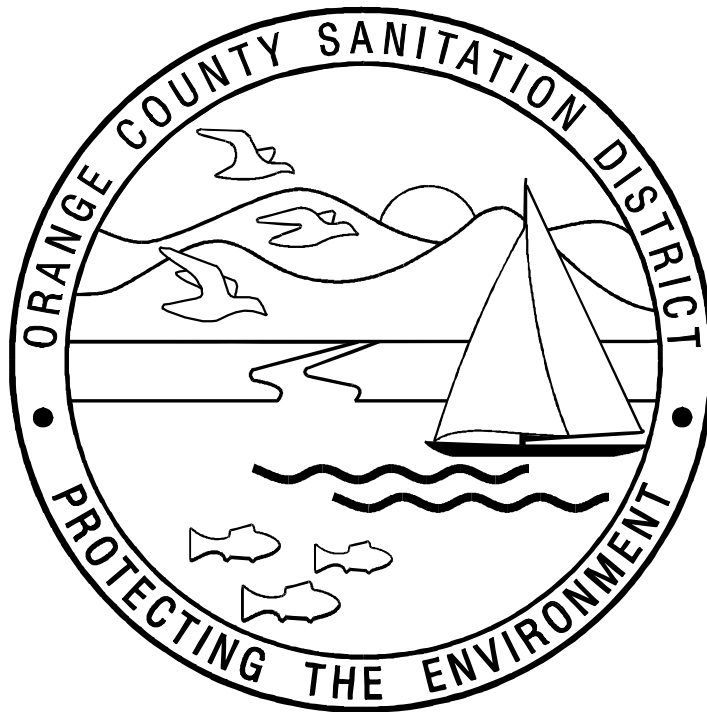


Orange County Sanitation District, California

# **Budget Update**

## **Fiscal Year 2011-12**



### **Mission Statement**

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

# 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 blue ink. The signature on the left is of the President, and the signature on the right is of 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 biennial budget for the fiscal year beginning July 1, 2010.

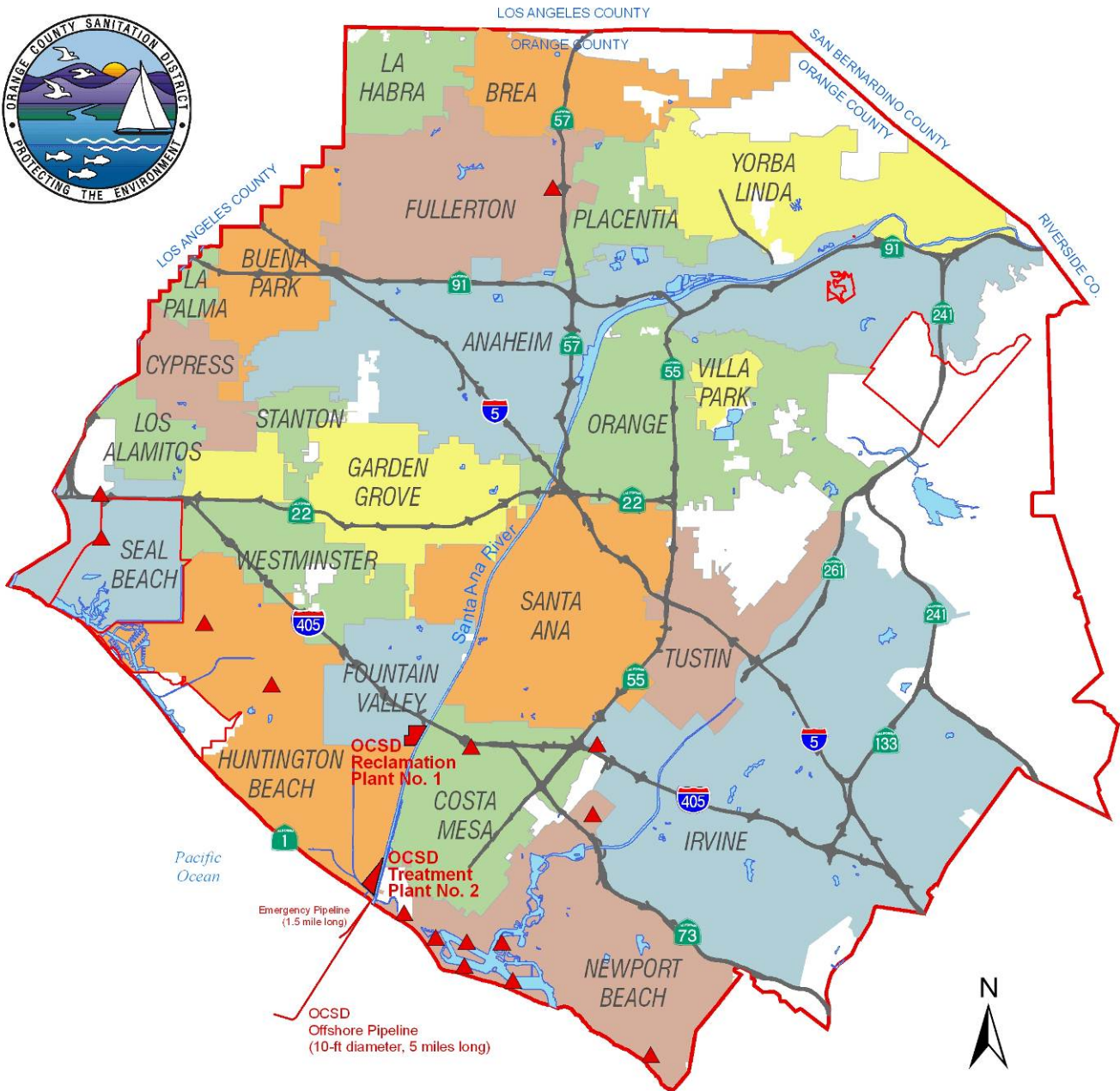
In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

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## Wastewater Treatment Process

## Orange County Sanitation District Service Area and Treatment Plant Locations in Orange County, California



- 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: 02/2011



# OCSD Board of Directors

## Agency/City

## Active Director

|                        |                            |
|------------------------|----------------------------|
| Anaheim .....          | Harry Sidhu                |
| Brea .....             | Roy Moore                  |
| Buena Park .....       | Fred Smith                 |
| Cypress .....          | Prakash Narain             |
| Fountain Valley .....  | Larry Crandall – Chairman  |
| 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 – Vice Chairman |
| Newport Beach .....    | Steven Rosansky            |
| Orange .....           | Jon Dumitru                |
| Placentia.....         | Constance Underhill        |
| 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 |
|--|--------------|

# OCSD Board Committees

## **Steering Committee**

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

## **Administration Committee**

John Anderson, Chair  
Brad Reese, Vice Chair  
Joe Carchio  
Jon Dumitru  
Jeffrey Lalloway  
Prakash Narain  
Janet Nguyen  
Sharon Quirk-Silva  
Sal Tinajero  
Mark Waldman  
John Withers  
Larry Crandall, Board Chair  
Troy Edgar, Board Vice Chair

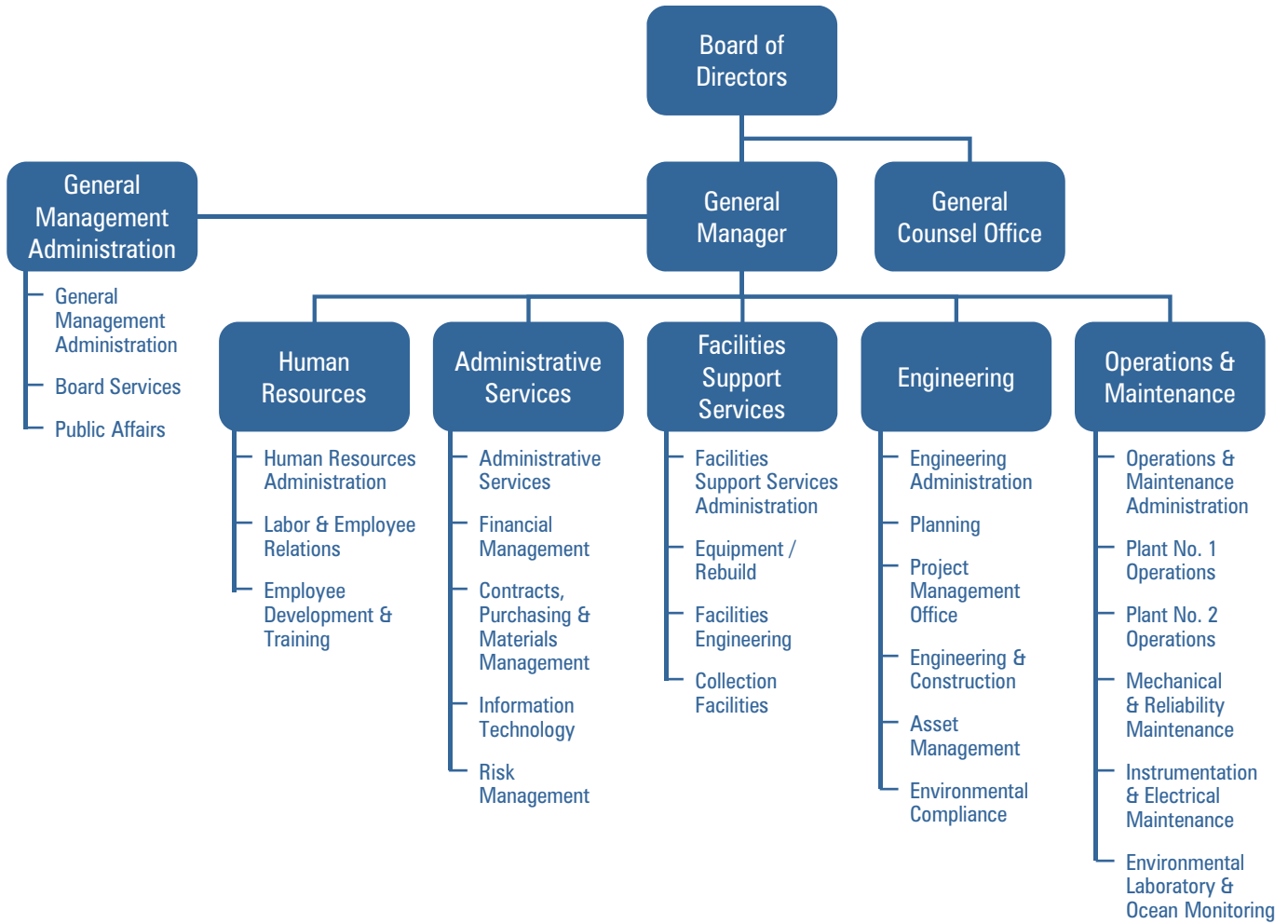
## **Operations Committee**

Tom Beamish, Chair  
John Nielsen, Vice Chair  
Bill Dalton  
James M. Ferryman  
Michael Levitt  
Roy Moore  
Joy L. Neugebauer  
Steven Rosansky  
David Shawver  
Harry Sidhu  
Fred Smith  
Constance Underhill  
Larry Crandall, Board Chair  
Troy Edgar, Board Vice Chair

## **GWR System Joint Cooperative Steering Committee**

Larry Crandall  
James M. Ferryman  
Mark Waldman  
Sharon Quirk-Silva (Alternate 1)  
Tom Beamish (Alternate 2)  
Constance Underhill (Alternate 3)

# Organization Chart



# Administrative Officials

## Management Team

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





# Message from the General Manager

June 2, 2011

Honorable Chair and Board of Directors:

I am pleased to submit this update to the Orange County Sanitation District (OCSD) 2011-12 approved operating budget and capital improvement program. This document provides a framework for District activities during the second year of the adopted two-year budget for Fiscal Years 2010-11 and 2011-12 and serves as a source of information for the District's Board of Directors, and our employees and ratepayers.

This is an important time for the District. During the short two-year timeframe of this budget, we will complete our half-billion dollar upgrade to full secondary treatment ensuring that the water going to the ocean and the Groundwater Replenishment System is of the highest quality.

As we approach the next year, we are focused on how our business is changing and adapting. In preparation, we spent much of the year retooling, refocusing and restructuring OCSD.

In the summer of 2010, we initiated an effort known as the Beyond 2012 Strategic Planning Framework to guide all future planning and more tightly integrate our priorities, strategic planning and budget implementation. Working with the executive team the General Manager solicited input from OCSD's managers then held a workshop with the Board of Directors on October 20, 2010. At this workshop, the Board members discussed and deliberated changes and additions to the plan. The plan was then unanimously approved by the Board.

This effort provided a foundation for our updated Five-Year Strategic Plan. Presented to the Board in December 2010, the plan summarized the District's Mission and Vision statements, Levels of Service, and Business Plan and focused on Full-Cost Recovery to ensure a fair share recovery of costs for services.

As a result of these strategic efforts, this budget adds additional emphasis to certain key areas including:

- **Operations Study**

The Plan of Secondary Treatment (POST) is being developed to provide a road map for optimizing the operation and maintenance of the five secondary treatment processes, considering factors such as regulatory compliance, GWRS requirements, staffing demands, costs, and control of pollutants of emerging concern. In order to gather and refine essential data, we completed workshops with a diverse group of internal stakeholders. The final report should be finalized by early July 2011.

- **Biosolids management**

Staff will aggressively monitor the commissioning of the Enertech facility to ensure it is meeting our needs. We will implement the board-approved OpenCel research project to evaluate its effectiveness in reducing the volume of biosolids produced while increasing gas production, and evaluate other opportunities to ensure long-term, sustainable options are available for managing our biosolids.

- **Sustainable energy production**

Staff will focus on achieving sustainable energy production through the implementation of AQMD-approved engine emission controls, commissioning of our fuel cell demonstration project, completion of an engineering feasibility analysis of alternative energy options, and actions needed to comply with AB 32 greenhouse gas requirements.

- **Chemical Optimization**

As the District spends more than \$15 million annually on chemicals, staff will complete a comprehensive review of our chemical usage and identify opportunities to optimize disinfection, chemical availability, odor control in the treatment plants and collection system, and alternative approaches (such as super oxygenation).

- **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. Staff will be diligent in protecting OCSD interests on our \$72 million dollar construction loan to the County of Orange. Bids should be awarded by the Orange County Board of Supervisors in July 2011.

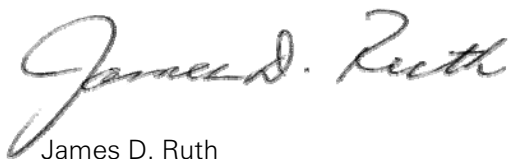
The \$406 million budget (\$155m in operating, \$129m in capital, \$92m in debt service, \$30m in other agency costs) addresses rising treatment and chemical costs, aging infrastructure and increased regulatory requirements. There is a \$1.4 million reduction from the 2011-12 Budget previously approved June 2010.

With our revised organizational focus and support of new initiatives, this budget recognizes our austere times and focuses on the efficient use of our existing resources and improved organization to more fully support our mission and core business of treating sewage.

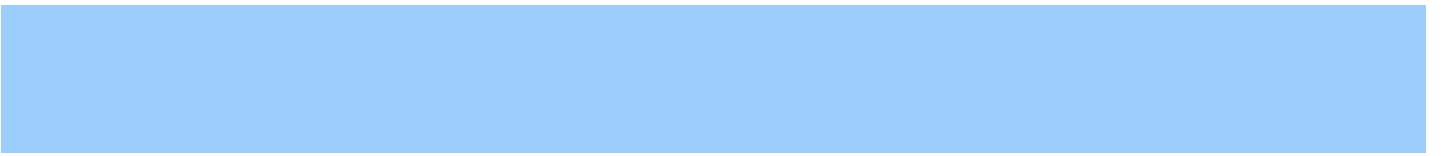
OCSD provides wastewater treatment, sewer and facilities maintenance, ocean monitoring and many other services with residential user fees averaging \$22 per month, one of the lowest rates in the state without any reduction in service levels.

We continue to serve our 2.5 million residents and businesses by processing of 210 million gallons of wastewater each day without adding staff and holding the line on costs. In fact, the proposed staffing level is less than it was five years ago when I first came to the District.

I believe that 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



# **Finance Summary**

# Financial Summary

## Overview & Budgetary Issues

### Budget Overview

The District's proposed 2011-12 operating and capital improvement budget totals \$405.8 million, or 0.4 percent below what was approved last year as the second year of the adopted two-year budget. The decrease in the 2011-12 budget is primarily attributable to reductions in various areas of the operating budget reflecting lower cost increases than previously anticipated.

The budget continues to reflect the agency's ongoing efforts to streamline operations. Staffing levels are proposed to be reduced by four full-time equivalent (FTE) positions or 0.6 percent below the level originally approved while operational service levels increase as secondary treatment facilities continue to come into service to meet full secondary treatment standards by December 2012. This increase in efficiency will be achieved in part due to the major "Beyond 2012" staffing reorganization that was begun in August 2010.

The District's Capital Improvement Program (CIP) budget for Fiscal Year 2011-12 is \$129.2 million. This CIP budget finances collection system, joint works treatment and disposal system improvement projects. The \$6.8 million increase from the originally proposed budget is attributable to the timing of construction cash outlays as we meet our infrastructure needs.

### Financing

The District uses long-term borrowing (Certificates of Participation [COP]) for 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 is analyzed. Debt financing of \$165 million is forecasted over the next six years to assist in the funding of the \$1.9 billion in capital improvements required over the next ten years. New money debt was issued in the amount of \$157 million in 2010-11 and no new debt issuances are scheduled for 2011-12.

### Staffing

Reflecting the organization's commitment to providing service at the lowest costs, the budget includes a reduction of 4 full-time equivalent (FTE) positions in 2011-12 to an authorized staffing level of 637 FTE positions.

This staffing level continues to reflect a significant reduction from the Fiscal Year 1995-96 approved staffing level of 678 FTE positions. Personnel costs will escalate due to increases in group insurance and retirement premiums, as well, as provisions of current bargaining agreements. The District will continue to effectively manage these expenses with approximately 24.1 percent of the budget allocated to employee costs.

### Level of Treatment

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 proposed budget to operate, maintain and manage our sewage collection, treatment and disposal system in 2011-12 is \$154.7 million.

The cost per million gallons of wastewater treated, (an industry-wide performance measurement), is expected to increase in Fiscal Year 2011-12 to \$2,019, a \$26, or 1.3 percent increase over the previous 2011-12 projection of \$1,993 due to lower projected flows, as total operating costs are being proposed at a reduction of \$3.5 million.

To eliminate most bacteria from being released from the ocean outfall, in Fiscal Year 2002-03 the District began using chlorine bleach to disinfect the effluent and then applying sodium bisulfite to remove remaining chlorine prior to releasing the treated wastewater to the ocean.

To protect the animal life living in the ocean, the District continues to take great measures to limit the chlorine residual to essentially non-detectable levels. This mode of disinfection is anticipated to continue for the short-term, possibly two years, while OCSD 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 for additional chemicals in the operating budget. The cost for disinfection is projected to be approximately \$3.6 million in Fiscal Year 2011-12.

## Capital Improvement Program (CIP)

The total CIP cash flow outlay for Fiscal Year 2011-12 is being proposed at \$129.2 million, up \$6.8 million from the previously approved 2011-12 budget due mostly to deferral of CIP projects from 2010-11 into 2011-12.

Over the next 10 years, the District's Capital Improvement Program will:

- Rehabilitate the existing headworks, primary treatment, outfall pumping, solids handling facilities, and the utility systems at both treatment plants.
- Replace or rehabilitate nine of OCSD's outlying pumping stations, and rehabilitate and upgrade 26 trunk sewer improvement projects.
- Optimize the production of power and biosolids at each of the treatment plants.
- Achieve secondary treatment standards by December 2012.

### Five Projects Drive the CIP

Over the next 12 months, secondary upgrade projects required to achieve secondary treatment standards will continue to significantly impact the CIP. The New Plant No. 1 Secondary Treatment System is expected to require outlays of \$8.9 million in 2011-12.

Two of the larger Collection System related projects in the 2011-12 proposed budget are the \$31.7 million Bitter Point Pump Station Replacement with 2011-12 proposed cash outflows of \$9.0 million and the \$22.1 million Magnolia Trunk Sewer Rehabilitation with 2011-12 proposed cash outflows of \$9.7 million.

Two other projects will also have a sizeable impact on the CIP over the next year. The Sludge Digester Rehabilitation at Plant No. 1 and the Headworks Improvements at Plant No. 2 projects are expected to require \$16.6 million and \$4.9 million, respectively.

Together, these five projects represent 38 percent of the total Fiscal Year 2011-12 proposed CIP cash flow budget of \$129.2 million.

## Groundwater Replenishment (GWR) System

The OCSD Strategic Plan includes water reclamation. With the Orange County Water District (OCWD), we began operating the Groundwater Replenishment (GWR) System, the nation's largest water reclamation project, in January 2008.

The GWR System currently reclaims 70 million gallons of water a day, delaying the need to build a second outfall which could cost more than \$200 million. OCSD and OCWD equally shared the expenses of Phase I of the project. OCSD received approximately \$44 million in Federal and State grants to offset part of the Sanitation District's total costs.

Phase II will increase the production of reclaimed water to 100 million gallons a day. The project, which will be funded entirely by the OCWD, is anticipated to be completed in 2013. OCSD is directing all reclaimable flows to Plant No. 1 in support of providing maximum amounts of specification water for reclamation.

## Moving Towards Secondary Treatment

In July 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 remote 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's clearly stated preference for upgrading wastewater treatment at this time.

The 2011-12 CIP includes three projects totaling \$623 million to upgrade the District's treatment plants to meet secondary treatment standards. Construction of the facilities to meet secondary treatment standards is currently on track to be completed by December 31, 2012.

## Sewer Service Fee Increases

The proposed 2011-12 single family residential rate, the underlying basis for all sewer rates, is \$267. This proposed rate by the District is still well below the State's annual average sewer rate of \$406, according to a 2008 survey of 726 agencies in California.

# Financial Summary

## Overview & Budgetary Issues

### Operating Budget Increase

The operations budget for the collection, treatment, and disposal of wastewater is proposed at \$154.7 million, a \$3.5 million, or 2.2 percent decrease from the previously approved 2011-12 budget.

Although individual expenses will increase or decrease slightly, the overall decrease to the operating budget is primarily attributable to six specific areas:

#### Personnel Costs – \$1.3M

Although staffing is being proposed at 637 full time equivalent (FTE) positions, below the previously approved 641 FTEs for 2011-12, costs will increase \$1.3 million. This increase is partially a result of existing collective bargaining agreement impacts, including health and welfare cost increases.

The other significant increase in personnel costs is the \$0.6 million (3 percent) increase in retirement premiums. This increase reflects revised actuarial assumptions and low interest earnings in prior years. The increases in retirement premiums reflect the rising costs occurring throughout California.

#### Operating Materials & Supplies – (\$2.3M)

As the requirement for better quality effluent increases, so does the need for chemicals to treat the region's wastewater.

Operating materials and supplies are proposed to decrease, however, primarily because combined increases in chemical coagulants, odor control, and disinfection are expected to be lower than originally anticipated.

#### Contractual Services – (\$1.0M)

The major component of this category is biosolids removal and transportation costs. These costs continue to rise however, cost increases in this area were less than previously anticipated.

#### Utilities – (\$1.7M)

There are reductions identified in natural gas utilization because Plant 2 Central Generation Operations automation controls have been successful in reducing natural gas usage. There is also a decrease in electricity costs related to a lower projected energy rate increase.

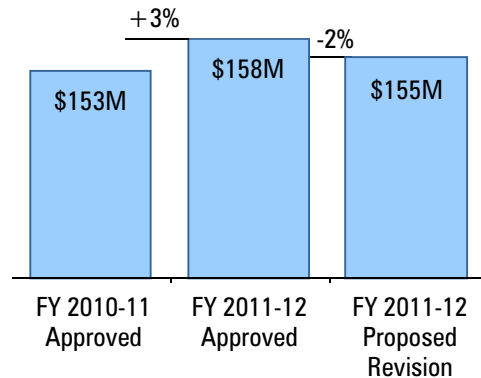
### Repairs & Maintenance – \$900,000

This expense category includes parts and services for repairing aging treatment plant and collection facilities, and reflects base budgets for equipment maintenance, as well as out-sourced annual service contracts and maintenance agreements. The Fiscal Year 2011-12 proposed budget increase includes \$504,000 for aeration deck crack repairs at Plant 2, and \$363,000 for replacement of flexible disks in the Plant 1 aeration basin, in addition to increases in basic repairs and maintenance costs.

#### Cost Allocation – (\$900,000)

Increase in cost allocation charges to the capital improvement program due to the Beyond 2012 reorganization and the concentration of work performed by the employees transferred to new divisions from the Operations and Maintenance Department.

### Operating Expenses



Total budgeted operating and maintenance expenses will increase \$2 million from FY 2010-11.



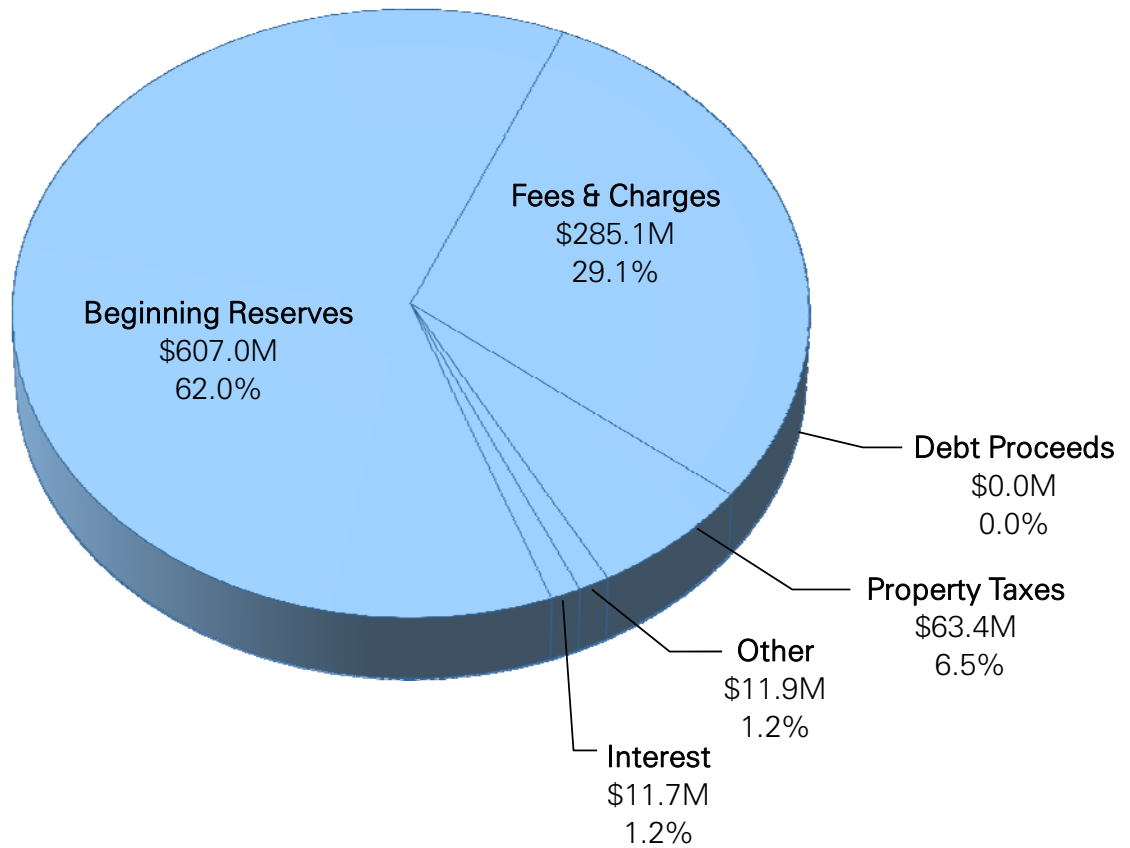
Primary basins at OCSD Treatment Plant No. 2 taken by Plant Operator Paul Ward.



# Financial Summary

## Where the Money Comes From

### Where the Money Comes From



### Funding Sources by Category (in millions)

| Category                            | 2010-11<br>Approved | 2011-12<br>Approved | 2011-12<br>Updated<br>Proposed |
|-------------------------------------|---------------------|---------------------|--------------------------------|
| Beginning Reserves                  | \$448.4             | \$488.4             | \$607.0                        |
| Service Fees                        | 248.7               | 271.0               | 266.9                          |
| Permit User Fees                    | 11.6                | 12.7                | 11.4                           |
| Capital Facilities Capacity Charges | 6.5                 | 6.8                 | 6.8                            |
| Property Taxes                      | 60.3                | 60.3                | 63.4                           |
| Interest                            | 9.3                 | 9.8                 | 11.7                           |
| Other Revenue                       | 5.6                 | 11.6                | 11.9                           |
| Debt Proceeds                       | 157.0               | 50.0                | 0.0                            |
| <b>Total Funding Sources</b>        | <b>\$947.4</b>      | <b>\$910.6</b>      | <b>\$979.1</b>                 |

### Funding Sources by Category

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

- Beginning Balances
- Service Fees
- Industrial Waste Permit User Fees
- Connection Fees
- Property Taxes
- Interest Earnings
- Other Miscellaneous Revenue
- Debt Proceeds

### Beginning Reserves – \$607M

As a result of its Reserve and Investment Policies, the District will begin the year with a balance carried forward from the previous year.

### General Service Fees – \$267M

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. These fees are for both Single Family Residences (SFR) and Multiple Family Residences (MFR).

The proposed 2011-12 single family residential rate, the underlying basis for all sewer rates, is \$267. This proposed rate by the District is still well below the State's annual average sewer rate of \$406, according to a 2008 survey of 726 agencies in California.

### Permit User Fees – \$11M

Large industrial and commercial properties that discharge high volumes or high strength wastewater are required to obtain a discharge permit and pay extra fees. These fees are for the owner's share of the system's costs, both fixed and variable, in proportion to the demand placed on the system.

These fees are being reduced from the original FY 2011-12 budget of \$12.7 million to \$11.4 million due to the current recession.

### Capital Facilities Capacity Charges (CFCC) – \$7M

CFCC is a one-time, non-discriminatory charge imposed at the time a building or structure is newly connected to the District's system, or an existing structure is expanded. This charge pays for District facilities in existence at the time the charge is imposed, or to pay for the construction of new facilities in the future that are of benefit to the property being charged.

### Property Taxes – \$63M

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 2 percent per year. The District receives a share of the 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 this revenue is dedicated for the payment of debt service.

### Interest Earnings – \$12M

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.

### Other Revenue – \$12M

Other revenue includes \$8.4 million from the sale of additional capacity rights to the Santa Ana Watershed Project Authority.

### Debt Proceeds – \$0M

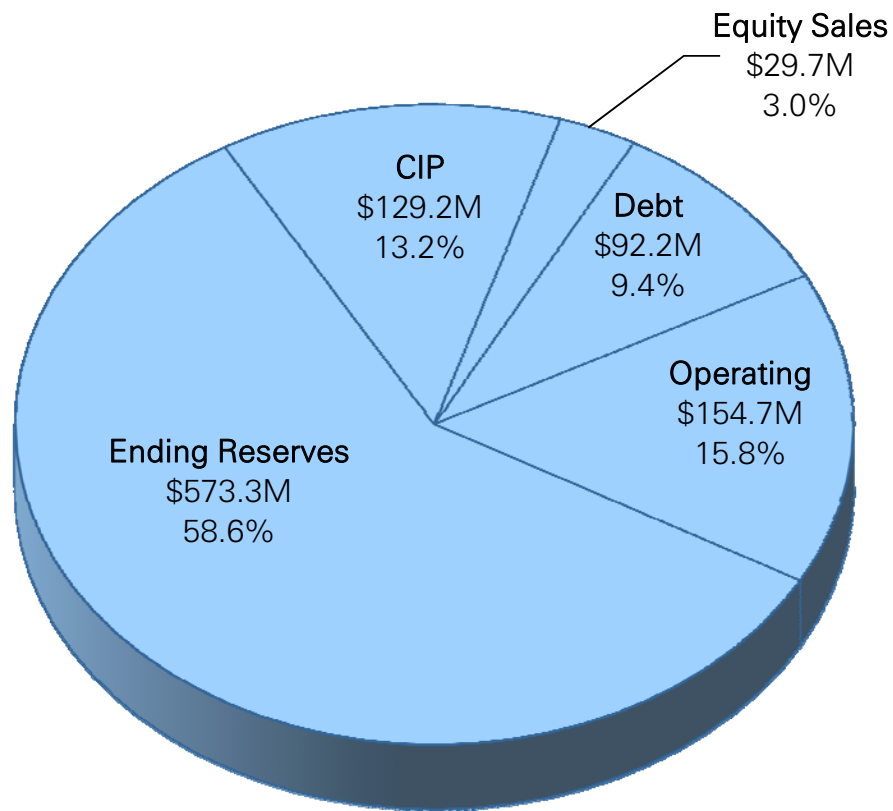
Certificates of Participation (COPs) are the District's primary mechanism for financing capital projects. COPs are repayment obligations based on a lease or installment sale agreement.

In 2011-12, the District is scheduled to issue no new money COPs to assist with the financing of the \$129 million in capital outlays scheduled for this fiscal year.

# Financial Summary

## Where the Money Goes

### Where the Money Goes



### Funding Uses by Category (in millions)

| Category                    | 2010-11<br>Approved | 2011-12<br>Approved | 2011-12<br>Updated<br>Proposed |
|-----------------------------|---------------------|---------------------|--------------------------------|
| Capital Improvement Program | \$180.2             | \$122.4             | \$129.2                        |
| Debt Service                | 89.7                | 97.1                | 92.2                           |
| Operating Expenses          | 152.5               | 158.2               | 154.7                          |
| Equity Sales                | 36.6                | 29.7                | 29.7                           |
| <i>Subtotal</i>             | <i>\$459.0</i>      | <i>\$407.4</i>      | <i>\$405.8</i>                 |
| Ending Reserves             | 488.4               | 503.2               | 573.3                          |
| <b>Total Funding Uses</b>   | <b>\$947.4</b>      | <b>\$910.6</b>      | <b>\$979.1</b>                 |

### Funding Uses by Category

The District budgets its funds in five distinct areas:

#### Capital Improvement Program (CIP)

In order to provide the appropriate level of service to the District's rate payers, large capital improvements are required. The CIP provides for the management and implementation of these improvements.

#### Debt Service

This is the cost of issuing debt. Long-term debt financing allows the District to complete large multi-year capital projects by providing funds not always immediately available.

#### Operating Expenses

The proposed budget allocates resources to operate, maintain and manage our sewage collection, treatment and disposal system and for any associated administrative or technical requirements.

#### Equity Sales

In accordance with Amendment No. 2 to the Agreement for Purchase and Sale of Capacity Rights in Treatment, Disposal and Sewer Facilities between Irvine Ranch Water District and Orange County Sanitation District dated November 15, 1995, ownership is adjusted annually to reflect the current equity percentage ownership based on sewage flows.

#### Reserves

The District budgets for reserves for various potential needs including cash flow, operating contingencies, capital improvement, and replacement and catastrophic loss. The reserve levels are governed by District policy.



New secondary treatment system facilities in construction at Plant No. 1.

# Strategic Planning

## Introduction

Driven by the mission, vision and core values of the Strategic Plan, OCSD continues 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.

## Mission Statement

The Mission Statement is the basic foundation that defines why we exist.

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

## Vision Statement

Our 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.

- 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

Our 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 interaction 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 interest 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.

## Operating Philosophy

The Orange County Sanitation District is a public agency that is successful by working as a team and by leveraging our efforts with other public agencies. We think like a business and act in the public interest, all the while emphasizing the ABC's of our operating philosophy:

### Accountability

We maintain accountability for our commitments and for our behavior. We use measurable short-term and long-term goals. We use methods that regularly check our collective and individual progress in achieving our commitments. We measure and expect honest, respectful, open and constructive behavior in ourselves and from the people with whom we work.

### Balance

We achieve balance in what we do. Work matches our capacity to perform it. We look for economies of operation without sacrificing quality or causing unreasonable risk. We consistently perform our core work and meet our basic wastewater management responsibilities while being willing to take on new initiatives that improve environmental quality or service in the community we serve.

### Communication

We promote timely and accurate communication with the many different people who make up our community of interest. Staff and management communicate freely, openly and honestly to solve problems and to achieve constructive change.

We provide our Board of Directors with accurate and timely information about matters that impact their policy making and affect the wider interests of Orange County.

We provide opportunities for the public, the media and our staff to become informed about our activities and to provide input during our deliberations.

## Risk Register

During annual strategic level risk assessment and mitigation workshops, the Executive Management Team identifies weaknesses and threats and assesses strategic and organization-wide risks facing the District. The team also identifies mitigation measures that the District currently has in place, proposes additional mitigation measures that the District considers appropriate; and develops an action plan of responsibilities and timeframes for follow-up.

The information generated from these workshops are compiled and documented within the District's Risk Register.

Several Strategic Plan long and short-term goals reflect mitigation measures. Several of the risks involve preparedness for uncontrollable events, such as terrorist attacks and natural disasters. Several are concerned with finance, and many are compliance-related.

The 2011 Risk Register Update identified these as the top risks:

- Financial crisis/difficult economy
- Disaster and aftermath
- Public sentiment against needed funds
- Retirement of experienced employees

The 2010 Risk Register Update identified these as the top opportunities:

- Reorganize as people/facilities change – recognizes that a number of new facilities will soon be put to use at approximately the same time as a number of long-time employees may retire.
- Hire good staff – refers to the opportunity to find and hire competent and experienced people during a time when many are available.
- Focus on mission without other costly endeavors – refers to the potential to maintain focus on the District's core mission without engaging in other activities which might add to the District's costs.

## OCSD Long-Term Planning

Long-Term Strategic Goals should be acceptable, flexible, measurable, motivating, suitable, understandable, and achievable. The Long-Term Goals are the results the District seeks to achieve over a specified period, usually three to five years. The Risk Register contains several long-term concerns requiring short and long-term strategic planning.

Several goals were completed in the last year:

- Review Interagency Agreements
- Strategic Business Plan and Business Accountability Charters
- Enterprise Information Technology Strategic Plan
- Chemical Supplies/Chemical Sustainability
- Disposition of North County Yard

Other interrelated, long-term goals will remain as the District continues to construct the facilities required to reach full secondary treatment at the end of 2012. As secondary treatment facilities are completed, more biosolids will be produced. New centrifuge/solids processing projects should improve dewatering and decrease the wet tons of biosolids hauled.

Currently, the land reuse options are scarce and other new technologies that the District is planning will become the more available, more expensive, biosolids management options.

The biosolids long-term goal will continue until a viable, cost-efficient, and effective method of reuse is available.

# Strategic Planning

## Long-Term Goals

| Goals                                | FY 2010-11 Progress  |
|--------------------------------------|--|
| <b>SARI Line Relocation</b>          | Staff continues to work in conjunction with the County of Orange and the Federal Government to relocate the Santa Ana River Interceptor Line by March 2013. Bids for construction of the project were received and reviewed, and an expected Notice to Proceed is anticipated in June 2011.  |
| <b>Fuel Cell Evaluation</b>          | The 300 kW demonstration unit was started up in FY 2010-11. In FY 2011-12, staff will evaluate cost feasibility of replacing or supplementing CGS engines with fuel cells, and in FY 2012-13, staff will evaluate performance and fuel clean up effectiveness of the unit.   |
| <b>Biosolids Management</b>          | <p>Staff continues to monitor both opposition to land application in Kern County and Arizona, and availability of sustainable cost-effective alternatives. EnerTech was selected as a joint project for biosolids reuse, partnering with several agencies. Optimization of the facility is progressing after several unexpected operational problems.</p> <p>The recently completed 5-year research strategic plan identified several projects targeted at reducing the quantity of biosolids produced; this is scheduled for completion during FY 2011-12.</p>  |
| <b>Engine Emission Compliance</b>    | The study to evaluate alternatives for complying with lower emission limits in the South Coast Air Quality Management's Rule 1110.2. has been completed. The demonstration testing must also be completed, and then the negotiation of engine emission limits and schedule with SCAQMD. By FY 2013-14, the District will implement capital improvements or operations modifications in order to achieve compliance.  |
| <b>Review Interagency Agreements</b> | <p>OCSD and Santa Ana Watershed Project Authority (SAWPA) staff met frequently to discuss issues related to SARI line flows, rates, and long-term planning. After several meetings, the decision was made to follow the terms of existing agreements.</p> <p>OCSD and Irvine Ranch Water District (IRWD) staff finalized agreements on issues related to sewer charges, reserves, cash balances, biosolids costs, and odor control costs. New agreements are now in place for leasing solids processing capacity and calculating biosolids and chemical costs. A temporary agreement for additional IRWD flow is in process.</p> |
| <b>Odor Control</b>                  | Minimizing odor complaints is a priority. Chemical addition in the collection system has increased. Plant odors will be contained within the treatment plant boundaries by completing Odor Control Projects at Plant 1 and Plant 2 by 2016. Projects P1-113 (Trickling Filters at Plant 1) and P2-102 (Solids Storage at Plant 2) have been designated to satisfy odor control compliance in these areas. These projects are scheduled to start design in 2012.  |
| <b>Full-Cost Recovery</b>            | Conduct a comprehensive review of the Sanitation District's Urban Runoff Program to ensure a fair share recovery of costs for services.  |
| <b>Local Sewer Services</b>          | Local Sewer Transfers completed in 2010 are: Costa Mesa Sanitary District (3 miles); Irvine Ranch Water District (0.1 miles, along with review of 44 miles transferred in 2003); Tract 3709 near La Mirada (0.8 miles); City of Orange Phase I (4.4 miles); and City of Anaheim (0.5 miles). Planned transfers include: City of Tustin (174 miles); City of Newport Beach (20 miles); Fairgrounds to Costa Mesa Sanitary District; and City of Orange Phase II (7.5 miles).  |

## Strategic Initiatives – Short-Term Goals

There were several Short-Term Goals that supported the Long-Term Strategic Goals of the District. The updates and the completed portions of several Long-Term Goals are included in the following table.

| <b>Status</b>   | <b>Short-Term Goals</b>  |
|-----------------|--|
| <b>Ongoing</b>  | Plan and Maintain a Sustainable Capital Improvement Program – The team continued work on the original plan. Tasks complete include: issue a call for new projects and prepare materials for Manager and EMT review and prioritization of new requests; work on validating all CIP project budgets and scopes of work with updated estimated cost at completion for the entire program; and complete ASCE Peer Review of our CIP management program and present findings to the Board of Directors. |
| <b>Ongoing</b>  | Disinfection of Final Effluent – Develop a cost-effective program to sustain protection of public health associated with bacteria in the effluent and incorporate program elements into our NPDES Permit.  |
| <b>Ongoing</b>  | Ongoing Leadership Development – Maximize the development of a pool of dedicated and talented employees ready to lead OCSD into the future.  |
| <b>Complete</b> | Management System for Environmental Compliance – Implement a management control system for environmental compliance information that incorporates a dashboard-style report.  |
| <b>Complete</b> | Climate Change/Greenhouse Gases – Complete development of statewide emission inventory protocol for publicly-owned treatment works and submit mandatory emission inventory to the California Air Resources Board annually.   |
| <b>Complete</b> | Contaminants of Potential Concern (CPC) – Complete three phase testing and analysis of 550+ CPC, prepare report on findings and recommendations, develop initial source control strategy if there are CPCs identified that require control.  |
| <b>Complete</b> | Complete Facilities Master Plan Update – Complete a comprehensive update of the Facilities Master Plan and obtain Board approval.  |
| <b>Complete</b> | Sustainable Biosolids Program – Evaluate option of processing some of biosolids at the City of Los Angeles Terminal Island demonstration well;<br><br>Evaluate the feasibility of deep injection/methane recovery including commissioning a study of the geological formations below Plants 1 and 2, and availability and acceptability of any existing wells;<br><br>Complete new in-county Compost Take-Back Program Plan strategy.  |
| <b>Complete</b> | Succession Plan - Implement the succession management plan including management training and the creation of a Leadership Academy.   |
| <b>Complete</b> | Enterprise Information Technology Strategic Plan – Develop and publish a three year Information Technology Strategic Plan based on the master OCSD strategic plan.   |
| <b>Complete</b> | Improve the Sanitation District Security – Provide long-term security enhancements at both treatment plants and within OCSD’s Collections System.  |
| <b>Complete</b> | Safety and Health Strategic Plan – Develop and implement a Safety and Health Strategic Plan for all OCSD activities.   |
| <b>Complete</b> | Human Resources Strategic Plan – Design, develop and implement human resources policies, practices systems and tools to ensure OCSD has a workforce that meets future needs of OCSD and the public it serves.  |



# Strategic Planning

## Levels of Service

The Levels of Service included in the following tables support the strategic vision, mission, ethics, goals, and initiatives of the District and include key performance indicators of the Operational targets.

### Level of Services Target Accomplishments for FY 2010-11 and Accomplishments for FY 2010-11

#### **Environmental Stewardship:**

| <b>OCSD will protect public health and the environment.</b>   | <b>FY 10–11 Target</b> | <b>FY 10–11 Results</b> |
|---|------------------------|-------------------------|
| Provide capacity to collect and treat dry weather urban runoff                                      | 4 mgd                  | 1.1 mgd                 |
| Maximum off-site odor impact (in D/T*)<br>Reclamation Plant No. 1<br>Treatment Plant No. 2          | 14 D/T<br>17 D/T       | 42 D/T<br>48 D/T        |
| Air emissions health risk to community, cancer risk per 1 million Employees                         | <10                    | 9                       |
| Permit compliance (air, land, and water)  | 100%                   | 99%                     |
| <b>OCSD will be a good neighbor.</b>  | <b>FY 10–11 Target</b> | <b>FY 10–11 Results</b> |
| Odor complaint response<br>Treatment Plants within 1 hour<br>Collection System within 1 working day | 100%<br>100%           | 100%<br>100%            |
| Odor complaints<br>Reclamation Plant No. 1<br>Treatment Plant No. 2<br>Collection System            | 32<br>4<br>34          | 8<br>6<br>14            |
| Restore collection service to customer within 8 hours   | 100%                   | 100%                    |
| Respond to collection system spills within 1 hour   | 100%                   | 100%                    |

# 2011-12 Budget Update

**Business Principle:**

| <b>OCS D will exercise sound financial management.</b>  | <b>FY 10-11 Target</b>                   | <b>FY 10-11 Results</b>                  |
|---|--|--|
| COP service Principal and Interest  | < O&M expenses                           | <O&M expenses                            |
| Annual user fees  | Sufficient to cover all O&M requirements | Sufficient to cover all O&M requirements |
| Annual increase in collection, treatment, and disposal costs per million gallons              | < 10%                                    | 0.15%                                    |
| Annual reserve level over adopted reserve policy level  | +/-5%                                    | -0.0046%                                 |
| <b>OCS D will be responsive to our customers.</b>   | <b>FY 10-11 Target</b>                   | <b>FY 10-11 Results</b>                  |
| Respond to public complaints or inquires regarding construction projects within 1 working day | >90%                                     | >90%                                     |
| New connection permits processed within one working day                                       | >90%                                     | >90%                                     |

# Strategic Planning

## Wastewater Management:

| <b>OCS D will provide a safe reliable effluent for recycling.</b>                            | <b>FY 10–11 Target</b>   | <b>FY 11–11 Results</b>                   |
|--|--|---|
| Concentration of emerging chemical constituents of concern in Plant No. 1 secondary effluent | NDMA = < 150 ppt<br>1,4 Dioxane = < 5 ppb                                      | NDMA = 24.9 ppt<br>1,4 Dioxane = 2.58 ppb |
| Meet GWRS specification requirements for Plant 1 secondary effluent (NTU)                    | 5  | 3.4                                       |
| Thirty-day geometric mean of total coliform bacteria in effluent after initial dilution      | < 1,000 mpn  | 860 mpn                                   |
| Industrial compliance with permits to discharge into OCS D sewers                            | > 90% permit compliance  | 100% permit compliance                    |
| Meet secondary treatment standards   | BOD 100 mg/L<br>TSS 55 mg/L  | BOD 32 mg/L<br>TSS 26 mg/L                |
| <b>OCS D will manage flows reliably.</b>   | <b>FY 10–11 Target</b>   | <b>FY 10–11 Results</b>                   |
| Frequency of use of emergency one-mile (78-inch diameter) outfall                            | 0 per year during dry,<br>less than once per 3<br>years in peak wet<br>weather | 0   |
| Sanitary sewer spills per 100 miles  | < 2.1  | < 2.1                                     |
| Contain sanitary sewer spills within 5 hours   | 100%   | 100%                                      |
| <b>OCS D effluent will be recycled.</b>  | <b>FY 10–11 Target</b>   | <b>FY 10–11 Results</b>                   |
| Provide up to 104 mgd specification effluent to the Groundwater Replenishment System         | 104 mgd  | 77.5 mgd                                  |
| <b>OCS D will implement a sustainable biosolids management program.</b>                      | <b>FY 10–11 Target</b>   | <b>FY 10–11 Results</b>                   |
| National Biosolids Partnership Certification for Biosolids Environmental Management System   | Maintain NDB<br>Certification  | Maintained                                |
| Percent of biosolids recycled  | > 95% recycled<br>< 5% to landfill   | 100% recycled<br>0% to landfill           |

## Workplace Environment:

| <b>OCS D will take care of our people.</b> | <b>FY 10–11 Target</b> | <b>FY 10–11 Results</b> |
|--|------------------------|-------------------------|
| Training hours per employee                | 45 per year            | 58                      |
| Employee injury incident rate              | 5.2 Industry Average   | 3.1                     |
| Mandatory OSHA training requirements       | 100%                   | 95%                     |
| Hours worked since last Lost Work Day      | 1,000,000              | 310,000                 |
| Lost Work Day Rate                         | 5.2                    | 2.6                     |

# Capital Improvement Program Overview

## CIP Budget Request Summary

This is an update to the Fiscal Year 2010-12 two-year budget. In preparation for the 2011-12 update, the District's Board of Directors reviewed the proposed changes to the CIP to gain an understanding of the impact from the CIP to the current rate structure program.

The CIP includes three projects totaling \$623 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 2008-10 budget, the 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 are included in the District's Five-Year Strategic Plan. No new CIP projects were added as part of the District's Five-Year Strategic Plan update.

This budget update also includes the identification of 2 new study projects. These study projects are based on the District's condition assessment program and asset management planning. These CIP studies increase the amount of the CIP by \$0.37 million. However, these projects will be funded from the future rehabilitation, renewal, and replacement line item in OCSD's existing budget and will not impact OCSD user rates.

In addition, District staff has reviewed each ongoing CIP project to ensure that the scope of the project is appropriate, and that the cost estimates are accurate. The validated CIP includes 95 large capital projects and 50 special projects with a 20-year expenditure of \$1.815 billion. This total represents a \$35.6 million increase from the 2010-12 CIP estimate.

The proposed 2011-12 CIP budget is organized by treatment and collection system processes and areas. The funds requested for the current cash flow budget total \$129.2 million, a decrease of 28 percent from last year's cash flow request of \$179.6 million. The current year cash flow is part of an overall total cost of \$2.802 billion for active projects.

Following is a chart for the 2011-12 Proposed CIP Cash Flows and the total Project Costs for all proposed projects, by project phase, in millions:

| <u>Current Status</u> | <u>2011-12<br/>Cash Flow</u> | <u>Total<br/>Project<br/>Costs</u> |
|-----------------------|------------------------------|------------------------------------|
| Future                | \$0.0                        | \$1,041.2                          |
| Planning              | 17.9                         | 196.5                              |
| Design                | 15.9                         | 373.5                              |
| Construction          | 93.3                         | 1,174.8                            |
| Capital Equipment     | <u>2.1</u>                   | <u>16.0</u>                        |
| Total                 | <u>\$129.2</u>               | <u>\$2,802.0</u>                   |

There are currently 36 projects in the Planning Phase with proposed capital outlay spending in 2011-12. Two of the larger 2011-12 cash flow projects in the Planning Phase are the Sludge Dewatering and Odor Control at Plant 2 and the Cengen Emissions Control Project with current year projected expenditures of \$2.94 million and \$2.90 million, respectively. A total of \$134.1 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 Facilities Master Plan and the CIP Validation Study.

There are currently 14 projects in the Design Phase with proposed capital outlay spending in 2011-12. Two of the larger projects in the Design Phase are the Sludge Thickening Dewatering and Odor Control at Plant 1 Project and the Solids Thickening and Processing Upgrades Project with projected current year expenditures of \$3.96 million and \$3.17 million, respectively.

There are currently 39 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 New Secondary Treatment System at Plant No. 1 with projected current year expenditures of \$16.58 million and \$8.91 million, respectively.

Standard contingency factors have been applied to improve budgeting. 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 the appendix are descriptions and justifications for the capital improvement projects which are new in this Fiscal Year 2011-12 budget update. They give the reader a brief overview of each project, the budget for the total project, and any potential changes in the operational budget resulting from the implementation of the project. For a description of ongoing projects, see Section 8 of the Fiscal Years 2010-11 and 2011-12 Budget.

# CIP Overview

Each project in the CIP went through an extensive validation and prioritization process. Projects have been prioritized based on risk exposure if the project was deferred. Projects that would present a higher risk if they were delayed are given a higher priority.

The CIP budget process is continually improved and further refined as the District improves the CIP project management controls system. The Project Management Controls System staff work with the project managers and management throughout the

year to manage the scope, schedule, budget, risk and other key project indicators for each project. The information is collected monthly and compiled in the OCSD Project Control System website. This information is then readily available during the budgeting process to minimize the time and effort needed to prepare and update the CIP portion of the overall budget.



The construction of Trickling Filters at Treatment Plant No. 2 was completed in December 2010, two months ahead of the EPA consent decree milestone due date.

# Debt Financing Program

## Debt Financing

Due to the magnitude of identified future annual capital and operations and maintenance expenditures, it is necessary that the District utilize debt financing to meet its total obligations. Debt financing allows the District to meet projected construction schedules while achieving the lowest possible user fees, as well as long-term stability in future sewer service fee rates.

### Certificate of Participation (COP)

The primary debt mechanism used is Certificate of Participation (COP). 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. COPs can be issued with fixed or variable interest rates.

#### Fixed-rate debt can be either traditional or synthetic in form:

- Fixed-Rate Debt traditionally has a final maturity between 20 and 30 years from the date of issuance. Generally, principal is amortized annually. Principal maturing in early years typically has a lower interest rate ("coupon") than later maturities. This structure typically produces a level debt service.
- Synthetic Fixed-Rate Debt: long-term, variable-rate debt can be issued and then the interest component can be swapped to a fixed rate. This form of fixed-rate debt achieves a balance between short and long-term interest costs and is frequently a less expensive form of debt. In some markets, this form of fixed-rate debt is less expensive to issue than the more traditional form of fixed-rate debt described above.

#### Variable-rate debt can also be traditional or synthetic:

- Variable-Rate Debt traditionally has either a long or short nominal maturity, but the interest rate resets periodically. Typically, the intervals for interest rate resets are daily, weekly or monthly, but any period is possible.
- Synthetic Variable-Rate Debt as described above for fixed-rate debt, variable-rate debt can be created from a fixed-rate issue by means of a floating-rate swap.

The maximum level of variable rate obligations incurred by any District should not exceed the level of invested reserves available to that District.

The District currently has outstanding synthetic fixed-rate and fixed-rate COPs of \$1.213 billion and variable-rate COPs of \$194.0 million, for a ratio of 86:14.

### The District Maintains Its AAA Rating

The District's bond rating is "AAA" from both Standard & Poors and Fitch Ratings. An "AAA" Rating is the highest for a government agency. In order to maintain this rating, the District adheres to its 2001 Debt Policy and coverage ratios requirements. This Board-adopted policy serves as the agency's guide in the management of existing debt and in the issuance of future debt.

### Debt Ratios

The District does have contractual covenants within the existing COP agreements which require 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 2.31 for Fiscal Year 2011-12.

### Debt Financings

In Fiscal Year 2011-12, no new COP debt issuances are being proposed. The proposed CIP budgeted cash outlays of \$129.2 million in this fiscal year would be funded from reserves and other revenue sources.

# Operating Expenses

## Summary of Operating & Maintenance Expenses

| Category                            | 2010-11<br>Approved | 2011-12<br>Approved | 2011-12<br>Updated<br>Proposed |
|-------------------------------------|---------------------|---------------------|--------------------------------|
| Salaries and Benefits               | \$94.9              | \$96.3              | \$97.6                         |
| Operating Materials & Supplies      | 24.6                | 25.3                | 23.0                           |
| Contractual Expenses                | 23.6                | 26.1                | 25.1                           |
| Repairs and Maintenance             | 11.1                | 11.1                | 12.0                           |
| Utilities                           | 9.2                 | 11.3                | 9.6                            |
| Professional Services               | 3.2                 | 2.7                 | 2.9                            |
| Other Materials, Supplies, Services | 2.8                 | 3.0                 | 3.1                            |
| Self-Insurance Requirements         | 2.5                 | 2.2                 | 2.2                            |
| Training and Meetings               | 1.2                 | 1.2                 | 0.9                            |
| Research and Monitoring             | 1.1                 | 1.0                 | 1.1                            |
| Administrative Expenses             | 1.1                 | 1.1                 | 1.2                            |
| Printing and Publications           | 0.5                 | 0.5                 | 0.5                            |
| Capital Grants to Member Agencies   | 0.0                 | 0.0                 | 0.0                            |
| Cost Allocation                     | (23.2)              | (23.6)              | (24.5)                         |
| <b>Total Operating Expenses</b>     | <b>\$152.6</b>      | <b>\$158.2</b>      | <b>\$154.7</b>                 |

### Salaries, Wages & Benefits – \$97.6M

**Salaries & Wages** – This category includes salaries for 637 full time equivalent (FTE) staff positions as well as Directors' pay. The vacancy factor applied for the budget update was 3 percent based on trend information. Provision has been made in these salary projections in order to comply with the terms of the most recently adopted MOUs.

**Retirement** – The District's employees are members of the Orange County Employees' Retirement System (OCERS). Information from OCERS indicates that an increase in rates is expected. The employer's required contribution rate has been increased from 25.10 percent to 25.68 percent. In addition, the District will pay 3.5 percent on behalf of each employee.

**Group Insurance** – Includes the District's share (approximately \$14,700 per employee) of employee medical plan benefits for the indemnity plan, prepaid

HMO plans, the dental insurance plan, and the life and disability insurance premiums. The proposed budget includes a 12 percent increase for the medical plans.

### Operating Materials & Supplies – \$23.0M

**Disinfection Chemicals** – The largest cost related to disinfection is for chemicals, specifically bleach.

**Sodium Hypochlorite (Bleach)** – Approximately 92 percent of the bleach is used for effluent disinfection. The remaining bleach usage is for odor control, disinfection of plant water, and the control of filamentous organisms in activated sludge in the secondary treatment process.

Bleach use is projected to decrease as new secondary facilities become operational. The decrease will occur because there will no longer be primary bleach dosing at Plant 2 when the new trickling filters are in operation. It is anticipated that the District will use 4.5 million gallons of process bleach in FY 2011-12 with an associated budget of \$3.2 million.

**Chemical Coagulants** – Anionic polymer is added to the influent wastewater along with ferric chloride via the physical/chemical treatment systems at both plants to improve solids removal efficiencies in the primary clarifier basins. Cationic polymer is added to digested sludge prior to dewatering to cause the sludge to coagulate to improve the sludge and water separation process. Cationic polymer is also added to the waste activated sludge dissolved air flotation thickeners (DAFTs) to improve solids coagulation.

The usage costs for this group of chemicals is not expected to increase as much as previously estimated as overall chemical coagulants are being proposed at \$1.2 million less than previously approved for 2011-12.

**Odor Control Chemicals** – The District uses hydrogen peroxide and sodium hydroxide (caustic soda) as the primary odor control chemicals within the treatment plants; ferrous chloride, magnesium hydroxide, calcium nitrate and caustic soda are the primary odor and corrosion control chemicals used within the collection system.

An increase of \$200,000 is being proposed from the previously approved \$8.9 million 2011-12 budget for odor control chemicals due to recent increases in unit costs.

## Contractual Services – \$25.1M

The major component of this category is biosolids removal and transport costs. Contracts have been executed with firms for agricultural reuse of residual solids. Since the closure of the Coyote Canyon Landfill in 1990, no replacement site for sludge disposal has yet been approved within Orange County.

Total estimated biosolids production for Fiscal Year 2011-12 is 287,000 wet tons. The 2011-12 proposed budget reflects a decrease of \$1.6 million, based on updated trend analysis of costs.



This category also includes appropriations for grounds keeping 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, digester cleaning and disposal services, line cleaning and closed-circuit television (CCTV) services.

## Repairs and Maintenance – \$12.0M

This item, which is for parts and services for repair of plant and collection facilities and annual service contracts, reflects an authorization to allow for routine equipment maintenance and is expected to increase by \$900,000. Two large repairs include: Plant 2 aeration deck crack repair budgeted at \$504,000 and replacement of flexible disks in the Plant 1 aeration basin budgeted at \$363,000.

## Utilities – \$9.6M

The overall cost for utilities is a significant component of the operating budget. The overall cost for utilities is anticipated to decrease by \$1.7 million compared with the previously approved 2011-12 budget.

- **Natural Gas** – Natural gas is purchased to supplement the digester gas that is used to run the central generation facilities. The 2011-12 budget shows a decrease of \$700,000 reflecting lower levels of natural gas needed because central generation engine automation controls at Plant 2 allow the engines to respond to lower digester gas production without having to shut down an engine. Thus the Plant 2 boilers can run on digester gas all the time, reducing natural gas usage. Moreover, given current market conditions projected natural gas prices have been reduced significantly.
- **Electricity** – Electricity is the largest utility cost incurred by the District and is used to run the plant processes. The 2011-12 budget reflects a decrease of \$1.0 million due to a lower projected increase in Edison energy rates.

Nearly all the power required to operate Plant No. 2 is generated by the District's Central Power Generation Facilities.



# Operating Expenses

## Professional Services – \$2.9M

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

## Other Material, Supplies, Services – \$3.1M

This category of costs includes the in-lieu insurance premium used to maintain the level of accumulated reserves for the property and general liability self-insurance programs. This in-lieu cost for 2011-12 is proposed at \$1.1 million.

Expenses not chargeable to other categories, such as freight and miscellaneous items, and annual regulatory fees assessed by the SCAQMD, are recorded with this category.

## Insurance – \$2.2M

The District's outside excess general liability insurance coverage is \$30 million per occurrence with a self-insurance retention of \$250,000 and \$500,000 for EPLI.

The District's property insurance coverage of \$1 billion for perils of fire and \$300 million for perils of flood is subject to a self-insurance retention of 5 percent per unit of insurance up to \$250,000 for fire and \$100,000 for flood. The District is totally self-insured for earthquake.

An appropriation of \$1.1 million for in-lieu premium contribution charged to operations is recommended for the Property and General Liability Program. This will serve to maintain the reserves balance.

## Training and Meetings – \$0.9M

Given current economic constraints, employee travel is now subject to increased scrutiny. All meeting request budgets have been reviewed for necessity, duplication, and redundancy and have been limited to a responsible level.

The 2011-12 proposed budget for training has been decreased in line with recent trends as opposed to the previous allocation based on a percentage of the Regular Salaries budget. Training activities are coordinated through the Human Resources Department and the Risk Management Division.

This category includes ongoing technical and safety training and materials for staff, required training for computerized plant monitoring and control systems and training to allow for a more adaptive and flexible work force. Cost savings have been achieved in part through increased use of on-line training.

## Research and Monitoring – \$1.1M

Overall, this category of costs is expected to increase slightly over the next fiscal year. Research and monitoring expenditures consist of contract services to carry out the extensive ocean monitoring program required by the EPA under provisions of the District's ocean discharge permit (NPDES) permit; air quality monitoring costs; the District's contribution to the Southern California Coastal Water Research Project (SCCWRP) being conducted under a joint power agreement with other Southern California municipal dischargers; and also provide for increased operational and ocean research and evaluation to develop optimum operating parameters in treatment plants.

## Administrative Expenses – \$1.2M

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

## Printing and Publication – \$0.5M

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. The continuing effort of the Public Affairs Office to improve public education programs about the District's activities is also reflected in the budget for this line item. This group of accounts also includes costs for photo processing, advertisements, and notices.

To reduce inflow and infiltration to OCSD's sewage system, local sewers which are not owned or maintained by OCSD must be repaired. The Cooperative Projects Grant Program has funded projects that are led by local agencies to reduce the inflow and infiltration entering OCSD's sewerage system. Funds have been provided for an approved project on a reimbursement basis after the project has been completed. There is no longer a budget for Cooperative Grants, however, if a member city or agency presents a possible cost-savings project, OCSD will evaluate the project as a budget cost-savings measure and may participate accordingly.

## Cost Allocation – (\$24.5M)

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.



The *Nerissa* is OCSD's custom designed and built ocean monitoring and research vessel. It holds and operates specialized ocean sampling equipment that enables OCSD to conduct core and regional monitoring and special studies along the coastline.

# Departments

## Summary

### Expenses by Department (in millions)

| Department                    | 2010-11<br>Budget | 2011-12<br>Originally<br>Proposed | Percent<br>Change | 2011-12<br>Updated<br>Proposed | Percent<br>Change |
|-------------------------------|-------------------|-----------------------------------|-------------------|--------------------------------|-------------------|
| <i>Administration Units:</i>  |                   |                                   |                   |                                |                   |
| Office of the General Manager | \$3.9             | \$3.9                             | 0.0%              | \$3.9                          | 0.0%              |
| * Human Resources             | 0.0               | 0.0                               | N/A               | 4.0                            | N/A               |
| Administrative Services       | 21.8              | 22.2                              | 1.8%              | 21.2                           | (4.5%)            |
| <i>Sub-Total</i>              | <i>\$25.7</i>     | <i>\$26.1</i>                     | <i>1.6%</i>       | <i>\$29.1</i>                  | <i>11.5%</i>      |
| <i>Operating Units:</i>       |                   |                                   |                   |                                |                   |
| * Facilities Support Services | 0.0               | 0.0                               | N/A               | 25.2                           | N/A               |
| Technical Services            | 19.3              | 19.3                              | 0.0%              | 0.0                            | (100.0%)          |
| Engineering                   | 4.9               | 4.8                               | (2.0%)            | 8.0                            | 66.7%             |
| Operations & Maintenance      | 100.1             | 105.9                             | 5.8%              | 90.2                           | (14.8%)           |
| <i>Sub-Total</i>              | <i>\$124.3</i>    | <i>\$130.0</i>                    | <i>4.6%</i>       | <i>\$123.4</i>                 | <i>(5.1%)</i>     |
| Total                         | \$150.0           | \$156.1                           | 4.1%              | \$152.5                        | (2.3%)            |
| Less: Operating Revenue       | (16.5)            | (15.0)                            | (9.1%)            | (15.0)                         | 0.0%              |
| Grand Total                   | \$133.5           | \$141.1                           | 5.7%              | \$137.5                        | (2.6%)            |

### Staffing by Department (FTEs)

| Department                    | 2010-11<br>Budget | 2011-12<br>Originally<br>Proposed | Percent<br>Change | 2011-12<br>Updated<br>Proposed | Percent<br>Change |
|-------------------------------|-------------------|-----------------------------------|-------------------|--------------------------------|-------------------|
| <i>Administration Units:</i>  |                   |                                   |                   |                                |                   |
| Office of the General Manager | 15.00             | 15.00                             | 0.0%              | 13.00                          | (13.3%)           |
| * Human Resources             | 0.00              | 0.00                              | N/A               | 20.00                          | N/A               |
| Administrative Services       | 111.75            | 111.75                            | 0.0%              | 110.75                         | (0.9%)            |
| <i>Sub-Total</i>              | <i>126.75</i>     | <i>126.75</i>                     | <i>0.0%</i>       | <i>143.75</i>                  | <i>13.4%</i>      |
| <i>Operating Units:</i>       |                   |                                   |                   |                                |                   |
| * Facilities Support Services | 0.00              | 0.00                              | N/A               | 83.75                          | N/A               |
| Technical Services            | 102.50            | 102.50                            | 0.0%              | 0.00                           | (100.0%)          |
| Engineering                   | 120.50            | 120.50                            | 0.0%              | 128.50                         | 6.6%              |
| Operations & Maintenance      | 291.25            | 291.25                            | 0.0%              | 281.00                         | (3.5%)            |
| <i>Sub-Total</i>              | <i>514.25</i>     | <i>514.25</i>                     | <i>0.0%</i>       | <i>493.25</i>                  | <i>-4.1%</i>      |
| Total FTEs                    | 641.00            | 641.00                            | 0.0%              | 637.00                         | (0.6%)            |

\* New departments created as part of the Beyond 2012 staffing reorganization.

## **Administration Units**

### **Office of the General Manager**

**Budget \$3.9M – Staffing 13 FTEs**

The Office of the General Manager provides general oversight of all Sanitation District operations and incorporates functions in the areas of Public Affairs and Board Services. This office reports directly to the Board of Directors. The budget reflects the transfer of 2.0 unfunded FTE Management Discretion positions to Human Resources.

### **Human Resources**

**Budget \$4.0M – Staffing 20.0 FTEs**

The Human Resources Department works with management and employees to ensure an effective and productive employment relationship. This newly created department reports directly to the Assistant General Manager. The budget includes 2 District-wide pooled vacant positions as well as 3 unfunded Management Discretion positions.

### **Administrative Services**

**Budget \$21.2M – Staffing 110.75 FTEs**

The Administrative Services Department maintains financial oversight and administration of all District funds and accounts and is responsible for contract administration and procurement, oversees all District computer, networking and customer support issues, and identifies and manages potential risk to the organization to create a safe, healthy and secure environment for staff, contractors, and visitors. The budget reflects a reduction of 1 FTE due to the net impact of a transfer of 17 FTEs to the new Human Resources Department along with the transfer of 16 FTEs from other departments.

\* FTE = Full-Time Equivalent Position

## **Operating Units**

### **Facilities Support Services**

**Budget \$25.2M – Staffing 83.75 FTEs**

The new Facilities Support Services Department provides fleet and heavy equipment services for the District, handles non-public works construction support and projects, and operates and maintains the regional collection system facilities providing reliable collection and transportation of wastewater, and efficient, safe operation and maintenance of the system in the 463 square mile area. The budget includes 83.75 FTEs transferred from various other departments, primarily from Operations and Maintenance.

### **Engineering**

**Budget \$8.0M – Staffing 128.5 FTEs**

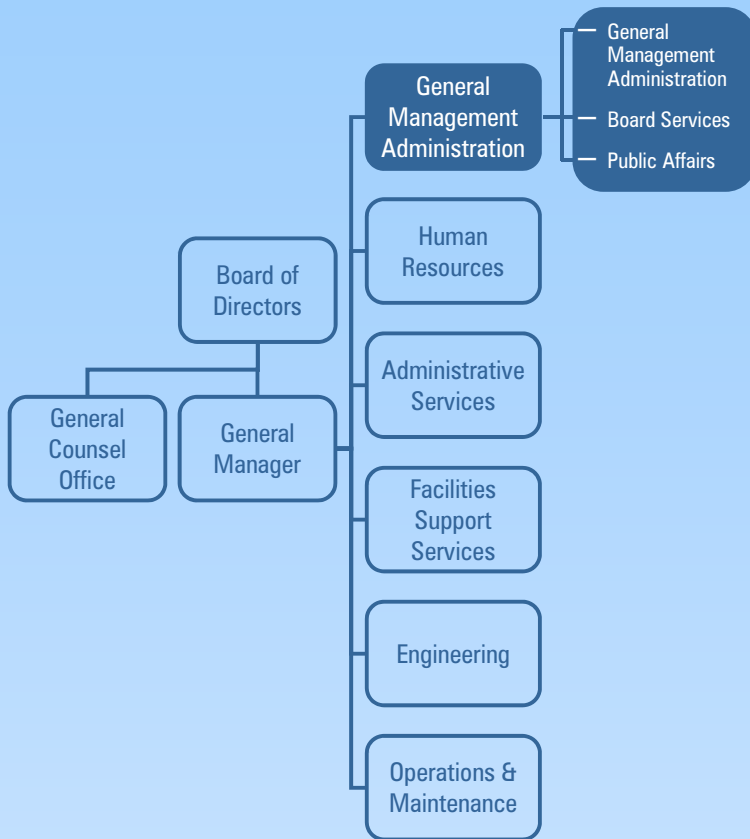
The Engineering Department is responsible for the planning, design and construction of the District's capital improvement program as well as environmental compliance and asset management. The budget reflects reduced use of Integrated Program Management Consultants (IPMC) to supplement District resources in managing the CIP and a net increase of 8 FTEs due the transfer of the Environmental Compliance Division from the Technical Services Department along with the transfer of a large portion of the Asset Management staff to the Operations and Maintenance Department and the transfer of the Facilities Engineering Division to Facilities Support Services.

### **Operations and Maintenance**

**Budget \$90.2M – Staffing 281.0 FTEs**

The Operations and Maintenance Department is responsible for operation of the District's two wastewater treatment plants as well as the environmental laboratory and ocean monitoring. The budget reflects a reduction of 10.25 FTEs due to the net impact of a District-wide reorganization that included the reduction of three divisions in this department with much of their staff transferred to the Facilities Support Services Department and the transfer of the Environmental Laboratory and Ocean Monitoring Division from the Technical Services Department.

# Office of the General Manager



## 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 Sanitation District. The Office of the General Manager reports the progress in meeting the established goals to support OCSD's mission, and provides general oversight of operations. The office reports directly to the Board of Directors.

In addition to the line departments, this department oversees District-wide functions in the areas of Public Affairs and Board Services.

**Public Affairs** provides services and implements programs to meet the communications needs of OCSD's internal and external audiences. The division plans and implements media relations, website content, community relations, community education and outreach, employee newsletter, intranet development, corporate identity program, collateral material and graphics development, presentation development, and crisis communications. The Public Affairs Division also handles state and federal legislative advocacy, grants and appropriations, and intergovernmental relations. The state and federal legislative advocates are managed by this division.

**Board Services** includes the Clerk of the Board office. Services include supporting the Board of Directors, acting as filing officer for Statement of Economic Interests, receiving and processing summons and complaints filed against OCSD.

## Operating Expense

| Category                            | 2010-11<br>Budget   | 2011-12<br>Originally<br>Proposed | 2011-12<br>Updated<br>Proposed |
|-------------------------------------|---------------------|-----------------------------------|--------------------------------|
| Personnel                           | \$ 2,317,600        | \$ 2,345,900                      | \$ 2,347,800                   |
| Chemicals & Other Supplies          | 305,330             | 284,380                           | 275,380                        |
| Professional / Contractual Services | 405,000             | 331,000                           | 355,000                        |
| Research & Monitoring               | 0                   | 0                                 | 0                              |
| Repairs & Maintenance               | 1,500               | 1,500                             | 1,500                          |
| Utilities                           | 117,000             | 122,000                           | 122,000                        |
| Other                               | 833,520             | 903,520                           | 902,020                        |
| Cost Allocation                     | (81,170)            | (81,170)                          | (70,850)                       |
| <b>Total</b>                        | <b>\$ 3,898,780</b> | <b>\$ 3,907,130</b>               | <b>\$ 3,932,850</b>            |

### Budget Overview

In July 2009, the General Manager combined the Public Information Office with Legislative Affairs to form the Public Affairs Division. This year, the Human Resources Division became a department reporting directly to the Assistant General Manager. The budget for the General Manager’s Office for Fiscal Year 2011-12 will remain essentially flat. The General Manager’s Office overall staffing has been decreased by 2 full-time equivalent unfunded Management Discretion positions which have been moved to Human Resources.

### Performance Objectives / Measures

- Maintain OCSD staffing at or below 637.0 FTEs.
- Maintain 100 percent compliance with terms and conditions of our permits and local, state and federal regulations.
- Deliver 80+ percent of each fiscal year’s CIP budget principles.
- Update key messages and collateral materials used to educate the public about how OCSD protects public health and the environment.
- Establish key legislative priorities and keep the Board and senior management apprised of matters in Sacramento and Washington, D.C.
- Provide accurate and timely board/committee agenda packages to the Board of Directors.
- Update performance dashboard quarterly.
- Continue the “Leading OCSD” Program to foster leadership and change at all levels.

Authorized FTE Positions

|                             |              |
|-----------------------------|--------------|
| Managers                    | 3.00         |
| Supervisors / Professionals | 7.00         |
| Administrative / Clerical   | 3.00         |
| Other                       | 0.00         |
| <b>Total</b>                | <b>13.00</b> |

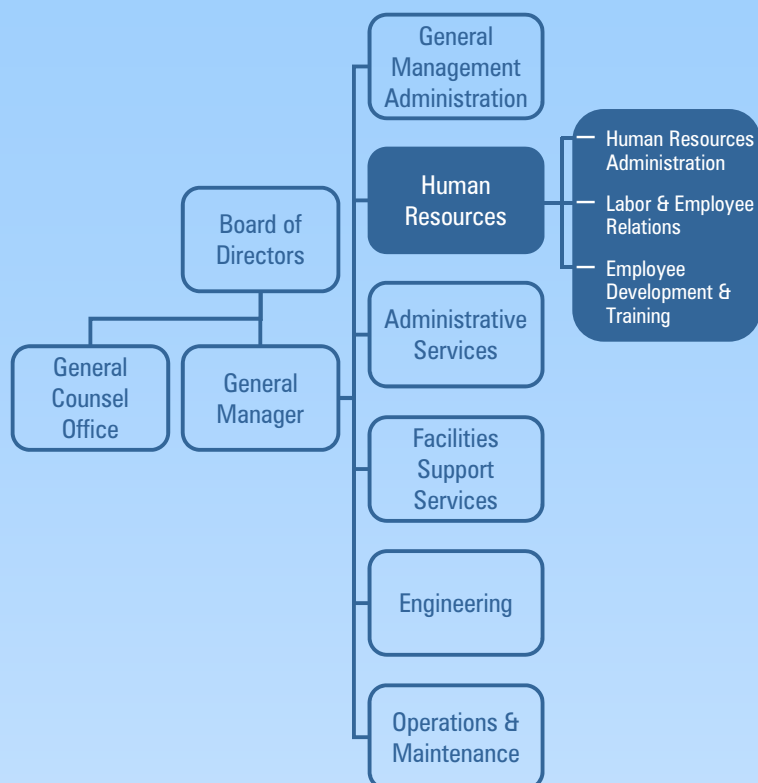
Staffing Trends

|       |       |       |       |       |
|-------|-------|-------|-------|-------|
| 21.75 | 21.75 | 15.00 | 15.00 | 13.00 |
| 07-08 | 08-09 | 09-10 | 10-11 | 11-12 |



Through the Board’s leadership, OCSD updated its Five-Year Strategic Plan in November 2010.

# Human Resources Department



## Service Description

The Human Resources Department's (HRD) mission is to work with management and employees to ensure an effective and productive employment relationship. A major goal of the HRD operation is to support a workplace environment grounded in fair and equitable employment decisions and practices.

HRD is responsible for all aspects of human resources management and labor/employee relations. HRD serves as the in-house advisor to the General Manager, executive staff, District departments, and line staff. Delivering services with a high-level of customer satisfaction is a key objective. HRD reports directly to the Assistant General Manager in charge of administrative operations.

HRD administration oversees the following operating sections to support the major goal of equal employment opportunity for all persons on the basis of job-related merit: Human Resources; Labor & Employee Relations; and, Employee Development & Training.

Human Resources (HR) activities support classification and compensation; employee benefits and wellness programs; staffing (recruitment, selection, and employment); and, employee recognition and rewards.

Labor & Employee Relations (LER) activities support the employment relationship for management and employees.

Employee Development & Training (EDT) activities support a higher performing organization while helping each operating unit and the employees doing the work within them to reach their full potential.

## Operating Expense

| Category                            | 2010-11<br>Budget | 2011-12<br>Originally<br>Proposed | 2011-12<br>Updated<br>Proposed |
|-------------------------------------|-------------------|-----------------------------------|--------------------------------|
| Personnel                           | \$0               | \$0                               | \$ 3,633,270                   |
| Chemicals & Other Supplies          | 0                 | 0                                 | 588,050                        |
| Professional / Contractual Services | 0                 | 0                                 | 537,700                        |
| Research & Monitoring               | 0                 | 0                                 | 0                              |
| Repairs & Maintenance               | 0                 | 0                                 | 0                              |
| Utilities                           | 0                 | 0                                 | 0                              |
| Other                               | 0                 | 0                                 | 82,890                         |
| Cost Allocation                     | 0                 | 0                                 | (850,800)                      |
| <b>Total</b>                        | <b>\$0</b>        | <b>\$0</b>                        | <b>\$ 3,991,110</b>            |

## Budget Overview

Human Resources became a separate department during Fiscal Year 2010-11 so there is no budget history available for comparison at this time. The 20 full-time equivalent positions authorized in this department include 15 Human Resources staff positions, 2 District-wide pooled vacant positions, and 3 unfunded Management Discretion positions. The department budget for Fiscal Year 2011-12 is approximately \$4.0 million.

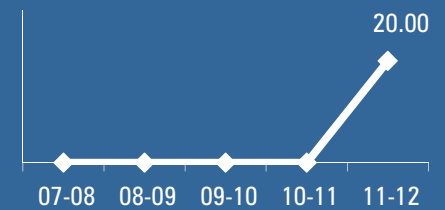
## Performance Objectives / Measures

- Ensure the Department's planned budget is managed to within 90 to 100% of the approved amount.
- Enhance HR Technologies by June 2012.
- Continuous development of leadership and succession management.
- Continuous development of the Performance Management program.
- Support the training level of service of 45 hours per employee.
- Implement staffing procedures through June 2012.
- Ensure the department's strategic plan deliverables are completed by June 2012.

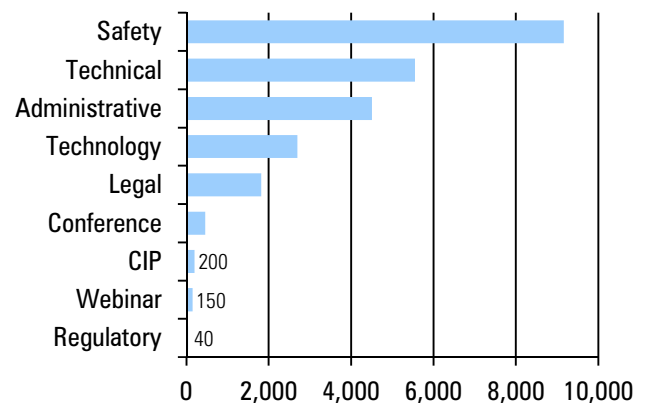
### Authorized FTE Positions

|                             |              |
|-----------------------------|--------------|
| Managers                    | 1.00         |
| Supervisors / Professionals | 12.00        |
| Administrative / Clerical   | 3.00         |
| Operations & Maintenance    | 1.00         |
| Other                       | 3.00         |
| <b>Total</b>                | <b>20.00</b> |

### Staffing Trends



## Hours of Training



The Human Resources Department provides nearly 25,000 hours of employee training annually.



# Administrative Services Department



## Service Description

The Administrative Services Department oversees all of OCSD's finance, contracts/purchasing, risk management, and information technology activities, including both day-to-day operations and strategic planning. The department serves as a liaison to Executive Management, the Board of Directors, and other departments of OCSD. The department includes four divisions: Financial Management; Contracts, Purchasing, and Materials Management; Information Technology; and Risk Management.

**Administrative Services Management** provides leadership and oversight to all Administrative Services divisions.

**Financial Management** oversees and administers all OCSD's funds and accounts. Programs include treasury management and debt financing, accounts receivable and payable, user fees, payroll, accounting for fixed assets, coordinating the capital and operating budget process, and risk management.

**Contracts, Purchasing, & Materials Management** is responsible for contract administration and procurement for all departments. Additionally, this division manages the OCSD's warehouses, receiving and maintaining inventory, and distributing supplies, materials, and equipment.

**Information Technology** is responsible for customer support related information technology assets and services, networking and infrastructure, telecommunications service operation and maintenance, network and programming, solutions and application support.

## Operating Expense

| Category                            | 2010-11<br>Budget | 2011-12<br>Originally<br>Proposed | 2011-12<br>Updated<br>Proposed |
|-------------------------------------|-------------------|-----------------------------------|--------------------------------|
| Personnel                           | \$ 17,205,870     | \$ 17,444,370                     | \$ 16,459,000                  |
| Chemicals & Other Supplies          | 2,189,730         | 2,202,320                         | 1,257,430                      |
| Professional / Contractual Services | 2,117,040         | 2,084,870                         | 2,002,890                      |
| Research & Monitoring               | 0                 | 0                                 | 0                              |
| Repairs & Maintenance               | 1,285,270         | 1,295,310                         | 1,281,270                      |
| Utilities                           | 300,000           | 300,000                           | 300,000                        |
| Other                               | 1,109,310         | 1,253,780                         | 1,171,060                      |
| Cost Allocation                     | (2,357,940)       | (2,357,940)                       | (1,248,940)                    |
| Total                               | \$ 21,849,280     | \$ 22,222,710                     | \$ 21,222,710                  |

**Risk Management** identifies and manages potential risk to the organization and provides solutions for mitigation or reducing the risk to acceptable levels. The Risk Management Division works to create a safe, healthy, and secure environment for District staff, contractors, and visitors. Additionally, it provides the support for management and employees to take ownership of identifying and controlling risk and cost-effectively addressing safety, health and security issues.

Additionally, in support of District-wide financial and operational activities, a small Management Services Team has been created within the Administrative Services Department. This team provides District-wide support in the areas of business efficiency, budgeting, departmental support, strategic planning, auditing and special projects.

## Budget Overview

The Fiscal Year 2011-12 proposed Administrative Service Department budget reflects a 4.5 percent decrease compared with the originally proposed budget for the year. The decrease is largely the result of the Beyond 2012 reorganization where Human Resources was moved out of Administrative Services and made into a separate department. This reduction was partially offset by the creation of the Risk Management Division and by transfers of staff to the Information Technology Division. Although there was only a net reduction of 1.0 FTE, there was a significant decrease in personnel costs as District-wide ARBA, net pension, and net other postemployment benefits are all budgeted in Human Resources.

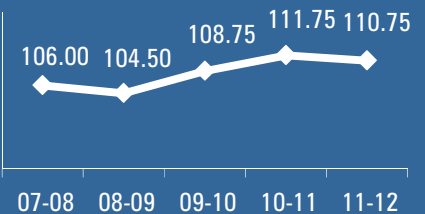
## Performance Objectives / Measures

- Submit the annual sewer service fee property parcel database to the County in time for placement on annual secured property tax bills.
- Process all approved sewer service fee refund requests within 45 days, 90 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.
- Continue the cycle count program and maintain a 97 percent accuracy rate or better.
- Successfully implement a Professional Design Service Agreement (PDSA) Contracts Program by end of Fiscal Year 2010-11.
- Successfully revise Delegation of Authority and have approved by all Committees and Board.
- Successfully complete a Chemical Sustainability Study.
- 100 percent completion of all compliance testing.
- Continue completion of the Information Technology Strategic Plan (ITSP) Planned Annual Objectives.
- Ascertain the measurement of ITSP target achievement based on the importance and completion of goals supporting the Levels of Service (LOS) in the OCSD Strategic Plan.
- Maintain an average uptime of 90 percent for critical applications.
- Obtain the Voluntary Protection Program (VPP) designation.

### Authorized FTE Positions

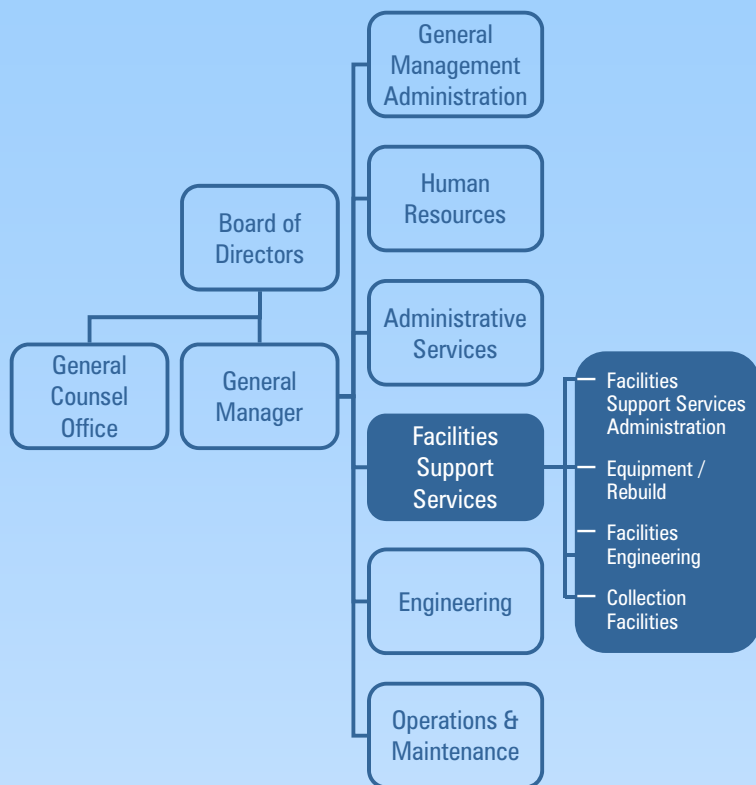
|                             |               |
|-----------------------------|---------------|
| Managers                    | 8.00          |
| Supervisors / Professionals | 62.75         |
| Administrative / Clerical   | 32.00         |
| Technical                   | 2.00          |
| Operations & Maintenance    | 6.00          |
| <b>Total</b>                | <b>110.75</b> |

### Staffing Trends



OCSD was awarded the 2010 AEP – Achievement of Excellence in Procurement Award by the California Association of Public Procurement Officials (CAPPO). This award demonstrates our commitment to procurement innovation, customer service, and best use of available technology.

# Facilities Support Services Department



## Service Description

The Facilities Support Services Department consists of four divisions:

**Facilities Support Services Administration** provides leadership, support, and management oversight for the Department in order to accomplish OCSD's Strategic Plan and our annual goals.

**Equipment / Rebuild** provides fleet and heavy equipment services and management, equipment rebuild and fabrication, and machining/fabrication/welding services to all OCSD staff.

**Facilities Engineering** provides engineering, technical support, and contracted services support in order to deliver timely, non-public works construction support and projects for the agency.

**Collection Facilities** operates and maintains the regional facilities which include gravity sewers and pumping facilities; provides services to minimize odor and corrosion impacts within the facilities; and works with industrial and commercial dischargers to inspect, monitor and sample within the collection system to assure regulatory compliance.

## Operating Expense

| Category                            | 2010-11<br>Budget | 2011-12<br>Originally<br>Proposed | 2011-12<br>Updated<br>Proposed |
|-------------------------------------|-------------------|-----------------------------------|--------------------------------|
| Personnel                           | \$0               | \$0                               | \$ 11,820,800                  |
| Chemicals & Other Supplies          | 0                 | 0                                 | 7,713,940                      |
| Professional / Contractual Services | 0                 | 0                                 | 4,261,660                      |
| Research & Monitoring               | 0                 | 0                                 | 0                              |
| Repairs & Maintenance               | 0                 | 0                                 | 3,558,650                      |
| Utilities                           | 0                 | 0                                 | 593,300                        |
| Other                               | 0                 | 0                                 | 67,930                         |
| Cost Allocation                     | 0                 | 0                                 | (2,801,780)                    |
| <b>Total</b>                        | <b>\$0</b>        | <b>\$0</b>                        | <b>\$ 25,214,500</b>           |

## Budget Overview

In August of Fiscal Year 2010-11, the Facilities Support Services Department was formed as part of the Beyond 2012 reorganizational changes. Additional changes were made in April 2011 to further align roles and responsibilities with the Beyond 2012 Plan's recommendations. The Facilities Support Services Department is comprised of staff from Operations and Maintenance, Engineering, and Technical Services. We form a diverse, but unified team of specialists to adapt and serve the District's changing needs.

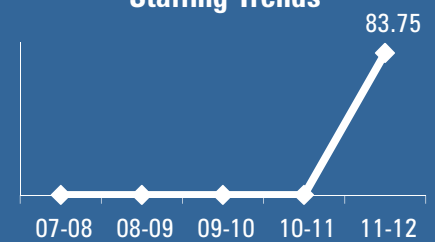
## Performance Objectives / Measures

- Maintain 100% compliance with all regulatory permits related to our business.
- Manage Divisional expenditures within 96% - 100% of approved budget and related risk levels.
- Maintain 100% compliance with Board agreed Levels of Service supported by the FSS Department.
- Complete more than 95% of all mandatory safety training for the Fiscal Year.
- Meet the Beyond 2012 Plan's implementation milestones.
- Maintain a safe workplace and complete quarterly inspections.

### Authorized FTE Positions

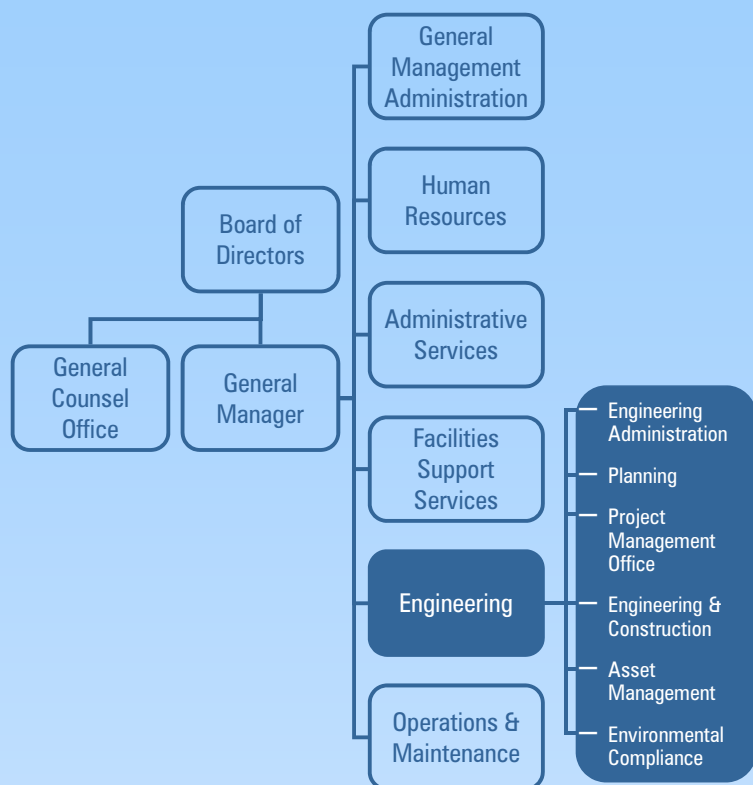
|                             |              |
|-----------------------------|--------------|
| Managers                    | 4.00         |
| Supervisors / Professionals | 23.00        |
| Administrative / Clerical   | 6.50         |
| Operations & Maintenance    | 36.00        |
| Technical                   | 13.00        |
| Interns                     | 1.25         |
| <b>Total</b>                | <b>83.75</b> |

### Staffing Trends



OCSO routinely inspects the facilities of industrial wastewater dischargers.

# Engineering Department



## Service Description

The Engineering Department is responsible for the OCSD Capital Improvement Program, Environmental Compliance, and Asset Management. The Engineering Department is comprised of six divisions:

**Engineering Administration** provides management to all Engineering Divisions.

**Planning** is responsible for master planning the OCSD Capital Improvement Program, and California Environmental Quality Act review. In addition, this division is responsible for the OCSD Corrosion Management Program, the Research Program, annexations, connection permitting, and inter-agency agreements.

**Project Management Office** is responsible for the delivery of capital projects from the preliminary design stage through the closeout of construction.

**Engineering and Construction** provides design and construction engineering, quality control inspection, and other technical support for design and construction projects.

**Asset Management** is responsible for assessment of all of OCSD's assets and systems and for planning the rehabilitation and replacement of facilities to ensure their ability to deliver the required level of service with an acceptable level of risk at the optimal lifecycle cost.

## Operating Expense

| Category                            | 2010-11<br>Budget | 2011-12<br>Originally<br>Proposed | 2011-12<br>Updated<br>Proposed |
|-------------------------------------|-------------------|-----------------------------------|--------------------------------|
| Personnel                           | \$ 19,437,400     | \$ 19,709,900                     | \$ 21,710,500                  |
| Chemicals & Other Supplies          | 293,730           | 282,890                           | 460,390                        |
| Professional / Contractual Services | 220,000           | 205,000                           | 327,000                        |
| Research & Monitoring               | 0                 | 0                                 | 145,000                        |
| Repairs & Maintenance               | 175,050           | 175,050                           | 3,550                          |
| Utilities                           | 0                 | 0                                 | 0                              |
| Other                               | 20,320            | 20,320                            | 618,310                        |
| Cost Allocation                     | (15,242,750)      | (15,586,850)                      | (15,236,050)                   |
| Total                               | \$ 4,903,750      | \$ 4,806,310                      | \$ 8,028,700                   |

**Environmental Compliance** is responsible for securing and maintaining permits from regulatory agencies for activities that may impact air, land, wastewater, and endangered and threatened species; implementing the pretreatment program; supporting biosolids and wastewater reuse; evaluating plant processes and compliance activities; evaluating and proactively developing new regulations; and building positive relationships with the regulatory community, agency associations and the public.

### Budget Overview

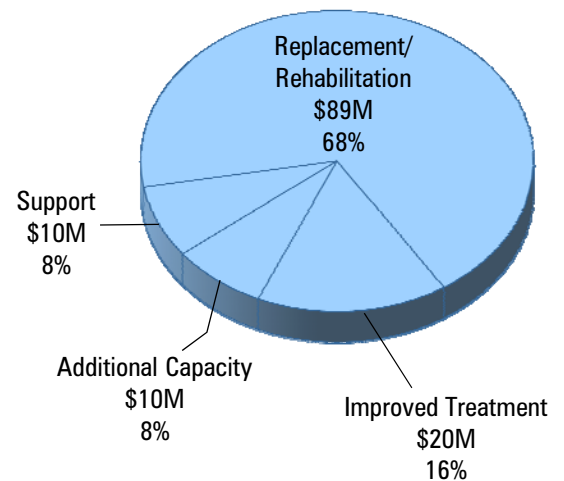
During Fiscal Year 2010-11 (as part of the District-wide reorganization), the Engineering Department acquired the Environmental Compliance Division from the Technical Services Department. In addition, the majority of the Asset Management Division was moved to the O&M Department and the Facilities Engineering Division was moved to the new Facilities Support Services Department. In the proposed Fiscal Year 2011-12 budget, 33 Environmental Compliance staff have been reassigned to Engineering, the Asset Management Division was reduced to six staff and the Planning Division acquired three new staff to work on corrosion and research issues.

### Performance Objectives / Measures

- Expend minimum 90 percent of project annual Capital Improvement Program cash flows for Fiscal Year 2011-12.
- Ensure that reporting division’s expenditures are managed to less than 100 percent of proposed budgets.
- Ensure that reporting divisions achieve 90 percent of individual performance objectives.

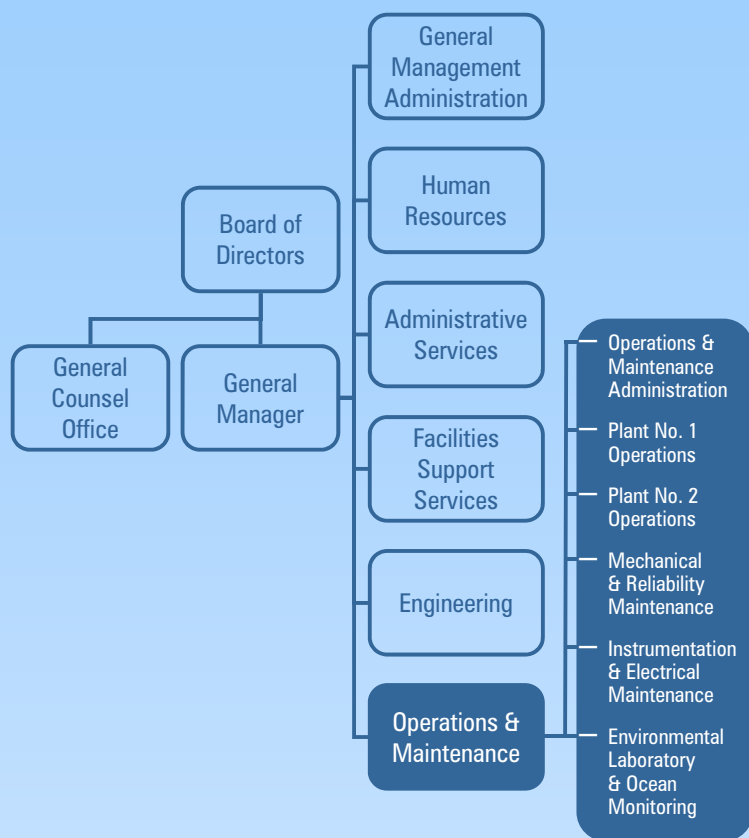


### CIP Expenditures



In 2011-12, the Engineering Department will be responsible for \$129 million in capital expenditures.

# Operations and Maintenance Department



## Service Description

The Operations and Maintenance Department is responsible for treating wastewater, reusing or disposing of the treated wastewater and all residuals, and providing care to all facilities. The O&M Department consists of six divisions:

**Operations and Maintenance Administration** provides leadership and oversight to all Operations and Maintenance divisions.

**Plant No. 1 and Plant No. 2 Operations** are responsible for the daily management of the wastewater treatment processes, sludge and biosolids treatment and loading processes, and odor and air quality control processes. Activities also include ensuring compliance with all regulatory permits, support of the Capital Improvement Program, and coordination of construction and maintenance work. Plant 1 Operations also ensures the delivery of specification water to the Ground Water Replenishment System.

**Mechanical and Reliability Maintenance** is responsible for maintaining and repairing all mechanical equipment in the treatment plants; facilities maintenance, and for all OCSD maintenance planning and equipment reliability maintenance programs. The division provides appropriate maintenance support for wastewater treatment processes in a safe, efficient, and effective manner so that OCSD can meet all discharge requirements.

## Operating Expense

| Category                            | 2010-11<br>Budget     | 2011-12<br>Originally<br>Proposed | 2011-12<br>Updated<br>Proposed |
|-------------------------------------|-----------------------|-----------------------------------|--------------------------------|
| Personnel                           | \$ 40,751,300         | \$ 41,354,700                     | \$ 41,643,200                  |
| Chemicals & Other Supplies          | 23,714,740            | 24,474,220                        | 15,338,300                     |
| Professional / Contractual Services | 23,258,710            | 25,575,310                        | 20,477,900                     |
| Research & Monitoring               | 0                     | 0                                 | 910,100                        |
| Repairs & Maintenance               | 9,311,900             | 9,343,810                         | 7,166,250                      |
| Utilities                           | 8,459,720             | 10,531,860                        | 8,631,000                      |
| Other                               | 96,690                | 99,890                            | 292,100                        |
| Cost Allocation                     | (5,486,120)           | (5,486,120)                       | (4,303,180)                    |
| <b>Total</b>                        | <b>\$ 100,106,940</b> | <b>\$ 105,893,670</b>             | <b>\$ 90,155,670</b>           |

## Service Description *(continued)*

**Instrumentation and Electrical Maintenance** is responsible for maintaining all instrumentation, electrical, HVAC equipment and systems in the treatment plants, pump stations, support and office buildings; providing reliable power by operating the two generating facilities and back-up generator power sources, repairing all systems, and supporting the CIP.

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

## Budget Overview

The Fiscal Year 2011-12 budget for the Department reflects a \$15.7 million decrease from the originally proposed budget for this year. This decrease is primarily related to responsibilities transferred to the new Facilities Support Services Department. Despite the transfer of the Environmental Laboratory and Ocean Monitoring Division from the Technical Services Department, there was a net reduction of 10.25 FTEs in Operations and Maintenance due to the reorganization.

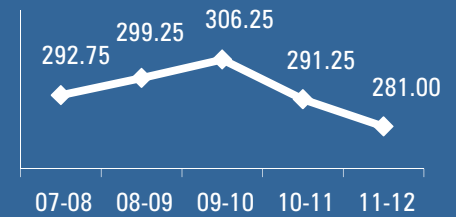
Other significant factors include:

- Fiscal Year 2011-12 budgets are linked to meeting all regulatory, Consent Decree, and Level of Service needs for the facilities and systems managed by the O&M staff. They include: providing treated water to OCWD for GWR System needs; ramping-up to full secondary treatment by December 31, 2012; and minimizing offsite odor impacts from Plants No. 1 and 2 in conformance with new Dilution to Threshold (D/T) criteria.
- The commissioning of two secondary treatment processes and a new headworks will drive the largest changes in this year's budget including the following:
  - Significant reductions in bleach usage with the discontinuation of disinfecting primary influent at Plant No. 2.
  - Increases in polymer usage as a result of additional secondary solids being generated and bleach being removed from primary influent stream
  - Significant increases in electricity usage resulting from addition of energy intensive equipment
  - Increase in biosolids offsite management costs because of the additional secondary solids that will be generated

### Authorized FTE Positions

|                                     |               |
|-------------------------------------|---------------|
| Manager                             | 5.00          |
| Supervisors / Professionals         | 89.00         |
| Administrative / Clerical           | 6.75          |
| Technical                           | 2.00          |
| Interns                             | 1.25          |
| <b>Operations &amp; Maintenance</b> | <b>177.00</b> |
| <b>Total</b>                        | <b>281.00</b> |

### Staffing Trends



Disinfection chemical tanks at Plant No. 2.



# Operations and Maintenance Department (continued)

- Maintenance repair costs will increase this budget, and likely in future budgets as a result of improved asset planning that has identified several areas of the treatment plants that require maintenance investment in order to avoid significant repair or replacement costs, and increased maintenance needs in our older facilities where systems are at or beyond their life cycle.

## Performance Objectives / Measures

- 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.

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# Appendix

# Cash Flow Projection

## Orange County Sanitation District Consolidated Cash Flow Projections

| Ref                             | Description                         | Preliminary<br>11-12 | Preliminary<br>12-13 | Preliminary<br>13-14 | Preliminary<br>14-15 | Preliminary<br>15-16 | Preliminary<br>16-17 |
|---------------------------------|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <u>Revenues:</u>                |                                     |                      |                      |                      |                      |                      |                      |
| 1                               | General User Fees                   | 248,519,000          | 276,909,000          | 299,500,000          | 321,029,000          | 344,157,000          | 362,217,000          |
| 2                               | Permitted User Fees                 | 11,396,000           | 12,548,000           | 13,426,000           | 14,366,000           | 15,372,000           | 16,141,000           |
| 3                               | IRWD Assessments                    | 13,973,440           | 14,625,070           | 15,584,880           | 15,444,790           | 16,232,000           | 11,493,130           |
| 4                               | SAWPA Assessments                   | 4,402,600            | 4,514,340            | 4,628,230            | 4,745,280            | 4,865,490            | 4,988,870            |
| 5                               | Property Taxes (Flat in short term) | 63,371,000           | 63,371,000           | 66,540,000           | 69,867,000           | 73,360,000           | 77,028,000           |
| 6                               | New COP Issues                      | -                    | 120,000,000          | -                    | -                    | -                    | 45,000,000           |
| 7                               | Interest Revenues                   | 11,687,000           | 12,048,000           | 15,168,000           | 17,104,000           | 16,065,000           | 15,694,000           |
| 8                               | Capital Facilities Capacity Charges | 6,805,000            | 7,289,000            | 7,969,000            | 8,701,000            | 9,488,000            | 10,164,000           |
| 9                               | Other Revenues                      | 11,949,950           | 3,794,200            | 27,216,200           | 3,876,200            | 3,919,200            | 18,343,200           |
| 10                              | Revenues                            | 372,103,990          | 515,098,610          | 450,032,310          | 455,133,270          | 483,458,690          | 561,069,200          |
| <u>Requirements:</u>            |                                     |                      |                      |                      |                      |                      |                      |
| 11                              | Oper & Mtce Exp (7.0% yr)           | 152,545,540          | 169,516,000          | 179,046,250          | 189,397,000          | 202,039,000          | 221,987,000          |
| 12                              | Capital Improvement Program         | 129,169,900          | 169,002,000          | 212,313,000          | 173,426,000          | 214,284,000          | 130,646,000          |
| 13                              | Repl, Rehab & Refurb                | -                    | 1,000,000            | 1,000,000            | 2,500,000            | 21,932,000           | 67,385,000           |
| 14                              | COP Service (5.0%, 30 yrs)          | 92,162,910           | 96,149,260           | 113,782,980          | 100,571,240          | 100,471,650          | 106,541,240          |
| 15                              | Other Requirements                  | 31,846,200           | 9,406,200            | 2,156,200            | 2,156,200            | 2,156,200            | 2,156,200            |
| 16                              | Requirements                        | 405,724,550          | 445,073,460          | 508,298,430          | 468,050,440          | 540,882,850          | 528,715,440          |
| 17                              | Revenues-Requirements               | (33,620,560)         | 70,025,150           | (58,266,120)         | (12,917,170)         | (57,424,160)         | 32,353,760           |
| <u>Accumulated Funds:</u>       |                                     |                      |                      |                      |                      |                      |                      |
| 18                              | Beginning of Year                   | 607,016,640          | 573,396,080          | 643,421,230          | 585,155,110          | 572,237,940          | 514,813,780          |
| 19                              | End of Year                         | 573,396,080          | 643,421,230          | 585,155,110          | 572,237,940          | 514,813,780          | 547,167,540          |
| 20                              | Consolidated Reserve Policy         | 485,509,910          | 510,199,260          | 527,772,980          | 518,239,240          | 517,988,650          | 533,907,240          |
| 21                              | Over (Under) Reserve Policy         | 87,886,170           | 133,221,970          | 57,382,130           | 53,998,700           | (3,174,870)          | 13,260,300           |
| <u>Sewer Service User Fees:</u> |                                     |                      |                      |                      |                      |                      |                      |
| 22                              | Avg SFR Annual User Fee             | \$267.00             | \$294.00             | \$314.58             | \$336.60             | \$360.16             | \$378.17             |
| 23                              | Percentage Change                   | 9.43%                | 10.11%               | 7.00%                | 7.00%                | 7.00%                | 5.00%                |
| 24                              | Equivalent Dw elling Units          | 926,990              | 929,401              | 931,910              | 934,519              | 937,229              | 939,994              |
| 25                              | SFR Connection Fee                  | \$3,424              | \$3,595              | \$3,775              | \$3,964              | \$4,162              | \$4,370              |
| 26                              | Outstanding COPs                    | \$1,378,157,000      | \$1,467,848,000      | \$1,420,435,000      | \$1,384,924,000      | \$1,348,023,000      | \$1,350,021,000      |
| <u>Reserve Policy</u>           |                                     |                      |                      |                      |                      |                      |                      |
| 27                              | 50% Next Year Operating             | 76,273,000           | 84,758,000           | 89,523,000           | 94,699,000           | 101,020,000          | 110,994,000          |
| 28                              | 10% Next Year Operating             | 15,255,000           | 16,952,000           | 17,905,000           | 18,940,000           | 20,204,000           | 22,199,000           |
| 29                              | 100% Next Year AUG COP Svc.         | 92,162,910           | 96,149,260           | 113,782,980          | 100,571,240          | 100,471,650          | 106,541,240          |
| 30                              | 50% average CIP bal to 2020         | 88,421,000           | 88,801,000           | 86,569,000           | 86,369,000           | 81,080,000           | 77,492,000           |
| 31                              | Short term CIP, GWRS                | -                    | -                    | -                    | -                    | -                    | -                    |
| 32                              | DSR @ 10% Outstanding COPs          | 137,816,000          | 146,785,000          | 142,044,000          | 138,492,000          | 134,802,000          | 135,002,000          |
| 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               | 58,582,000           | 59,754,000           | 60,949,000           | 62,168,000           | 63,411,000           | 64,679,000           |
| 35                              | Total                               | 525,509,910          | 550,199,260          | 567,772,980          | 558,239,240          | 557,988,650          | 573,907,240          |
| <u>COP Ratios</u>               |                                     |                      |                      |                      |                      |                      |                      |
| 36                              | Sr Lien Coverage, Min 1.25          | 2.31                 | 2.27                 | 2.31                 | 2.56                 | 2.71                 | 2.66                 |

# 2011-12 Budget Update

## Orange County Sanitation District

### Consolidated Cash Flow Projections

| <u>Description</u>                     | <u>Preliminary</u><br><u>17-18</u> | <u>Preliminary</u><br><u>18-19</u> | <u>Preliminary</u><br><u>19-20</u> | <u>Preliminary</u><br><u>20-21</u> | <u>10-Year</u><br><u>Total</u> |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|--------------------------------|
| <b>Revenues:</b>                       |                                    |                                    |                                    |                                    |                                |
| General User Fees                      | 377,680,000                        | 393,807,000                        | 410,626,000                        | 428,024,000                        | 3,462,468,000                  |
| Permitted User Fees                    | 16,787,000                         | 17,528,000                         | 18,302,000                         | 19,110,000                         | 154,976,000                    |
| IRWD Assessments                       | 7,131,850                          | 7,043,300                          | 7,830,140                          | 9,062,110                          | 118,420,710                    |
| SAWPA Assessments                      | 5,115,420                          | 5,245,160                          | 5,378,090                          | 5,514,210                          | 49,397,690                     |
| Property Taxes (Flat in short term)    | 80,879,000                         | 84,923,000                         | 89,169,000                         | 93,627,000                         | 762,135,000                    |
| New COP Issues                         | -                                  | -                                  | -                                  | -                                  | 165,000,000                    |
| Interest Revenues                      | 15,994,000                         | 18,575,000                         | 22,022,000                         | 21,919,000                         | 166,276,000                    |
| Capital Facilities Capacity Charges    | 10,885,000                         | 10,874,000                         | 11,452,000                         | 12,060,000                         | 95,687,000                     |
| Other Revenues                         | 4,007,200                          | 4,052,200                          | 12,479,200                         | 4,147,200                          | 93,784,750                     |
| Revenues                               | <u>518,479,470</u>                 | <u>542,047,660</u>                 | <u>577,258,430</u>                 | <u>593,463,520</u>                 | <u>5,068,145,150</u>           |
| <b>Requirements:</b>                   |                                    |                                    |                                    |                                    |                                |
| Oper & Mtce Exp (7.0% yr)              | 235,185,000                        | 251,853,000                        | 264,842,000                        | 283,058,000                        | 2,149,468,790                  |
| Capital Improvement Program            | 95,990,000                         | 80,204,000                         | 42,595,000                         | 50,949,000                         | 1,298,578,900                  |
| Repl, Rehab & Refurb                   | 93,209,000                         | 94,109,000                         | 130,317,000                        | 187,551,000                        | 599,003,000                    |
| COP Service (5.0%, 30 yrs)             | 104,010,420                        | 103,942,793                        | 103,974,143                        | 108,389,590                        | 1,029,996,227                  |
| Other Requirements                     | 2,156,200                          | 2,156,200                          | 2,156,200                          | 2,156,200                          | 58,502,000                     |
| Requirements                           | <u>530,550,620</u>                 | <u>532,264,993</u>                 | <u>543,884,343</u>                 | <u>632,103,790</u>                 | <u>5,135,548,917</u>           |
| Revenues-Requirements                  | (12,071,150)                       | 9,782,667                          | 33,374,087                         | (38,640,270)                       | (67,403,767)                   |
| <b>Accumulated Funds:</b>              |                                    |                                    |                                    |                                    |                                |
| Beginning of Year                      | 547,167,540                        | 535,096,390                        | 544,879,057                        | 578,253,144                        | 534,342,970                    |
| End of Year                            | <u>535,096,390</u>                 | <u>544,879,057</u>                 | <u>578,253,144</u>                 | <u>539,612,873</u>                 | <u>578,253,144</u>             |
| Consolidated Reserve Policy            | <u>532,251,420</u>                 | <u>534,615,793</u>                 | <u>530,411,143</u>                 | <u>482,427,591</u>                 | <u>\$530,411,143</u>           |
| Over (Under) Reserve Policy            | <u>2,844,970</u>                   | <u>10,263,264</u>                  | <u>47,842,000</u>                  | <u>57,185,282</u>                  |                                |
| <b><u>Sewer Service User Fees:</u></b> |                                    |                                    |                                    |                                    |                                |
| Avg SFR Annual User Fee                | \$393.30                           | \$409.03                           | \$425.39                           | \$442.41                           |                                |
| Percentage Change                      | 4.00%                              | 4.00%                              | 4.00%                              | 4.00%                              |                                |
| Equivalent Dwelling Units              | 942,814                            | 945,643                            | 948,480                            | 951,325                            |                                |
| SFR Connection Fee                     | \$4,589                            | \$4,818                            | \$5,059                            | \$5,312                            |                                |
| <b><u>Outstanding COPs</u></b>         | <b>\$1,309,396,000</b>             | <b>\$1,267,000,000</b>             | <b>\$1,222,685,000</b>             | <b>\$1,171,917,000</b>             |                                |
| <b><u>Reserve Policy</u></b>           |                                    |                                    |                                    |                                    |                                |
| 50% Next Year Operating                | 117,593,000                        | 125,927,000                        | 132,421,000                        | 141,529,000                        |                                |
| 10% Next Year Operating                | 23,519,000                         | 25,185,000                         | 26,484,000                         | 28,306,000                         |                                |
| 100% Next Year AUG COP Svc.            | 104,010,420                        | 103,942,793                        | 103,974,143                        | 108,389,590                        |                                |
| 50% average CIP bal to 2020            | 73,216,000                         | 68,569,000                         | 59,625,000                         | -                                  |                                |
| Short term CIP, GWRS                   | -                                  | -                                  | -                                  | -                                  |                                |
| DSR @ 10% Outstanding COPs             | 130,940,000                        | 126,700,000                        | 122,269,000                        | 117,192,000                        |                                |
| SFI @ \$57mm INPUT                     | 57,000,000                         | 57,000,000                         | 57,000,000                         | 57,000,001                         |                                |
| Repl & Refurb @ 2%/yr                  | 65,973,000                         | 67,292,000                         | 68,638,000                         | 70,011,000                         |                                |
| <b>Total</b>                           | <u><b>572,251,420</b></u>          | <u><b>574,615,793</b></u>          | <u><b>570,411,143</b></u>          | <u><b>522,427,591</b></u>          |                                |
| <b><u>COP Ratios</u></b>               |                                    |                                    |                                    |                                    |                                |
| Sr Lien Coverage, Min 1.25             | 2.62                               | 2.69                               | 2.89                               | 2.75                               |                                |

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## Capital Improvement Project Summary

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|                                   |                    |                 |
|-----------------------------------|--------------------|-----------------|
| Original FY 2011-12 Budget        | 119,922,400        |                 |
|                                   |                    | <u>% Change</u> |
| Projects Completed or Canceled    | (2,189,000)        | (1.83%)         |
| New Projects                      | 372,000            | 0.31%           |
| Additions to Existing Projects    | 56,428,000         | 47.05%          |
| Deductions from Existing Projects | (46,043,000)       | (38.39%)        |
| Changes to Capital Equipment      | 679,500            | 0.57%           |
| Revised FY 2007-08 Budget         | <u>129,169,900</u> | 7.71%           |

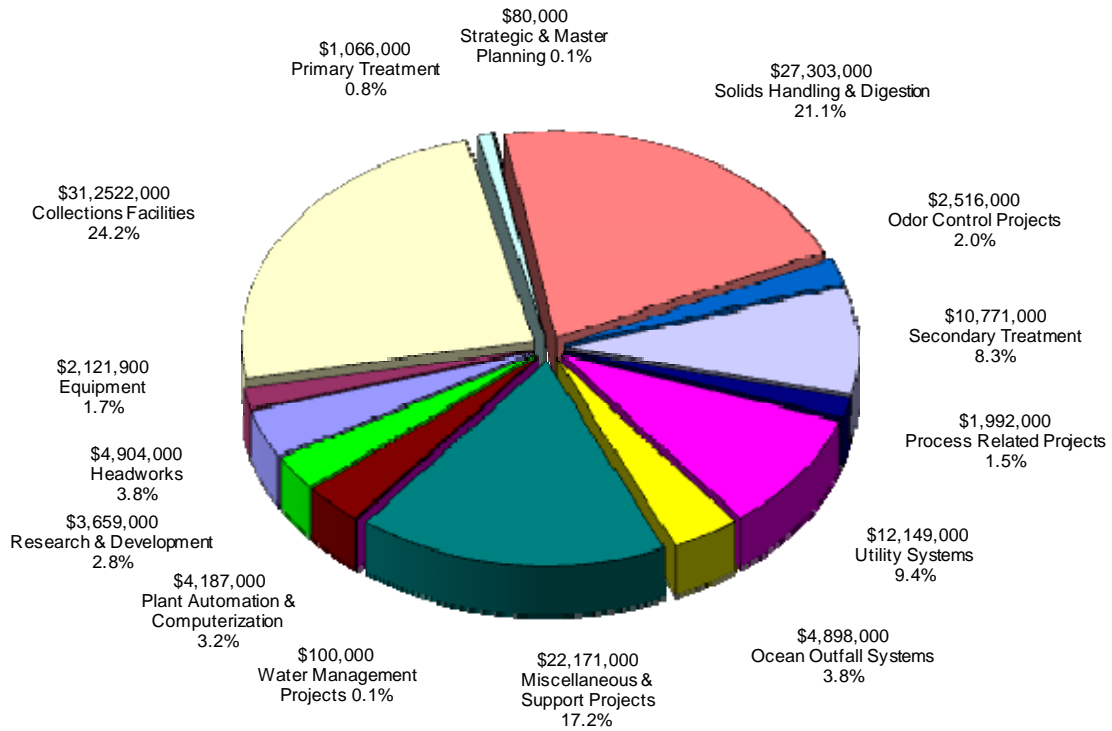
|                                   |                      |                 |
|-----------------------------------|----------------------|-----------------|
| Original Total Budget             | 2,965,626,000        |                 |
|                                   |                      | <u>% Change</u> |
| Projects Completed or Canceled    | (317,322,000)        | (10.70%)        |
| New Projects                      | 372,000              | 0.01%           |
| Additions to Existing Projects    | 173,309,000          | 5.84%           |
| Deductions from Existing Projects | (20,009,000)         | (0.67%)         |
| Changes to Capital Equipment      | -                    | 0.00%           |
| Revised Total Budget              | <u>2,801,976,000</u> | (5.52%)         |

# 2011-12 Budget Update

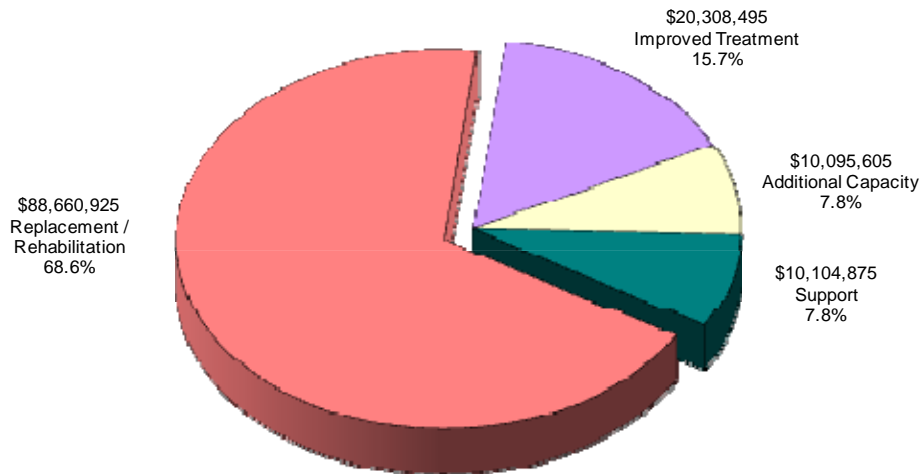
## Project Summary FY 2011-12

| Item                               | Replacement/<br>Rehabilitation | Improved<br>Treatment    | Additional<br>Capacity   | Support                  | 2011-12<br>Cashflow<br>Budget |
|------------------------------------|--------------------------------|--------------------------|--------------------------|--------------------------|-------------------------------|
| Collections Facilities             | 28,061,500                     | 237,350                  | 2,855,800                | 97,350                   | 31,252,000                    |
| Headworks                          | 3,685,000                      | 1,219,000                | -                        | -                        | 4,904,000                     |
| Primary Treatment                  | 298,000                        | 768,000                  | -                        | -                        | 1,066,000                     |
| Secondary Treatment                | 306,000                        | 7,524,370                | 2,940,630                | -                        | 10,771,000                    |
| Solids Handling & Digestion        | 21,758,000                     | 2,969,700                | 2,575,300                | -                        | 27,303,000                    |
| Ocean Outfall Systems              | 4,898,000                      | -                        | -                        | -                        | 4,898,000                     |
| Utility Systems                    | 6,002,450                      | 5,204,150                | 382,400                  | 560,000                  | 12,149,000                    |
| Odor Control Related Projects      | 2,079,600                      | 436,400                  | -                        | -                        | 2,516,000                     |
| Plant Automation & Computerization | 1,908,000                      | -                        | 375,000                  | 1,904,000                | 4,187,000                     |
| Process Related Special Projects   | -                              | -                        | -                        | 1,992,000                | 1,992,000                     |
| Miscellaneous & Support Projects   | 18,443,900                     | 1,033,050                | 50,000                   | 2,644,050                | 22,171,000                    |
| Water Management Projects          | -                              | -                        | 100,000                  | -                        | 100,000                       |
| Strategic & Master Planning        | -                              | -                        | -                        | 80,000                   | 80,000                        |
| Research & Development             | 690,000                        | 386,000                  | 286,000                  | 2,297,000                | 3,659,000                     |
| Equipment                          | <u>530,475</u>                 | <u>530,475</u>           | <u>530,475</u>           | <u>530,475</u>           | <u>2,121,900</u>              |
| <b>Total</b>                       | <b><u>88,660,925</u></b>       | <b><u>20,308,495</u></b> | <b><u>10,095,605</u></b> | <b><u>10,104,875</u></b> | <b><u>129,169,900</u></b>     |

# Capital Improvement Expenditure Graphs



**Total FY 2011-12 Capital Improvement Expenditure by Process - \$129,169,900**



**Total FY 2011-12 Capital Improvement Expenditure by Type - \$129,169,900**

# Summary of Capital Requirements

## Summary of Capital Requirements – Collection System Improvement Projects

|  | Project<br>Number | Original<br>Total<br>Project<br>Budget | Revised<br>Total<br>Project<br>Budget | Original<br>2011-12<br>Cashflow<br>Budget | Revised<br>2011-12<br>Cashflow<br>Budget | Item<br>Number |
|--|-------------------|--|---------------------------------------|---|--|----------------|
| <b>Collections</b>   |                   |  |                                       |   |  |                |
| Raitt and Bristol Street Sewer Extension                     | 01-101            | 9,906,000                              | 9,906,000                             |   |  | 1              |
| Santa Ana Trunk Sewer Rehab.                                 | 01-17             | 21,156,000                             | 21,156,000                            | 840,000                                   | 518,000                                  | 2              |
| Santa Ana River Interceptor Realignment and Prot.            | 02-41             | 11,404,000                             | 11,404,000                            | 956,000                                   | 1,044,000                                | 3              |
| Santa Ana River Interceptor (SARI) Inspection and Mitigation | 02-41-7           | 900,000                                | 900,000                               | 200,000                                   | 402,000                                  | 4              |
| Taft Branch Improvements                                     | 02-49             | 3,143,000                              | 3,143,000                             |   |  | 5              |
| Newhope-Placentia Trunk Grade Separation Replacement         | 02-65             | 2,392,000                              | 5,928,000                             | 138,000                                   | 162,000                                  | 6              |
| Fullerton-Brea Interceptor Sewer Relief                      | 02-71             | 2,287,000                              | 2,287,000                             | 30,000                                    | 30,000                                   | 7              |
| Newhope-Placentia Trunk Replacement                          | 02-72             | 66,696,000                             | 66,696,000                            |   |  | 8              |
| Yorba Linda Pumping Station Abandonment                      | 02-73             | 9,566,000                              | 9,566,000                             |   |  | 9              |
| Rehabilitation of the Westside Pump Station                  | 03-52             | 11,668,000                             | 12,053,000                            | 252,000                                   | 208,000                                  | 10             |
| Westside Relief Interceptor Relief                           | 03-55             | 26,482,000                             | 26,482,000                            |   |  | 11             |
| Rehabilitation of Magnolia Trunk Sewer                       | 03-58             | 26,721,000                             | 22,132,000                            | 3,448,000                                 | 9,727,000                                | 12             |
| Miller-Holder Trunk Sewer Relief                             | 03-59             | 17,324,000                             | 17,324,000                            |   |  | 13             |
| Beach Trunk/Knott Interceptor Sewer Relief                   | 03-60             | 25,055,000                             | 25,055,000                            |   |  | 14             |
| Miller-Holder and Knott Trunks Odor Control Project          | 03-61             | 1,795,000                              | 1,795,000                             |   |  | 15             |
| Seal Beach Pumping Station Upgrade and Rehabilitation        | 03-62             | 14,023,000                             | 26,356,000                            |   |  | 16             |
| Seal Beach Pumping Station Force Main Rehabilitation         | 03-63             | 11,032,000                             |                                       | 152,000                                   |  | Canceled       |
| Rehabilitation of 3-6, 3-8, and 3-21-1 Sewers                | 03-64             | 71,312,000                             | 71,312,000                            |   |  | 17             |
| Balboa Trunk Sewer Rehabilitation                            | 05-47             | 8,514,000                              | 9,446,000                             | 2,190,000                                 | 439,000                                  | 18             |
| Replacement of the Bitter Point Pump Station                 | 05-49             | 32,084,000                             | 31,693,000                            | 3,882,000                                 | 9,026,000                                | 19             |
| Replacement of the Rocky Point Pump Station                  | 05-50             | 20,360,000                             | 20,751,000                            | 565,000                                   | 3,507,000                                | 20             |
| Bitter Point Force Main Rehabilitation                       | 05-58             | 25,883,000                             | 40,781,000                            | 978,000                                   | 2,894,000                                | 21             |
| Newport Force Main Condition Assessment                      | 05-60             | 22,591,000                             | 23,779,000                            | 633,000                                   | 450,000                                  | 22             |
| Bayside Drive Improvement                                    | 05-61             | 3,415,000                              |                                       |   |  | Complete       |
| Dover Drive Trunk Sewer Relief                               | 05-63             | 13,346,000                             | 13,346,000                            | 9,120,000                                 | 533,000                                  | 23             |
| Lido Pumping Station Upgrade and Rehabilitation              | 05-65             | 1,515,000                              |                                       | 114,000                                   |  | Canceled       |
| Crystal Cove Pumping Station Upgrade and Rehabilitation      | 05-66             | 7,379,000                              | 7,379,000                             |   |  | 24             |
| Bay Bridge Pumping Station Upgrade and Rehabilitation        | 05-67             | 46,852,000                             | 46,852,000                            |   |  | 25             |
| District 6 Trunk Sewer Relief                                | 06-17             | 5,126,000                              | 5,126,000                             | 48,000                                    | 48,000                                   | 26             |
| Southwest Costa Mesa Trunk                                   | 06-19             | 13,309,000                             | 15,240,000                            | 491,000                                   | 330,000                                  | 27             |
| Gisler-Redhill System Improvements, Reach B                  | 07-37             | 9,622,000                              | 11,002,000                            | 6,869,000                                 | 1,080,000                                | 28             |
| Rehabilitation of College Ave. Pump Station                  | 07-47             | 11,445,000                             |                                       |   |  | Complete       |
| Browning Subtrunk Sewer Relief                               | 07-60             | 11,172,000                             | 11,172,000                            |   |  | 29             |
| County Island Annexation and CEQA Documentation              | 07-61             | 300,000                                |                                       |   |  | Complete       |

Continued



# Summary of Capital Requirements

## Summary of Capital Requirements – Collection System Improvement Projects

|  | Project<br>Number | Original<br>Total<br>Project<br>Budget | Revised<br>Total<br>Project<br>Budget | Original<br>2011-12<br>Cashflow<br>Budget | Revised<br>2011-12<br>Cashflow<br>Budget | Item<br>Number |
|--|-------------------|--|---------------------------------------|---|--|----------------|
| <b>Collections (Continued)</b>                       |                   |  |                                       |   |  |                |
| Von Karman Trunk Sewer Relief                        | 07-62             | 433,000                                | 433,000                               |   |  | 30             |
| MacArthur Pumping Station Upgrade and Rehabilitation | 07-63             | 7,028,000                              | 7,028,000                             |   |  | 31             |
| Edinger/Bolsa Chica Trunk Improvements               | 11-25             | 6,030,000                              | 6,030,000                             |   |  | 32             |
| Coast Trunk Sewer Rehabilitation                     | 11-26             | 9,121,000                              |                                       |   |  | Complete       |
| Wintersburg Channel Siphon Protection Project        | 11-32             | 75,000                                 | 75,000                                |   | 65,000                                   | 33             |
| Edinger Pumping Station Upgrade and Rehabilitation   | 11-33             | 11,474,000                             | 11,474,000                            |   |  | 34             |
| North County Collections Yard                        | 15-04             | 12,270,000                             |                                       | 16,000                                    |  | Canceled       |
| Facilities Engineering Projects - Collections        | FE-Collect        | 8,520,000                              | 8,520,000                             | 325,000                                   | 649,000                                  | 35             |
| Replacement of the Ellis Ave. Pump Stn               | I-10              | 79,337,000                             |                                       |   |  | Complete       |
| Siphon and Manhole Upgrade Feasibility Study         | SP-138            | 300,000                                | 300,000                               | 150,000                                   | 140,000                                  | 36             |
| <b>Total Collections Projects</b>                    |                   | <b>700,363,000</b>                     | <b>603,922,000</b>                    | <b>31,397,000</b>                         | <b>31,252,000</b>                        |                |

# Summary of Capital Requirements

## Summary of Capital Requirements – Treatment System Improvement Projects

|   | Project Number | Original Total Project Budget | Revised Total Project Budget | Original 2011-12 Cashflow Budget | Revised 2011-12 Cashflow Budget | Item Number |
|---|----------------|-------------------------------|------------------------------|----------------------------------|---------------------------------|-------------|
| <b>Headworks</b>  |                |                               |                              |                                  |                                 |             |
| Headworks Rehab. and Expansion at Plant No. 1             | P1-105         | 43,404,000                    | 43,404,000                   | 485,000                          |                                 | 37          |
| Headworks Expansion                                       | P1-120         | 222,804,000                   | 222,804,000                  |                                  |                                 | 38          |
| Headworks Rehabilitation/Refurbishment                    | P1-71          | 8,374,000                     | 7,955,000                    | 388,000                          | 28,000                          | 39          |
| Headworks Improvements at Plant No. 2                     | P2-66          | 257,733,000                   | 257,733,000                  | 8,609,000                        | 4,876,000                       | 40          |
| <b>Headworks Total</b>                                    |                | <b>532,315,000</b>            | <b>531,896,000</b>           | <b>9,482,000</b>                 | <b>4,904,000</b>                |             |
| <b>Primary Treatment</b>                                  |                |                               |                              |                                  |                                 |             |
| Joint GWRS Microfiltration Backwash Redirection Project   | J-36-1         |                               | 1,311,000                    |                                  | 12,000                          | 41          |
| Primary Clarifiers 6-31 Evaluation and Optimization Study | P1-116         | 150,000                       | 1,171,000                    |                                  | 756,000                         | 42          |
| Primary Effluent Pipeline Joint Repairs                   | P1-118         | 3,246,000                     | 3,246,000                    |                                  |                                 | 43          |
| Primary Treatment Rehab/Refurb                            | P2-80          | 38,923,000                    |                              | 194,000                          |                                 | Complete    |
| Primary Treatment Area Rehabilitation Study               | SP-137         | 300,000                       | 300,000                      | 150,000                          | 298,000                         | 44          |
| 54-inch Primary Effluent Butterfly Valve Use Study        | SP-144         | 25,000                        |                              |                                  |                                 | Complete    |
| <b>Primary Treatment Total</b>                            |                | <b>42,644,000</b>             | <b>6,028,000</b>             | <b>344,000</b>                   | <b>1,066,000</b>                |             |
| <b>Secondary Treatment</b>                                |                |                               |                              |                                  |                                 |             |
| New Secondary Treatment System at Plant No. 1             | P1-102         | 260,300,000                   | 255,644,000                  | 5,681,000                        | 8,911,000                       | 45          |
| Activated Sludge Plant No.1 Upgrades                      | P1-117         | 20,673,000                    |                              |                                  |                                 | Canceled    |
| Activated Sludge Plant Rehabilitation                     | P1-82          | 46,761,000                    |                              |                                  |                                 | Complete    |
| Trickling Filters at Plant No. 2                          | P2-90          | 223,238,000                   | 220,206,000                  | 233,000                          | 1,554,000                       | 46          |
| Oxygen Plant Rehabilitation at Plant No. 2                | SP-129         | 2,500,000                     | 2,500,000                    | 1,562,000                        | 306,000                         | 47          |
| <b>Secondary Treatment Total</b>                          |                | <b>553,472,000</b>            | <b>478,350,000</b>           | <b>7,476,000</b>                 | <b>10,771,000</b>               |             |
| <b>Solids Handling &amp; Digestion</b>                    |                |                               |                              |                                  |                                 |             |
| Sludge Digester Rehabilitation at Plant 1                 | P1-100         | 55,515,000                    | 55,515,000                   | 18,314,000                       | 16,575,000                      | 48          |
| Sludge Dewatering and Odor control at Plant 1             | P1-101         | 143,549,000                   | 147,270,000                  | 6,397,000                        | 3,962,000                       | 49          |
| Digester Ferric Chloride System Rehabilitation            | P2-105         | 2,627,000                     | 2,905,000                    | 462,000                          | 657,000                         | 50          |
| Demolition of Digesters A and B                           | P2-110         | 4,756,000                     | 5,405,000                    |                                  |                                 | 51          |
| Solids Storage Silo Rehabilitation                        | P2-114         | 37,604,000                    | 37,604,000                   |                                  |                                 | 52          |
| Solids Thickening and Processing Upgrades                 | P2-89          | 61,135,000                    | 57,796,000                   | 1,919,000                        | 3,166,000                       | 53          |
| Plant No. 2 Primary Sludge Feed System Project            | P2-91          | 26,524,000                    |                              | 337,000                          |                                 | Complete    |
| Digester Rehabilitation at Plant No. 2                    | P2-91-1        | 45,637,000                    | 45,637,000                   | 444,000                          |                                 | 54          |
| Sludge Dewatering and Odor Control at Plant 2             | P2-92          | 63,183,000                    | 64,868,000                   | 570,000                          | 2,943,000                       | 55          |
| Replacement of Drying Beds and Truck Wash at Plant        | P2-97          | 4,443,000                     |                              | 277,000                          |                                 | Canceled    |
| Food Waste Collection and Treatment Study                 | SP-171         | 100,000                       |                              |                                  |                                 | Canceled    |
| Digesters 5 and 6 Conversion and Use Study                | SP-172         | 100,000                       | 100,000                      |                                  |                                 | 56          |
| <b>Solids Handling &amp; Digestion Total</b>              |                | <b>445,173,000</b>            | <b>417,100,000</b>           | <b>28,720,000</b>                | <b>27,303,000</b>               |             |

# Summary of Capital Requirements

## Summary of Capital Requirements –Treatment System Improvement Projects

|   | Project<br>Number | Original<br>Total<br>Project<br>Budget | Revised<br>Total<br>Project<br>Budget | Original<br>2011-12<br>Cashflow<br>Budget | Revised<br>2011-12<br>Cashflow<br>Budget | Item<br>Number |
|---|-------------------|--|---------------------------------------|---|--|----------------|
| <b>Ocean Outfall Systems</b>                              |                   |  |                                       |   |  |                |
| Final Effluent Sampler and Building Area Upgrades         | J-110             | 2,661,000                              | 12,585,000                            | 331,000                                   | 933,000                                  | 57             |
| Outfall Land Section and OOBs Piping Rehabilitation       | J-112             | 7,540,000                              | 21,739,000                            | 1,043,000                                 | 3,901,000                                | 58             |
| Outfall Piping Rehabilitation Program Study               | J-113             | 370,000                                |                                       | 80,000                                    |  | Complete       |
| Ocean Outfall Booster Station Rehabilitation (Electrical) | J-114             | 13,059,000                             |                                       |   |  | Complete       |
| 66-inch Interplant Effluent Pipeline Rehabilitation       | J-116             | 62,052,000                             | 72,517,000                            |   |  | 59             |
| Ocean Outfall Booster Station Rehabilitation (Mechanical) | J-117             | 4,559,000                              | 15,402,000                            |   |  | 60             |
| Outfall Beach Box Rehabilitation Evaluation               | J-119             | 330,000                                | 330,000                               |   | 64,000                                   | 61             |
| Ocean Outfall Easement Renewal                            | SP-143            | 25,000                                 |                                       |   |  | Canceled       |
| Outfall Pumping Cooling Water Bypass Study                | SP-154            | 25,000                                 |                                       | 25,000                                    |  | Canceled       |
| Alternative Effluent Disinfection Study                   | SP-156            | 100,000                                | 100,000                               |   |  | 62             |
| Santa Ana River Flap Gates Access Study                   | SP-159            | 50,000                                 |                                       |   |  | Canceled       |
| Interplant Effluent Pipeline Alternate Use Study          | SP-164            | 10,000                                 |                                       |   |  | Canceled       |
| <b>Ocean Outfall Systems Total</b>                        |                   | <b>90,781,000</b>                      | <b>122,673,000</b>                    | <b>1,479,000</b>                          | <b>4,898,000</b>                         |                |
| <b>Utility Systems</b>                                    |                   |  |                                       |   |  |                |
| Interplant Gas Line Rehabilitation                        | J-106             | 4,504,000                              | 5,271,000                             | 147,000                                   | 608,000                                  | 63             |
| Cengen Cooling Water System Replacement                   | J-109             | 10,023,000                             | 12,628,000                            | 2,739,000                                 | 2,657,000                                | 64             |
| Cengen Emissions Control Project                          | J-111             | 30,279,000                             | 30,279,000                            | 2,381,000                                 | 2,897,000                                | 65             |
| UPS System Upgrades                                       | J-121             | 13,012,000                             | 13,012,000                            |   |  | 66             |
| Air Quality Improvements                                  | J-79              | 11,668,000                             | 11,596,000                            | 169,000                                   | 12,000                                   | 67             |
| Central Generation Automation                             | J-79-1            | 21,049,000                             | 23,261,000                            | 79,000                                    | 2,389,000                                | 68             |
| Electrical Power Distribution System Improvements         | J-98              | 9,773,000                              | 9,773,000                             |   |  | 69             |
| Power Building 3A Backup Power Reliability Project        | P1-111            | 502,000                                | 502,000                               | 64,000                                    | 150,000                                  | 70             |
| Plant Water System Rehabilitation at Plant No.1           | P1-112            | 3,344,000                              | 10,029,000                            | 138,000                                   | 769,000                                  | 71             |
| Flare Addition  | P1-119            | 2,083,000                              | 2,083,000                             |   |  | 72             |
| Gas Compressor Upgrades                                   | P1-121            | 27,181,000                             | 27,181,000                            |   |  | 73             |
| Plant 1 66kV Substation                                   | P1-97             | 15,153,000                             | 15,169,000                            |   | 58,000                                   | 74             |
| Plant Water System Rehabilitation at Plant No.2           | P2-101            | 3,659,000                              | 3,864,000                             | 294,000                                   | 80,000                                   | 75             |
| Additional High Pressure Flare                            | P2-103            | 1,993,000                              | 2,116,000                             |   |  | 76             |
| 15 kV Upgrades at Plant No. 2                             | P2-108            | 3,238,000                              | 5,958,000                             | 394,000                                   | 101,000                                  | 77             |
| Gas Compressor Upgrades                                   | P2-109            | 22,362,000                             | 22,362,000                            |   |  | 78             |
| SCE Feed Reliability Improvements                         | P2-111            | 22,490,000                             | 22,490,000                            |   |  | 79             |
| Energy Load Management and Shedding System                | P2-112            | 16,517,000                             |                                       |   |  | Canceled       |
| Gas Holder Demolition                                     | P2-113            | 1,026,000                              |                                       |   |  | Canceled       |
| Secondary Area Cable Tray Upgrades                        | P2-116            | 2,154,000                              | 2,154,000                             |   |  | 80             |
| Headworks Area Cable Tray Upgrades                        | P2-117            | 3,015,000                              | 3,015,000                             |   |  | 81             |
| Fuel Cell Feasibility Study                               | SP-132            | 100,000                                |                                       |   |  | Complete       |
| Fuel Cell Hydrogen Gas Generation Research                | SP-134            | 600,000                                |                                       |   |  | Complete       |

Continued

# Summary of Capital Requirements

## Summary of Capital Requirements – Treatment System Improvement Projects

|  | Project Number | Original Total Project Budget | Revised Total Project Budget | Original 2011-12 Cashflow Budget | Revised 2011-12 Cashflow Budget | Item Number |
|--|----------------|-------------------------------|------------------------------|----------------------------------|---------------------------------|-------------|
| <b>Utility Systems Projects (Continued)</b>                  |                |                               |                              |                                  |                                 |             |
| Digester Gas Facilities Assessment                           | SP-141         | 100,000                       | 700,000                      | 50,000                           | 700,000                         | 82          |
| Utility Water Systems Study                                  | SP-146         | 475,000                       | 800,000                      | 200,000                          | 800,000                         | 83          |
| Plant Air System Master Plan                                 | SP-148         | 220,000                       | 340,000                      | 100,000                          | 340,000                         | 84          |
| Electrical System Base Map                                   | SP-149         | 220,000                       | 250,000                      | 100,000                          |                                 | 85          |
| Uninterruptible Power System (UPS) Study                     | SP-150         | 100,000                       | 342,000                      | 50,000                           | 342,000                         | 86          |
| Sidestream Pumping System and Water Characterization Study   | SP-155         | 170,000                       | 246,000                      |                                  | 246,000                         | 87          |
| Standby Power Generation Study                               | SP-158         | 100,000                       | 400,000                      |                                  |                                 | 88          |
| Communication Radio System Replacement                       | SP-165         | 900,000                       |                              |                                  |                                 | Complete    |
| Power Outage Recovery Plan                                   | SP-170         | 100,000                       | 100,000                      |                                  |                                 | 89          |
| Potable Water Quality Study                                  | SP-175         | 25,000                        | 50,000                       |                                  |                                 | 90          |
| <b>Utility Systems Total</b>                                 |                | <b>228,135,000</b>            | <b>225,971,000</b>           | <b>6,905,000</b>                 | <b>12,149,000</b>               |             |
| <b>Odor Control Related Projects</b>                         |                |                               |                              |                                  |                                 |             |
| Coyote Hills Golf Course Odor Control Station                | 02-74          | 8,365,000                     | 8,365,000                    |                                  |                                 | 91          |
| Rehabilitation of Odor Control Facilities                    | J-71-8         | 44,124,000                    | 44,124,000                   | 6,783,000                        | 168,000                         | 92          |
| Trickling Filter Odor Control at Plant No. 1                 | P1-113         | 5,182,000                     | 5,821,000                    | 628,000                          | 204,000                         | 93          |
| Primary Scrubber Rehabilitation at Plant No.1                | P1-114         | 41,732,000                    | 41,732,000                   |                                  |                                 | 94          |
| Solids Storage Building Odor Control Project                 | P2-102         | 10,720,000                    |                              | 816,000                          |                                 | Canceled    |
| Chemical Scrubber Conversions and Piping System Improvements | P2-106         | 3,261,000                     | 2,807,000                    | 2,032,000                        | 2,046,000                       | 95          |
| Primary Treatment Odor Control Upgrades                      | P2-98          | 35,691,000                    | 35,691,000                   | 2,844,000                        |                                 | 96          |
| Wastehauler Odor Control                                     | SP-140         | 100,000                       | 100,000                      | 50,000                           | 98,000                          | 97          |
| Odor Control Master Plan                                     | SP-166         | 2,400,000                     | 1,200,000                    |                                  |                                 | 98          |
| <b>Odor Control Related Projects Total</b>                   |                | <b>151,575,000</b>            | <b>139,840,000</b>           | <b>13,153,000</b>                | <b>2,516,000</b>                |             |
| <b>Process Related Special Projects</b>                      |                |                               |                              |                                  |                                 |             |
| Plant O&M Manual & SOP Project - Phase I                     | SP-53          | 3,750,000                     |                              |                                  |                                 | Complete    |
| Corrosion Management   | SP-68-1        | 4,667,000                     | 14,372,000                   | 118,000                          | 1,992,000                       | 99          |
| Special Projects: Biotrickling Filter (BTF)                  | SP-90-7        | 29,000                        |                              | 12,000                           |                                 | Complete    |
| <b>Process Related Special Projects Total</b>                |                | <b>8,446,000</b>              | <b>14,372,000</b>            | <b>130,000</b>                   | <b>1,992,000</b>                |             |
| <b>Plant Automation &amp; Computerization</b>                |                |                               |                              |                                  |                                 |             |
| Power Monitoring and Control Systems                         | J-33-3         | 12,013,000                    | 13,050,000                   | 5,382,000                        | 1,330,000                       | 100         |
| Strategic Information Architecture (SIA)                     | SP-03          | 1,995,000                     | 1,995,000                    | 250,000                          | 288,000                         | 101         |
| Internet/Intranet Development                                | SP-09          | 650,000                       | 650,000                      | 60,000                           | 24,000                          | 102         |
| CMMS System Replacement                                      | SP-100         | 3,789,000                     | 5,000,000                    | 1,156,000                        | 1,500,000                       | 103         |
| PDS2D Software Replacement                                   | SP-103         | 250,000                       | 250,000                      | 50,000                           | 115,000                         | 104         |
| Geographic Information System                                | SP-15          | 4,047,000                     | 4,047,000                    | 690,000                          | 350,000                         | 105         |
| Process SCADA Modbus Ethernet Redundancy                     | SP-160         | 1,055,000                     |                              |                                  |                                 | Canceled    |
| VAX Server Migration to Modbus Ethernet                      | SP-161         | 1,146,000                     |                              |                                  |                                 | Canceled    |
| Network Equipment Upgrade                                    | SP-89          | 1,157,000                     | 2,905,000                    | 140,000                          | 580,000                         | 106         |
| <b>Plant Automation &amp; Computerization Total</b>          |                | <b>26,102,000</b>             | <b>27,897,000</b>            | <b>7,728,000</b>                 | <b>4,187,000</b>                |             |

# Summary of Capital Requirements

## Summary of Capital Requirements – Treatment System Improvement Projects

|   | Project<br>Number | Original<br>Total<br>Project<br>Budget | Revised<br>Total<br>Project<br>Budget | Original<br>2011-12<br>Cashflow<br>Budget | Revised<br>2011-12<br>Cashflow<br>Budget | Item<br>Number |
|---|-------------------|--|---------------------------------------|---|--|----------------|
| <b>Miscellaneous &amp; Support Projects</b>               |                   |  |                                       |   |  |                |
| Facilities Engineering Projects - Joint                   | FE-J              | 23,910,000                             | 23,910,000                            | 1,290,000                                 | 81,000                                   | 107            |
| Facilities Engineering Projects - Plant 1                 | FE-P1             | 20,910,000                             | 20,910,000                            | 1,127,000                                 | 3,307,000                                | 108            |
| Facilities Engineering Projects - Plant 2                 | FE-P2             | 20,910,000                             | 20,910,000                            | 757,000                                   | 3,499,000                                | 109            |
| Permanent Upgrades To Plant Security Barriers             | J-108             | 2,385,000                              | 3,218,000                             | 108,000                                   | 594,000                                  | 110            |
| Emergency Operation Center                                | J-115             | 100,000                                | 150,000                               |   |  | 111            |
| Contracts and Purchasing Building Extension               | J-118             | 3,589,000                              | 3,589,000                             |   |  | 112            |
| Operations Center Entrance/Building Repairs               | J-122             | 2,325,000                              | 2,325,000                             | 1,150,000                                 | 381,000                                  | 113            |
| Title 24 Access Compliance Improvements at Plant No. 1    | P1-115            | 10,000,000                             | 28,778,000                            | 1,085,000                                 | 2,009,000                                | 114            |
| Plant No. 2 Landscaping Project                           | P2-96             | 545,000                                | 545,000                               | 200,000                                   | 65,000                                   | 115            |
| Integrated Security Access Control System                 | SP-128            | 450,000                                | 900,000                               | 90,000                                    | 160,000                                  | 116            |
| 2009 NPDES Permit Renewal                                 | SP-133            | 150,000                                | 150,000                               |   | 50,000                                   | 117            |
| Software and Computer Equipment Replacement Project       | SP-135            | 2,700,000                              | 2,700,000                             | 270,000                                   | 270,000                                  | 118            |
| Land Records Information System                           | SP-136            | 410,000                                | 410,000                               | 195,000                                   | 122,000                                  | 119            |
| Roof Condition Assessment and Rehabilitation Study        | SP-142            | 75,000                                 |                                       | 36,000                                    |  | Canceled       |
| Facility Assets Assessment                                | SP-145            | 5,000,000                              | 3,260,000                             | 1,500,000                                 | 250,000                                  | 120            |
| Plant 2 WSSPS Motor Location                              | SP-145-2          |  | 72,000                                |   | 72,000                                   | 121            |
| Administrative Facilities Master Plan                     | SP-147            | 250,000                                | 250,000                               | 100,000                                   | 250,000                                  | 122            |
| Laboratory Water Piping Replacement                       | SP-153            | 1,005,000                              | 1,005,000                             | 112,000                                   | 361,000                                  | 123            |
| Stormwater Master Plan                                    | SP-167            | 300,000                                | 300,000                               |   |  | 124            |
| Small Cap. Equip. Replacement Project                     | SP-34             | 11,700,000                             | 20,200,000                            | 1,700,000                                 | 10,350,000                               | 125            |
| Asset Management Program                                  | SP-68-2           | 4,800,000                              | 4,800,000                             | 363,000                                   | 350,000                                  | 126            |
| Warehouse Reinvention Project                             | SP-77             | 600,000                                |                                       |   |  | Complete       |
| <b>Miscellaneous &amp; Support Projects Total</b>         |                   | <b>112,114,000</b>                     | <b>138,382,000</b>                    | <b>10,083,000</b>                         | <b>22,171,000</b>                        |                |
| <b>Water Management Projects</b>                          |                   |  |                                       |   |  |                |
| Initial Expansion of the Groundwater Replenishment System | SP-139            | 300,000                                | 300,000                               | 100,000                                   | 100,000                                  | 127            |
| Effluent Reuse Study                                      | SP-173            | 60,000                                 | 60,000                                |   |  | 128            |
| <b>Water Management Projects Total</b>                    |                   | <b>360,000</b>                         | <b>360,000</b>                        | <b>100,000</b>                            | <b>100,000</b>                           |                |
| <b>Strategic &amp; Master Planning</b>                    |                   |  |                                       |   |  |                |
| Orange County Biosolids Production Siting Study           | SP-105            | 400,000                                |                                       |   |  | Complete       |
| Landscape Master Plan                                     | SP-145-4          |  | 150,000                               |   |  | 129            |
| Uniform Level of Service Standards                        | SP-151            | 80,000                                 | 80,000                                | 40,000                                    | 80,000                                   | 130            |
| Climate Change Impact Study                               | SP-152            | 100,000                                | 100,000                               | 50,000                                    |  | 131            |
| Plant No. 2 Soil Liquefaction Study                       | SP-177            | 250,000                                | 173,000                               |   |  | 132            |
| <b>Strategic &amp; Master Planning Total</b>              |                   | <b>830,000</b>                         | <b>503,000</b>                        | <b>90,000</b>                             | <b>80,000</b>                            |                |

# Summary of Capital Requirements

## Summary of Capital Requirements –Treatment System Improvement Projects

|  | Project Number | Original Total Project Budget | Revised Total Project Budget | Original 2011-12 Cashflow Budget | Revised 2011-12 Cashflow Budget | Item Number |
|--|----------------|-------------------------------|------------------------------|----------------------------------|---------------------------------|-------------|
| <b>Research &amp; Development</b>                        |                |                               |                              |                                  |                                 |             |
| Process SCADA Replacement                                | J-120          | 20,283,000                    | 24,680,000                   |                                  |                                 | 133         |
| Fall Protection Improvements at Plants Nos.1 and 2       | J-123          |                               | 3,399,000                    |                                  | 440,000                         | 134         |
| Process SCADA Network Upgrades                           | P2-107         | 8,697,000                     | 22,895,000                   |                                  |                                 | 135         |
| USBR Brine Management Grant Project                      | SP-116         | 315,000                       |                              | 130,000                          |                                 | Complete    |
| Research Strategic Plan                                  | SP-120         | 365,000                       | 365,000                      | 18,000                           | 10,000                          | 136         |
| Superoxygenation of Primary Influent                     | SP-121         | 850,000                       | 850,000                      | 245,000                          | 165,000                         | 137         |
| Operational Research Projects (annual allocation)        | SP-125         | 10,040,000                    | 10,000,000                   | 1,000,000                        | 1,000,000                       | 138         |
| Facilities-Wide Safety Assessment                        | SP-145-1       |                               | 300,000                      |                                  | 300,000                         | 139         |
| Process SCADA Link to Pump Stations                      | SP-157         | 100,000                       | 193,000                      |                                  |                                 | 140         |
| North County Yard Information Continuity                 | SP-162         | 666,000                       |                              |                                  |                                 | Canceled    |
| Data Storage Addition                                    | SP-163         | 444,000                       | 444,000                      |                                  | 444,000                         | 141         |
| Treatment Plant Hydraulic Assessment                     | SP-168         | 300,000                       | 300,000                      |                                  | 300,000                         | 142         |
| Information Systems Upgrades and Replacements            | SP-169         | 12,510,000                    | 12,510,000                   |                                  | 1,000,000                       | 143         |
| Information Technology Data Center Replacement           | SP-174         | 2,566,000                     | 2,566,000                    |                                  |                                 | 144         |
| Information Technology Workroom Replacement              | SP-176         | 180,000                       | 180,000                      |                                  |                                 | 145         |
| <b>Research &amp; Development Projects Total</b>         |                | <b>57,316,000</b>             | <b>78,682,000</b>            | <b>1,393,000</b>                 | <b>3,659,000</b>                |             |
| <b>Total Treatment and Disposal Projects</b>             |                | <b>2,249,263,000</b>          | <b>2,182,054,000</b>         | <b>87,083,000</b>                | <b>95,796,000</b>               |             |
| <b>Capital Equipment Purchases</b>                       |                | <b>16,000,000</b>             | <b>16,000,000</b>            | <b>1,442,400</b>                 | <b>2,121,900</b>                |             |
| <b>Total Collection, Treatment and Disposal Projects</b> |                | <b>\$2,965,626,000</b>        | <b>\$2,801,976,000</b>       | <b>\$119,922,400</b>             | <b>\$129,169,900</b>            |             |

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# CIP New Project Descriptions

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|                                  |  |                        |                 |
|----------------------------------|--|------------------------|-----------------|
| <b>Project Name &amp; Number</b> | <b>Plant 2 WSSPS Motor Location - SP-145-2</b> |                        |                 |
| <b>Project Category</b>          | <b>Miscellaneous &amp; Support Projects</b>    | <b>Project Budget:</b> | <b>\$72,000</b> |

**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.

|                                  |   |                        |                  |
|----------------------------------|---|------------------------|------------------|
| <b>Project Name &amp; Number</b> | <b>Facilities-Wide Safety Assessment - SP-145-1</b> |                        |                  |
| <b>Project Category</b>          | <b>Safety &amp; Security Improvements</b>           | <b>Project Budget:</b> | <b>\$300,000</b> |

**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.

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# Proposed Equipment Budget Summary

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Proposed Equipment Budget  
2011-12

| Department                                    | Trucks &<br>Vehicles<br>09410000 | Other<br>Mobile Eq<br>09410001 | Machine Eq<br>& Tools<br>09410002 | Comm<br>Equipment<br>09410003 |
|---|----------------------------------|--------------------------------|-----------------------------------|-------------------------------|
| Contracts, Purchasing, & Materials Management | -                                | -                              | -                                 | -                             |
| Information Technology                        | -                                | -                              | -                                 | -                             |
| Equipment / Rebuild                           | 852,200                          | 33,300                         | -                                 | -                             |
| Mechanical & Reliability Maintenance          | -                                | -                              | 26,600                            | -                             |
| Instrumentation & Electrical Maintenance      | -                                | -                              | -                                 | 35,000                        |
| Environmental Laboratory & Ocean Monitoring   | -                                | -                              | -                                 | -                             |
| Total Proposed Capital Equipment              | <u>852,200</u>                   | <u>33,300</u>                  | <u>26,600</u>                     | <u>35,000</u>                 |

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# FY 2011-12 Budget Update

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## Proposed Equipment Budget 2011-12

| Department                                    | Instr / Test<br>Equipment<br>09410004 | Safety &<br>Traffic Eq<br>09410005 | Office Fix<br>& Eq<br>09410006 | Computer<br>Equipment<br>09410007 | 2011-12<br>Proposed<br>Budget |
|---|---------------------------------------|------------------------------------|--------------------------------|-----------------------------------|-------------------------------|
| Contracts, Purchasing, & Materials Management | -                                     | 65,300                             | -                              | -                                 | 65,300                        |
| Information Technology                        | -                                     | -                                  | -                              | 803,400                           | 803,400                       |
| Equipment / Rebuild                           | -                                     | -                                  | -                              | -                                 | 885,500                       |
| Mechanical & Reliability Maintenance          | 27,000                                | -                                  | -                              | -                                 | 53,600                        |
| Instrumentation & Electrical Maintenance      | 129,700                               | -                                  | -                              | -                                 | 164,700                       |
| Environmental Laboratory & Ocean Monitoring   | 149,400                               | -                                  | -                              | -                                 | 149,400                       |
| Total Proposed Capital Equipment              | <u>306,100</u>                        | <u>65,300</u>                      | <u>-</u>                       | <u>803,400</u>                    | <u>2,121,900</u>              |

# Proposed Equipment Budget Detail

## Proposed Equipment Budget Detail

| Division   | Equipment Type  | Proposed Equip.<br>Budget |
|--|---|---------------------------|
| <u>230 - Contracts, Purchasing, &amp; Materials Management</u> |   |                           |
|  | Parts Picker Jack (2)   | 65,300                    |
|  | Total   | <u>65,300</u>             |
| <u>250 - Information Technology</u>                            |   |                           |
|  | Video and Storage Equipment (\$30,000 Re-budget) - process areas  | 60,000                    |
|  | Video Storage Equipment (Re-budget) - pump stations               | 20,000                    |
|  | Off-the-Shelf Software for Source Control Application (Re-budget) | 300,000                   |
|  | Data Communication Device/Router                                  | 17,700                    |
|  | Hydraulic Modeling & Viewing Software                             | 51,700                    |
|  | Server & Licenses - SCADA Modernization                           | 354,000                   |
|  | Total   | <u>803,400</u>            |
| <u>320 - Equipment / Rebuild</u>                               |   |                           |
|  | Pickup Truck - Replace V# 0493                                    | 43,600                    |
|  | Pickup Truck - Replace V# 0440                                    | 43,600                    |
|  | Truck with 5,000 lb Crane - Replace V# 0399                       | 81,100                    |
|  | Truck Crane - Replace V# 0505                                     | 509,800                   |
|  | Sport Utility Vehicle - Replace V# 0484                           | 39,600                    |
|  | Twelve-Passenger Van Pool Van - Replace V# 0547                   | 42,300                    |
|  | HVAC Utility Truck - Replace V# 0421                              | 45,000                    |
|  | Pickup Truck - Replace V# 0459                                    | 33,300                    |
|  | Pickup Truck - Replace V# 0454                                    | 47,200                    |
|  | Total   | <u>885,500</u>            |
| <u>850 - Mechanical &amp; Reliability Maintenance</u>          |   |                           |
|  | Fluke Ti55 Infrared Camera  | 27,000                    |
|  | Portable Jetter   | 26,600                    |
|  | Total   | <u>53,600</u>             |
| <u>860 - Instrumentation &amp; Electrical Maintenance</u>      |   |                           |
|  | Programmable Logic Controller Test Station (2)                    | 48,500                    |
|  | 2,000 kW Portable Electric Load Bank                              | 61,500                    |
|  | Electric Megger   | 5,600                     |
|  | Portable Vibration Sensor Calibrator                              | 14,100                    |
|  | PLC Rack Upgrade Ethernet Communication Module (7)                | 35,000                    |
|  | Total   | <u>164,700</u>            |
| <u>890 - Environmental Laboratory &amp; Ocean Monitoring</u>   |   |                           |
|  | Automated Sample Digestion System                                 | 28,900                    |
|  | Auto-titrator   | 36,000                    |
|  | OI Analytical Autosampler Replacement                             | 25,000                    |
|  | Accelerated Solvent Extractor, ASE Replacement                    | 42,000                    |
|  | Blue M Ultra-Temp Convection Oven Replacement                     | 17,500                    |
|  | Total   | <u>149,400</u>            |
| <b>Total Proposed 2011-12 CORF Equipment Budget</b>            |   | <b><u>2,121,900</u></b>   |

# FY 2011-12 Budget Update

## **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 2011-12.

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 Equipment Budget Detail listing 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> |
|---|-----------------|-------------------------------|-------------------------------------|
| <b><u>Chemical Contracts</u></b>                        |                 |                               |                                     |
| Anionic polymers for primary treatment                  | 830/840         | \$ 413,000                    | 0% (2)                              |
| Cationic polymers for solids dewatering and coagulation | 830/840         | 1,700,000                     | 0% (2)                              |
| Ferric chloride for primary treatment                   | 830/840         | 5,834,000                     | 0% (2)                              |
| Caustic soda (50%) for odor and corrosion control       | 340             | 270,700                       | 0% (2)                              |
| Caustic soda (25%) for odor and corrosion control       | 830/840         | 346,500                       | 0% (2)                              |
| Hydrogen peroxide for odor control                      | 830             | 1,321,000                     | 0% (2)                              |
| Magnesium hydroxide for odor and corrosion control      | 340             | 2,646,000                     | 0% (2)                              |
| Ferrous chloride for odor and corrosion control         | 340             | 3,127,690                     | 0% (2)                              |
| Calcium nitrate for odor and corrosion control          | 340             | 966,000                       | 0% (2)                              |
| Bleach for disinfection and odor control                | 830/840         | 3,557,400                     | 0% (2)                              |
| Sodium bisulfite for dechlorination                     | 840             | 427,900                       | 0% (2)                              |
| <b><u>Other Contracts</u></b>                           |                 |                               |                                     |
| Legislative/lobbying services                           | 140             | 185,000                       | 10%                                 |
| Uniform contract  | 230             | 300,000                       | 10%                                 |
| IBM Software Maintenance                                | 250             | 210,500                       | 10%                                 |
| Microsoft Enterprise License Agreement                  | 250             | 218,500                       | 10%                                 |
| Oracle Software Maintenance                             | 250             | 138,000                       | 10%                                 |
| License & Service Maintenance of Plant Security Systems | 250             | 110,000                       | 10%                                 |
| Security services contract                              | 260             | 500,000                       | 10%                                 |
| Hazardous waste services                                | 260             | 166,800                       | 10%                                 |
| Vehicle fuels and lubricants                            | 320             | 200,000                       | 10%                                 |
| Digester cleaning and disposal                          | 330             | 1,422,710                     | 10%                                 |
| Replacing manhole frames & covers                       | 330             | 233,350                       | 10%                                 |
| Local & Regional Sewer Line Cleaning                    | 330             | 500,000                       | 10%                                 |
| Manhole structural repair and coating services          | 330             | 300,000                       | 10%                                 |
| Sewer repair / relining                                 | 330             | 230,000                       | 10%                                 |
| CCTV Services for sewers                                | 330             | 360,000                       | 10%                                 |
| Purchasing manhole frames/covers                        | 330             | 197,500                       | 10%                                 |
| Sewer spot repairs                                      | 330             | 100,000                       | 10%                                 |
| Easement/right-of-way maintenance                       | 330             | 150,000                       | 10%                                 |
| Raising manholes for City/County street overlays        | 330             | 150,000                       | 10%                                 |
| Underground emergency repairs for sinkholes             | 330             | 200,000                       | 10%                                 |
| Groundskeeping services contract                        | 330             | 170,000                       | 10%                                 |
| Custodial services contract                             | 330             | 470,000                       | 10%                                 |
| Process area preventive maintenance/painting program    | 330             | 750,000                       | 10%                                 |
| Dig Alert and street overlay program contract           | 340             | 100,000                       | 10%                                 |
| Air quality compliance testing                          | 790             | 135,000                       | 10%                                 |
| Air quality emissions and permit fees                   | 790             | 200,000                       | 10%                                 |
| NPDES permit fees                                       | 790             | 325,980                       | 10%                                 |
| Core OMP benthic infauna taxonomy                       | 890             | 152,400                       | 10%                                 |
| Solids removal  | 830/840         | 18,500,000                    | 10%                                 |
| Grit and screenings hauling and disposal                | 830/840         | 700,000                       | 10%                                 |
| Oxygen plant services for secondary treatment           | 840             | 478,000                       | 10%                                 |
| City water - Fountain Valley                            | 830             | 320,000                       | 10%                                 |
| City water - Huntington Beach                           | 840             | 219,000                       | 10%                                 |
| Carbon replacement - odor control                       | 830             | 431,210                       | 10%                                 |
| CenGen heat recovery units retubing                     | 860             | 120,000                       | 10%                                 |
| Carbon changes for CenGen Di-Gas Cleaning               | 860             | 175,000                       | 10%                                 |
| Electric arc flash study (OSHA requirement)             | 860             | 200,000                       | 10%                                 |
| Natural gas   | 830/840/860     | 678,000                       | 10%                                 |
| GAP water   | 860             | 900,000                       | 10%                                 |
| Total   |                 | <u>\$ 51,507,140</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.

# Self-Funded Insurance Plans

## SELF-FUNDED INSURANCE PLANS

The General Liability and Property program and the Workers' Compensation program provide for the District to be partially self-insured for general liability and workers' compensation. The in-lieu premiums charged to the operating divisions are the revenue source for these programs. Expenses primarily consist of settlement claims, legal fees and excess loss insurance premiums. Ending Reserve Balances are projected at \$57 million.

### General Liability and Property

- The District's current excess general liability insurance coverage is \$30 million per occurrence with an annual aggregate limit and with a self-insured retention of \$250,000 and \$500,000 for EPLI.
- 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 5 percent per unit of insurance up to \$250,000 for fire and \$100,000 for flood. The District is completely self-insured for earthquake.
- In order to maintain the reserve balance of \$55 million for the General Liability and Property program, appropriations for in-lieu premiums charged to operating divisions are recommended at \$1,082,100 for FY 2011-12.

### Workers' Compensation

- The District's current excess workers' compensation coverage has unlimited statutory coverage per occurrence and \$4.5 million employer's liability per employee with a self-insured retention of \$500,000 per person 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 \$550,000 for FY 2011-12.

| DESCRIPTION OR ACCOUNT TITLE          | FY 2011-12 Self-Insurance Program Budget |                               |                              |
|---------------------------------------|--|-------------------------------|------------------------------|
|                                       | General Liability & Property Program     | Workers' Compensation Program | Total Self-Insurance Program |
| <b>Beginning Reserves</b>             | \$ 55,500,000                            | \$ 2,000,000                  | \$ 57,500,000                |
| <b>Revenues</b>                       |  |                               |                              |
| In-Lieu Premiums                      | 1,082,100                                | 550,000                       | 1,632,100                    |
| Claims Reimbursement from Other Funds | -  | -                             | -                            |
| Service Department Allocation         | 24,100                                   | -                             | 24,100                       |
| <b>Total Revenues</b>                 | <u>1,106,200</u>                         | <u>550,000</u>                | <u>1,656,200</u>             |
| <b>Expenses</b>                       |  |                               |                              |
| Benefits/Claims                       | 200,000                                  | 250,000                       | 450,000                      |
| Contractual Services                  | 1,200                                    | 45,000                        | 46,200                       |
| Legal Services                        | 300,000                                  | 35,000                        | 335,000                      |
| Professional Services                 | 5,000                                    | 10,000                        | 15,000                       |
| Policy Premium Expense                | 1,100,000                                | 210,000                       | 1,310,000                    |
| <b>Total Expenses</b>                 | <u>1,606,200</u>                         | <u>550,000</u>                | <u>2,156,200</u>             |
| <b>Excess Revenue (Expenses)</b>      | <u>(500,000)</u>                         | <u>-</u>                      | <u>(500,000)</u>             |
| <b>Ending Reserves</b>                | <u>\$ 55,000,000</u>                     | <u>\$ 2,000,000</u>           | <u>\$ 57,000,000</u>         |

# Historical Staffing Summary

| Department and Division Name                   | Authorized<br>FTE<br>2007-08 | Authorized<br>FTE<br>2008-09 | Authorized<br>FTE<br>2009-10 | Authorized<br>FTEs<br>2010-11 | Proposed<br>FTEs<br>2011-12 |
|--|------------------------------|------------------------------|------------------------------|-------------------------------|-----------------------------|
| <b>Office of the General Manager</b>           |                              |                              |                              |                               |                             |
| General Management Administration              | 6.50                         | 6.50                         | 4.00                         | 5.00                          | 3.00                        |
| Assistant General Manager Administration       | 3.00                         | 3.00                         | 1.00                         | -                             | -                           |
| Board Services                                 | 5.25                         | 5.25                         | 2.00                         | 2.00                          | 2.00                        |
| Public Affairs                                 | 7.00                         | 7.00                         | 8.00                         | 8.00                          | 8.00                        |
| <b>Department Subtotal</b>                     | <b>21.75</b>                 | <b>21.75</b>                 | <b>15.00</b>                 | <b>15.00</b>                  | <b>13.00</b>                |
| <b>Human Resources Department</b>              |                              |                              |                              |                               |                             |
| Human Resources                                | -                            | -                            | -                            | -                             | 20.00                       |
| <b>Department Subtotal</b>                     | <b>-</b>                     | <b>-</b>                     | <b>-</b>                     | <b>-</b>                      | <b>20.00</b>                |
| <b>Administrative Services Department</b>      |                              |                              |                              |                               |                             |
| Administrative Services                        | 2.00                         | 2.00                         | 3.00                         | 5.00                          | 5.00                        |
| Financial Management                           | 18.00                        | 18.00                        | 19.00                        | 18.00                         | 17.00                       |
| Contracts, Purchasing & Materials Management   | 31.50                        | 29.50                        | 28.75                        | 28.75                         | 30.75                       |
| Human Resources                                | 16.00                        | 16.00                        | 17.00                        | 27.00                         | -                           |
| Information Technology                         | 30.00                        | 31.00                        | 32.00                        | 33.00                         | 45.00                       |
| Safety & Health                                | 8.50                         | 8.00                         | 9.00                         | -                             | -                           |
| Risk Management                                | -                            | -                            | -                            | -                             | 13.00                       |
| <b>Department Subtotal</b>                     | <b>106.00</b>                | <b>104.50</b>                | <b>108.75</b>                | <b>111.75</b>                 | <b>110.75</b>               |
| <b>Facilities Support Services Department</b>  |                              |                              |                              |                               |                             |
| Facilities Support Services Administration     | -                            | -                            | -                            | -                             | 3.75                        |
| Equipment / Rebuild                            | -                            | -                            | -                            | -                             | 18.00                       |
| Facilities Engineering                         | -                            | -                            | -                            | -                             | 13.00                       |
| Collection Facilities                          | -                            | -                            | -                            | -                             | 49.00                       |
| <b>Department Subtotal</b>                     | <b>-</b>                     | <b>-</b>                     | <b>-</b>                     | <b>-</b>                      | <b>83.75</b>                |
| <b>Technical Services Department</b>           |                              |                              |                              |                               |                             |
| Technical Services Administration              | 3.00                         | 4.00                         | 4.00                         | 4.00                          | -                           |
| Environmental Compliance & Regulatory Affairs  | 18.50                        | 16.50                        | 16.00                        | 15.00                         | -                           |
| Environmental Laboratory & Ocean Monitoring    | 48.50                        | 46.50                        | 46.50                        | 43.50                         | -                           |
| Source Control                                 | 39.00                        | 40.00                        | 39.00                        | 40.00                         | -                           |
| <b>Department Subtotal</b>                     | <b>109.00</b>                | <b>107.00</b>                | <b>105.50</b>                | <b>102.50</b>                 | <b>-</b>                    |
| <b>Engineering Department</b>                  |                              |                              |                              |                               |                             |
| Engineering Administration                     | 2.00                         | 2.00                         | 2.00                         | 2.00                          | 2.00                        |
| Planning                                       | 16.00                        | 19.00                        | 17.00                        | 9.00                          | 12.00                       |
| Project Management Office                      | 17.00                        | 17.00                        | 19.00                        | 18.00                         | 17.00                       |
| Engineering & Construction                     | 58.50                        | 60.50                        | 57.50                        | 57.50                         | 58.50                       |
| Facilities Engineering                         | 11.00                        | 10.00                        | 10.00                        | 9.00                          | -                           |
| Asset Management                               | -                            | -                            | -                            | 25.00                         | 6.00                        |
| Environmental Compliance                       | -                            | -                            | -                            | -                             | 33.00                       |
| <b>Department Subtotal</b>                     | <b>104.50</b>                | <b>108.50</b>                | <b>105.50</b>                | <b>120.50</b>                 | <b>128.50</b>               |
| <b>Operations &amp; Maintenance Department</b> |                              |                              |                              |                               |                             |
| Operations & Maintenance Administration        | 2.00                         | 2.00                         | 2.00                         | 3.00                          | 2.75                        |
| Odor & Corrosion Control                       | 12.00                        | 14.50                        | 14.50                        | 9.50                          | -                           |
| Plant No. 1 Operations                         | 41.75                        | 44.75                        | 45.75                        | 49.75                         | 52.75                       |
| Plant No. 2 Operations                         | 46.00                        | 48.00                        | 48.00                        | 47.00                         | 47.00                       |
| Mechanical and Reliability Maintenance         | 74.00                        | 57.00                        | 59.00                        | 58.00                         | 62.00                       |
| Instrumentation & Electrical Maintenance       | 71.00                        | 75.00                        | 76.00                        | 63.00                         | 75.00                       |
| Regional Assets & Services                     | 6.00                         | -                            | -                            | -                             | -                           |
| Collection Facilities Operations & Maintenance | 23.00                        | 24.00                        | 27.00                        | 26.00                         | -                           |
| Facilities Maintenance & Fleet Services        | 17.00                        | 34.00                        | 34.00                        | 35.00                         | -                           |
| Environmental Laboratory & Ocean Monitoring    | -                            | -                            | -                            | -                             | 41.50                       |
| <b>Department Subtotal</b>                     | <b>292.75</b>                | <b>299.25</b>                | <b>306.25</b>                | <b>291.25</b>                 | <b>281.00</b>               |
| <b>Grand Total - All Departments</b>           | <b>634.00</b>                | <b>641.00</b>                | <b>641.00</b>                | <b>641.00</b>                 | <b>637.00</b>               |

# Historical Staffing Detail

| Division & Position  | Authorized<br>FTEs<br>2007-08 | Authorized<br>FTEs<br>2008-09 | Authorized<br>FTEs<br>2009-10 | Approved<br>FTEs<br>2010-11 | Proposed<br>FTEs<br>2011-12 |
|--|-------------------------------|-------------------------------|-------------------------------|-----------------------------|-----------------------------|
| <b>Office of the General Manager</b>                       |                               |                               |                               |                             |                             |
| <b>110 General Management Administration</b>               |                               |                               |                               |                             |                             |
| General Manager  | 1.00                          | 1.00                          | 1.00                          | 1.00                        | 1.00                        |
| Assistant General Manager                                  | -                             | -                             | -                             | 1.00                        | 1.00                        |
| Management Discretion                                      | 4.00                          | 4.00                          | 2.00                          | 2.00                        | -                           |
| Secretary to the General Manager                           | 1.00                          | 1.00                          | 1.00                          | 1.00                        | 1.00                        |
| Intern   | 0.50                          | 0.50                          | -                             | -                           | -                           |
| Total General Management Administration                    | 6.50                          | 6.50                          | 4.00                          | 5.00                        | 3.00                        |
| <b>150 Assistant General Manager Administration</b>        |                               |                               |                               |                             |                             |
| Assistant General Manager                                  | 1.00                          | 1.00                          | 1.00                          | -                           | -                           |
| Legislative Affairs Liaison                                | 1.00                          | 1.00                          | -                             | -                           | -                           |
| Principal Financial Analyst                                | 1.00                          | 1.00                          | -                             | -                           | -                           |
| Total Asst. General Management Administration              | 3.00                          | 3.00                          | 1.00                          | -                           | -                           |
| <b>120 Board Services (formerly division 151)</b>          |                               |                               |                               |                             |                             |
| Clerk of the Board   | 1.00                          | 1.00                          | 1.00                          | 1.00                        | 1.00                        |
| Records Management Specialist                              | 1.00                          | 1.00                          | -                             | -                           | -                           |
| Associate Clerk of the Board II                            | 1.00                          | 1.00                          | 1.00                          | 1.00                        | 1.00                        |
| Administrative Assistant                                   | -                             | 0.25                          | -                             | -                           | -                           |
| Program Assistant  | 0.25                          | -                             | -                             | -                           | -                           |
| Office Assistant   | 2.00                          | 2.00                          | -                             | -                           | -                           |
| Total Board Services                                       | 5.25                          | 5.25                          | 2.00                          | 2.00                        | 2.00                        |
| <b>140 Public Affairs (formerly division 152)</b>          |                               |                               |                               |                             |                             |
| Public Information Manager                                 | 1.00                          | 1.00                          | -                             | -                           | -                           |
| Public Affairs Manager                                     | -                             | -                             | 1.00                          | 1.00                        | 1.00                        |
| Principal Public Information Specialist                    | 1.00                          | 1.00                          | 2.00                          | 2.00                        | 2.00                        |
| Senior Public Information Specialist                       | 2.00                          | 2.00                          | 1.00                          | 1.00                        | 1.00                        |
| Public Information Specialist                              | 2.00                          | 2.00                          | 1.00                          | 1.00                        | 1.00                        |
| Administrative Assistant                                   | 1.00                          | 1.00                          | 1.00                          | 1.00                        | 1.00                        |
| Office Assistant   | -                             | -                             | 2.00                          | 2.00                        | 2.00                        |
| Total Public Affairs                                       | 7.00                          | 7.00                          | 8.00                          | 8.00                        | 8.00                        |
| <b>Total Office of the General Manager</b>                 | <b>21.75</b>                  | <b>21.75</b>                  | <b>15.00</b>                  | <b>15.00</b>                | <b>13.00</b>                |
| <b>Human Resources Department</b>                          |                               |                               |                               |                             |                             |
| <b>160 Human Resources (formerly part of division 240)</b> |                               |                               |                               |                             |                             |
| Director of Human Resources                                | -                             | -                             | -                             | -                           | 1.00                        |
| Management Discretion                                      | -                             | -                             | -                             | -                           | 3.00                        |
| Human Resources Supervisor                                 | -                             | -                             | -                             | -                           | 1.00                        |
| Principal Human Resources Analyst                          | -                             | -                             | -                             | -                           | 1.00                        |
| Senior Human Resources Analyst                             | -                             | -                             | -                             | -                           | 6.00                        |
| CMMS Technician II   | -                             | -                             | -                             | -                           | 1.00                        |
| Associate Engineer I                                       | -                             | -                             | -                             | -                           | 1.00                        |
| Human Resources Analyst                                    | -                             | -                             | -                             | -                           | 3.00                        |
| Human Resources Assistant                                  | -                             | -                             | -                             | -                           | 2.00                        |
| Program Assistant  | -                             | -                             | -                             | -                           | 1.00                        |
| Total Human Resources                                      | -                             | -                             | -                             | -                           | 20.00                       |
| <b>Total Human Resources Department</b>                    | <b>-</b>                      | <b>-</b>                      | <b>-</b>                      | <b>-</b>                    | <b>20.00</b>                |
| <b>Administrative Services Department</b>                  |                               |                               |                               |                             |                             |
| <b>210 Administrative Services</b>                         |                               |                               |                               |                             |                             |
| Director of Finance & Administrative Services / Treasurer  | 1.00                          | 1.00                          | 1.00                          | 1.00                        | 1.00                        |
| Engineer   | -                             | -                             | -                             | 1.00                        | -                           |
| Principal Financial Analyst                                | -                             | -                             | 1.00                          | 1.00                        | 1.00                        |
| Principal Staff Analyst                                    | -                             | -                             | -                             | 1.00                        | 1.00                        |
| Principal Environmental Specialist                         | -                             | -                             | -                             | -                           | 1.00                        |
| Executive Assistant  | 1.00                          | 1.00                          | 1.00                          | 1.00                        | 1.00                        |
| Total Finance Administration                               | 2.00                          | 2.00                          | 3.00                          | 5.00                        | 5.00                        |

# 2011-12 Budget Update

| Division & Position   | Authorized<br>FTEs<br>2007-08 | Authorized<br>FTEs<br>2008-09 | Authorized<br>FTEs<br>2009-10 | Approved<br>FTEs<br>2010-11 | Proposed<br>FTEs<br>2011-12 |
|---|-------------------------------|-------------------------------|-------------------------------|-----------------------------|-----------------------------|
| <b>220 Financial Management</b>   |                               |                               |                               |                             |                             |
| Controller  | 1.00                          | 1.00                          | 1.00                          | 1.00                        | 1.00                        |
| Accounting Manager  | 2.00                          | 2.00                          | 2.00                          | 1.00                        | 1.00                        |
| Accounting Supervisor   | 1.00                          | 1.00                          | 1.00                          | 2.00                        | 2.00                        |
| Principal Accountant  | 3.00                          | 3.00                          | 3.00                          | 3.00                        | 3.00                        |
| Principal Financial Analyst   | 2.00                          | 2.00                          | 1.00                          | 1.00                        | -                           |
| Senior Accountant   | -                             | -                             | 1.00                          | 1.00                        | 1.00                        |
| Senior Staff Analyst  | 1.00                          | 1.00                          | -                             | -                           | -                           |
| Accountant/Staff Analyst  | 1.00                          | 1.00                          | 2.00                          | 2.00                        | 2.00                        |
| Contracts/Purchasing Assistant  | -                             | -                             | 1.00                          | -                           | -                           |
| Payroll Technician  | 2.00                          | 2.00                          | 2.00                          | 2.00                        | 2.00                        |
| Accounting Assistant II   | 5.00                          | 5.00                          | 5.00                          | 5.00                        | 5.00                        |
| Total Financial Management  | 18.00                         | 18.00                         | 19.00                         | 18.00                       | 17.00                       |
| <b>230 Contracts, Purchasing &amp; Materials Management</b>                   |                               |                               |                               |                             |                             |
| Contracts & Purchasing Manager  | 1.00                          | 1.00                          | 1.00                          | 1.00                        | 1.00                        |
| Contracts Supervisor  | 1.00                          | 1.00                          | 1.00                          | 1.00                        | 1.00                        |
| Purchasing Supervisor   | 1.00                          | 1.00                          | 1.00                          | 1.00                        | 1.00                        |
| Principal Contracts Administrator   | 1.00                          | 2.00                          | 2.00                          | 2.00                        | 2.00                        |
| Materials Control Supervisor  | 1.00                          | 1.00                          | 1.00                          | 1.00                        | -                           |
| Senior Contracts Administrator  | 5.50                          | 3.50                          | 2.75                          | 2.75                        | 2.75                        |
| Planner/Scheduler   | -                             | -                             | -                             | -                           | 1.00                        |
| Contracts Administrator   | 4.00                          | 3.00                          | 3.00                          | 3.00                        | 3.00                        |
| Senior Buyer  | 2.00                          | 2.00                          | 2.00                          | 2.00                        | 2.00                        |
| Buyer   | 2.00                          | 2.00                          | 2.00                          | 2.00                        | 2.00                        |
| Administrative Assistant  | 5.00                          | 3.00                          | -                             | -                           | -                           |
| Contracts/Purchasing Assistant  | -                             | 2.00                          | 4.00                          | 4.00                        | 5.00                        |
| Lead Storekeeper  | 3.00                          | 3.00                          | 3.00                          | 3.00                        | 2.00                        |
| Senior Storekeeper  | 3.00                          | 3.00                          | 3.00                          | 3.00                        | 4.00                        |
| Storekeeper   | 2.00                          | 2.00                          | 3.00                          | 3.00                        | 4.00                        |
| Total Contracts, Purchasing & Materials Management                            | 31.50                         | 29.50                         | 28.75                         | 28.75                       | 30.75                       |
| <b>240 Human Resources (formerly division 510,520,540,550)</b>                |                               |                               |                               |                             |                             |
| Human Resources & Employee Relations Manager                                  | 1.00                          | 1.00                          | 1.00                          | 1.00                        | -                           |
| Human Resources Supervisor  | 2.00                          | 2.00                          | 2.00                          | 2.00                        | -                           |
| Safety & Health Supervisor  | -                             | -                             | -                             | 1.00                        | -                           |
| Principal Human Resources Analyst   | 1.00                          | 1.00                          | 1.00                          | 1.00                        | -                           |
| Safety & Health Specialist  | -                             | -                             | -                             | 3.00                        | -                           |
| Security & Emergency Planning Specialist                                      | -                             | -                             | -                             | 1.00                        | -                           |
| Senior Human Resources Analyst  | 5.00                          | 5.00                          | 5.00                          | 6.00                        | -                           |
| Human Resources Analyst   | 3.00                          | 3.00                          | 3.00                          | 3.00                        | -                           |
| Safety & Health Representative  | -                             | -                             | -                             | 2.00                        | -                           |
| Human Resources Assistant   | 3.00                          | 3.00                          | 3.00                          | 5.00                        | -                           |
| Program Assistant   | 1.00                          | 1.00                          | 1.00                          | 1.00                        | -                           |
| Interns for agency  | -                             | -                             | 1.00                          | 1.00                        | -                           |
| Total Human Resources   | 16.00                         | 16.00                         | 17.00                         | 27.00                       | -                           |
| <b>250 Information Technology (formerly divisions 910, 920, 930, and 940)</b> |                               |                               |                               |                             |                             |
| Information Technology Systems & Operations Manager                           | 1.00                          | 1.00                          | 1.00                          | 1.00                        | 1.00                        |
| Information Technology Manager  | 1.00                          | 2.00                          | 2.00                          | 2.00                        | 2.00                        |
| Information Technology Supervisor   | -                             | -                             | -                             | -                           | 1.00                        |
| Principal Information Technology Analyst                                      | 2.00                          | 7.00                          | 6.00                          | 6.00                        | 6.00                        |
| Senior Information Technology Analyst   | 4.00                          | 8.00                          | 9.00                          | 10.00                       | 10.00                       |
| Information Technology Analyst III  | 3.00                          | 5.00                          | 4.00                          | 4.00                        | 2.00                        |
| Engineering Associate   | -                             | -                             | -                             | -                           | 1.00                        |
| Records Management Specialist   | -                             | -                             | 1.00                          | 1.00                        | 1.00                        |
| CMMS Technician II  | -                             | -                             | -                             | -                           | 5.00                        |
| Information Technology Analyst II   | 1.00                          | 2.00                          | 3.00                          | 3.00                        | 3.00                        |
| Engineering Data Management Technician II                                     | -                             | -                             | -                             | -                           | 3.00                        |
| CMMS Technician I   | -                             | -                             | -                             | -                           | 1.00                        |
| Information Technology Analyst I  | 2.00                          | 2.00                          | 2.00                          | 2.00                        | 2.00                        |
| Engineering Assistant II  | -                             | -                             | -                             | -                           | 1.00                        |
| Staff Analyst   | 1.00                          | 1.00                          | 1.00                          | 1.00                        | 1.00                        |
| Executive Assistant   | 1.00                          | 1.00                          | -                             | -                           | -                           |
| Administrative Assistant  | -                             | -                             | 1.00                          | 1.00                        | 1.00                        |
| Engineering Assistant I   | -                             | -                             | -                             | -                           | 1.00                        |
| Information Technology Technician II  | 2.00                          | 2.00                          | 2.00                          | 2.00                        | 2.00                        |
| Program Assistant   | -                             | -                             | -                             | -                           | 1.00                        |
| Total Information Technology  | 18.00                         | 31.00                         | 32.00                         | 33.00                       | 45.00                       |



# Historical Staffing Detail

| Division & Position  | Authorized FTEs 2007-08 | Authorized FTEs 2008-09 | Authorized FTEs 2009-10 | Approved FTEs 2010-11 | Proposed FTEs 2011-12 |
|--|-------------------------|-------------------------|-------------------------|-----------------------|-----------------------|
| <b>260 Risk Management (formerly part of division 240)</b>           |                         |                         |                         |                       |                       |
| Risk Manager   | -                       | -                       | -                       | -                     | 1.00                  |
| Safety & Health Supervisor   | -                       | -                       | -                       | -                     | 1.00                  |
| Principal Financial Analyst  | -                       | -                       | -                       | -                     | 1.00                  |
| Safety & Health Specialist   | -                       | -                       | -                       | -                     | 2.00                  |
| Security & Emergency Planning Specialist                             | -                       | -                       | -                       | -                     | 1.00                  |
| Information Technology Analyst III                                   | -                       | -                       | -                       | -                     | 1.00                  |
| Occupational Health Nurse  | -                       | -                       | -                       | -                     | 1.00                  |
| Senior Safety & Health Representative                                | -                       | -                       | -                       | -                     | 1.00                  |
| Safety & Health Representative                                       | -                       | -                       | -                       | -                     | 3.00                  |
| Administrative Assistant   | -                       | -                       | -                       | -                     | 1.00                  |
| Total Human Resources  | -                       | -                       | -                       | -                     | 13.00                 |
| <b>940 Information Technology Programming &amp; Database Systems</b> |                         |                         |                         |                       |                       |
| Information Technology Manager                                       | 1.00                    | -                       | -                       | -                     | -                     |
| Principal Information Technology Analyst                             | 5.00                    | -                       | -                       | -                     | -                     |
| Senior Information Technology Analyst                                | 4.00                    | -                       | -                       | -                     | -                     |
| Information Technology Analyst III                                   | 2.00                    | -                       | -                       | -                     | -                     |
| Total Programming & Database Systems                                 | 12.00                   | -                       | -                       | -                     | -                     |
| <b>153 Safety &amp; Health</b>                                       |                         |                         |                         |                       |                       |
| Safety & Health Manager  | 1.00                    | 1.00                    | 1.00                    | -                     | -                     |
| Safety & Health Supervisor   | 1.00                    | 1.00                    | 1.00                    | -                     | -                     |
| Safety & Health Specialist   | 2.00                    | 2.00                    | 3.00                    | -                     | -                     |
| Security & Emergency Planning Specialist                             | 1.00                    | 1.00                    | 1.00                    | -                     | -                     |
| Safety & Health Representative                                       | 2.00                    | 2.00                    | 2.00                    | -                     | -                     |
| Human Resources Assistant  | 1.00                    | 1.00                    | 1.00                    | -                     | -                     |
| Intern   | 0.50                    | -                       | -                       | -                     | -                     |
| Total Safety & Health  | 8.50                    | 8.00                    | 9.00                    | -                     | -                     |
| <b>Total Administrative Services Department</b>                      | <b>106.00</b>           | <b>104.50</b>           | <b>108.75</b>           | <b>111.75</b>         | <b>110.75</b>         |
| <b>Facilities Support Services Department</b>                        |                         |                         |                         |                       |                       |
| <b>310 Facilities Support Services Administration</b>                |                         |                         |                         |                       |                       |
| Director of Facilities Support                                       | -                       | -                       | -                       | -                     | 1.00                  |
| Principal Financial Analyst  | -                       | -                       | -                       | -                     | 1.00                  |
| Executive Assistant  | -                       | -                       | -                       | -                     | 1.00                  |
| Intern   | -                       | -                       | -                       | -                     | 0.75                  |
| Total Facilities Support Services Administration                     | -                       | -                       | -                       | -                     | 3.75                  |
| <b>320 Equipment / Rebuild</b>                                       |                         |                         |                         |                       |                       |
| Facilities Manager   | -                       | -                       | -                       | -                     | 1.00                  |
| Maintenance Supervisor   | -                       | -                       | -                       | -                     | 2.00                  |
| Lead Mechanic  | -                       | -                       | -                       | -                     | 1.00                  |
| Machinist  | -                       | -                       | -                       | -                     | 1.00                  |
| Automotive/ Heavy Equipment Technician                               | -                       | -                       | -                       | -                     | 3.00                  |
| Equipment Operator   | -                       | -                       | -                       | -                     | 2.00                  |
| Senior Mechanic  | -                       | -                       | -                       | -                     | 3.00                  |
| Welder/Fabricator  | -                       | -                       | -                       | -                     | 3.00                  |
| Automotive/ Heavy Equipment Assistant                                | -                       | -                       | -                       | -                     | 1.00                  |
| Office Assistant   | -                       | -                       | -                       | -                     | 1.00                  |
| Total Equipment / Rebuild  | -                       | -                       | -                       | -                     | 18.00                 |
| <b>330 Facilities Engineering (formerly division 770)</b>            |                         |                         |                         |                       |                       |
| Engineering Manager  | -                       | -                       | -                       | -                     | 1.00                  |
| Engineering Supervisor   | -                       | -                       | -                       | -                     | 1.00                  |
| Senior Engineer  | -                       | -                       | -                       | -                     | 1.00                  |
| Engineer   | -                       | -                       | -                       | -                     | 2.00                  |
| Materials Control Supervisor   | -                       | -                       | -                       | -                     | 1.00                  |
| Maintenance Specialist   | -                       | -                       | -                       | -                     | 4.00                  |
| Senior Engineering Associate   | -                       | -                       | -                       | -                     | 1.00                  |
| Engineering Associate  | -                       | -                       | -                       | -                     | 1.00                  |
| Administrative Assistant   | -                       | -                       | -                       | -                     | 1.00                  |
| Total Facilities Engineering   | -                       | -                       | -                       | -                     | 13.00                 |

# 2011-12 Budget Update

| Division & Position  | Authorized<br>FTEs<br>2007-08 | Authorized<br>FTEs<br>2008-09 | Authorized<br>FTEs<br>2009-10 | Approved<br>FTEs<br>2010-11 | Proposed<br>FTEs<br>2011-12 |
|--|-------------------------------|-------------------------------|-------------------------------|-----------------------------|-----------------------------|
| <b>340 Collection Facilities</b>                             |                               |                               |                               |                             |                             |
| Source Control Manager                                       | -                             | -                             | -                             | -                           | 1.00                        |
| Engineering Supervisor                                       | -                             | -                             | -                             | -                           | 3.00                        |
| Maintenance Supervisor                                       | -                             | -                             | -                             | -                           | 2.00                        |
| Associate Engineer III                                       | -                             | -                             | -                             | -                           | 1.00                        |
| Principal Environmental Specialist                           | -                             | -                             | -                             | -                           | 1.00                        |
| Senior Environmental Specialist                              | -                             | -                             | -                             | -                           | 3.00                        |
| Source Control Inspector II                                  | -                             | -                             | -                             | -                           | 9.00                        |
| Lead Mechanic  | -                             | -                             | -                             | -                           | 5.00                        |
| Administrative Assistant                                     | -                             | -                             | -                             | -                           | 1.00                        |
| Senior Mechanic  | -                             | -                             | -                             | -                           | 9.00                        |
| Engineering Assistant I                                      | -                             | -                             | -                             | -                           | 1.50                        |
| Environmental Technician                                     | -                             | -                             | -                             | -                           | 4.00                        |
| Mechanic   | -                             | -                             | -                             | -                           | 8.00                        |
| Intern   | -                             | -                             | -                             | -                           | 0.50                        |
| Total Collection Facilities                                  | -                             | -                             | -                             | -                           | 49.00                       |
| <b>Total Facilities Support Services Department</b>          | -                             | -                             | -                             | -                           | <b>83.75</b>                |
| <b>Technical Services Department</b>                         |                               |                               |                               |                             |                             |
| <b>610 Technical Services Administration</b>                 |                               |                               |                               |                             |                             |
| Director of Technical Services                               | 1.00                          | 1.00                          | 1.00                          | 1.00                        | -                           |
| Senior Engineer  | 1.00                          | 1.00                          | 1.00                          | 1.00                        | -                           |
| Associate Engineer III                                       | -                             | -                             | 1.00                          | 1.00                        | -                           |
| Associate Engineer II  | -                             | 1.00                          | -                             | -                           | -                           |
| Executive Assistant  | 1.00                          | 1.00                          | 1.00                          | 1.00                        | -                           |
| Total Technical Services Administration                      | 3.00                          | 4.00                          | 4.00                          | 4.00                        | -                           |
| <b>620 Environmental Compliance &amp; Regulatory Affairs</b> |                               |                               |                               |                             |                             |
| Environmental Assessment Manager                             | 1.00                          | 1.00                          | 1.00                          | 1.00                        | -                           |
| Environmental Supervisor                                     | 3.00                          | 2.00                          | 2.00                          | 1.00                        | -                           |
| Senior Engineer  | 1.00                          | 1.00                          | 1.00                          | -                           | -                           |
| Senior Scientist   | 1.00                          | 1.00                          | 1.00                          | 1.00                        | -                           |
| Engineer   | 1.00                          | 1.00                          | 1.00                          | -                           | -                           |
| Regulatory Specialist  | 3.00                          | 2.00                          | 2.00                          | 2.00                        | -                           |
| Associate Engineer III                                       | 1.00                          | 1.00                          | 1.00                          | 1.00                        | -                           |
| Principal Environmental Specialist                           | 2.00                          | 1.50                          | 1.50                          | 1.50                        | -                           |
| Principal Laboratory Analyst                                 | -                             | -                             | -                             | 1.00                        | -                           |
| Senior Environmental Specialist                              | 3.00                          | 3.50                          | 3.50                          | 3.50                        | -                           |
| Administrative Assistant                                     | 1.00                          | 1.00                          | 1.00                          | 1.00                        | -                           |
| Program Assistant  | -                             | -                             | -                             | 1.00                        | -                           |
| Intern   | 1.50                          | 1.50                          | 1.00                          | 1.00                        | -                           |
| Total Environmental Compliance                               | 18.50                         | 16.50                         | 16.00                         | 15.00                       | -                           |
| <b>630 Environmental Laboratory and Ocean Monitoring</b>     |                               |                               |                               |                             |                             |
| Laboratory Manager   | 1.00                          | 1.00                          | 1.00                          | 1.00                        | -                           |
| Environmental Supervisor                                     | 1.00                          | 1.00                          | 1.00                          | 1.00                        | -                           |
| Laboratory Section Supervisor                                | 3.00                          | 3.00                          | 3.00                          | 3.00                        | -                           |
| LIMS Administrator   | 1.00                          | 1.00                          | 1.00                          | -                           | -                           |
| Senior Scientist   | 3.00                          | 3.00                          | 3.00                          | 3.00                        | -                           |
| Boat Captain   | 1.00                          | -                             | -                             | -                           | -                           |
| Scientist  | 2.00                          | 2.00                          | 2.00                          | 2.00                        | -                           |
| Principal Environmental Specialist                           | 2.00                          | 2.00                          | 2.00                          | 2.00                        | -                           |
| Principal Laboratory Analyst                                 | 10.00                         | 10.00                         | 8.00                          | 7.00                        | -                           |
| Senior Environmental Specialist                              | 3.00                          | 4.00                          | 5.00                          | 6.00                        | -                           |
| Senior Laboratory Analyst                                    | 11.00                         | 11.00                         | 11.00                         | 10.00                       | -                           |
| Environmental Specialist                                     | 1.00                          | 1.00                          | 1.00                          | 1.00                        | -                           |
| Laboratory Analyst   | 3.00                          | 3.00                          | 4.00                          | 3.00                        | -                           |
| Administrative Assistant                                     | 1.00                          | 1.00                          | 1.00                          | 1.00                        | -                           |
| Laboratory Assistant   | 3.00                          | 3.00                          | 3.00                          | 3.00                        | -                           |
| Program Assistant  | 1.00                          | -                             | -                             | -                           | -                           |
| Intern   | 1.50                          | 0.50                          | 0.50                          | 0.50                        | -                           |
| Total Environmental Laboratory and Ocean Monitoring          | 48.50                         | 46.50                         | 46.50                         | 43.50                       | -                           |

# Historical Staffing Detail

| Division & Position                                | Authorized FTEs 2007-08 | Authorized FTEs 2008-09 | Authorized FTEs 2009-10 | Approved FTEs 2010-11 | Proposed FTEs 2011-12 |
|--|-------------------------|-------------------------|-------------------------|-----------------------|-----------------------|
| <b>640 Source Control</b>                          |                         |                         |                         |                       |                       |
| Source Control Manager                             | 1.00                    | 1.00                    | 1.00                    | 1.00                  | -                     |
| Engineering Supervisor                             | 2.00                    | 2.00                    | 2.00                    | 3.00                  | -                     |
| Senior Engineer                                    | -                       | -                       | -                       | 1.00                  | -                     |
| Senior Regulatory Specialist                       | 1.00                    | 1.00                    | 1.00                    | 1.00                  | -                     |
| Engineer   | 6.00                    | 6.00                    | 6.00                    | 6.00                  | -                     |
| Regulatory Specialist                              | 1.00                    | 1.00                    | 1.00                    | -                     | -                     |
| Source Control Supervisor                          | 1.00                    | 1.00                    | 1.00                    | 1.00                  | -                     |
| Associate Engineer III                             | 3.00                    | 3.00                    | 3.00                    | 3.00                  | -                     |
| Principal Environmental Specialist                 | 2.00                    | 2.00                    | 2.00                    | 2.00                  | -                     |
| Senior Environmental Specialist                    | 1.00                    | 2.00                    | 2.00                    | 2.00                  | -                     |
| Source Control Inspector II                        | 12.00                   | 11.00                   | 11.00                   | 11.00                 | -                     |
| Administrative Assistant                           | 1.00                    | 1.00                    | 1.00                    | 1.00                  | -                     |
| Environmental Technician                           | 3.00                    | 3.00                    | 3.00                    | 3.00                  | -                     |
| Program Assistant                                  | 4.00                    | 5.00                    | 4.00                    | 4.00                  | -                     |
| Office Assistant                                   | 1.00                    | 1.00                    | 1.00                    | 1.00                  | -                     |
| Total Source Control                               | 39.00                   | 40.00                   | 39.00                   | 40.00                 | -                     |
| <b>Total Technical Services Department</b>         | <b>109.00</b>           | <b>107.00</b>           | <b>105.50</b>           | <b>102.50</b>         | <b>-</b>              |
| <b>Engineering Department</b>                      |                         |                         |                         |                       |                       |
| <b>710 Engineering Administration</b>              |                         |                         |                         |                       |                       |
| Assistant General Manager                          | -                       | -                       | -                       | -                     | 1.00                  |
| Director of Engineering                            | 1.00                    | 1.00                    | 1.00                    | 1.00                  | -                     |
| Executive Assistant                                | 1.00                    | 1.00                    | 1.00                    | 1.00                  | 1.00                  |
| Total Engineering Administration                   | 2.00                    | 2.00                    | 2.00                    | 2.00                  | 2.00                  |
| <b>740 Planning</b>                                |                         |                         |                         |                       |                       |
| Engineering Manager                                | 1.00                    | 1.00                    | 1.00                    | 1.00                  | 1.00                  |
| Engineering Supervisor                             | 1.00                    | 2.00                    | 2.00                    | 1.00                  | 1.00                  |
| Senior Engineer                                    | -                       | 1.00                    | 2.00                    | 1.00                  | 4.00                  |
| Engineer   | 2.00                    | 3.00                    | 1.00                    | 1.00                  | 1.00                  |
| Principal Staff Analyst                            | -                       | -                       | 1.00                    | 1.00                  | -                     |
| Associate Engineer III                             | 1.00                    | -                       | -                       | -                     | 1.00                  |
| Senior Engineering Associate                       | 2.00                    | 3.00                    | 1.00                    | 1.00                  | 1.00                  |
| Senior Engineering Data Management Specialist      | 1.00                    | 1.00                    | -                       | -                     | -                     |
| Associate Engineer II                              | -                       | -                       | -                       | -                     | 1.00                  |
| Engineering Associate                              | 2.00                    | 2.00                    | 2.00                    | 1.00                  | 1.00                  |
| Engineering Data Management Technician II          | 3.00                    | 2.00                    | 2.00                    | -                     | -                     |
| Associate Engineer I                               | -                       | -                       | 1.00                    | 1.00                  | -                     |
| Engineering Assistant II                           | -                       | 1.00                    | 1.00                    | -                     | -                     |
| Administrative Assistant                           | 1.00                    | 1.00                    | 1.00                    | 1.00                  | 1.00                  |
| Engineering Assistant I                            | 2.00                    | 2.00                    | 2.00                    | -                     | -                     |
| Total Planning                                     | 16.00                   | 19.00                   | 17.00                   | 9.00                  | 12.00                 |
| <b>750 Project Management Office</b>               |                         |                         |                         |                       |                       |
| Engineering Manager                                | 1.00                    | 1.00                    | 1.00                    | 1.00                  | 1.00                  |
| Engineering Supervisor                             | 1.00                    | 1.00                    | 1.00                    | -                     | -                     |
| CIP Project Management Supervisor                  | -                       | -                       | 1.00                    | 1.00                  | 1.00                  |
| Program Controls Supervisor                        | -                       | -                       | -                       | 1.00                  | 1.00                  |
| Senior Capital Improvement Program Project Manager | 1.00                    | 1.00                    | -                       | -                     | -                     |
| Capital Improvement Program Project Manager        | 6.00                    | 6.00                    | 6.00                    | 5.00                  | 5.00                  |
| Senior Engineer                                    | -                       | 1.00                    | 1.00                    | 1.00                  | 1.00                  |
| Principal Project Controls Analyst                 | -                       | -                       | 1.00                    | 1.00                  | 1.00                  |
| Principal Engineering Data Management Specialist   | 1.00                    | 1.00                    | 1.00                    | 1.00                  | -                     |
| Principal Staff Analyst                            | 2.00                    | 2.00                    | 2.00                    | 1.00                  | 2.00                  |
| Cost Estimator                                     | 1.00                    | 1.00                    | 1.00                    | 1.00                  | 1.00                  |
| Planner/Scheduler                                  | 1.00                    | 1.00                    | 1.00                    | 1.00                  | 1.00                  |
| Senior Staff Analyst                               | -                       | -                       | -                       | 1.00                  | 1.00                  |
| Engineering Assistant II                           | 1.00                    | 1.00                    | 1.00                    | 1.00                  | 1.00                  |
| Administrative Assistant                           | 1.00                    | -                       | 1.00                    | 1.00                  | -                     |
| Office Assistant                                   | 1.00                    | 1.00                    | 1.00                    | 1.00                  | 1.00                  |
| Total Project Management Office                    | 17.00                   | 17.00                   | 19.00                   | 18.00                 | 17.00                 |

# 2011-12 Budget Update

| Division & Position                       | Authorized<br>FTEs<br>2007-08 | Authorized<br>FTEs<br>2008-09 | Authorized<br>FTEs<br>2009-10 | Approved<br>FTEs<br>2010-11 | Proposed<br>FTEs<br>2011-12 |
|---|-------------------------------|-------------------------------|-------------------------------|-----------------------------|-----------------------------|
| <b>760 Engineering &amp; Construction</b> |                               |                               |                               |                             |                             |
| Engineering Manager                       | 1.00                          | 1.00                          | 1.00                          | 1.00                        | 1.00                        |
| Engineering Supervisor                    | 4.00                          | 4.00                          | 4.00                          | 3.00                        | 3.00                        |
| Senior Construction Inspection Supervisor | 1.00                          | 1.00                          | 1.00                          | 1.00                        | 1.00                        |
| Senior Engineer                           | 8.00                          | 9.00                          | 8.00                          | 8.00                        | 8.00                        |
| Construction Inspection Supervisor        | 3.00                          | 2.00                          | 2.00                          | 2.00                        | 2.00                        |
| Engineer                                  | 10.00                         | 12.00                         | 10.00                         | 13.00                       | 15.00                       |
| Principal Staff Analyst                   | -                             | 1.00                          | -                             | -                           | -                           |
| Associate Engineer III                    | 4.00                          | 5.00                          | 4.00                          | 3.00                        | 2.00                        |
| Senior Engineering Associate              | 1.00                          | 1.00                          | 1.00                          | 1.00                        | 1.00                        |
| Senior Construction Inspector             | 7.00                          | 7.00                          | 7.00                          | 7.00                        | 7.00                        |
| Associate Engineer II                     | -                             | -                             | -                             | 1.00                        | 1.00                        |
| Senior Staff Analyst                      | -                             | -                             | 1.00                          | -                           | -                           |
| Construction Inspector                    | 10.00                         | 10.00                         | 10.00                         | 10.00                       | 9.00                        |
| Associate Engineer I                      | -                             | -                             | 1.00                          | -                           | 1.00                        |
| Engineering Assistant II                  | 3.00                          | 2.00                          | 2.00                          | 2.00                        | 2.00                        |
| Public Information Specialist             | -                             | -                             | 1.00                          | 1.00                        | 1.00                        |
| Administrative Assistant                  | 3.00                          | 4.00                          | 3.00                          | 3.00                        | 3.00                        |
| Engineering Assistant I                   | 1.00                          | 1.00                          | 1.00                          | 1.00                        | 1.00                        |
| Office Assistant                          | 1.00                          | -                             | -                             | -                           | -                           |
| Intern                                    | 1.50                          | 0.50                          | 0.50                          | 0.50                        | 0.50                        |
| Total Engineering & Construction          | 58.50                         | 60.50                         | 57.50                         | 57.50                       | 58.50                       |
| <b>770 Facilities Engineering</b>         |                               |                               |                               |                             |                             |
| Engineering Manager                       | 1.00                          | 1.00                          | 1.00                          | 1.00                        | -                           |
| Engineering Supervisor                    | 1.00                          | 1.00                          | 1.00                          | 1.00                        | -                           |
| Senior Engineer                           | 1.00                          | -                             | -                             | 1.00                        | -                           |
| Engineer                                  | 5.00                          | 5.00                          | 5.00                          | 3.00                        | -                           |
| Associate Engineer III                    | 1.00                          | 1.00                          | -                             | -                           | -                           |
| Associate Engineer II                     | 1.00                          | -                             | 1.00                          | 1.00                        | -                           |
| Engineering Associate                     | -                             | 1.00                          | 1.00                          | 1.00                        | -                           |
| Administrative Assistant                  | 1.00                          | 1.00                          | 1.00                          | 1.00                        | -                           |
| Total Facilities Engineering              | 11.00                         | 10.00                         | 10.00                         | 9.00                        | -                           |
| <b>780 Asset Management</b>               |                               |                               |                               |                             |                             |
| Engineering Manager                       | -                             | -                             | -                             | 1.00                        | 1.00                        |
| Engineering Supervisor                    | -                             | -                             | -                             | 2.00                        | -                           |
| Senior Engineer                           | -                             | -                             | -                             | 4.00                        | 3.00                        |
| Principal Information Technology Analyst  | -                             | -                             | -                             | 2.00                        | -                           |
| Engineer                                  | -                             | -                             | -                             | 3.00                        | 1.00                        |
| Utilities Management Specialist           | -                             | -                             | -                             | 1.00                        | 1.00                        |
| Senior Information Technology Analyst     | -                             | -                             | -                             | 3.00                        | -                           |
| Information Technology Analyst III        | -                             | -                             | -                             | 2.00                        | -                           |
| Engineering Associate                     | -                             | -                             | -                             | 1.00                        | -                           |
| Information Technology Analyst II         | -                             | -                             | -                             | 1.00                        | -                           |
| Engineering Data Management Technician II | -                             | -                             | -                             | 2.00                        | -                           |
| Associate Engineer I                      | -                             | -                             | -                             | 1.00                        | -                           |
| Engineering Assistant II                  | -                             | -                             | -                             | 1.00                        | -                           |
| Engineering Assistant I                   | -                             | -                             | -                             | 1.00                        | -                           |
| Total Asset Management                    | -                             | -                             | -                             | 25.00                       | 6.00                        |
| <b>790 Environmental Compliance</b>       |                               |                               |                               |                             |                             |
| Environmental Assessment Manager          | -                             | -                             | -                             | -                           | 1.00                        |
| Engineering Supervisor                    | -                             | -                             | -                             | -                           | 2.00                        |
| Environmental Supervisor                  | -                             | -                             | -                             | -                           | 1.00                        |
| Senior Scientist                          | -                             | -                             | -                             | -                           | 1.00                        |
| Engineer                                  | -                             | -                             | -                             | -                           | 6.00                        |
| Regulatory Specialist                     | -                             | -                             | -                             | -                           | 2.00                        |
| Associate Engineer III                    | -                             | -                             | -                             | -                           | 4.00                        |
| Principal Environmental Specialist        | -                             | -                             | -                             | -                           | 2.50                        |
| Principal Laboratory Analyst              | -                             | -                             | -                             | -                           | 1.00                        |
| Senior Environmental Specialist           | -                             | -                             | -                             | -                           | 4.50                        |
| Administrative Assistant                  | -                             | -                             | -                             | -                           | 2.00                        |
| Program Assistant                         | -                             | -                             | -                             | -                           | 4.00                        |
| Office Assistant                          | -                             | -                             | -                             | -                           | 1.00                        |
| Intern                                    | -                             | -                             | -                             | -                           | 1.00                        |
| Total Environmental Compliance            | -                             | -                             | -                             | -                           | 33.00                       |
| <b>Total Engineering Department</b>       | <b>104.50</b>                 | <b>108.50</b>                 | <b>105.50</b>                 | <b>120.50</b>               | <b>128.50</b>               |

# Historical Staffing Detail

| Division & Position                                    | Authorized<br>FTEs<br>2007-08 | Authorized<br>FTEs<br>2008-09 | Authorized<br>FTEs<br>2009-10 | Approved<br>FTEs<br>2010-11 | Proposed<br>FTEs<br>2011-12 |
|--|-------------------------------|-------------------------------|-------------------------------|-----------------------------|-----------------------------|
| <b>Operations &amp; Maintenance Department</b>         |                               |                               |                               |                             |                             |
| <b>810 Operations &amp; Maintenance Administration</b> |                               |                               |                               |                             |                             |
| Director of Operations & Maintenance                   | 1.00                          | 1.00                          | 1.00                          | 1.00                        | 1.00                        |
| Principal Financial Analyst                            | -                             | -                             | -                             | 1.00                        | -                           |
| Executive Assistant                                    | 1.00                          | 1.00                          | 1.00                          | 1.00                        | 1.00                        |
| Intern   | -                             | -                             | -                             | -                           | 0.75                        |
| Total Operations & Maintenance Administration          | 2.00                          | 2.00                          | 2.00                          | 3.00                        | 2.75                        |
| <b>410 Regional Assets &amp; Services</b>              |                               |                               |                               |                             |                             |
| Engineering Supervisor                                 | 1.00                          | -                             | -                             | -                           | -                           |
| Senior Engineer  | 1.00                          | -                             | -                             | -                           | -                           |
| Principal Financial Analyst                            | 1.00                          | -                             | -                             | -                           | -                           |
| Principal Staff Analyst                                | 1.00                          | -                             | -                             | -                           | -                           |
| Senior Engineering Associate                           | 1.00                          | -                             | -                             | -                           | -                           |
| Executive Assistant                                    | 1.00                          | -                             | -                             | -                           | -                           |
| Total Regional Assets & Services                       | 6.00                          | -                             | -                             | -                           | -                           |
| <b>820 Odor &amp; Corrosion Control</b>                |                               |                               |                               |                             |                             |
| Engineering Manager                                    | 1.00                          | -                             | 1.00                          | 1.00                        | -                           |
| Engineering Supervisor                                 | 1.00                          | 1.00                          | -                             | -                           | -                           |
| Senior Engineer  | 2.00                          | 3.00                          | 3.00                          | 2.00                        | -                           |
| Senior Scientist                                       | 0.50                          | 1.00                          | -                             | -                           | -                           |
| Engineer   | -                             | 1.00                          | -                             | -                           | -                           |
| Principal Financial Analyst                            | -                             | 1.00                          | 1.00                          | -                           | -                           |
| Regulatory Specialist                                  | 1.00                          | 1.00                          | 1.00                          | -                           | -                           |
| Scientist  | -                             | -                             | 1.00                          | -                           | -                           |
| Associate Engineer III                                 | 2.00                          | 2.00                          | 2.00                          | 1.00                        | -                           |
| Associate Engineer II                                  | -                             | -                             | 1.00                          | -                           | -                           |
| Senior Environmental Specialist                        | 3.00                          | 3.00                          | 3.00                          | 3.00                        | -                           |
| Engineering Assistant I                                | -                             | -                             | -                             | 1.00                        | -                           |
| Environmental Technician                               | 1.00                          | 1.00                          | 1.00                          | 1.00                        | -                           |
| Intern   | 0.50                          | 0.50                          | 0.50                          | 0.50                        | -                           |
| Total Odor & Corrosion Control                         | 12.00                         | 14.50                         | 14.50                         | 9.50                        | -                           |
| <b>830 Plant No. 1 Operations</b>                      |                               |                               |                               |                             |                             |
| Engineering Manager                                    | -                             | 1.00                          | -                             | -                           | -                           |
| Operations Manager                                     | -                             | -                             | 1.00                          | 1.00                        | 1.00                        |
| Chief Plant Operator                                   | 1.00                          | 1.00                          | 1.00                          | 1.00                        | 1.00                        |
| Senior Engineer  | -                             | -                             | -                             | 1.00                        | 2.00                        |
| Engineer   | -                             | -                             | -                             | 1.00                        | 2.00                        |
| Operations Supervisor                                  | 7.00                          | 7.00                          | 7.00                          | 7.00                        | 7.00                        |
| Scientist  | -                             | -                             | -                             | 1.00                        | 1.00                        |
| Associate Engineer II                                  | -                             | -                             | -                             | 1.00                        | 1.00                        |
| Senior Environmental Specialist                        | -                             | -                             | -                             | -                           | 1.00                        |
| Lead Plant Operator                                    | 5.00                          | 5.00                          | 5.00                          | 5.00                        | 5.00                        |
| Senior Plant Operator                                  | 16.00                         | 17.00                         | 15.00                         | 15.00                       | 15.00                       |
| Administrative Assistant                               | 0.75                          | 0.75                          | 0.75                          | 0.75                        | 0.75                        |
| Plant Operator   | 9.00                          | 10.00                         | 13.00                         | 13.00                       | 14.00                       |
| Control Center Technician                              | 3.00                          | 3.00                          | 3.00                          | 3.00                        | 2.00                        |
| Total Plant No. 1 Operations                           | 41.75                         | 44.75                         | 45.75                         | 49.75                       | 52.75                       |
| <b>840 Plant No. 2 Operations</b>                      |                               |                               |                               |                             |                             |
| Chief Plant Operator                                   | 1.00                          | 1.00                          | 1.00                          | 1.00                        | 1.00                        |
| Operations Supervisor                                  | 7.00                          | 7.00                          | 7.00                          | 7.00                        | 7.00                        |
| Lead Plant Operator                                    | 5.00                          | 5.00                          | 5.00                          | 5.00                        | 5.00                        |
| Senior Plant Operator                                  | 12.00                         | 13.00                         | 13.00                         | 12.00                       | 12.00                       |
| Administrative Assistant                               | 1.00                          | 1.00                          | 1.00                          | 1.00                        | 1.00                        |
| Equipment Operator                                     | 1.00                          | 1.00                          | 1.00                          | -                           | -                           |
| Plant Operator   | 18.00                         | 19.00                         | 19.00                         | 20.00                       | 20.00                       |
| Control Center Technician                              | 1.00                          | 1.00                          | 1.00                          | 1.00                        | 1.00                        |
| Total Plant No. 2 Operations                           | 46.00                         | 48.00                         | 48.00                         | 47.00                       | 47.00                       |

# 2011-12 Budget Update

| Division & Position   | Authorized<br>FTEs<br>2007-08 | Authorized<br>FTEs<br>2008-09 | Authorized<br>FTEs<br>2009-10 | Approved<br>FTEs<br>2010-11 | Proposed<br>FTEs<br>2011-12 |
|---|-------------------------------|-------------------------------|-------------------------------|-----------------------------|-----------------------------|
| <b>850 Mechanical and Reliability Maintenance</b>                                     |                               |                               |                               |                             |                             |
| Maintenance Manager   | 1.00                          | 1.00                          | 1.00                          | 1.00                        | 1.00                        |
| Senior Engineer   | 2.00                          | -                             | -                             | -                           | -                           |
| Senior Maintenance Supervisor   | 1.00                          | 1.00                          | -                             | -                           | -                           |
| Engineer  | 2.00                          | -                             | -                             | -                           | -                           |
| Utilities Management Specialist   | 1.00                          | 1.00                          | 1.00                          | -                           | -                           |
| Maintenance Supervisor  | 7.00                          | 5.00                          | 6.00                          | 6.00                        | 6.00                        |
| Associate Engineer III  | 1.00                          | 1.00                          | 1.00                          | 1.00                        | 1.00                        |
| Maintenance Specialist  | 7.00                          | -                             | -                             | -                           | 4.00                        |
| Senior Public Information Specialist  | -                             | -                             | 1.00                          | 1.00                        | 1.00                        |
| Reliability Maintenance Technician  | -                             | 1.00                          | 2.00                          | 2.00                        | 2.00                        |
| CMMS Technician II  | 6.00                          | -                             | -                             | -                           | -                           |
| Lead Mechanic   | 5.00                          | 5.00                          | 5.00                          | 5.00                        | 5.00                        |
| Lead Welder/Fabricator  | 1.00                          | 1.00                          | -                             | -                           | -                           |
| Machinist   | 1.00                          | 1.00                          | 1.00                          | 1.00                        | -                           |
| Administrative Assistant  | 1.00                          | 1.00                          | 1.00                          | 1.00                        | 1.00                        |
| Senior Mechanic   | 33.00                         | 33.00                         | 33.00                         | 33.00                       | 30.00                       |
| Welder/Fabricator   | 2.00                          | 2.00                          | 3.00                          | 3.00                        | -                           |
| Engineering Assistant I   | 1.00                          | -                             | -                             | -                           | -                           |
| Lead Facilities Worker  | -                             | -                             | -                             | -                           | 2.00                        |
| Facilities Worker/Builder   | -                             | -                             | -                             | -                           | 3.00                        |
| Facilities Worker/Painter   | -                             | -                             | -                             | -                           | 2.00                        |
| Mechanic  | 1.00                          | 2.00                          | 2.00                          | 2.00                        | 2.00                        |
| Maintenance Worker  | -                             | 2.00                          | 2.00                          | 2.00                        | 2.00                        |
| Office Assistant  | 1.00                          | -                             | -                             | -                           | -                           |
| Total Mechanical and Reliability Maintenance  | 74.00                         | 57.00                         | 59.00                         | 58.00                       | 62.00                       |
| <b>860 Instrumentation &amp; Electrical Maintenance</b>                               |                               |                               |                               |                             |                             |
| Engineering Manager   | -                             | -                             | -                             | 1.00                        | 1.00                        |
| Process Controls Manager  | 1.00                          | 1.00                          | 1.00                          | -                           | -                           |
| Engineering Supervisor  | 1.00                          | 2.00                          | 2.00                          | 1.00                        | 1.00                        |
| Senior Engineer   | 2.00                          | 2.00                          | 2.00                          | -                           | 2.00                        |
| Principal Information Technology Analyst  | 2.00                          | 2.00                          | 2.00                          | -                           | 2.00                        |
| Engineer  | 2.00                          | 2.00                          | 2.00                          | -                           | 2.00                        |
| Senior Information Technology Analyst   | 3.00                          | 3.00                          | 3.00                          | -                           | 3.00                        |
| Maintenance Supervisor  | 5.00                          | 5.00                          | 5.00                          | 5.00                        | 5.00                        |
| Information Technology Analyst III  | 2.00                          | 2.00                          | 2.00                          | -                           | 2.00                        |
| Information Technology Analyst II   | 2.00                          | 1.00                          | 1.00                          | -                           | 1.00                        |
| Lead Electrical Technician  | 4.00                          | 4.00                          | 4.00                          | 4.00                        | 4.00                        |
| Lead Instrumentation Technician   | 2.00                          | 3.00                          | 3.00                          | 3.00                        | 3.00                        |
| Lead Power Plant Operator   | 1.00                          | 1.00                          | 1.00                          | 1.00                        | 1.00                        |
| Electrical Technician II  | 15.00                         | 15.00                         | 14.00                         | 14.00                       | 14.00                       |
| Instrumentation Technician II   | 19.00                         | 19.00                         | 19.00                         | 19.00                       | 18.00                       |
| Power Plant Operator II   | 9.00                          | 9.00                          | 9.00                          | 9.00                        | 9.00                        |
| Administrative Assistant  | 1.00                          | 1.00                          | 1.00                          | 1.00                        | 1.00                        |
| Power Plant Operator I  | -                             | -                             | 1.00                          | 1.00                        | 1.00                        |
| Electrical Technician I   | -                             | 1.00                          | 1.00                          | 1.00                        | 1.00                        |
| Instrumentation Technician I  | -                             | 2.00                          | 1.00                          | 1.00                        | 1.00                        |
| Maintenance Worker  | -                             | -                             | 2.00                          | 2.00                        | 3.00                        |
| Total Instrumentation & Electrical Maintenance  | 71.00                         | 75.00                         | 76.00                         | 63.00                       | 75.00                       |
| <b>870 Collection Facilities Operations &amp; Maintenance (formerly division 420)</b> |                               |                               |                               |                             |                             |
| Engineering Manager   | 1.00                          | 1.00                          | 1.00                          | -                           | -                           |
| Engineering Supervisor  | -                             | -                             | -                             | 1.00                        | -                           |
| Maintenance Supervisor  | 2.00                          | 2.00                          | 2.00                          | 2.00                        | -                           |
| Senior Engineering Associate  | -                             | -                             | 1.00                          | 1.00                        | -                           |
| Lead Mechanic   | 4.00                          | 4.00                          | 5.00                          | 5.00                        | -                           |
| Administrative Assistant  | -                             | 1.00                          | 1.00                          | -                           | -                           |
| Senior Mechanic   | 9.00                          | 9.00                          | 9.00                          | 9.00                        | -                           |
| Mechanic  | 7.00                          | 7.00                          | 8.00                          | 8.00                        | -                           |
| Total Collection Facilities Operations & Maintenance                                  | 23.00                         | 24.00                         | 27.00                         | 26.00                       | -                           |

# Historical Staffing Detail

| Division & Position  | Authorized<br>FTEs<br>2007-08 | Authorized<br>FTEs<br>2008-09 | Authorized<br>FTEs<br>2009-10 | Approved<br>FTEs<br>2010-11 | Proposed<br>FTEs<br>2011-12 |
|--|-------------------------------|-------------------------------|-------------------------------|-----------------------------|-----------------------------|
| <b>880 Facilities Maintenance &amp; Fleet Services (formerly division 430)</b>   |                               |                               |                               |                             |                             |
| Facilities Manager   | 1.00                          | 1.00                          | 1.00                          | 1.00                        | -                           |
| Maintenance Supervisor   | 2.00                          | 4.00                          | 4.00                          | 4.00                        | -                           |
| Maintenance Specialist   | -                             | 7.00                          | 7.00                          | 6.00                        | -                           |
| CMMS Technician II   | -                             | 6.00                          | 6.00                          | 7.00                        | -                           |
| CMMS Technician I  | -                             | -                             | -                             | 1.00                        | -                           |
| Lead Mechanic  | 1.00                          | 1.00                          | 1.00                          | 1.00                        | -                           |
| Administrative Assistant   | -                             | -                             | -                             | 1.00                        | -                           |
| Automotive/ Heavy Equipment Technician   | 3.00                          | 3.00                          | 3.00                          | 3.00                        | -                           |
| Equipment Operator   | 2.00                          | 2.00                          | 2.00                          | 2.00                        | -                           |
| Engineering Assistant I  | -                             | 1.00                          | 1.00                          | -                           | -                           |
| Lead Facilities Worker   | 3.00                          | 3.00                          | 2.00                          | 2.00                        | -                           |
| Facilities Worker/Builder  | 2.00                          | 2.00                          | 3.00                          | 3.00                        | -                           |
| Facilities Worker/Painter  | 2.00                          | 2.00                          | 2.00                          | 2.00                        | -                           |
| Automotive/ Heavy Equipment Assistant  | 1.00                          | 1.00                          | 1.00                          | 1.00                        | -                           |
| Office Assistant   | -                             | 1.00                          | 1.00                          | 1.00                        | -                           |
| Total Facilities Maintenance & Fleet Services                                    | 17.00                         | 34.00                         | 34.00                         | 35.00                       | -                           |
| <b>890 Environmental Laboratory and Ocean Monitoring (formerly division 630)</b> |                               |                               |                               |                             |                             |
| Environmental Lab & Ocean Monitoring Manager                                     | -                             | -                             | -                             | -                           | 1.00                        |
| Environmental Supervisor   | -                             | -                             | -                             | -                           | 1.00                        |
| Laboratory Section Supervisor  | -                             | -                             | -                             | -                           | 2.00                        |
| Senior Scientist   | -                             | -                             | -                             | -                           | 3.00                        |
| Scientist  | -                             | -                             | -                             | -                           | 1.00                        |
| Principal Environmental Specialist   | -                             | -                             | -                             | -                           | 3.00                        |
| Principal Laboratory Analyst   | -                             | -                             | -                             | -                           | 7.00                        |
| Senior Environmental Specialist  | -                             | -                             | -                             | -                           | 6.00                        |
| Senior Laboratory Analyst  | -                             | -                             | -                             | -                           | 10.00                       |
| Laboratory Analyst   | -                             | -                             | -                             | -                           | 3.00                        |
| Administrative Assistant   | -                             | -                             | -                             | -                           | 1.00                        |
| Laboratory Assistant   | -                             | -                             | -                             | -                           | 3.00                        |
| Intern   | -                             | -                             | -                             | -                           | 0.50                        |
| Total Environmental Laboratory and Ocean Monitoring                              | -                             | -                             | -                             | -                           | 41.50                       |
| <b>Total Operations &amp; Maintenance Department</b>                             | <b>292.75</b>                 | <b>299.25</b>                 | <b>306.25</b>                 | <b>291.25</b>               | <b>281.00</b>               |
| <b>Grand Total, All Departments</b>  | <b>634.00</b>                 | <b>641.00</b>                 | <b>641.00</b>                 | <b>641.00</b>               | <b>637.00</b>               |

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# Appropriations Limit

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## **Appropriations Limit**

Article XIII B of the California State Constitution, more commonly referred to as the Gann Initiative or Gann Limit, was adopted by California voters in 1980. The Gann Limit placed limits on the amount of proceeds of taxes that state and local governmental agencies can receive and appropriate (authorize to spend) each year.

The limit is different for each agency and the limit changes each year. The annual limit is based on the amount of tax proceeds that were authorized to be spent in fiscal year 1978-79 in each agency, modified for changes in inflation and population in each subsequent year.

Proposition 111 was passed by the State's voters in June 1990. This legislation made changes to the manner in which the Appropriations Limit is to be calculated:

The annual adjustment factors for inflation and population have been changed. Instead of using the lesser of California per capita income, or U.S. CPI, each agency may choose either the growth in the California per capita income, or the growth in assessed valuation due to new non-residential construction within the district. For population, instead of using only the population growth of an agency, each agency may choose to use the population growth within its county. These are both annual elections.

The revised annual adjustment factors will be applied to the 1986-87 limit for most agencies and each year in between in order to calculate the 1990-91 limit. The actual limits for the intervening years, however, are not affected.

Expenditures for "qualified capital outlay", which are capital assets with a value of more than \$100,000 and an expected life of 10 years or more, are excluded from the limit.

An agency which exceeds the limit in any one year may choose to not give a tax refund if they fall below the limit in the next fiscal year. They then have two more years to refund any remaining excess or to obtain a successful override vote.

In certain situations, proceeds of taxes may be spent on emergencies without having to reduce the limit in future years.

Each agency also conducts a review of its Appropriations Limit during its annual financial audit.

The law requires a governing body to annually adopt, by resolution, an appropriations limit for the following year, along with a recorded vote regarding which of the annual adjustment factors have been selected. The Orange County Sanitation District's appropriations limit and annual adjustment factors are adopted at the same meeting as the budget. The adjustment factors used for 2011-12 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 2011-12. The decrease in the limit is based upon population changes ranging from 0.17% to 1.45% for major cities within the District as provided by the State Department of Finance and a per capita personal income change of 2.51% as provided by the State Department of Finance.

| Annual Appropriation Limits:       |              |
|------------------------------------|--------------|
| 2009-10                            | \$80,476,000 |
| 2010-11                            | \$79,329,000 |
| 2011-12                            | \$81,888,000 |
| Proceeds of Taxes (Appropriations) |              |
| 2011-12                            | \$55,061,000 |

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.



# Miscellaneous Statistics

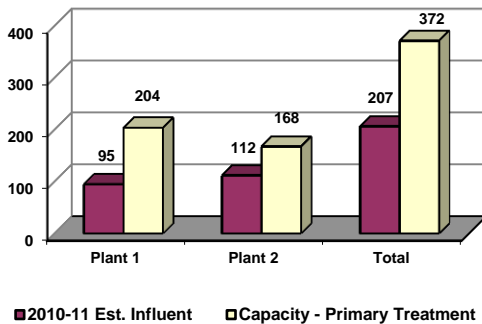
## General Information

Year of Formation..... 1948  
 Form of Government .....County Sanitation District  
 Authority..... Section 4700 et. seq.  
 ..... California Health & Safety Code  
 Service Area ..... 463 sq. miles  
 Service Population ..... Approximately 2.5 million  
 2010-11 Assessed Value ..... \$304.3 billion

Miles of Sewers..... 587 miles  
 On-Plant Pump Station.....2  
 Off-Plant Pump Stations.....15  
 Operating Authority ..... RWQCB/NPDES Permit No.  
 .....CA0110604  
 .....Statewide WDR Order No. 2006-0003  
 2011-12 Authorized Staff (Full-Time Equivalent) ..... 637.00

## Treatment Information

**Daily Influent Flow to Total Primary Capacity Comparison (in mgd)**



### 2009-10 Influent BOD:

Plant No. 1 .....290 milligrams per liter  
 Plant No. 2 .....210 milligrams per liter

### 2009-10 Influent Suspended Solids:

Plant No. 1 .....328 milligrams per liter  
 Plant No. 2 .....292 milligrams per liter

2009-10 Effluent BOD .....36 milligrams per liter

2009-10 Effluent Suspended Solids .....30 milligrams per liter

2009-10 Biosolids Produced & Reused ..... 252,712 wet tons

### Primary Treatment Capacity (includes standby):

Plant No. 1 ..... 204 mgd  
 Plant No. 2 ..... 168 mgd  
 TOTAL ..... 372 mgd

### 2010-11 Estimated Average Daily Influent:

Plant No. 1 ..... 95 mgd  
 Plant No. 2 ..... 112 mgd  
 TOTAL ..... 207 mgd

### Secondary Treatment Capacity:

Plant No. 1 ..... 122 mgd  
 Plant No. 2 ..... 90 mgd  
 TOTAL ..... 212 mgd

### 2010-11 Estimated Electricity Generated:

Plant No. 1.....39,720,000 kwh  
 Plant No. 2..... 42,432,000 kwh  
 TOTAL ..... 82,152,000 kwh

### Legend:

mgd – million gallons per day  
 kwh – kilowatts per hour

## Financial Information

### Fees and Charges:

|  | 2009-10 Actual | 2010-11 Projected | 2011-12 Originally Proposed | 2011-12 Updated Proposed |
|--|----------------|-------------------|-----------------------------|--------------------------|
| One-Time 3-Bedroom Residence Connection                | \$4,998.00     | \$3,261.00        | \$3,261.00                  | \$3,341.00               |
| Average Annual Single-Family Residence Fee             | \$221.00       | \$244.00          | \$267.00                    | \$267.00                 |
| Local SFR Fee  | \$204.00       | \$208.00          | \$212.00                    | \$212.00                 |
| District's Avg. Share of Ad Valorem Property Tax       | 1.80%          | 1.80%             | 1.80%                       | 1.80%                    |
| Cost to Collect, Treat, & Dispose of 1 Million Gallons | \$1,876.01     | \$ 1,904.37       | \$ 1,992.89                 | \$ 2,019.00              |

### Summary of COP Issues:

|                                   |                |                                      |                  |
|-----------------------------------|----------------|--------------------------------------|------------------|
| August 2000 Refunding / New Money | \$ 194,000,000 | May 2009A New Money                  | 194,595,000      |
| August 2003 New Money             | 191,500,000    | May 2010A New Money                  | 80,000,000       |
| May 2007A Refunding               | 93,060,000     | December 2010B Refunding             | 154,665,000      |
| December 2007B New Money          | 284,825,000    | December 2010C New Money             | 157,000,000      |
| May 2008A Refunding               | 30,535,000     |                                      |                  |
| September 2008B New Money         | 26,975,000     | Total Outstanding COP Balance 7/1/11 | \$ 1,407,155,000 |