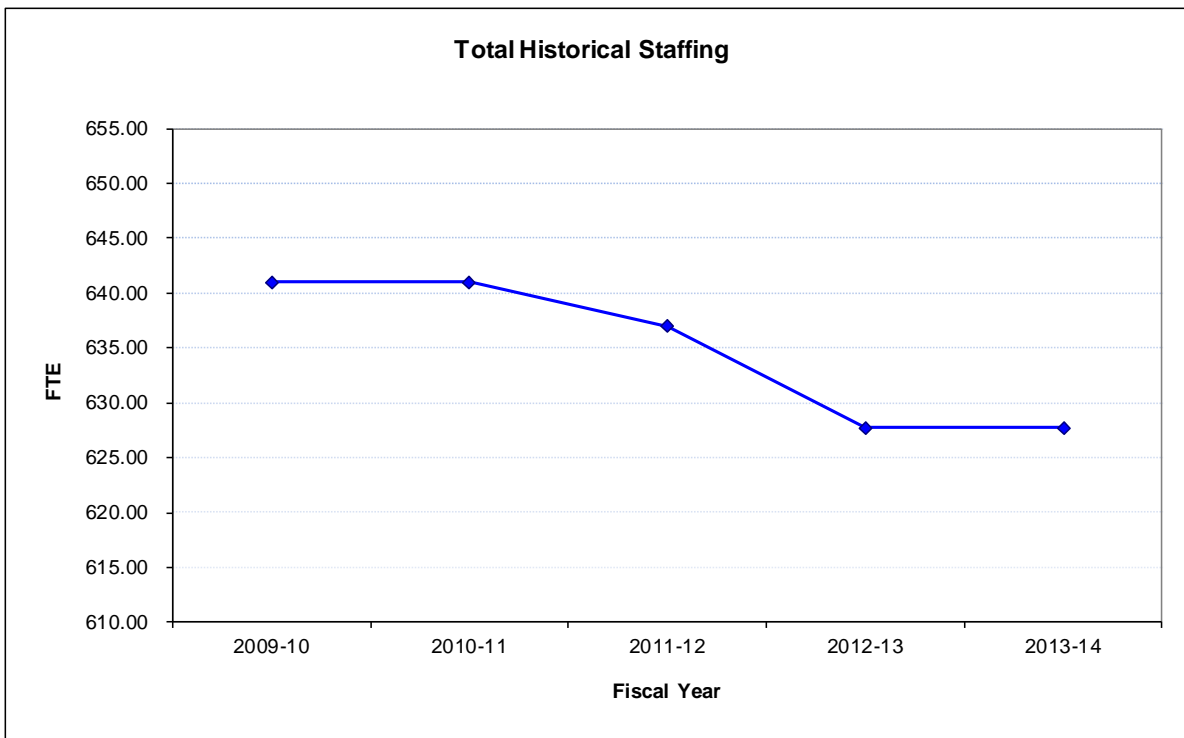
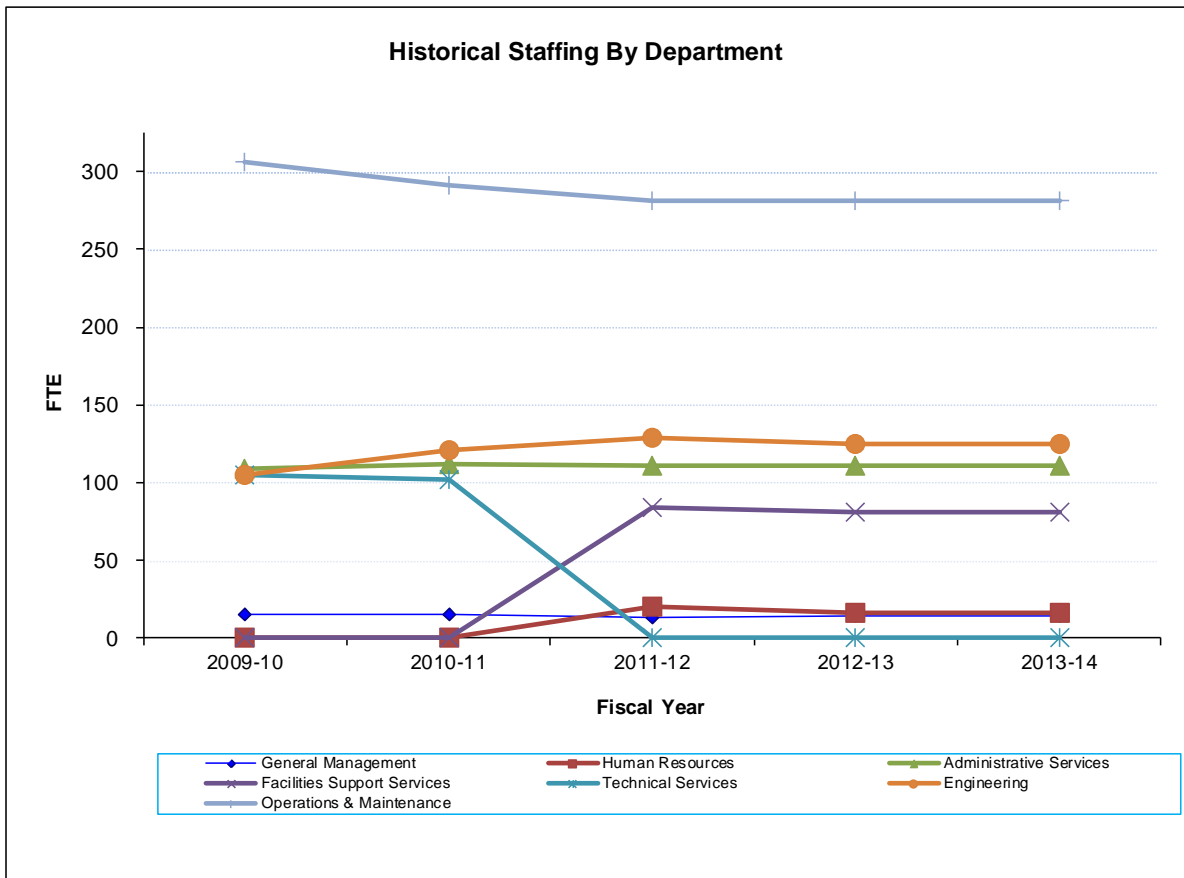
Staffing by Department



Staffing by Category



2012-13 & 2013-14 Budget



Historical Staffing Summary

Department and Division Name	Authorized FTE 2009-10	Authorized FTE 2010-11	Authorized FTEs 2011-12	Proposed FTEs 2012-13	Proposed FTEs 2013-14
Office of the General Manager					
General Management Administration	4.00	5.00	3.00	5.00	5.00
Assistant General Manager Administration	1.00	-	-	-	-
Board Services	2.00	2.00	2.00	3.00	3.00
Public Affairs	8.00	8.00	8.00	6.00	6.00
Department Subtotal	15.00	15.00	13.00	14.00	14.00
Human Resources Department					
Human Resources	-	-	20.00	16.00	16.00
Department Subtotal	-	-	20.00	16.00	16.00
Administrative Services Department					
Administrative Services	3.00	5.00	5.00	3.00	3.00
Financial Management	19.00	18.00	17.00	18.00	18.00
Contracts, Purchasing & Materials Management	28.75	28.75	30.75	29.75	29.75
Human Resources	17.00	27.00	-	-	-
Information Technology	32.00	33.00	45.00	48.00	48.00
Safety & Health	9.00	-	-	-	-
Risk Management	-	-	13.00	12.00	12.00
Department Subtotal	108.75	111.75	110.75	110.75	110.75
Facilities Support Services Department					
Facilities Support Services Administration	-	-	3.75	3.00	3.00
Equipment / Rebuild	-	-	18.00	19.00	19.00
Facilities Engineering	-	-	13.00	13.00	13.00
Collections	-	-	49.00	46.00	46.00
Department Subtotal	-	-	83.75	81.00	81.00
Technical Services Department					
Technical Services Administration	4.00	4.00	-	-	-
Environmental Compliance & Regulatory Affairs	16.00	15.00	-	-	-
Environmental Laboratory & Ocean Monitoring	46.50	43.50	-	-	-
Source Control	39.00	40.00	-	-	-
Department Subtotal	105.50	102.50	-	-	-
Engineering Department					
Engineering Administration	2.00	2.00	2.00	2.00	2.00
Planning	17.00	9.00	12.00	15.00	15.00
Project Management Office	19.00	18.00	17.00	19.00	19.00
Engineering & Construction	57.50	57.50	58.50	57.00	57.00
Facilities Engineering	10.00	9.00	-	-	-
Asset Management	-	25.00	6.00	-	-
Environmental Compliance	-	-	33.00	32.00	32.00
Department Subtotal	105.50	120.50	128.50	125.00	125.00
Operations & Maintenance Department					
Operations & Maintenance Administration	2.00	3.00	2.75	3.00	3.00
Odor & Corrosion Control	14.50	9.50	-	-	-
Plant No. 1 Operations	45.75	49.75	52.75	54.00	54.00
Plant No. 2 Operations	48.00	47.00	47.00	47.00	47.00
Building, Grounds, and Mechanical Maintenance	59.00	58.00	62.00	61.00	61.00
Instrumentation & Electrical Maintenance	76.00	63.00	75.00	75.00	75.00
Collection Facilities Operations & Maintenance	27.00	26.00	-	-	-
Facilities Maintenance & Fleet Services	34.00	35.00	-	-	-
Environmental Laboratory & Ocean Monitoring	-	-	41.50	41.00	41.00
Department Subtotal	306.25	291.25	281.00	281.00	281.00
Grand Total - All Departments	641.00	641.00	637.00	627.75	627.75

2012-13 & 2013-14 Budget

Division & Position	Authorized FTEs 2009-10	Approved FTEs 2010-11	Approved FTEs 2011-12	Proposed FTEs 2012-13	Proposed FTEs 2013-14
Office of the General Manager					
110 General Management Administration					
120 General Manager	1.00	1.00	1.00	1.00	1.00
114 Assistant General Manager	-	1.00	1.00	1.00	1.00
100 Management Discretion	2.00	2.00	-	2.00	2.00
73 Secretary to the General Manager	1.00	1.00	1.00	1.00	1.00
Total General Management Administration	4.00	5.00	3.00	5.00	5.00
150 Assistant General Manager Administration					
114 Assistant General Manager	1.00	-	-	-	-
Total Asst. General Management Administration	1.00	-	-	-	-
120 Board Services (formerly division 151)					
84 Clerk of the Board	1.00	1.00	1.00	1.00	1.00
72 Associate Clerk of the Board II	1.00	1.00	1.00	-	-
67 Administrative Assistant	-	-	-	1.00	1.00
56 Program Assistant	-	-	-	1.00	1.00
Total Board Services	2.00	2.00	2.00	3.00	3.00
140 Public Affairs (formerly division 152)					
90 Public Affairs Manager	1.00	1.00	1.00	1.00	1.00
84 Principal Public Information Specialist	2.00	2.00	2.00	2.00	2.00
76 Senior Public Information Specialist	1.00	1.00	1.00	1.00	1.00
70 Public Information Specialist	1.00	1.00	1.00	-	-
67 Administrative Assistant	1.00	1.00	1.00	1.00	1.00
56 Program Assistant	-	-	-	1.00	1.00
50 Office Assistant	2.00	2.00	2.00	-	-
Total Public Affairs	8.00	8.00	8.00	6.00	6.00
Total Office of the General Manager	15.00	15.00	13.00	14.00	14.00
Human Resources Department					
160 Human Resources (formerly part of division 240)					
109 Director of Human Resources	-	-	1.00	1.00	1.00
100 Management Discretion	-	-	3.00	-	-
96 Human Resources & Employee Relations Manager	-	-	-	1.00	1.00
90 Human Resources Supervisor	-	-	1.00	-	-
84 Principal Human Resources Analyst	-	-	1.00	1.00	1.00
76 Senior Human Resources Analyst	-	-	6.00	5.00	5.00
75 CMMS Technician II	-	-	1.00	-	-
72 Associate Engineer I	-	-	1.00	-	-
70 Human Resources Analyst	-	-	3.00	5.00	5.00
69 Executive Assistant	-	-	-	1.00	1.00
67 Human Resources Assistant	-	-	2.00	1.00	1.00
56 Program Assistant	-	-	1.00	1.00	1.00
Total Human Resources	-	-	20.00	16.00	16.00
Total Human Resources Department	-	-	20.00	16.00	16.00
Administrative Services Department					
210 Administrative Services					
109 Director of Finance & Administrative Services / Treasurer	1.00	1.00	1.00	1.00	1.00
84 Engineer	-	1.00	-	-	-
84 Principal Financial Analyst	1.00	1.00	1.00	-	1.00
84 Principal Staff Analyst	-	1.00	1.00	-	-
80 Principal Environmental Specialist	-	-	1.00	-	-
76 Senior Financial Analyst	-	-	-	1.00	-
69 Executive Assistant	1.00	1.00	1.00	1.00	1.00
Total Finance Administration	3.00	5.00	5.00	3.00	3.00

Historical Staffing Detail

Division & Position	Authorized FTEs	Approved FTEs	Approved FTEs	Proposed FTEs	Proposed FTEs
	2009-10	2010-11	2011-12	2012-13	2012-13
220 Financial Management					
96 Controller	1.00	1.00	1.00	1.00	1.00
91 Accounting Manager	2.00	1.00	1.00	-	-
86 Accounting Supervisor	1.00	2.00	2.00	3.00	3.00
84 Principal Accountant	3.00	3.00	3.00	3.00	3.00
84 Principal Financial Analyst	1.00	1.00	-	-	-
76 Senior Accountant	1.00	1.00	1.00	1.00	1.00
70 Accountant/Staff Analyst	2.00	2.00	2.00	4.00	4.00
67 Contracts/Purchasing Assistant	1.00	-	-	-	-
67 Payroll Technician	2.00	2.00	2.00	2.00	2.00
58 Accounting Assistant II	5.00	5.00	5.00	4.00	4.00
Total Financial Management	19.00	18.00	17.00	18.00	18.00
230 Contracts, Purchasing & Materials Management					
94 Contracts & Purchasing Manager	1.00	1.00	1.00	1.00	1.00
90 Contracts Supervisor	1.00	1.00	1.00	1.00	1.00
86 Purchasing Supervisor	1.00	1.00	1.00	1.00	1.00
86 Principal Contracts Administrator	2.00	2.00	2.00	2.00	2.00
83 Materials Control Supervisor	1.00	1.00	-	-	-
82 Senior Contracts Administrator	2.75	2.75	2.75	2.75	2.75
80 Planner/Scheduler	-	-	1.00	-	-
76 Contracts Administrator	3.00	3.00	3.00	3.00	3.00
76 Senior Buyer	2.00	2.00	2.00	2.00	2.00
70 Buyer	2.00	2.00	2.00	2.00	2.00
67 Contracts/Purchasing Assistant	4.00	4.00	5.00	5.00	5.00
62 Lead Storekeeper	3.00	3.00	2.00	2.00	2.00
58 Senior Storekeeper	3.00	3.00	4.00	3.00	3.00
52 Storekeeper	3.00	3.00	4.00	5.00	5.00
Total Contracts, Purchasing & Materials Management	28.75	28.75	30.75	29.75	29.75
240 Human Resources (formerly division 510,520,540,550)					
96 Human Resources & Employee Relations Manager	1.00	1.00	-	-	-
87 Human Resources Supervisor	2.00	2.00	-	-	-
86 Safety & Health Supervisor	-	1.00	-	-	-
84 Principal Human Resources Analyst	1.00	1.00	-	-	-
82 Safety & Health Specialist	-	3.00	-	-	-
80 Security & Emergency Planning Specialist	-	1.00	-	-	-
76 Senior Human Resources Analyst	5.00	6.00	-	-	-
70 Human Resources Analyst	3.00	3.00	-	-	-
70 Safety & Health Representative	-	2.00	-	-	-
67 Human Resources Assistant	3.00	5.00	-	-	-
56 Program Assistant	1.00	1.00	-	-	-
0 Interns for agency	1.00	1.00	-	-	-
Total Human Resources	17.00	27.00	-	-	-

2012-13 & 2013-14 Budget

Division & Position	Authorized FTEs 2009-10	Approved FTEs 2010-11	Approved FTEs 2011-12	Proposed FTEs 2012-13	Proposed FTEs 2012-13
250 Information Technology (formerly divisions 910, 920, 930, and 940)					
96 Information Technology Systems & Operations Manager	1.00	1.00	1.00	1.00	1.00
92 Information Technology Manager	2.00	2.00	2.00	2.00	2.00
87 Information Technology Supervisor	-	-	1.00	1.00	1.00
87 Principal Information Technology Analyst	6.00	6.00	6.00	6.00	6.00
83 Senior Information Technology Analyst	9.00	10.00	10.00	10.00	10.00
79 Information Technology Analyst III	4.00	4.00	2.00	3.00	3.00
76 Engineering Associate	-	-	1.00	1.00	1.00
76 Records Management Specialist	1.00	1.00	1.00	1.00	1.00
75 CMMS Technician II	-	-	5.00	-	-
75 Data Management Specialist Technician II	-	-	-	7.00	7.00
75 Information Technology Analyst II	3.00	3.00	3.00	5.00	5.00
74 Engineering Data Management Technician II	-	-	3.00	-	-
71 CMMS Technician I	-	-	1.00	-	-
71 Data Management Specialist Technician I	-	-	-	6.00	6.00
71 Information Technology Analyst I	2.00	2.00	2.00	-	-
70 Engineering Assistant II	-	-	1.00	-	-
70 Staff Analyst	1.00	1.00	1.00	1.00	1.00
67 Administrative Assistant	1.00	1.00	1.00	1.00	1.00
66 Engineering Assistant I	-	-	1.00	-	-
65 Information Technology Technician II	2.00	2.00	2.00	1.00	1.00
61 Information Technology Technician I	-	-	-	1.00	1.00
56 Program Assistant	-	-	1.00	1.00	1.00
Total Information Technology	32.00	33.00	45.00	48.00	48.00
260 Risk Management (formerly part of division 240)					
94 Risk Manager	-	-	1.00	1.00	1.00
86 Safety & Health Supervisor	-	-	1.00	1.00	1.00
84 Principal Financial Analyst	-	-	1.00	1.00	1.00
82 Safety & Health Specialist	-	-	2.00	2.00	2.00
80 Security & Emergency Planning Specialist	-	-	1.00	1.00	1.00
79 Information Technology Analyst III	-	-	1.00	-	-
76 Occupational Health Nurse	-	-	1.00	1.00	1.00
76 Senior Safety & Health Representative	-	-	1.00	1.00	1.00
70 Safety & Health Representative	-	-	3.00	3.00	3.00
67 Administrative Assistant	-	-	1.00	1.00	1.00
Total Human Resources	-	-	13.00	12.00	12.00
153 Safety & Health					
90 Safety & Health Manager	1.00	-	-	-	-
86 Safety & Health Supervisor	1.00	-	-	-	-
82 Safety & Health Specialist	3.00	-	-	-	-
80 Security & Emergency Planning Specialist	1.00	-	-	-	-
70 Safety & Health Representative	2.00	-	-	-	-
67 Human Resources Assistant	1.00	-	-	-	-
Total Safety & Health	9.00	-	-	-	-
Total Administrative Services Department	108.75	111.75	110.75	110.75	110.75

Historical Staffing Detail

Division & Position	Authorized FTEs	Approved FTEs	Approved FTEs	Proposed FTEs	Proposed FTEs
	2009-10	2010-11	2011-12	2012-13	2012-13
Facilities Support Services Department					
310 Facilities Support Services Administration					
108 Director of Facilities Support	-	-	1.00	1.00	1.00
84 Principal Financial Analyst	-	-	1.00	1.00	1.00
69 Executive Assistant	-	-	1.00	1.00	1.00
0 Intern	-	-	0.75	-	-
Total Facilities Support Services Administration	-	-	3.75	3.00	3.00
320 Equipment / Rebuild					
91 Facilities Manager	-	-	1.00	1.00	1.00
82 Maintenance Supervisor	-	-	2.00	2.00	2.00
76 Senior Public Information Specialist	-	-	-	1.00	1.00
71 Lead Mechanic	-	-	1.00	1.00	1.00
68 Machinist	-	-	1.00	1.00	1.00
67 Automotive/ Heavy Equipment Technician	-	-	3.00	3.00	3.00
67 Equipment Operator	-	-	2.00	2.00	2.00
67 Senior Mechanic	-	-	3.00	3.00	3.00
67 Welder/Fabricator	-	-	3.00	3.00	3.00
53 Automotive/ Heavy Equipment Assistant	-	-	1.00	1.00	1.00
50 Office Assistant	-	-	1.00	1.00	1.00
Total Equipment / Rebuild	-	-	18.00	19.00	19.00
330 Facilities Engineering (formerly division 770)					
96 Engineering Manager	-	-	1.00	1.00	1.00
92 Engineering Supervisor	-	-	1.00	1.00	1.00
88 Senior Engineer	-	-	1.00	1.00	1.00
84 Engineer	-	-	2.00	2.00	2.00
83 Materials Control Supervisor	-	-	1.00	1.00	1.00
80 Associate Engineer	-	-	-	1.00	1.00
80 Maintenance Specialist	-	-	4.00	4.00	4.00
80 Senior Engineering Associate	-	-	1.00	-	-
76 Engineering Associate	-	-	1.00	1.00	1.00
67 Administrative Assistant	-	-	1.00	1.00	1.00
Total Facilities Engineering	-	-	13.00	13.00	13.00
340 Collection Facilities					
96 Source Control Manager	-	-	1.00	-	-
92 Engineering Supervisor	-	-	3.00	3.00	3.00
82 Maintenance Supervisor	-	-	2.00	1.00	1.00
80 Associate Engineer	-	-	-	1.00	1.00
80 Associate Engineer III	-	-	1.00	-	-
80 Principal Environmental Specialist	-	-	1.00	1.00	1.00
76 Senior Environmental Specialist	-	-	3.00	3.00	3.00
73 Source Control Inspector II	-	-	9.00	9.00	9.00
71 Lead Mechanic	-	-	5.00	5.00	5.00
67 Administrative Assistant	-	-	1.00	1.00	1.00
67 Senior Mechanic	-	-	9.00	9.00	9.00
66 Engineering Assistant I	-	-	1.50	1.00	1.00
61 Environmental Technician	-	-	4.00	4.00	4.00
61 Mechanic	-	-	8.00	8.00	8.00
0 Intern	-	-	0.50	-	-
Total Collection Facilities	-	-	49.00	46.00	46.00
Total Facilities Support Services Department	-	-	83.75	81.00	81.00

2012-13 & 2013-14 Budget

Division & Position	Authorized FTEs 2009-10	Approved FTEs 2010-11	Approved FTEs 2011-12	Proposed FTEs 2012-13	Proposed FTEs 2012-13
Technical Services Department					
610 Technical Services Administration					
108 Director of Technical Services	1.00	1.00	-	-	-
88 Senior Engineer	1.00	1.00	-	-	-
80 Associate Engineer III	1.00	1.00	-	-	-
69 Executive Assistant	1.00	1.00	-	-	-
Total Technical Services Administration	4.00	4.00	-	-	-
620 Environmental Compliance & Regulatory Affairs					
95 Environmental Assessment Manager	1.00	1.00	-	-	-
90 Environmental Supervisor	2.00	1.00	-	-	-
88 Senior Engineer	1.00	-	-	-	-
86 Senior Scientist	1.00	1.00	-	-	-
84 Engineer	1.00	-	-	-	-
82 Regulatory Specialist	2.00	2.00	-	-	-
80 Associate Engineer III	1.00	1.00	-	-	-
80 Principal Environmental Specialist	1.50	1.50	-	-	-
77 Principal Laboratory Analyst	-	1.00	-	-	-
76 Senior Environmental Specialist	3.50	3.50	-	-	-
67 Administrative Assistant	1.00	1.00	-	-	-
56 Program Assistant	-	1.00	-	-	-
0 Intern	1.00	1.00	-	-	-
Total Environmental Compliance	16.00	15.00	-	-	-
630 Environmental Laboratory and Ocean Monitoring					
94 Laboratory Manager	1.00	1.00	-	-	-
90 Environmental Supervisor	1.00	1.00	-	-	-
90 Laboratory Section Supervisor	3.00	3.00	-	-	-
86 LIMS Administrator	1.00	-	-	-	-
86 Senior Scientist	3.00	3.00	-	-	-
82 Scientist	2.00	2.00	-	-	-
80 Principal Environmental Specialist	2.00	2.00	-	-	-
77 Principal Laboratory Analyst	8.00	7.00	-	-	-
76 Senior Environmental Specialist	5.00	6.00	-	-	-
73 Senior Laboratory Analyst	11.00	10.00	-	-	-
72 Environmental Specialist	1.00	1.00	-	-	-
69 Laboratory Analyst	4.00	3.00	-	-	-
67 Administrative Assistant	1.00	1.00	-	-	-
57 Laboratory Assistant	3.00	3.00	-	-	-
0 Intern	0.50	0.50	-	-	-
Total Environmental Laboratory and Ocean Monitoring	46.50	43.50	-	-	-

Historical Staffing Detail

Division & Position	Authorized FTEs	Approved FTEs	Approved FTEs	Proposed FTEs	Proposed FTEs
	2009-10	2010-11	2011-12	2012-13	2012-13
640 Source Control					
96 Source Control Manager	1.00	1.00	-	-	-
92 Engineering Supervisor	2.00	3.00	-	-	-
88 Senior Engineer	-	1.00	-	-	-
86 Senior Regulatory Specialist	1.00	1.00	-	-	-
84 Engineer	6.00	6.00	-	-	-
82 Regulatory Specialist	1.00	-	-	-	-
82 Source Control Supervisor	1.00	1.00	-	-	-
80 Associate Engineer III	3.00	3.00	-	-	-
80 Principal Environmental Specialist	2.00	2.00	-	-	-
76 Senior Environmental Specialist	2.00	2.00	-	-	-
73 Source Control Inspector II	11.00	11.00	-	-	-
67 Administrative Assistant	1.00	1.00	-	-	-
61 Environmental Technician	3.00	3.00	-	-	-
56 Program Assistant	4.00	4.00	-	-	-
50 Office Assistant	1.00	1.00	-	-	-
Total Source Control	39.00	40.00	-	-	-
Total Technical Services Department	105.50	102.50	-	-	-
Engineering Department					
710 Engineering Administration					
114 Assistant General Manager	-	-	1.00	1.00	1.00
110 Director of Engineering	1.00	1.00	-	-	-
69 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
740 Planning					
96 Engineering Manager	1.00	1.00	1.00	1.00	1.00
92 Engineering Supervisor	2.00	1.00	1.00	1.00	1.00
88 Senior Engineer	2.00	1.00	4.00	5.00	5.00
84 Engineer	1.00	1.00	1.00	3.00	3.00
84 Principal Staff Analyst	1.00	1.00	-	-	-
84 Utilities Management Specialist	-	-	-	1.00	1.00
80 Associate Engineer	-	-	-	1.00	1.00
80 Associate Engineer III	-	-	1.00	-	-
80 Senior Engineering Associate	1.00	1.00	1.00	1.00	1.00
76 Assistant Engineer	-	-	-	1.00	1.00
76 Associate Engineer II	-	-	1.00	-	-
76 Engineering Associate	2.00	1.00	1.00	-	-
74 Engineering Data Management Technician II	2.00	-	-	-	-
72 Associate Engineer I	1.00	1.00	-	-	-
70 Engineering Assistant II	1.00	-	-	-	-
67 Administrative Assistant	1.00	1.00	1.00	1.00	1.00
66 Engineering Assistant I	2.00	-	-	-	-
Total Planning	17.00	9.00	12.00	15.00	15.00

2012-13 & 2013-14 Budget

Division & Position	Authorized FTEs 2009-10	Approved FTEs 2010-11	Approved FTEs 2011-12	Proposed FTEs 2012-13	Proposed FTEs 2012-13
750 Project Management Office					
96 Engineering Manager	1.00	1.00	1.00	1.00	1.00
92 Engineering Supervisor	1.00	-	-	-	-
92 CIP Project Management Supervisor	1.00	1.00	1.00	1.00	1.00
90 Program Controls Supervisor	-	1.00	1.00	-	-
88 Capital Improvement Program Project Manager	6.00	5.00	5.00	7.00	7.00
88 Senior Engineer	1.00	1.00	1.00	1.00	1.00
87 Principal Project Controls Analyst	1.00	1.00	1.00	1.00	1.00
84 Principal Engineering Data Management Specialist	1.00	1.00	-	-	-
84 Principal Staff Analyst	2.00	1.00	2.00	2.00	2.00
80 Cost Estimator	1.00	1.00	1.00	1.00	1.00
80 Planner/Scheduler	1.00	1.00	1.00	1.00	1.00
76 Senior Staff Analyst	-	1.00	1.00	1.00	1.00
70 Engineering Assistant II	1.00	1.00	1.00	1.00	1.00
67 Administrative Assistant	1.00	1.00	-	1.00	1.00
50 Office Assistant	1.00	1.00	1.00	1.00	1.00
Total Project Management Office	19.00	18.00	17.00	19.00	19.00
760 Engineering & Construction					
96 Engineering Manager	1.00	1.00	1.00	1.00	1.00
92 Engineering Supervisor	4.00	3.00	3.00	3.00	3.00
88 Senior Construction Inspection Supervisor	1.00	1.00	1.00	1.00	1.00
88 Senior Engineer	8.00	8.00	8.00	8.00	8.00
84 Construction Inspection Supervisor	2.00	2.00	2.00	1.00	1.00
84 Engineer	10.00	13.00	15.00	14.00	14.00
80 Associate Engineer	-	-	-	3.00	3.00
80 Associate Engineer III	4.00	3.00	2.00	-	-
80 Senior Engineering Associate	1.00	1.00	1.00	1.00	1.00
78 Senior Construction Inspector	7.00	7.00	7.00	7.00	7.00
76 Assistant Engineer	-	-	-	1.00	1.00
76 Associate Engineer II	-	1.00	1.00	-	-
76 Senior Staff Analyst	1.00	-	-	1.00	1.00
74 Construction Inspector	10.00	10.00	9.00	9.00	9.00
72 Associate Engineer I	1.00	-	1.00	-	-
70 Engineering Assistant II	2.00	2.00	2.00	3.00	3.00
70 Public Information Specialist	1.00	1.00	1.00	-	-
70 Staff Analyst	-	-	-	1.00	1.00
67 Administrative Assistant	3.00	3.00	3.00	2.00	2.00
66 Engineering Assistant I	1.00	1.00	1.00	1.00	1.00
0 Intern	0.50	0.50	0.50	-	-
Total Engineering & Construction	57.50	57.50	58.50	57.00	57.00
770 Facilities Engineering					
96 Engineering Manager	1.00	1.00	-	-	-
92 Engineering Supervisor	1.00	1.00	-	-	-
88 Senior Engineer	-	1.00	-	-	-
84 Engineer	5.00	3.00	-	-	-
76 Associate Engineer II	1.00	1.00	-	-	-
76 Engineering Associate	1.00	1.00	-	-	-
67 Administrative Assistant	1.00	1.00	-	-	-
Total Facilities Engineering	10.00	9.00	-	-	-

Historical Staffing Detail

Division & Position	Authorized FTEs	Approved FTEs	Approved FTEs	Proposed FTEs	Proposed FTEs
	2009-10	2010-11	2011-12	2012-13	2012-13
780 Asset Management					
96 Engineering Manager	-	1.00	1.00	-	-
92 Engineering Supervisor	-	2.00	-	-	-
88 Senior Engineer	-	4.00	3.00	-	-
87 Principal Information Technology Analyst	-	2.00	-	-	-
84 Engineer	-	3.00	1.00	-	-
84 Utilities Management Specialist	-	1.00	1.00	-	-
83 Senior Information Technology Analyst	-	3.00	-	-	-
79 Information Technology Analyst III	-	2.00	-	-	-
76 Engineering Associate	-	1.00	-	-	-
75 Information Technology Analyst II	-	1.00	-	-	-
74 Engineering Data Management Technician II	-	2.00	-	-	-
72 Associate Engineer I	-	1.00	-	-	-
70 Engineering Assistant II	-	1.00	-	-	-
66 Engineering Assistant I	-	1.00	-	-	-
Total Asset Management	-	25.00	6.00	-	-
790 Environmental Compliance					
95 Environmental Assessment Manager	-	-	1.00	1.00	1.00
92 Engineering Supervisor	-	-	2.00	2.00	2.00
90 Environmental Supervisor	-	-	1.00	1.00	1.00
86 Senior Scientist	-	-	1.00	1.00	1.00
84 Engineer	-	-	6.00	6.00	6.00
82 Regulatory Specialist	-	-	2.00	2.00	2.00
80 Associate Engineer	-	-	-	4.00	4.00
80 Associate Engineer III	-	-	4.00	-	-
80 Principal Environmental Specialist	-	-	2.50	3.50	3.50
77 Principal Laboratory Analyst	-	-	1.00	1.00	1.00
76 Senior Environmental Specialist	-	-	4.50	4.50	4.50
67 Administrative Assistant	-	-	2.00	1.00	1.00
56 Program Assistant	-	-	4.00	4.00	4.00
50 Office Assistant	-	-	1.00	1.00	1.00
0 Intern	-	-	1.00	-	-
Total Environmental Compliance	-	-	33.00	32.00	32.00
Total Engineering Department	105.50	120.50	128.50	125.00	125.00
Operations & Maintenance Department					
810 Operations & Maintenance Administration					
108 Director of Operations & Maintenance	1.00	1.00	1.00	1.00	1.00
84 Principal Financial Analyst	-	1.00	-	1.00	-
76 Senior Financial Analyst	-	-	-	-	1.00
69 Executive Assistant	1.00	1.00	1.00	1.00	1.00
0 Intern	-	-	0.75	-	-
Total Operations & Maintenance Administration	2.00	3.00	2.75	3.00	3.00

2012-13 & 2013-14 Budget

Division & Position	Authorized	Approved	Approved	Proposed	Proposed
	FTEs	FTEs	FTEs	FTEs	FTEs
	2009-10	2010-11	2011-12	2012-13	2012-13
820 Odor & Corrosion Control					
96 Engineering Manager	1.00	1.00	-	-	-
88 Senior Engineer	3.00	2.00	-	-	-
84 Principal Financial Analyst	1.00	-	-	-	-
82 Regulatory Specialist	1.00	-	-	-	-
82 Scientist	1.00	-	-	-	-
80 Associate Engineer III	2.00	1.00	-	-	-
76 Associate Engineer II	1.00	-	-	-	-
76 Senior Environmental Specialist	3.00	3.00	-	-	-
66 Engineering Assistant I	-	1.00	-	-	-
61 Environmental Technician	1.00	1.00	-	-	-
0 Intern	0.50	0.50	-	-	-
Total Odor & Corrosion Control	14.50	9.50	-	-	-
830 Plant No. 1 Operations					
92 Operations Manager	1.00	1.00	1.00	1.00	1.00
88 Chief Plant Operator	1.00	1.00	1.00	1.00	1.00
88 Senior Engineer	-	1.00	2.00	2.00	2.00
84 Engineer	-	1.00	2.00	2.00	2.00
84 Operations Supervisor	7.00	7.00	7.00	6.00	6.00
82 Scientist	-	1.00	1.00	1.00	1.00
76 Assistant Engineer	-	-	-	2.00	2.00
76 Associate Engineer II	-	1.00	1.00	-	-
76 Senior Environmental Specialist	-	-	1.00	1.00	1.00
75 Lead Plant Operator	5.00	5.00	5.00	5.00	5.00
71 Senior Plant Operator	15.00	15.00	15.00	15.00	15.00
67 Administrative Assistant	0.75	0.75	0.75	-	-
66 Plant Operator	13.00	13.00	14.00	15.00	15.00
58 Control Center Technician	3.00	3.00	2.00	2.00	2.00
56 Program Asst. (.75)	-	-	-	1.00	1.00
Total Plant No. 1 Operations	45.75	49.75	52.75	54.00	54.00
840 Plant No. 2 Operations					
88 Chief Plant Operator	1.00	1.00	1.00	1.00	1.00
84 Operations Supervisor	7.00	7.00	7.00	6.00	6.00
75 Lead Plant Operator	5.00	5.00	5.00	5.00	5.00
71 Senior Plant Operator	13.00	12.00	12.00	14.00	14.00
67 Administrative Assistant	1.00	1.00	1.00	1.00	1.00
67 Equipment Operator	1.00	-	-	-	-
66 Plant Operator	19.00	20.00	20.00	19.00	19.00
58 Control Center Technician	1.00	1.00	1.00	1.00	1.00
Total Plant No. 2 Operations	48.00	47.00	47.00	47.00	47.00

Historical Staffing Detail

Division & Position	Authorized FTEs	Approved FTEs	Approved FTEs	Proposed FTEs	Proposed FTEs
	2009-10	2010-11	2011-12	2012-13	2012-13
850 Building, Grounds, and Mechanical Maintenance					
92 Maintenance Manager	1.00	1.00	1.00	1.00	1.00
84 Utilities Management Specialist	1.00	-	-	-	-
82 Maintenance Supervisor	6.00	6.00	6.00	6.00	6.00
80 Associate Engineer	-	-	-	1.00	1.00
80 Associate Engineer III	1.00	1.00	1.00	-	-
80 Maintenance Specialist	-	-	4.00	4.00	4.00
76 Senior Public Information Specialist	1.00	1.00	1.00	-	-
75 Reliability Maintenance Technician	2.00	2.00	2.00	4.00	4.00
71 Lead Mechanic	5.00	5.00	5.00	4.00	4.00
68 Machinist	1.00	1.00	-	-	-
67 Administrative Assistant	1.00	1.00	1.00	1.00	1.00
67 Senior Mechanic	33.00	33.00	30.00	30.00	30.00
67 Welder/Fabricator	3.00	3.00	-	-	-
66 Lead Facilities Worker	-	-	2.00	1.00	1.00
62 Facilities Worker/Builder	-	-	3.00	3.00	3.00
62 Facilities Worker/Painter	-	-	2.00	2.00	2.00
61 Mechanic	2.00	2.00	2.00	2.00	2.00
60 Maintenance Worker	2.00	2.00	2.00	2.00	2.00
Total Building, Grounds, and Mechanical Maintenance	59.00	58.00	62.00	61.00	61.00
860 Instrumentation & Electrical Maintenance					
96 Engineering Manager	-	1.00	1.00	1.00	1.00
96 Process Controls Manager	1.00	-	-	-	-
92 Engineering Supervisor	2.00	1.00	1.00	1.00	1.00
88 Senior Engineer	2.00	-	2.00	3.00	3.00
87 Principal Information Technology Analyst	2.00	-	2.00	1.00	1.00
84 Engineer	2.00	-	2.00	2.00	2.00
83 Senior Information Technology Analyst	3.00	-	3.00	3.00	3.00
82 Maintenance Supervisor	5.00	5.00	5.00	5.00	5.00
79 Information Technology Analyst III	2.00	-	2.00	2.00	2.00
75 Information Technology Analyst II	1.00	-	1.00	1.00	1.00
75 Lead Electrical Technician	4.00	4.00	4.00	5.00	5.00
75 Lead Instrumentation Technician	3.00	3.00	3.00	3.00	3.00
75 Lead Power Plant Operator	1.00	1.00	1.00	1.00	1.00
71 Electrical Technician II	14.00	14.00	14.00	14.00	14.00
71 Instrumentation Technician II	19.00	19.00	18.00	18.00	18.00
71 Power Plant Operator II	9.00	9.00	9.00	8.00	8.00
67 Administrative Assistant	1.00	1.00	1.00	1.00	1.00
66 Power Plant Operator I	1.00	1.00	1.00	1.00	1.00
65 Electrical Technician I	1.00	1.00	1.00	1.00	1.00
65 Instrumentation Technician I	1.00	1.00	1.00	1.00	1.00
60 Maintenance Worker	2.00	2.00	3.00	3.00	3.00
Total Instrumentation & Electrical Maintenance	76.00	63.00	75.00	75.00	75.00

2012-13 & 2013-14 Budget

Division & Position	Authorized FTEs 2009-10	Approved FTEs 2010-11	Approved FTEs 2011-12	Proposed FTEs 2012-13	Proposed FTEs 2012-13
870 Collection Facilities Operations & Maintenance (formerly division 420)					
96 Engineering Manager	1.00	-	-	-	-
92 Engineering Supervisor	-	1.00	-	-	-
82 Maintenance Supervisor	2.00	2.00	-	-	-
80 Senior Engineering Associate	1.00	1.00	-	-	-
71 Lead Mechanic	5.00	5.00	-	-	-
67 Administrative Assistant	1.00	-	-	-	-
67 Senior Mechanic	9.00	9.00	-	-	-
61 Mechanic	8.00	8.00	-	-	-
Total Collection Facilities Operations & Maintenance	27.00	26.00	-	-	-
880 Facilities Maintenance & Fleet Services (formerly division 430)					
91 Facilities Manager	1.00	1.00	-	-	-
82 Maintenance Supervisor	4.00	4.00	-	-	-
80 Maintenance Specialist	7.00	6.00	-	-	-
75 CMMS Technician II	6.00	7.00	-	-	-
71 CMMS Technician I	-	1.00	-	-	-
71 Lead Mechanic	1.00	1.00	-	-	-
67 Administrative Assistant	-	1.00	-	-	-
67 Automotive/ Heavy Equipment Technician	3.00	3.00	-	-	-
67 Equipment Operator	2.00	2.00	-	-	-
66 Engineering Assistant I	1.00	-	-	-	-
66 Lead Facilities Worker	2.00	2.00	-	-	-
62 Facilities Worker/Builder	3.00	3.00	-	-	-
62 Facilities Worker/Painter	2.00	2.00	-	-	-
53 Automotive/ Heavy Equipment Assistant	1.00	1.00	-	-	-
50 Office Assistant	1.00	1.00	-	-	-
Total Facilities Maintenance & Fleet Services	34.00	35.00	-	-	-
890 Environmental Laboratory and Ocean Monitoring (formerly division 630)					
94 Environmental Lab & Ocean Monitoring Manager	-	-	1.00	1.00	1.00
90 Environmental Supervisor	-	-	1.00	1.00	1.00
90 Laboratory Section Supervisor	-	-	2.00	2.00	2.00
86 Senior Scientist	-	-	3.00	4.00	4.00
82 Scientist	-	-	1.00	1.00	1.00
80 Principal Environmental Specialist	-	-	3.00	3.00	3.00
77 Principal Laboratory Analyst	-	-	7.00	6.00	6.00
76 Senior Environmental Specialist	-	-	6.00	5.00	5.00
75 Boat Captain	-	-	-	1.00	1.00
73 Senior Laboratory Analyst	-	-	10.00	11.00	11.00
69 Laboratory Analyst	-	-	3.00	2.00	2.00
67 Administrative Assistant	-	-	1.00	1.00	1.00
57 Laboratory Assistant	-	-	3.00	3.00	3.00
0 Intern	-	-	0.50	-	-
Total Environmental Laboratory and Ocean Monitoring	-	-	41.50	41.00	41.00
Total Operations & Maintenance Department	306.25	291.25	281.00	281.00	281.00
Grand Total, All Departments	641.00	641.00	637.00	627.75	627.75

Appropriations Limit

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 2012-13 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 2012-13. The decrease in the limit is based upon population changes ranging from 0.70% to 1.50% for major cities within the District as provided by the State Department of Finance and a per capita personal income change of 3.77% as provided by the State Department of Finance.

Annual Appropriation Limits:	
2010-11	\$79,329,000
2011-12	\$81,888,000
2012-13	\$85,835,000

Proceeds of Taxes (Appropriations)	
2012-13	\$21,873,000

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.

2012-13 & 2013-14 Budget

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.

Budget Glossary

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.

2012-13 & 2013-14 Budget

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.

Budget Glossary

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).

2012-13 & 2013-14 Budget

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

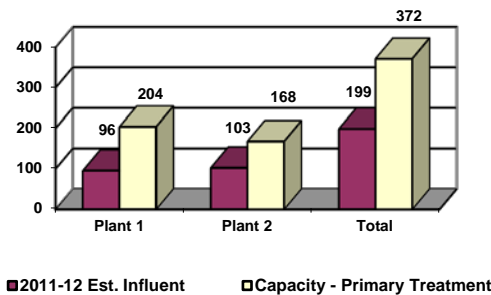
General Information

Year of Formation 1948
 Form of Government..... County Sanitation District
 Authority..... Section 4700 et. seq.
California Health & Safety Code
 Service Area..... 479 sq. miles
 Service Population Approximately 2.5 million
 2010-11 Assessed Value..... \$304.3 billion

Miles of Sewers..... 572 miles
 On-Plant Pump Station.....2
 Off-Plant Pump Stations15
 Operating Authority.....RWQCB/NPDES Permit No.
CA0110604
Statewide WDR Order No. 2006-0003
 Authorized Staff (Full-Time Equivalent)627.75

Treatment Information

Daily Influent Flow to Total Primary Capacity Comparison (in mgd)



2010-11 Influent BOD:

Plant No. 1 300 milligrams per liter
 Plant No. 2 200 milligrams per liter

2010-11 Influent Suspended Solids:

Plant No. 1 324 milligrams per liter
 Plant No. 2 282 milligrams per liter

2010-11 Effluent BOD..... 29 milligrams per liter

2010-11 Effluent Suspended Solids.. 24 milligrams per liter

2010-11 Biosolids Produced & Reused .. 253,572 wet tons

Primary Treatment Capacity (includes standby):

Plant No. 1 204 mgd
 Plant No. 2 168 mgd
 TOTAL..... 372 mgd

2011-12 Estimated Average Daily Influent:

Plant No. 1 96 mgd
 Plant No. 2 103 mgd
 TOTAL..... 199 mgd

Secondary Treatment Capacity:

Plant No. 1..... 182 mgd
 Plant No. 2..... 150 mgd
 TOTAL..... 332 mgd

2011-12 Estimated Electricity Generated:

Plant No. 1 31,820,000 kwh
 Plant No. 2..... 33,900,000 kwh
 TOTAL..... 65,720,000 kwh

Legend:

mgd – million gallons per day
 kwh – kilowatts per hour

Financial Information

	2010-11 Actual	2011-12 Projected	2012-13 Proposed	2013-14 Proposed
Fees and Charges:				
One-Time 3-Bedroom Residence Connection	\$3,261.00	\$3,341.00	\$3,369.00	\$3,369.00
Average Annual Single-Family Residence Fee	\$244	\$267	\$294	\$306
Local SRF Fee	\$208	\$212	\$216	\$225
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	\$1,816.62	\$1,968.48	\$2,016.31	\$2,051.65

Summary of COP Issues:

August 2000 Refunding / New Money	\$ 196,600,000	May 2010A New Money	\$ 80,000,000
May 2007A Refunding	93,655,000	November 2010C New Money	157,000,000
December 2007B New Money	300,000,000	September 2011A Refunding	147,595,000
May 2008A Refunding	77,165,000	November 2011B Refunding	143,205,000
September 2008B New Money	26,550,000	February 2012A Refunding	100,645,000
April 2009A New Money	191,265,000	Total Outstanding COP Balance 7/1/12	\$ 1,513,680,000

2012-13 & 2013-14 Budget

ORANGE COUNTY SANITATION DISTRICT

Estimated Populations Served by the
Orange County Sanitation District

	Population as of <u>January 1, 2012</u>
Anaheim	343,790
Brea	40,930
Buena Park	81,460
Costa Mesa	110,760
Cypress	48,270
Fountain Valley	55,810
Fullerton	137,480
Garden Grove	172,650
Huntington Beach	192,520
Irvine	223,730
La Habra	60,870
La Palma	15,700
Los Alamitos	11,560
Newport Beach	85,990
Orange	138,010
Placentia	51,080
Santa Ana	327,730
Seal Beach	24,350
Stanton	38,500
Tustin	76,570
Villa Park	5,870
Westminster	90,680
Yorba Linda	<u>65,780</u>
Subtotal City (1)	2,400,090
Estimated Population Served in Unincorporated Areas (2)	<u>72,000</u>
	<u><u>2,472,090</u></u>

Data Sources:

(1) Demographic Research Unit, California Department of Finance.

(2) Center for Demographic Research, California State University, Fullerton.

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ORANGE COUNTY SANITATION DISTRICT
10844 Ellis Avenue
Fountain Valley, California 92708-7018
(714) 962-2411

www.ocsd.com