



PROPOSED BUDGET

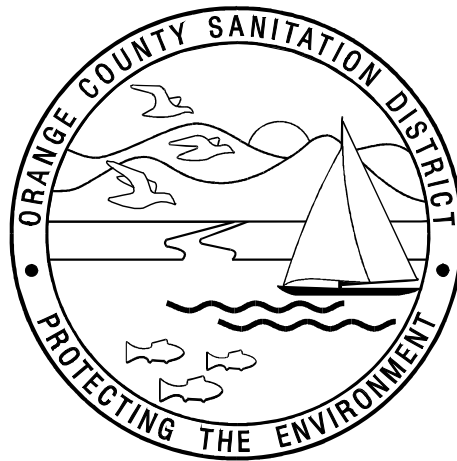
Fiscal Years 2014-15 and 2015-16

ORANGE COUNTY SANITATION DISTRICT, CALIFORNIA

**ADOPTED
JUNE 25, 2014**



**Orange County Sanitation District, California
FY 2014-15 & FY 2015-16 Proposed Budget**



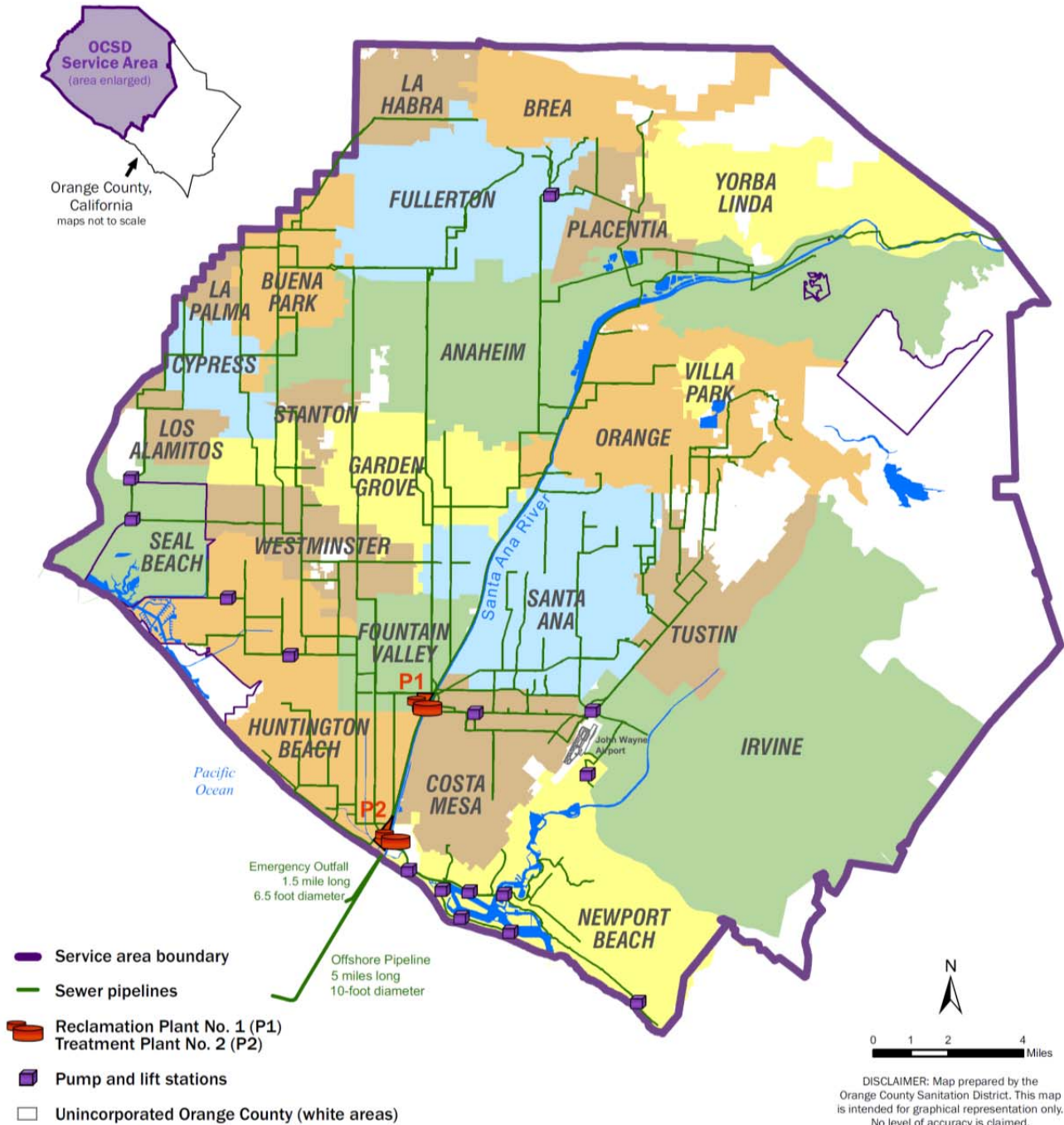
MISSION STATEMENT

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

***For Fiscal Years
July 1, 2014 through June 30, 2015 and
July 1, 2015 through June 30, 2016***

2014-15 & 2015-16 Budget

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



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, 2012

Christopher P. Movill

President

Jeffrey R. Egan

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 biennium beginning July 1, 2012.

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

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

2014-15 & 2015-16 Budget

Table of Contents

Board of Directors	i
Board Committees	ii
Orange County Sanitation District Organization Chart	iii
Administrative Officials	iv
Reader's Guide to the Budget	v
General Manager's Budget Message	vii
Core Values	x
Section 1 – Executive Summary	
Executive Summary	1
Section 2 - Introduction	
Financial Overview & Budgetary Issues	1
Business Plan	15
Strategic Goals for Fiscal Years 2014-15 & 2015-16	26
OCSD Long-Term Planning	27
Background Information and Description of Services	28
Orange County at a Glance	29
Section 3 - Policies, Systems and Processes	
Fiscal Policy	1
GFOA Best Practices and Advisories	9
Overview of the Budget Process	19
Budget Assumptions	21
Accounting System and Budgetary Control	25
OCSD Enterprise Fund Chart	26
Revenue Sources	27
Section 4 – District Summary	
FY 2014-15:	
Where the Money Comes From	1
Where the Money Goes	1
Funding Sources by Category	2
Funding Uses by Category	3
FY 2015-16:	
Where the Money Comes From	5
Where the Money Goes	5
Funding Sources by Category	6
Funding Uses by Category	7
Budget Resources	8
Budget Resources by Revenue Area – FY 2014-15	10
Budget Resources by Revenue Area – FY 2015-16	12
Projected Reserves	14
Consolidated Cash Flow Projections	16

Table of Contents

Section 5 – Operations Overview

Operations Budget Overview.....	1
Operations Summary/Comparisons by Department.....	3
Expense by Category	4
Allocation to Individual Revenue Areas.....	5
Net Operating Expense by Line Item	6
Notes to Operations Summary	8

Section 6 - Operating Divisions

GENERAL MANAGEMENT

General Management Administration	1
Board Services	5
Public Affairs	9

HUMAN RESOURCES

Human Resources	13
-----------------------	----

FINANCE AND ADMINISTRATIVE SERVICES

Administrative Services Administration	17
Financial Management	21
Contracts, Purchasing, and Materials Management	25
Information Technology.....	29
Risk Management.....	33

FACILITIES SUPPORT SERVICES

Facilities Support Services Administration	37
Facilities Support	41
Equipment Rebuild	45
Fleet Services.....	49
Facilities Engineering & Repair Services	53
NPDES Source Inspection	57
Odor and Corrosion Control	61
Collections	65

ENGINEERING

Engineering Administration.....	69
Planning.....	73
Project Management Office	77
Engineering and Construction	81
Environmental Compliance.....	85

OPERATIONS & MAINTENANCE

Operations & Maintenance Administration	89
Plant No. 1 Operations	93
Plant No. 2 Operations	97
Building, Grounds, and Mechanical Maintenance.....	101
Instrumentation & Electrical Maintenance	105
Environmental Laboratory and Ocean Monitoring.....	109

2014-15 & 2015-16 Budget

Section 7 - Self-Insurance Program

Self-Insurance Program Overview.....	1
Total Self-Insurance Program.....	2
General Liability and Property Self-Insurance Program.....	3
Workers' Compensation Self-Insurance Program.....	4

Section 8 - Capital Improvement Program

Overview.....	1
Diagram of Treatment Process.....	3
Project Summary - FY 2014-15.....	4
Capital Improvement Expenditure Graphs by Process and Type - FY 2014-15.....	5
Project Summary - FY 2015-16.....	6
Capital Improvement Expenditure Graphs by Process and Type - FY 2015-16.....	7
Summary of Capital Requirements.....	8
CIP Project Detail Sheets.....	14
Project Summary by Revenue Program Category - Collection System Projects.....	131
Project Summary by Revenue Program Category - Treatment & Disposal Projects.....	133
Summary by Project Status - Collection System Projects.....	137
Summary by Project Status - Treatment & Disposal Projects.....	139
Proposed Equipment Budget Summary - FY 2014-15.....	144
Proposed Equipment Budget Detail - FY 2014-15.....	146
Proposed Equipment Budget Summary - FY 2015-16.....	148
Proposed Equipment Budget Detail - FY 2015-16.....	150

Section 9 - Debt Service

Debt Financing Program.....	1
Debt Service Requirements - Principal & Interest.....	6
Debt Service Requirements - Interest Payments.....	8
Debt Service Requirements - Principal Payments.....	10

Section 10 - Appendix

Staffing by Department - Graph.....	1
Staffing by Category - Graph.....	1
Historical Staffing by Department - Graph.....	2
Total Historical Staffing - Graph.....	2
Historical Staffing Summary.....	3
Historical Staffing Detail.....	4
Appropriations Limit.....	13
Budget Glossary.....	14
Miscellaneous Statistics.....	19
Service Area Population Information.....	20
Index.....	21

OCSD Board of Directors

Orange County Sanitation District Board of Directors

<u>AGENCY / CITIES</u>	<u>ACTIVE DIRECTOR</u>
Anaheim	Lucille Kring
Brea	Brett Murdock
Buena Park	Fred Smith
Cypress	Prakash Narain
Fountain Valley	Steve Nagel
Fullerton	George Sebourn
Garden Grove	Steve Jones
Huntington Beach	Joe Carchio
Irvine	Steven Choi
La Habra	Tom Beamish
La Palma	Peter Kim
Los Alamitos	Troy Edgar
Newport Beach	Keith Curry
Orange	Teresa Smith
Placentia	Scott Nelson
Santa Ana	David Benavides
Seal Beach	Michael Levitt
Stanton	David Shawver
Tustin	John Nielsen
Villa Park	Brad Reese
Yorba Linda	Gene Hernandez

Sanitary Water Districts

Costa Mesa Sanitary District	James Ferryman
Midway City Sanitary District	Tyler Diep
Irvine Ranch Water District	John Withers

County Areas

Member of the Board of Supervisors	Janet Nguyen
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2014-15 & 2015-16 Budget

Board Committees

STEERING COMMITTEE

Troy Edgar, Board Chair
Tom Beamish, Board Vice Chair
John Nielsen, Chair, Operations Committee
Brad Reese, Chair, Administration Committee
Keith Curry
Brett Murdock
John Withers

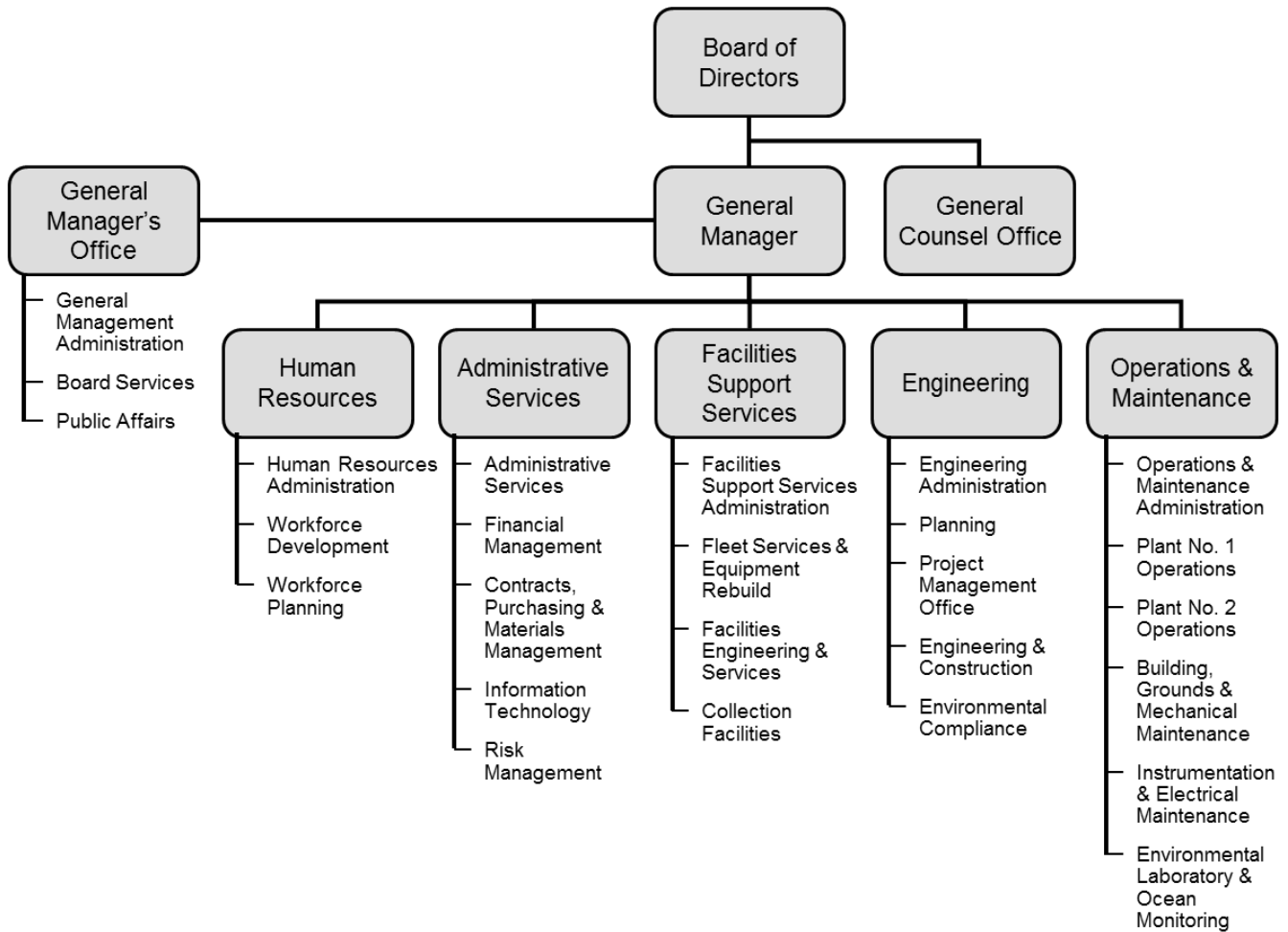
ADMINISTRATION COMMITTEE

Brad Reese, Chair
John Withers, Vice Chair
David Benavides
Joe Carchio
Steve Choi
Tyler Diep
James Ferryman
Gene Hernandez
Peter Kim
Prakash Narain
Janet Nguyen
Teresa Smith
Troy Edgar, Board Chair
Tom Beamish, Board Vice Chair

OPERATIONS COMMITTEE

John Nielsen, Chair
Brett Murdock, Vice Chair
Keith Curry
Steve Jones
Lucille Kring
Michael Levitt
Steve Nagel
Scott Nelson
Greg Sebourn
David Shawver
Fred Smith
Troy Edgar, Board Chair
Tom Beamish, Board Vice Chair

District's Organizational Chart



2014-15 & 2015-16 Budget

Administrative Officials

Departments

General Manager	James Herberg
Assistant General Manager	Robert Ghirelli
Director of Engineering	Robert Thompson
Director of Finance and Administrative Services	Lorenzo Tyner
Director of Facilities Support Services	Nicholas Arhontes
Director of Operations & Maintenance	Edward Torres
Director of Human Resources	Jeffrey Reed
General Counsel	Bradley Hogin

Reader's Guide to the Budget

Reader's Guide to the Budget

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

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

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

Section 1 – Executive Summary

The Executive Summary highlights critical issues and financial information regarding the District's FY 2014-15 & FY 2015-16 Budget.

Section 2 – Introduction

- **Financial Overview and Budget Issues** - This section highlights the issues impacting the FY 2014-15 & FY 2015-16 Budget.

Section 3 – Policies and Practices

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

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

Section 4 - District Summary

This summary section is a comprehensive overview of the FY 2014-15 & FY 2015-16 Budget with a focus on all consolidated District funds. Included are tables and graphs for both revenues and expenses.

Section 5 – Operations Overview

This section is a comprehensive overview of the District's operating costs and related revenues for FY 2014-15 and FY 2015-16. The District's operations include collection, treatment, and disposal activities. Tables are included for revenues and expenses to assist the reader in interpreting the data.

Section 6 – Operating Divisions

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

- **Organization Chart** - An organization chart by position is provided for each division.
- **Authorized FTE Positions**- The total number of full-time equivalent positions assigned to each division is included in this table.
- **Staffing Trends** - A multi-year staffing trend chart is provided to show the changes that have occurred in each division over time.
- **Service Description** - A description of the services or functions provided by each division.
- **2013-14 Performance Objectives** - This section represents the objectives defined by the division for the previous fiscal year.

2014-15 & 2015-16 Budget

- **2013-14 Performance Results** - A summary of major accomplishments and objectives that were actually met during the previous fiscal year.
- **2014-15 & 2015-16 Performance Objectives** - A list of projected goals to be accomplished during the 2014-15 and 2015-16 fiscal years.
- **Performance Measures** - A listing of the measures that will be used to evaluate the success of the budgeted fiscal years.
- **Budget Overview** - This section provides an overview of changes from the FY 2013-14 Budget to the FY 2014-15 & FY 2015-16 Budget. Additionally, the significant impacts of budgetary changes are outlined along with dollar amounts.
- **Expenses by Category** - A chart comparing the FY 2012-13 actual expenses and the FY 2013-14 budgeted and projected expenses against the proposed budget for FY 2014-15 & FY 2015-16. The percent change from the FY 2013-14 Budget compared to the FY 2014-15 Budget is also included.
- **Expenditure Trends** - This graph provides a multi-year historical trend of divisional expenses.

Section 7 - Self-Insurance Program

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

Section 8 - Capital Improvements

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

Section 9 - Debt Financing Program

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

Section 10 – Appendix

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

Serving:

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

June 4, 2014

Honorable Chair and Board of Directors:

I am pleased to submit the Orange County Sanitation District Fiscal Year 2014-15 and 2015-16 Operating and Capital Improvement Program Budget. This document provides a framework for District activities during these two fiscal years and serves as a source of information for ratepayers, the District's Board of Directors, and our employees.

In presenting this budget, it is an exciting time for our agency as we celebrate the 60th anniversary of the Orange County Sanitation District.

The Clean Water Act of 1972 and the importance of clean beaches drove improvements such as our first secondary treatment facilities, our industrial source control program and our five-mile ocean outfall.

Today we serve 2.5 million people, more than eight times the population that we served in 1954. Over the past 60 years, we have expanded our systems to handle the population growth and urbanization and to manage steadily increasing wastewater flows. We treat more than 200 million gallons of wastewater each day and have a budget of approximately \$554 million. This budget addresses rising treatment and chemical costs, aging infrastructure, increased regulatory requirements, and long-term debt obligations.

Our agency recycles more than one-third of the water produced by our treatment plants in partnership with Orange County Water District.

The solids produced as a byproduct of the treatment process – known as biosolids – are turned into organic fertilizer and compost for use on agricultural lands. Solids that 30 years ago were viewed as a waste are now providing valuable nutrients to farm lands in Arizona and California.

Gas produced in our solids processing digesters is utilized as a biofuel to operate the engines in the Central Generation facilities. These facilities produce about two-thirds of the electrical needs of our treatment plants.



In addition, we are using our facilities to manage up to 10 million gallons per day of urban runoff during dry weather that would otherwise flow untreated in our coastal waters.

OCSD has transformed since 1954. We are no longer a sanitation district treating, collecting and disposing of wastewater. We are a water resource recovery facility looking to capture, recycle and reuse the products resulting from the wastewater treatment.

I would like to take this opportunity to highlight some of the areas of focus for the coming years:

- **Future Water Recycling** – Determine partnerships, needs, strategies, benefits and costs associated with recycling of the treated effluent from Plant No. 2.
- **Infrastructure Stability** – Continue the transition of the Sanitation District's capital improvement program from increasing capacity and level of service to rehabilitation and replacement.
- **Cost Containment** - Despite inflationary increases on many external costs (chemicals, biosolids hauling, utilities) OCSD will continue its efforts to minimize the impact on ratepayers by aggressively negotiating our contracts, ensuring a competitive bidding environment, responsibly managing debt and implementing efficiencies wherever possible.
- **Safety and Security** - We will continue to evaluate our vulnerabilities and make improvements to provide a safe workplace for our employees and protect our regional infrastructure.
- **Workforce Planning and Workforce Development** – This initiative is ongoing and part of a comprehensive workforce planning and development effort to ensure we have the right people with the right skills and abilities, in the right place, at the right time.

We continue our focus on efficiency while delivering on our mission.

This budget demonstrates our commitment to efficiency and does not include any increases in overall staffing levels with minor adjustments for operating expenditures. I also take pride in our safe, efficient and compliant operation of our entire system.

General Manager Letter
June 4, 2014
Page 3

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

A handwritten signature in black ink that reads "James D. Herberg". The signature is written in a cursive style with a large, sweeping "J" and "H".

James D. Herberg
General Manager
Orange County Sanitation District

2014-15 & 2015-16 Budget

ORANGE COUNTY SANITATION DISTRICT CORE VALUES

MISSION STATEMENT

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

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

VISION STATEMENT

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

“ORANGE COUNTY SANITATION DISTRICT **WILL BE A LEADER** IN:

- Providing reliable, responsive and affordable services in line with **customer** needs and expectations.
- **Protecting** public health and the environment utilizing all practical and effective means for wastewater, energy, and solids resource recovery.
- Continually seeking **efficiencies** to ensure that the public’s money is wisely spent.
- **Communicating** our mission and strategies with those we serve and all other stakeholders.
- **Partnering** with others to benefit our customers, this region, and our industry.
- Creating the best possible **workforce** in terms of safety, productivity, customer service, and training.”

Core Values

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

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

Executive Summary

This FY 2014-15 and FY 2015-16 budget represents a consolidation of two one-year proposed operating and capital budgets. The District's FY 2014-15 operating and capital improvement budget is proposed at \$554.4 million, a 39.6 percent increase over the prior year budget of \$397.0 million. This overall increase is primarily attributable to a one-time reduction of long-term liabilities in the amount of \$125 million.

As a result of the CIP program being rescheduled out into future years and the receipt of unexpected one-time revenues, the proposed budget for FY 2014-15 includes the funding of \$125 million of long-term liabilities consisting of either the current unfunded accrued actuarial pension liability of \$200 million, the current unfunded actuarial "other postemployment benefit" liability of \$25 million, the outstanding bonded debt of \$1.2 billion, or some combination of all three.

Excluding this one-time reduction, the total proposed cash flow budget for FY 2014-15 totals \$429.4 million, an 8.2 percent increase over the prior year, and consists of an increase in capital outlay for construction projects within the capital improvement program (CIP) of \$41.5 million, a decrease in debt service requirements of \$12.4 million, and an increase of \$3.2 million in operating expenses.

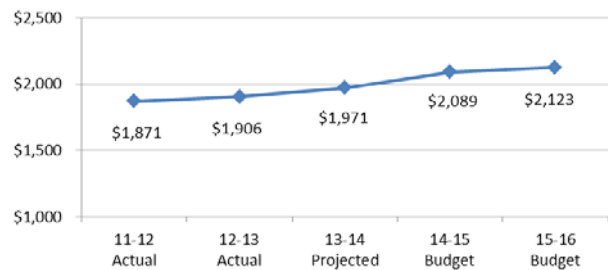
The District's FY 2015-16 operating and capital improvement budget is proposed at \$451.3 million, a 5.1 percent increase from the FY 2014-15 proposed budget after excluding the one-time long-term liability reduction. This overall increase is mostly comprised of an \$18.6 million, or 9.8 percent increase in cash outlays for construction projects and a \$2.5 million, or 1.6 percent increase in operating expenses, and a \$0.6 million, or 0.7 percent increase in debt service requirements. The fluctuation in capital outlay requirements over the next two years is attributable to the timing of the construction schedule on the implementation of the overall combined 10-year \$2.3 billion CIP and replacement, refurbishment, and rehabilitation program.

This FY 2014-15 and 2015-16 budget continues to reflect the agency's ongoing efforts to streamline operations. Staffing levels are being proposed at 626.0 full time equivalent (FTE) positions, the same staffing level that was approved for FY 2013-14.

Additionally, service level increases in ocean monitoring, discharge and treatment, water

reclamation and conservation, urban runoff diversions, biosolids management, and CIP expansion have resulted in a corresponding increase in cash flow requirements. Considering the CIP alone, \$615.7 million in new CIP projects to be constructed through the year 2050 were identified within the December 2009 Master Plan. The 2014 validated CIP includes 77 large capital projects and 38 special projects to be constructed over the next 20-years with a total cost of \$1.9 billion.

**Cost to Collect, Treat, and Dispose
One Million Gallons**



Budget Overview

The agency's two treatment plants, located in Fountain Valley and Huntington Beach, process a combined 200 million gallons of wastewater each day generated by approximately 2.5 million people in central and northwest Orange County.

The FY 2014-15 proposed budget to operate, maintain and manage our sewage collection, treatment and disposal system is \$152.5 million, an increase of 2.1 percent, or \$3.2 million, from the prior year budget.

Personnel costs have increased by \$1.2 million, or 1.2 percent, due to the retirement of many long-term employees, as there were 23 retirees in FY 2013-14 and 17 retirees in FY 2012-13, and the time required to refill these vacant positions. As of March 31, 2014, there were 44 vacant positions, or 7.0 percent of total staffing, as staffing levels are proposed to remain unchanged from the current full-time equivalent (FTE) positions of 626.0. Going forward, the average number of vacant positions throughout the year is expected to decrease resulting in higher annual personnel costs.

Repairs and maintenance costs are proposed to increase \$1.8 million or 15.8 percent. This increase is mostly attributable to increases in basic repairs and maintenance costs including the scheduling of

2014-15 & 2015-16 Budget

digester cleanings totaling \$1.0 million one central generation engine overhaul totaling \$893,000.

Contractual services are proposed to increase \$0.9 million, or 4.0 percent, due primarily to a \$382,000, or 2.1 percent increase in solids removal. This increase is due to both unit cost increases and the increase in production as biosolids production is projected to increase to 765 tons per day, up from the prior year estimate of 756 tons per day, with secondary treatment processes being fully operational. Security services, another component of contractual services, are proposed at an increase of \$199,600, or 49.9 percent.

Overhead cost allocation out to the CIP has been reduced by \$1.5 million, or 8.1 percent reduction due to decreased CIP outlay over the past several years.

Conversely affecting these operating increases, chemical supplies have decreased \$1.0 million, or 6.8 percent, as a result of the decrease in disinfection, odor control, and chemicals used in the treatment process due to chemical optimization and decreased disinfection requirements.

In addition, property and liability insurance premiums are proposed to decrease \$900,000, or 64.3 percent, due favorable market conditions on premiums for insurance renewals.

The FY 2015-16 proposed operations budget is \$155.0 million, an increase of \$2.5 million, or 1.6 percent over the FY 2014-15 proposed budget.

Personnel costs are proposed to increase \$1.4 million, or 1.4 percent increase due to a \$700,000, or 1.1 percent increase in salaries. Group

medical cost and retirement costs are increasing \$445,000, or 5.0 percent; and \$231,000 million, or 1.0 percent, respectively. Staffing is being proposed to remain unchanged from the prior two years at 626.0 FTE positions.

Operating materials and supplies are proposed to increase by \$537,000, or 3.4 percent, due to the combined expected unit cost increases of the chemicals used in the treatment process, in odor control, and in disinfecting the outfall effluent.

The cost per million gallons of wastewater treated, an industry-wide performance measurement is expected to increase in fiscal year 2014-15 to \$2,089, a \$29, or 1.4 percent increase over the prior year budget of \$2,060, and increase in fiscal year 2015-16 to \$2,123, a \$34, or 1.6 percent increase over the FY 2014-15 proposed budget. Wastewater flows through the treatment system are expected to remain flat from the projected 198.6 million gallons per day (mgd) in fiscal year 2013-14 to 200.0 mgd in fiscal year 2014-15 and 2014-15.

The District's Capital Improvement Program (CIP) cash flow budget for FY 2014-15 is \$186.5 million, an increase of \$93.8 million from the prior year estimated total. The CIP cash flow budget for FY 2015-16 is \$206.1 million, an increase of \$19.6 million from the FY 2014-15 proposed CIP cash flow. This CIP two-year cash flow budget finances collection system, joint works treatment and disposal system improvement projects. These CIP cash flows are attributable to the additional infrastructure needs identified in the December 2009 Master Plan and in the 2014 validation of the CIP.

FY 2014-15



How Resources Are Used

Executive Summary

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

Summary of Operating & Maintenance Expenses

Collections, Treatment & Disposal Operations

	2012-13 Actual	2013-14 Budget	2014-15 Proposed	2015-16 Proposed
Net Salaries, Wages & Benefits	\$90,659,277	\$97,995,300	\$99,168,800	\$100,581,900
Administrative Expenses	1,349,378	1,239,700	1,397,070	1,557,510
Printing & Publication	387,657	393,590	430,340	429,190
Training & Meetings	719,306	1,200,940	1,077,710	1,045,640
Operating Materials & Supplies	16,600,130	16,917,030	15,782,100	16,318,620
Contractual Services	22,234,871	23,315,770	24,242,170	24,524,730
Professional Services	3,107,080	3,637,480	3,269,370	3,116,140
Research & Monitoring	1,053,276	874,000	830,000	840,000
Repairs and Maintenance	10,095,057	11,166,290	13,063,210	12,927,770
Utilities	6,403,014	7,676,470	7,437,770	7,785,080
Other Materials, Supplies & Services	1,958,922	3,134,620	2,542,280	2,755,420
Cost Allocation - CIP	<u>(15,414,256)</u>	<u>(18,220,200)</u>	<u>(16,740,700)</u>	<u>(16,877,500)</u>
Net Operating & Maintenance Expenses	<u>\$139,153,712</u>	<u>\$149,330,990</u>	<u>\$152,500,120</u>	<u>\$155,004,500</u>

Facilities Planning

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

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

decision to upgrade our facilities to meet secondary treatment standards.

The December 2009 Master Plan reaffirmed the need for the completion of three CIP projects totaling \$627 million to upgrade the District's treatment plants to meet secondary treatment standards. Implementation of secondary treatment standards was completed, as scheduled, by December 31, 2012.

The incorporation of the 2009 Master Plan into the CIP includes the addition of 65 new CIP projects totaling \$615.7 million through the year 2050. The 2014 validated CIP includes 77 large capital projects and 38 special projects with total outlays over the next 20-year of \$1.9 billion.

Preferred Level of Treatment

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

2014-15 & 2015-16 Budget

The District continues to take great measures to limit the chlorine residual to a very low level, essentially non-detectable, for the purpose of protecting the animal life living in the ocean. In fiscal year 2002-03, the addition of disinfection treatment required an annual outlay of \$7 million in additional chemicals. As a result of the construction of full secondary treatment facilities, the annual outlay of disinfection treatment has been reduced to \$500,000 within the operating budget of the District. A strategic goal for FY 2014-15 is to investigate the cessation of effluent disinfection.

Sewer Service Fee Increases

In March of 2013, the Board approved rate increases for each year over the next five years. These increases are necessary for compliance with the District's debt fiscal policy of balancing the funding of new capital improvements with current revenues and existing debt, and to minimize the increase in rates over an extended period of time.

The impact of this five-year sewer fee schedule has increased the single family residence user fee rate, on average, 2.9 percent a year from \$294.00 in FY 2012-13 to \$339 in FY 2017-18. These rate increases by the District are still well below the average annual sewer rate of \$484 being charged throughout the State according to the 2013 California Wastewater Charge Survey of 759 agencies conducted by the State Water Resources Control Board encompassing all 58 counties in California.

Staffing

Authorized staffing levels are being proposed at 626 FTE positions over the next two-fiscal years, the same approved staffing level that was approved for FY 2013-14, and 52 FTE positions below the agency's all time high of 678 positions approved in FY 1995-96.

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

Strategic Planning

In November 2013, the Strategic Plan was updated to cover a new five-year horizon. Following a similar process used in the prior year updates, the General Manager's Office initiated the planning effort with the Executive Management Team, then solicited input and ideas from managers and supervisors. In November 2013, the staff-generated ideas were presented to the Board of Directors during a workshop, where Board Members discussed and deliberated changes and additions to the plan.

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

Since implementation of the first strategic plan in 2007, 38 strategic goals has been established and completed. For 2014-16, this Strategic Plan presents eight new goals and maintains the high standards set in the previous plans. These new goals were discussed at the November 2013 Board of Directors workshop and included the following:

- **Odor Control Master Plan** – Future process systems will produce the benefits intended.
- **Future Biosolids Management Options** – Develop biosolid disposal options, including third-party contracts and onsite capital facilities, for mid and long-term strategies.
- **Energy Efficiency** – Research new energy efficiency and conversion technologies to maximize energy efficiency, reduce operating costs, and minimize environmental impact.
- **Cessation of Disinfection of Ocean Discharge** - Discuss with regulatory agencies and environmental groups whether the continue disinfection of the ocean discharge is environmentally and economically necessary.
- **Ownership Transfer of Local Sewers** – Continue the review of requests for ownership of District local sewers by member agencies so that the District can focus on core business.
- **Legislative Advocacy and Public Outreach** – Develop a unified legislative advocacy and public outreach program to keep our customers and stakeholders informed, to take advantage

of any Federal or State wastewater funding, and to ensure that public policy related to wastewater management represents the best interest of the District and the public it serves.

- **Future Water Recycling** – Determine partnerships, needs, strategies, and the cost vs. benefit of recycling of Plant No. 2 effluent water.
- **Workforce Planning and Development** – An ongoing workforce planning and development initiative to ensure that the District has the right people with right skills and abilities, in the right place.

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

2014-15 & 2015-16 Budget

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Financial Overview & Budgetary Issues

Financial Overview and Budgetary Issues

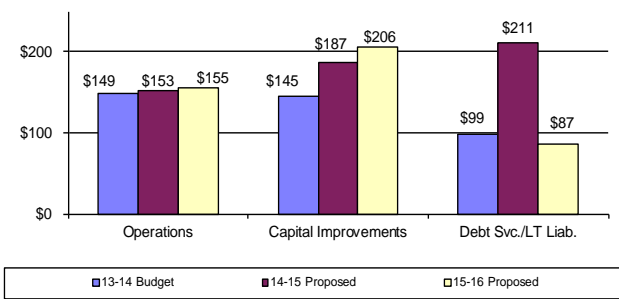
This section of the budget is a financial overview and an outline of issues affecting the development of the budget, as listed below:

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

Proposed Consolidated Cash Flow Budget

The total proposed cash flow budget for FY 2014-15 is \$554.4 million, a 39.6 percent increase over the prior year total cash flow budget of \$397.0 million. The total proposed cash flow budget for FY 2015-16 is \$451.3 million, an 18.6 percent decrease from the total proposed cash flow budget for FY 2014-15. The spike in FY 2014-15 in comparison to the previous year and in the following year is primarily due to a one-time reduction of long term liabilities in the amount of \$125 million occurring in FY 2014-15. Excluding this one-time reduction, the total proposed cash flow budget for FY 2014-15 totals \$429.4 million, an 8.2 percent increase over the prior year, and instead of a decrease, FY 2015-16 increases 5.1 percent over the total proposed cash flow budget for FY 2014-15. The table below shows the comparisons of the FY 2013-14 Budget, FY 2014-15 Proposed, and the FY 2015-16 Proposed by major budget category.

**Budget Comparison
(in millions)**

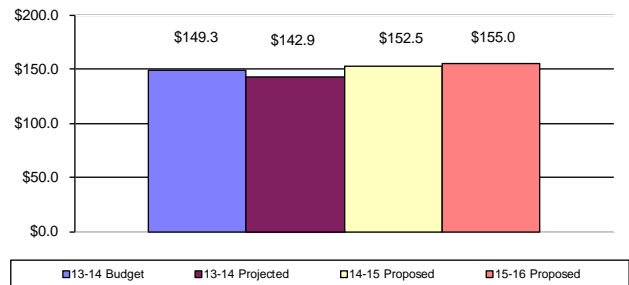


Proposed Operating Budget

The Operating program accounts for the costs to operate, maintain, and manage the District's two treatment plants, with a primary treatment design capacity of 372 million gallons a day, and the 580 miles of collection systems. All the personnel costs for the District are initially recorded as an Operating cost. Costs chargeable to the capital improvement program are allocated for the work done through a job cost system. These charges are shown as reductions in the line item Operating program budget. Costs remaining in the Operating program are ultimately allocated to the two individual revenue areas that make up the District, the Consolidated Revenue Area and Revenue Area 14, based on flows.

Operational cost, comprised of collections, treatment plant, and disposal operations and maintenance, and administration, are projected to come in under the FY 2013-14 Budget by \$6.4 million, or 4.3 percent. The FY 2014-15 Budget is being proposed with an increase of \$3.2 million or 2.1 percent from the prior year budget, and the FY 2015-16 Budget is being proposed with an increase of \$2.5 million, or 1.6 percent over the FY 2014-15 Proposed Budget.

**Operations Budget Comparison
(in millions)**



Analysis on the year-to-year change is provided from three perspectives. First, the FY 2013-14 Budget is compared to the FY 2013-14 year-end projections. Secondly, the FY 2013-14 year-end projections are compared to the FY 2014-15 Proposed Budget, and lastly, the FY 2014-15 Proposed Budget is compared to the FY 2015-16 Proposed Budget.

FY 2013-14 Operations – Budget vs. Projected

As depicted by the chart above, operating expenses are projected to come in under the FY 2013-14 Budget by \$6.4 million, or 4.3 percent. The major categories that comprised the total reduction include

2014-15 & 2015-16 Budget

personnel cost, or salaries and benefits; chemicals, consisting of coagulants, odor control, and disinfection chemicals; utilities, consisting of electrical power, natural gas, and water; repairs and maintenance; solids removal; and removal of residual solids from the digesters. Offsetting these shortfalls include a decrease in the overhead cost allocation to CIP.

Personnel costs are expected to come in under budget by \$4.3 million, or 4.4 percent primarily due to the retirements of many long-term employees, as there were 23 retirees in FY 2013-14 and 17 retirees in FY 2012-13, and the time it has taken to refill these vacant positions. As of March 31, 2014, there were 44 vacant positions, or 7.0 percent of total staffing.

Repairs and maintenance are expected to come in under budget by \$1.6 million, or 14.1 percent due to the timing on the budgeting of Cen-Gen overhauls and digester cleanings and when they actual occur.

Chemical savings of \$700,000, or 5.1 percent, are anticipated as a result of the decrease disinfection, odor control, and coagulant chemicals due to chemical optimization and decreased disinfection requirements.

Utility costs are expected to come in under budget by \$700,000, or 8.7 percent, due primarily to the decrease in electrical power of \$1.4 million and in natural gas of \$0.3 million. Savings in electricity is the result of summer peak shavings that reduced usage and the lower than expected electrical rates. The purchase of electricity to supplement digester gas as opposed to purchasing natural gas to run the Central Generation facilities allows the Central Generation facilities to meet air emission requirements.

Solids removal costs are expected to come in under budget by \$400,000, or 2.5 percent as the overall volume was slightly less than budgeted.

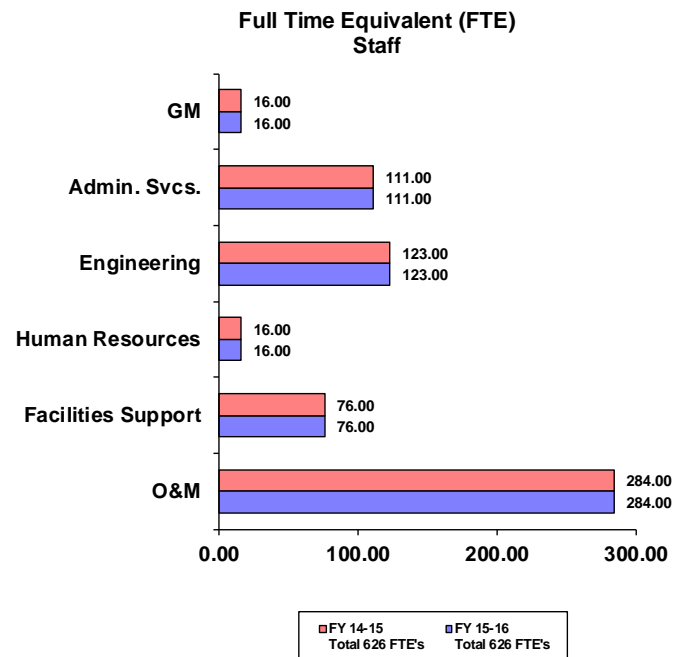
Decreased cost allocation to CIP is expected to offset these operating savings by \$4.3 million, or 23.7 percent due to the overall decrease in the CIP program.

FY 2014-15 Proposed Operations Budget vs. FY 2013-14 Projected Operations Expense

The FY 2014-15 operating budget includes a \$9.6 million, or 6.7 percent increase over the FY 2013-14 projected operating requirements.

Increases in the proposed operating requirements are primarily attributable to increases in personnel costs, repairs and maintenance, and contractual services.

Personnel costs are being proposed at a 5.8 percent, or \$5.5 million increase over the prior year projection. Of this amount, salaries are being proposed to increase 3.6 percent based primarily on existing bargaining unit agreements as no salary adjustments have been included for periods beyond expiration of current agreements. Retirement premiums are proposed to increase \$2.5 million, or 10.9 percent, over the prior year projected as the District's required employer contribution rate has been increased by the Orange County Employees Retirement System from 31.95 percent to 36.57 percent as a result of revised actuarial assumptions and lower than expected return on investments in prior years.



Repairs and maintenance costs are proposed to increase \$3.5 million or 36.2 percent over the prior year projection. This increase is mostly attributable to increases in basic repairs and maintenance costs including the scheduling of digester cleanings totaling \$1.0 million and one central generation engine overhaul totaling \$893,000.

Contractual services are proposed to increase \$1.4 million, or 6.0 percent, due primarily to an \$823,000, or 4.7 percent increase in solids removal.

Financial Overview & Budgetary Issues

This increase is due to both unit cost increases and the increase in production as biosolids production is projected to increase to 765 tons per day, up from the prior year estimate of 756 tons per day, with the secondary treatment processes being fully operational. Another major component increase of contractual services was in security services, proposed at an increase of \$199,600, or 49.9 percent.

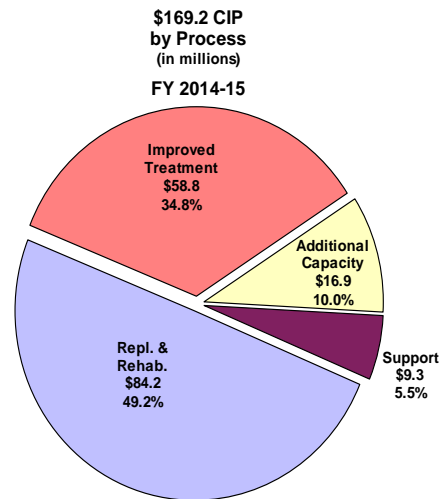
FY 2015-16 Proposed Operations Budget vs. FY 2014-15 Proposed Operations Budget

In FY 2015-16, the second year of this two-year operating budget, staff is proposing a 1.6 percent, or \$2.5 million increase over the FY 2014-15 proposed operating requirements. Increases in the proposed operating requirements are primarily attributable to increases in personnel costs, operating materials and supplies, and utilities.

Personnel costs are being proposed at a 1.4 percent, or \$1.4 million increase in FY 2015-16 over the FY 2014-15 proposed budget. This increase is mostly attributable to the increases in salaries, group medical insurance and retirement premiums based on existing bargaining unit agreements as no salary adjustments have been included for periods beyond expiration of current agreements. Staffing is being proposed to remain at the same level as in the prior year at 626.0 FTEs. Salaries are expected to increase by 1.1 percent, or \$694,000, group medical insurance is proposed to increase 5.0 percent, or \$445,000, and retirement premiums are proposed to increase 1.0 percent, or \$231,000.

Operating materials and supplies are being proposed to increase \$537,000, or 3.4 percent, due to the combined expected unit cost increases of the chemicals used in the treatment process, in odor control, and in disinfecting the outfall effluent.

Utilities are proposed to increase of \$347,000, or 4.7 percent in FY 2015-16. This increase is primarily due to expected increases in the electricity rate, as consumption is expected to be stable now that full secondary treatment facilities have been fully operational over the past two years.



Proposed Capital Improvement Cash Outlays

Proposed capital improvement outlays approximate one-third of the overall proposed budget and provide for the construction of facilities at the two treatment plants, including the utility systems, administrative facilities, and the ocean disposal system and the rehabilitation, replacement and expansion of the 580 miles of the collections system. Projects over \$35,000 require formal bidding per the California Public Works Construction Act, and any project over \$100,000 requires Board approval in accordance with the District's procurement ordinance.

The budget has been prepared under assumptions included in the Facilities Master Plan adopted by the Board of Directors in December 2009 and in accordance with the Board approved 2013 Five-Year Strategic Plan Update.

The FY 2013-14 projected cash outlay for the CIP is expected to reach 65.2 percent of budget, or \$92.7 million. The FY 2014-15 proposed cash flow budget of \$169.2 million is part of the overall CIP budget of \$2.8 billion identified within the Interim Strategic Plan Update completed in June 2002 and the recently completed Annual CIP Validation Study.

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

2014-15 & 2015-16 Budget

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

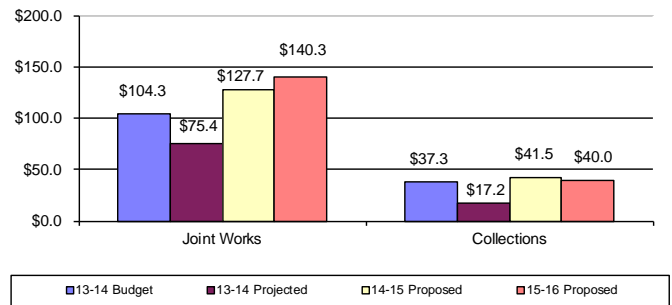
In conjunction with preparation for the 2014-16 Budget, District staff has developed and reviewed with the Board of Directors a capital program to deliver the levels of service desired by the Board of Directors. These levels of service and resulting capital projects are included in the District's 5-year Strategic Plan.

In addition, District staff has reviewed each CIP project to ensure that the scope of the project was appropriate, and that the cost estimates were accurate. The validated CIP includes 77 large capital projects and 38 special projects with a 20-year expenditure of \$1.9 billion. This total represents a \$10.8 million increase from the 2013-14 CIP estimate. This increase is mostly attributed to the delay and escalation of large projects to account for inflation.

The proposed 2014-15 CIP budget is organized by treatment process. The funds requested for the current cash flow budget total \$169.2 million, an increase of 19.5 percent over last year's cash flow budget of \$141.6 million. The current year cash flow is part of an overall total cost of \$2.8 billion for active projects.

Joint Works, or Treatment Plant Construction, projected outlay for FY 2013-14 is expected to reach 71.7 percent of the annual CIP cash flow budget of \$102.7 million. The FY 2014-15 and FY 2015-16 Joint Works proposed CIP cash flow budgets are \$127.7 million and \$140.3 million, respectively.

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



Large treatment system projects include Sludge Dewatering & Odor Control at Plant No. 1 and the Solids Thickening & Processing Upgrades at Plant No. 2 with total proposed project budgets of \$172.0 million and \$48.3 million, respectively. Proposed cash outlays for these two projects in FY 2014-15 and FY 2015-16 are \$61.1 million and \$6.3 million and \$39.9 million and \$6.4 million, respectively. Other treatment plant projects with significant cash outlays include the Cengen Emissions Control Project (\$7.0 million and \$10.7 million), the Digester Rehab at Plant No. 1 (\$5.4 million and \$5.2 million), and the Primary Treatment Upgrades at Plant No. 1 of (\$3.4 million and \$5.1 million).

The Collection System Capital Program projected outlay for FY 2013-14 is expected to reach 45.7 percent of the annual cash flow estimate, or \$17.2 million. The Collection System FY 2014-15 and FY 2015-16 proposed CIP cash flow budgets are \$41.5 million and \$40.0 million, respectively. These proposed improvements are needed in order to keep the 580 miles of collection systems free from failure. Three large Collection System related projects include the Rehab of Western Regional Sewers, the Newhope-Placentia Trunk Replacement, and the Bay Bridge Pump Station Reconstruction with total project costs of \$112.2 million, \$104.9 million, and \$74.4 million; and FY 2014-15 and FY 2015-16 proposed cash outlays of \$0.0 million and \$0.4 million, \$0.4 million and \$2.1 million, \$0.0 million and \$0.6 million; respectively. The Capital Improvement Program is described in more detail in Section 8 of this document.

Financial Overview & Budgetary Issues

Debt Service Requirements

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

The District issued the \$80.0 million Wastewater Revenue Obligation, Series 2010A in May 2010 and the \$157.0 million Wastewater Revenue Obligation, Series 2010C in December 2010, both as "Build America Bonds" (BABs) fixed rate debt and the last of the "new" money debt issuances. The American Recovery and Reinvestment Act of 2009 created a new financing product, BABs, for the municipal issuer. BABs are issued as higher interest taxable bonds; however, the U.S. Treasury provides a 35 percent subsidy on interest payments. The net cost, after accounting for the 35 percent subsidy payment, frequently results in lower net costs to the issuer, specifically in the maturity years beyond ten years. Based on the market conditions at the time of these issuances in comparing the back-loaded BABs new money borrowing to a back-loaded tax-exempt structure, Series 2010A resulted in present value savings to the District of \$15.2 million, as the debt was issued at an all-in true interest cost of 3.68 percent; and Series 2010C resulted in present value savings to the District of \$20.0 million, as the debt was issued at an all-in true interest cost of 4.11 percent.

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

In October 2013, the District issued \$129.6 million of refunding one-year fixed-rate certificate of anticipation notes to take advantage of the low short-term interest rate environment. The one-year debt was issued at an interest rate of 17 basis points (17/100th of one percent).

This two-year budget proposes no additional new money debt issuances as the \$2.3 billion in future replacement, rehabilitation, and refurbishment projects anticipated over the next ten years will be adequately funded through current sewer service fee charges and existing reserves. The FY 2014-15 debt service requirements are proposed at \$86.1 million, an increase from FY 2013-14 projected of \$3.5 million, or 4.2 percent. Total Debt

Service requirements for the second year of this two-year budget will rise to \$86.7 million, a \$600,000, or 0.7 percent increase.

The District's Debt Financing Program is described in more detail in Section 9 of this budget.

Sewer Service Fees

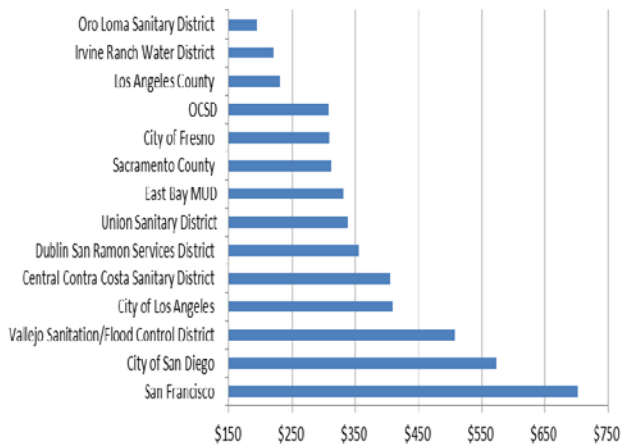
The Consolidated Revenue Area has an adopted Sanitary Sewer Service Fee to provide funding for operating the sewer systems in accordance with the Clean Water Act and the District's Revenue Program. Revenue Area No. 14 is funded through user fee charges to the Irvine Ranch Water District. Sewer service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

In the fall of 2007, District staff conducted strategic planning workshops with the Board of Directors to lay out a capital program to deliver the levels of service desired by the Board of Directors. These levels of service and resulting capital projects are included in the District's 5-year Strategic Plan. This effort was reinforced through the adoption of a new Master Plan in December 2009, a planning effort to define the District's goals, responsibilities, and requirements over the next twenty years, and includes projections through the assumed "build-out" of the District's service area to the year 2050. Incorporating the 2009 Master Plan into the CIP validation update for FY 2014-15, the current CIP includes 105 projects totaling \$1.9 billion through the year 2035.

In March 2013, following a Proposition 218 notice process, the Board approved sewer rate increases for each year over the next five years averaging approximately 2.9 percent a year. These increases are necessary to provide needed capital improvements, to meet additional treatment and disinfection requirements, and to minimize future rate increases.

This five-year sewer fee schedule increased the annual single family residence user fee from \$294 in FY 2012-13 to \$308 in FY 2013-14, to \$316 in FY 2014-15, and to \$323 in FY 2015-16.

2014-15 & 2015-16 Budget



Even with these increases, the District rates will still remain well below the current State-wide average annual sewer rate of \$484 according to the 2013 California Wastewater Charge Survey of 759 agencies conducted by the State Water Resources Control Board encompassing all 58 counties in California.

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

- Non-residential user charge will be based upon typical quantity and strength of discharge per 1,000 square feet.
- Fees for users who discharge high quantities or high-strength waste, including former Class III permittees such as restaurants and laundromats, will be based on the assumed flow and strength per 1,000 square feet.
- Discontinuation of the Class III permit process because of the implementation of the expanded and more accurate rate structure. This resulted in simplification of the billing and collection process for these two hundred users.
- The revised rate structure resulted in a greater number of decreases in charges (22,000) for non-residential users than increases (13,000).

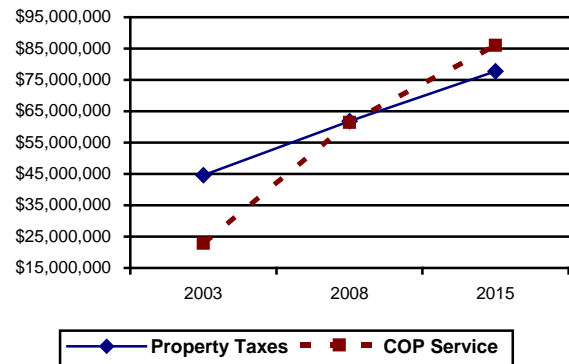
Overall, the total fees collected remained essentially the same as those generated by the old structure.

Property Taxes

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

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

COP Funding Requirements vs. Property Tax Funding Source



Property tax revenues decreased from a low in FY 2011-12 of \$64.0 million to a projected \$81.6 million in FY 2015-16, primarily due to the rebound from the economic decline and the collapse in the housing and commercial property markets beginning in 2008. Property tax revenues are now being projected to increase 5.0 percent a year through FY 2015-16.

Any property tax revenue shortfalls in meeting debt service obligations may require adjustments to user fees, as making debt service payments are legally mandated.

Financial Overview & Budgetary Issues

Budget Highlights

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

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

General Manager's Office

- An amount equaling 0.5 percent of the Operating materials and services budget is included within the General Manager's Re-appropriation line item for each of the next two fiscal years. Since the current year's budget lapses each year, re-appropriation of funds is needed to pay for goods or services ordered at the end of one budget year but not provided until the following year. The General Manager reviews and approves all departmental re-appropriation requests to ensure that prior year funding was available and has not been spent.
- An amount equal to 0.85 percent of the Operating materials and services budget is included within the General Manager's contingency account for each of the next two fiscal years.
- A net increase of 2.0 FTE in FY 2014-15.

Human Resources

- Training costs have decreased \$115,000 in FY 2014-15 from the prior year to \$152,250. Included in this total training budget is District-wide training for diversity, ethics, conflict of interest, substance abuse, performance

improvement, and mandatory employee relations/labor relations management training.

- A net decrease of 2.0 FTE's in FY 2014-15.

Administrative Services

- An increase of \$104,000 in FY 2014-15 reflective of the 3.0 percent increase in County property tax/user fee billing, collections, and remittance services.
- An increase of \$112,000 in small computer equipment to provide field staff with tablets and \$134,500 in reproduction services to scan taxonomy data classification baseline in FY 2014-15.
- A decrease in property/general liability insurance in-lieu premiums of \$900,000 for FY 2014-15.
- A net increase of 1.0 FTE in FY 2014-15.

Facilities Support Services Administration

FY 2014-15 increase over FY 2013-14 budget:

- An increase in other contr. svcs. of \$184,000.
- An increase in repairs and maint. of \$194,000.
- An increase in Engineering svcs. of \$144,000.

FY 2015-16 increase over FY 2014-15:

- An increase in odor control chem. of \$172,000.
- A net decrease of 2.0 FTE's in FY 2014-15.

Engineering

• FY 2014-15 Proposed CIP outlays of \$169.2 million are an increase of 19.5 percent over last year's cash flow request of \$141.6 million. In addition, FY 2015-16 proposed CIP outlays of \$180.3 million is an increase of \$11.1 million, or 6.6 percent, from FY 2014-15 proposed budgeted CIP cash outlays.

- No net change in FTE's for FY 2014-15.

Operations & Maintenance

FY 2014-15 increases over FY 2013-14 budget:

- An increase in repairs and maint. of \$1.6 million.
- An increase in solids removal of \$382,000.
- An increase in Oxygen Plant costs of \$146,000.
- An increase in Engineering of \$179,000.
- An increase in other prof. services of \$120,000.
- An increase in electricity costs of \$180,000.

2014-15 & 2015-16 Budget

- A decrease in chemical coagulants of \$489,000.
- A decrease in odor control costs of \$481,000.
- A decrease in water costs of \$455,300.
- A decrease in other waste disposal of \$106,000.

FY 2015-16 increases over FY 2014-15:

- An increase in solids removal of \$275,000.
- An increase in chem. coagulants of \$319,000.
- An increase in electricity costs of \$206,000.
- A decrease in repairs and maint. of \$231,000.
- A decrease in other prof. service of \$120,000.

- A net increase of 1.0 FTE in FY 2014-15.

Individual Collection System

Operating- reflects costs of operating and maintaining each Revenue Area's collection system, utilities, and Directors' fees. Industrial/commercial monitoring costs reflecting the expense of enforcing the Uniform Use Ordinance and EPA's pre-treatment standards are also included. The largest operating cost is the Revenue Area's flow-based share of the Joint Works Operating expenses.

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

Debt Service/COP- accounts for the proceeds from and service of the Capital Improvement Program Certificates of Participation (COPs). The District's share of the one percent basic levy ad valorem property tax is dedicated to provide for COP principal and interest payments. See Section 9 for additional information on the District's debt financing program.

Reserves

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

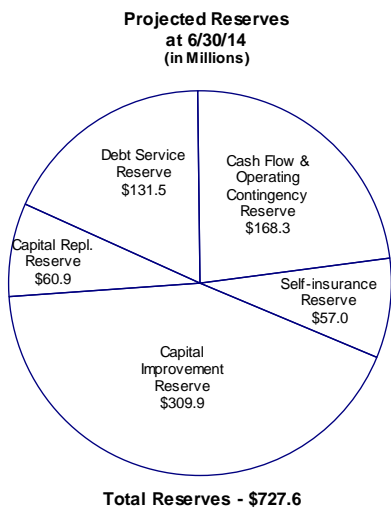
District's reserve policies. Based on this review, the Directors approved the following reserve policies:

- Cash Flow Reserve has been established at a level to fund operation, maintenance and certificates of participation debt service expenses for the first half of the fiscal year. The first installment of property tax revenues and sewer service user fees that is collected by the County through the property tax bill is not available until late December each year.
- Operating Contingency Reserve has been established to provide for non-recurring expenditures that were not anticipated when the annual budget and sewer service fees were considered and adopted. The level of this reserve will be established at an amount equal to ten percent of the annual operating budget.
- Capital Improvement Reserve has been maintained to fund annual increments of the capital improvement program. The long-term goal is to fund one half of the capital improvement program from borrowing and the other half from current revenues and reserves. With this program in mind, the target level of this reserve has been established at one half of the average annual cash outlay of the capital improvement program through the year 2020. Levels higher and lower than the target can be expected while the long-term financing and capital improvement programs are being finalized. Proceeds from any debt issuance targeted for construction are also included in this reserve until spent.
- Catastrophic Loss, or Self-Insurance Reserves has been maintained for property damage including fire, flood and earthquake, for general liability and for workers' compensation. These reserves are intended to work with purchased insurance policies, FEMA and State disaster reimbursements. Based on the current plant infrastructure replacement value of \$2.77 billion, the level of this reserve has been set to fund the District's non-reimbursed costs, estimated to be \$57 million.
- Capital Replacement/Renewal Reserve will be established to provide thirty percent of the funding to replace or refurbish the current collection, treatment and disposal facilities at the end of their useful economic lives. The current replacement value of these facilities is estimated

Financial Overview & Budgetary Issues

to be \$6.90 billion. The initial reserve level had been established at \$50 million, and is augmented by interest earnings and a small portion of the annual sewer user fee, in order to meet projected needs through the year 2030.

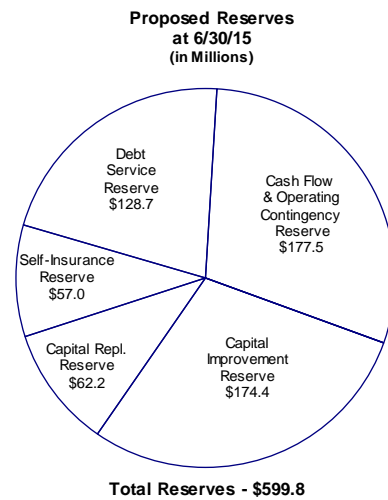
- **Debt Service Reserve** is required to be under the control of a Trustee by the provisions of the certificate of participation (COP) issues. These reserve funds are not available for the general needs of the District and must be maintained at specified levels.
- **Rate Stabilization Reserve** will be used to accumulate all available funds exceeding the targets for all other reserves. These funds will be applied to future years' needs in order to maintain rates or to moderate annual fluctuations. There is no established target for this reserve. Because the reserves of all other funds have not been exceeded, this reserve level has been set at zero.



The FY 2013-14 total projected year-end reserve is \$727.6 million, \$183.5 million greater than the FY 2013-14 reserve requirement of \$544.1 million. The excess reserve buildup of \$183.5 million is due to the timing of the actual CIP outlays. As previously noted, the projected CIP outlay for FY 2013-14 is only \$92.7 million, or 65.2 percent of the total capital outlay cash flow budget of \$142.1 million. In addition, \$201.1 million of the previous overall projected outlays through fiscal year 2017-18 have now been pushed out into future years.

As a result of the CIP program being rescheduled out into future years and the receipt of unexpected

one-time revenues, the proposed budget for FY 2014-15 includes the funding of \$125 million of long-term liabilities consisting of either the current unfunded accrued actuarial pension liability of \$200 million, the current unfunded actuarial "other postemployment benefit" liability of \$25 million, the outstanding bonded debt of \$1.2 billion, or some combination of all three.



Following this one-time funding of \$125 million of long-term liabilities, and the funding of the FY 2014-15 spending plan, total year end reserves are projected to fall to \$599.8 million at June 30, 2015, within \$59.2 million of the consolidated reserve policy of \$540.6 million.

Collectively, these individual reserve requirements total close to at least \$500 to \$600 million for each year of the current ten-year cash flow forecast, approximately nine percent of OCSD's total \$6.2 billion in assets.

Staffing Levels

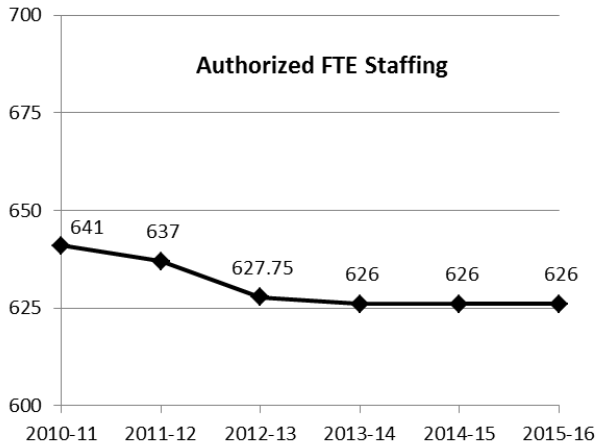
Authorized staffing levels are being proposed at 626 FTE positions over the next two-fiscal years, the same approved staffing level that was approved for FY 2013-14, and 52 FTE positions below the agency's all time high of 678 positions approved in FY 1995-96.

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

The staffing reductions from 1995-96 are a result of this agency's effort in striving to provide wastewater

2014-15 & 2015-16 Budget

treatment as efficiently and effectively as possible while lowering operational and maintenance costs to more closely match those agencies that are “best in class” for wastewater treatment facilities. However, as the result of new initiatives in the areas of water reclamation and conservation, and the expansion of the Capital Improvement Program (CIP), the existing staffing plan was no longer sufficient to meet the District’s needs.



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

Business Plan

The District began development of a comprehensive annual Business Plan that was first included within the FY 2005-06 Budget document, and has been updated in every biennium budget since, including this update following the Board acceptance of the Five-Year Strategic Plan in November 2013. This Business Plan includes the funding resources necessary to support the Board approved strategic goals including providing exceptional customer service, protecting public health, stakeholder understanding and support, and organizational effectiveness. Also included in this updated business plan is the business planning process and the current and projected key performance indicators (levels of service). The following topics are included within the FY 2014-16 Business Plan:

- Strategic Goals
- Levels of Service
- Performance Indicators and Results
- Business Accountability Charters
- Two-Year Staffing Plan
- Updated Financial Model

- Risk Assessment & Mitigation Analysis
- Updated Asset Management Plan

A more detailed description of the FY 2014-16 Business Plan is provided within Section 2 – Page 15 through Page 27.

OCSD Long-Term Planning

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

CIP Strategic Planning

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

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

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

In December 2009, the District adopted a new Facilities Master Plan to define the capital projects needed to meet the agency’s level of service requirements over the next twenty years. It includes projections through the assumed “build-out” of the

Financial Overview & Budgetary Issues

District's service area to the year 2050. Critical factors such as population growth, new construction, the volume of wastewater delivered to the plants and viable water conservation and reclamation programs were reevaluated in the 2009 Master Plan.

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

In conjunction with preparation for the 2014-16 Budget, District staff has developed and reviewed with the Board of Directors a capital program to deliver the levels of service desired by the Board of Directors. These levels of service and resulting capital projects are included in the District's 5-year Strategic Plan.

In addition, District staff has reviewed each CIP project to ensure that the scope of the project was appropriate, and that the cost estimates were accurate. The validated CIP includes 77 large capital projects and 38 special projects with a 20-year expenditure of \$1.9 billion. This total represents a \$10.8 million increase from the 2013-14 CIP estimate. This increase is mostly attributed to the delay and escalation of large projects to account for inflation.

Over the next ten years, the CIP cash flow needs, including rehabilitation and replacement projects, will approximate \$2.3 billion, or annual average outlays of \$230.0 million.

Meeting Secondary Treatment Standards

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

As a result of the completion of the Capital Improvement Program Validation Study and the Secondary Treatment Review in the spring of 2003, a capital improvement program was developed to meet secondary treatment standards as quickly as

possible while providing for increased flows and rehabilitation and refurbishment of existing facilities.

The District completed all of the necessary secondary expansion projects to meet full secondary treatment standards by December 2012. On July 20, 2012, the District received a new National Pollutant Discharge Elimination System (NPDES) permit reflecting the full secondary treatment requirements.

Planning Advisory Committee II (PAC2)

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

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

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

In addition to this initial group, the District also reached out to organizations and individuals that

2014-15 & 2015-16 Budget

had consistently expressed interest in participating in the Interim Strategic Plan Update and the ocean discharge permit renewal process. As a result of this effort, 28 members of the new PAC2 were confirmed.

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

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

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

Five-Year Strategic Plan

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

In November 2013, the Strategic Plan was updated to cover a new five-year horizon. Following a similar process used in the prior year updates, the General Manager's Office initiated the planning effort with the Executive Management Team, then solicited input and ideas from managers and supervisors. The resulting staff-generated ideas were presented to the Board of Directors during a workshop, where Board Members discussed and deliberated changes and additions to the plan.

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

Since implementation of the first strategic plan in 2007, 38 strategic goals has been established and completed. For 2014-16, this Strategic Plan presents eight new goals and maintains the high standards set in the previous plans. These new goals were discussed at the November 2013 Board of Directors workshop and included the following:

- Odor Control Master Plan.
- Future Biosolids Management Options.
- Energy Efficiency Research.
- Develop Plan for the Cessation of Disinfection of Ocean Discharge.
- Ownership Transfer of Local Sewers.
- Legislative Advocacy and Public Outreach.
- Future Water Recycling.
- Workforce Planning and Development.

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

Biosolids Management

As a byproduct of the wastewater treatment process, the District recovers and treats nutrient-rich, organic matter (solids) to produce biosolids. Biosolids can be recycled through composting or fertilizing farm fields (non-food) (land application) or disposed in a landfill for methane gas recovery. The District's goal is to ensure our biosolids management strategies align with existing market conditions and continue a sustainable, reliable, and economical biosolids management program that provides environmentally sound practices and meets the stringent federal, state, and local regulatory requirements.

The District's biosolids averaged about 770 tons per day ("tpd") in 2013, with an average cost per ton of \$62.55 for managing at offsite locations, as described in the table below. The Fiscal Year 2013-14 budget for biosolids management is \$17.94 million, with a slight increase anticipated to \$18.6 million through Fiscal Year 2015-16. Over the next two fiscal years, the District's biosolids tonnage will be peaking at about 785 tpd until the following new facilities come online to reduce biosolids costs by about a third.

- Irvine Ranch Water District is constructing solids processing facilities and will stop sending their solids to the District by the end of 2016.

Financial Overview & Budgetary Issues

- Plant No. 1 centrifuges are currently under construction and anticipated to start creating drier solids and reducing hauling costs by mid-2017.
- Plant No. 2 centrifuges will begin operating by early 2019.

The District currently manages its biosolids as follows:

<u>Contractor</u>	<u>Location</u>	<u>Product</u>	<u>Tons Per Day & Avg. Cost Per Ton (March 2014)</u>
Synagro	Kern County, CA	Compost	250 tpd – \$75.18
Synagro	La Paz County, AZ	Compost	70 tpd – \$62.97
Tule Ranch	Yuma County, AZ	Land application	350 tpd – \$54.58
O. C. Waste & Recycling	Orange County, CA	Local Landfill	70 tpd - \$53.06

The District’s contractors provide back-up biosolids management capacity in California and Arizona that include composting, land application, and landfill. Together, these options have the additional available capacity to manage more than ten times the District’s daily biosolids production to ensure sustainable, consistent, and reliable operations.

The District anticipates issuing a request for proposals (“RFP”) in 2016 in advance of the Synagro contract renewal. In Fall 2013, the Board of Directors adopted a new Five-Year Strategic Plan that included studying biosolids management options in order to make recommendations for a potentially longer-term management option RFP in 2018.

In 2003, the District was the first agency in the nation to be certified by the National Biosolids Partnership for its biosolids program. Certification requires regular third-party audits and a robust internal management system based on the ISO 14001 Environmental Management System standard. The District is committed to a diverse biosolids program to help ensure a sustainable, reliable, and economical program.

Urban Runoff

Recognizing that County beaches were being affected by pollution carried by urban runoff, the Board of Directors adopted a number of resolutions agreeing to accept dry weather urban runoff into the sewer system. In June 2002, Assembly Bill 1892 amended the District’s charter to formally allow the diversion and management of dry weather urban

runoff flows. Resolution No. 01-07, adopted March 28, 2001, declared that the District will initially waive fees and charges associated with authorized discharges of dry weather urban runoff to the sewer system until the total volume of all runoff discharges exceeds four million gallons per day (“MGD”) calculated on a monthly average. For the first 12 years of the Urban Runoff Program, the average monthly flow averages remained less than the four MGD threshold thus avoiding user fee costs being assessed to the diversion permittees. In 2012, OCSD received a number of diversion proposals to deal with bacteria and selenium loading to the upper Newport Bay. The discharge from the additional proposed diversions combined with the existing diversion flows would eventually exceed the four MGD fee threshold. On June 12, 2013, the Board adopted Resolution No. 13-09 expanding the waiver of fees or charges on the treatment of dry weather urban runoff from four MGD to ten MGD. According to the Board, the change was necessary not only to protect the County’s coastal resources, but also to provide an economic benefit to the local economy by helping to keep our beaches open.

There are currently 19 active urban runoff diversion structures, four owned and operated by the County, 11 owned and operated by the City of Huntington Beach, one owned and operated by the City of Newport Beach, two owned and operated by the IRWD, and one owned and operated by The Irvine Company. The Dry Weather Urban Runoff Program is administered by the Environmental Compliance Division which issues a discharge permit for each of the diversion structures. The permit functions as a control mechanism that specifically prohibits storm runoff and authorizes discharge only during periods of dry weather. The permit also establishes specific discharge limits, constituent monitoring, and flow metering requirements. In addition, the District conducts quarterly sampling and analysis of the urban runoff discharges to ensure discharge limit compliance for the various regulated constituents.

Since 1999, the District has treated a total of 7.5 billion gallons of dry-weather urban runoff that would otherwise have been discharged into the ocean with no treatment. From January 1, 2013 through December 31, 2013, the daily average urban runoff flow ranged between 0.59 and 1.72 MGD with a cumulative total diversion of 408 million gallons for this period. At the existing operations and maintenance cost of \$1,582 per million gallons (2012-13 rate), the District’s cost for

2014-15 & 2015-16 Budget

treating the urban runoff discharge for this period is estimated at \$646,143.

Due to increasingly strict receiving water quality standards, OCSD is receiving requests to accept additional urban runoff discharges. Five additional urban runoff diversions have been proposed to deal with bacteria and selenium loading to the Newport Back Bay Watershed: Peters Canyon in the City of Irvine, Big Canyon Wash in the City of Newport Beach, and the Delhi, Santa Fe, and Lane flood control channels in the City of Santa Ana. Peters Canyon Wash, which collects selenium from selenium-laden shallow groundwater, is the biggest contributor of selenium in the San Diego Creek watershed in dry weather. The proposed urban runoff flows will result in average monthly flows of four to six MGD.

Groundwater Replenishment System

The District shared in construction costs for Phase I of the Groundwater Replenishment System (GWRS) with the Orange County Water District (OCWD), with each agency splitting the cost of construction of this \$496 million project equally. The District and OCWD also shared equally in approximately \$44 million of Federal and State Grants that offset the total project cost. Phase I, which became operational in January 2008, reclaims up to 70 million gallons per day (mgd) of water, and is the largest water reclamation project in the world. The GWRS will defer the need to build a second outfall estimated at a cost of \$200 million.

Phase II of the GWRS, scheduled for completion in 2015, will increase the production of reclaimed water to 100 million gallons a day. Although Phase II is being funded entirely by the OCWD, OCSD is directing all reclaimable flows to Plant No. 1 in support of providing maximum amounts of specification water for reclamation.

OCWD and the District have also agreed to share equally in the cost of the Joint GWRS Microfiltration Backwash Redirection Project which will increase the quantity of water available during the early morning hours when the flows are low. This project will save the District operational costs in the form of reduced primary treatment chemical usage.

Fiscal Policies

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

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

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

GFOA Best Practices and Advisories

Included in the budget within Section 3 – Pages 9 through 17 is a listing of accounting, auditing, financial reporting, cash management, budgetary and fiscal policy, debt management, retirement and benefit administration, and economic development and compliance planning practices recommended by the Government Finance Officers Association of the United States and Canada. Included within this list of best financial practices for state and local governments is the District's status as to whether we are in compliance or in progress towards compliance, or whether the practice is applicable to this agency. Out of the 154 practices identified, the District is in compliance with 103, 43 are not considered applicable to the District, and we are in the process of complying with the remaining eight.

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

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

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

Each year, it is staff's intent to build upon the foundation of the previous Business Plan and to make each succeeding one more detailed and comprehensive. Elements included in the Business Plan for this two-year budget includes: (1) the Business Planning Process; (2) Strategic Goals, including the timeframe, milestones, and resources required for the completion of each step; (3) performance results pertaining to the Current and Projected Key Performance Indicators (Level of Services); (4) Business Accountability Charters for each department, and each division within the departments; (6) Two-Year Staffing Plan; (7) Financial Model Update; (8) Risk Assessment & Mitigation Analysis; and (9) 2013-15 Asset Management Plan Update.

Business Plan Process

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

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

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

Strategic Goals

Over the next two years, the District will begin and complete many activities central to the goals of the organization. In November 2013, the District updated the Five-Year Strategic Plan and, as part of the strategic planning process, identified the following goals:

1. Providing Exceptional Customer Service
 - a. Completion of the Odor Control Master Plan.
2. Protecting the Public Health
 - a. Development of Future Biosolids Management Options.
 - b. Research new energy efficiency and conversion technologies.
3. Managing and Protecting the Public's Funds
 - a. Cessation of Disinfection of Ocean Discharge.
 - b. Ownership transfer of local sewers.
4. Stakeholder Understanding and Support
 - a. Communicating the District's mission and strategies with those we serve and other stakeholders.
 - b. Partnering with others to benefit our customers, this region, and our industry.
5. Organizational Effectiveness
 - a. Creating the best possible workforce in terms of safety, productivity, customer service, and training.

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

2014-15 & 2015-16 Budget

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

Level of Service

In 2005, the Orange County Sanitation District first developed a summary of the District's present and future Levels of Service requirements as part of its Asset Management Program. These Levels of Services were further developed with the Business Plan along with measurable outcomes, or key performance indicators, that the District is committed to meeting. This Business Plan documents that the Levels of Service provided by the District will increase significantly, requiring \$2.3 billion in identifiable capital improvements and millions in increased maintenance and operations costs over the next ten years.

Specific areas where the District's Level of Service have been modified as a result of the November 2013 Five-Year Strategic Plan update include:

- Urban Runoff – Establish a new level of service target from 4 million gallons per day to 10 million gallons per day based new policy.
- Maximum off-site odor impacts – Treatment Plant No. 1 – Deletion of this level of service until the scheduled Odor Control Master Plan has been updated.
- Maximum offsite odor impacts – Treatment Plant No. 2 - Deletion of this level of service until the scheduled Odor Control Master Plan has been updated.
- Number of odor incidents/events: Collection System – Establish new level or service from 34 to 12 based on historical data.
- Concentration of emerging chemical constituents of concern in Plant No. 1 secondary effluent: NDMA parts per trillion (ppt), 1, 4-Dioxane parts per billion (ppb) to change from NDMA < 150 ppt and 1, 4-Dioxan < 10 ppb to a level of service of yes or no.
- GWRS – Reword the existing level of service from a specific number of million gallons to meeting 100% of the specifications to meet full production requirements of OCWD.
- Biosolids – Quantify tons of biosolids to landfill through 2017 Peak Production period.

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

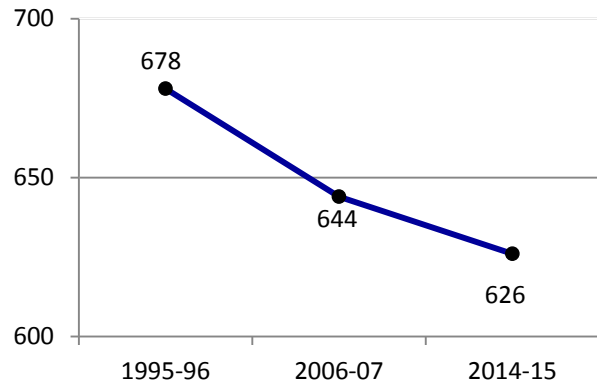
Performance Indicators. The District's present and projected Levels of Service are shown within this section on page 27 through 32.

Staffing Plan

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

This analysis included identification and development of over 100 business units in the District with discreet duties and responsibilities.

Authorized FTE Staffing



Based on the needs of the agency overtime, the total FTE requirement have declined steadily from a high of 678 authorized FTEs in FY 1995-96 to the proposed staffing of 626 FTEs over the next two fiscal years. Staffing levels are proposed at minimum levels that are necessary to support the operation and maintenance of newly constructed secondary treatment facilities in an efficient manner to meet all compliance requirements.

Staff has focused on the reallocation of existing resources in order to balance the needs within the over 100 identified business units of this agency to ensure that core business operations are met, levels of service are maintained, and that strategic initiative elements are accomplished.

The proposed two-year staffing plan contains a significant level of analysis on how existing resources can be utilized in consideration of the increased demands placed on this agency by

secondary treatment standards and in support of the \$2.3 billion capital improvement program over the next ten years without increasing staffing levels. A detailed breakdown on the proposed reallocation of FTEs can be found within the Appendix section of this budget.

Financial Model Update

The District's most recent regional rate study was completed in January 2013 by Carollo Engineers. The purpose of the study was to update sewer service rates and to equitably distribute costs among utility customers and to support the District's regional rate structure over a five-year period from FY 2013-14 through FY 2017-18. Previously, the District had completed regional rate studies in 2008, 2006, 2002 and 1999. The following two drivers necessitated that a rate study be completed in 2013, and be incorporated into the Business Plan:

1. The Necessity of Updating the Regional Sewer Service Fee and the Net Cost of Service Methodology for Industrial Rates -

The District provides regional sewage collection, treatment, and disposal services to approximately 550,000 customers located in central and northwest Orange County and collects fees for these services through a special assessment on the Orange County property tax bill. In addition, the District also maintains, repairs, and replaces the local sewers for approximately 17,000 of the above 550,000. High strength dischargers, or industrial customers, pay sewer fees based upon a net cost of service. A rate study was required to determine the equitable rates for these three types of users.

2. 5-Year Proposition 218 Notice - The District's last California Proposition 218 Notice notifying rate payers of potential sewer rate increases over the past five-years had expired and a new 5-year Proposition 218 Notice approved by the Board and the justification of the new sewer service fee rates over the next five years needed to be supported by an updated sewer rate study.

In their Financial Model Update Report for the District issued in January of 2013, Carollo Engineers recommended that the District:

- Based on current operational and capital project assumptions, implement annual increases of

4.8%, 2.6%, 2.5%, and 2.4%, respectively, over a five-year period ending in FY 2017-18.

- Increase to the unit costs to high strength discharges beginning in FY 2013-14, as follows:

	<u>Industrial Discharge Sewer Rates</u>		
	\$/ 1,000 gallons	\$/ lbs B.O.D.	\$/ lbs T.S.S.
Unit Cost - FY 2013-14	\$1.2847	\$0.6107	\$0.6496
Unit Cost - FY 2014-15	\$1.3156	\$0.6253	\$0.6651
% Increase	2.4%	2.4%	2.4%

All recommendations from the January 2013 Financial Model Update Report were approved by the Board to ensure that the funding required for the additional capacity projects required for new users would be available at the time of construction.

Capital facilities capacity charges (CFCC) and local sewer service fees are based on the Financial Model Update Report from April 2008 that:

- Increases the CFCC and the supplemental CFCC by the Engineering News Record Construction Cost (ENR) Index annually.
- Implemented a Local Sewer Service Fee for 18,000 parcels located in City of Tustin and in unincorporated areas North of Tustin beginning in FY 2008-09. Based on the April 2008 report, this fee was established at \$216 for FY 2012-13 and, based on a review in January 2013; it is still considered to be at the appropriate level for through FY 2015-16.

In December of 2009, the 2009 Facilities Master Plan was adopted, and because, the CFCC fees are based upon the most recently completed capital strategic plan, staff was directed to perform a new rate study on CFCCs in 2010.

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

2014-15 & 2015-16 Budget

residential CFCCs and an increase to the non-residential CFCCs.

Based on the CFCC rate study in 2010, CFCC and Supplemental CFCC fees were established in FY 2012-13 that have been adjusted by the ENR annually since, and are as follows for FY 2014-15:

	<u>CFCC Rates</u>	
	<u>Residential CFCC</u>	<u>Commercial/ Industrial CFCC</u>
Unit Cost - FY 2013-14	\$3,430	\$1,780
Unit Cost - FY 2014-15	\$3,588	\$1,862
% Increase	4.6%	4.6%

	<u>Supplemental CFCC Rates</u>		
	<u>\$/ 1,000 gallons</u>	<u>\$/ lbs B.O.D.</u>	<u>\$/ lbs S.S.</u>
Unit Cost - FY 2013-14	\$1.722	\$0.369390	\$0.198090
Unit Cost - FY 2014-15	\$1.802	\$0.386380	\$0.207200
% Increase	4.6%	4.6%	4.6%

Risk Assessment Analysis

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

Risk assessment and mitigation includes the following steps:

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

The Risk Register is a compilation of the various risks facing the Orange County Sanitation District, as seen and described annually by District managers and senior management. Business

Risk is defined as a threat that an event, action or inaction, will adversely affect the District's ability to achieve its business objectives and execute its strategies successfully. The District first created the Risk Register in 2006 and subsequently updated it at least bi-annually through 2014.

The Risk Register Update in 2014 noted in addition to various natural disasters, a continuation of global fiscal struggles and more locally deep cuts being made by many governmental agencies which may impact service levels. Managers and executive management continue to review these issues and various ways to address those that might impact OCSD.

Asset Management

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

The District is committed to providing services for its rate payers to reliably meet our regulatory mandates and levels of service approved by the Board of Directors, and will provide these services using sustainable engineering principles that result in the lowest responsible lifecycle cost. The District installs, operates, maintains, refurbishes and disposes of assets with lifecycles measured from years to decades, so an approach which balances long, medium and short-term needs is necessary.

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

The District's Asset Management Plan focuses on the long-term modeling of systems to ensure the

proper rate structure is in place to support sustainable operations and to prioritize condition assessment studies based on service life and service conditions. These are important starting points and have yielded tangible benefits in reduced risk levels and an improved capital planning approach. The results of the long-term modeling are completely dependent on the data quality of the databases supplying information to the TeamPlan Software. Staff continues to improve the data quality of the source systems to improve the accuracy of the long-term model. The implementation of the Maximo Computer Maintenance Management System (CMMS) is an example of an effort to improve OCSD's Asset Register. CMMS Technicians and the Asset Engineers continue to work to update the database information including installation date, asset cost, condition and criticality in the new system.

The District has tens of thousands of assets in various stages of their lifecycles. It was recognized that improved planning and coordination of overall OCSD activities were possible in the medium (1 -10 years) and short-term (0-1 year) time frames. To improve these asset management activities some organization structure changes were made at OCSD. The Engineering Planning Division and Asset Management Division were consolidated to Planning activities. This has allowed continuing and expanding the concept of making staff more accountable for specifically defined assets and areas, which has formed the basis for the improved medium and short-term management techniques.

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

Engineering Planning Division is responsible for scoping the facilities needed to accommodate a changed level of service project elements, and preliminary scheduling of necessary refurbishment or replacement project elements.

This medium-term management is important for several reasons. By moving away from narrowly focused projects to solve individual problems, to more comprehensive projects refurbishing entire

processes, OCSD benefits by having less operational disruption and more efficient project delivery, better cash flow estimation, and better operations and maintenance decision-making framework. This is a huge undertaking based on the number of asset and facilities, but over time the undefined future rehabilitation capital estimates within the fifteen-year window is expected to be drastically reduced and replaced by more specific estimated capital needs.

Complementing the medium-term planning are the short-term efforts to coordinate maintenance actions that can reduce risks, actively defer the larger refurbishment projects, and reduce asset consumption rates to minimize the need for replacement of structures and conveyance systems when projects are executed. The Planning Division asset engineers are constantly reviewing their area scopes of work, utilizing their criticality and condition information and engineering judgment, to identify opportunities for operational adjustments or maintenance activities that cost effectively extend the life of key assets which may allow for deferral of the larger overall project. This may be a targeted equipment replacement or pipeline repair that is more urgent than the need of the overall facility. These engineers may also identify opportunities to reduce asset consumption through coating systems, atmosphere improvements or small structure repairs before major damage is done. These actions can drastically reduce the cost of future projects by preventing the need to demolish and replace entire structures.

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

The District is committed to continuous improvement of the process by which it manages the assets and facilities that are required to reliably deliver its level of service commitments. The additional resources and individual accountability for specific areas has improved, and will continue

2014-15 & 2015-16 Budget

to improve our capital planning, project packaging, project execution and delivery, plant operability and maintenance planning.

Inventory of Assets

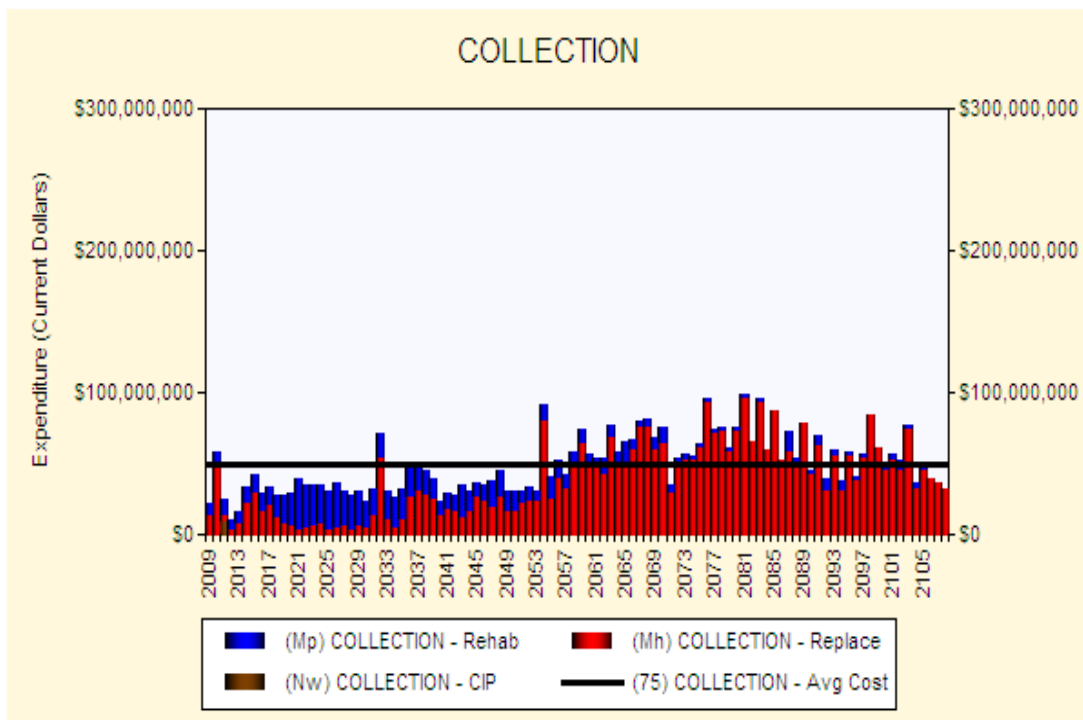
The District' assets can generally be split between two main groups: Collection System – the assets responsible for the collection and transfer of sewage from the cities to the treatment plants, and; Treatment and Disposal – the assets that treat the sewage and dispose of the treated effluent and byproducts.

This average age and value of the assets OCSD

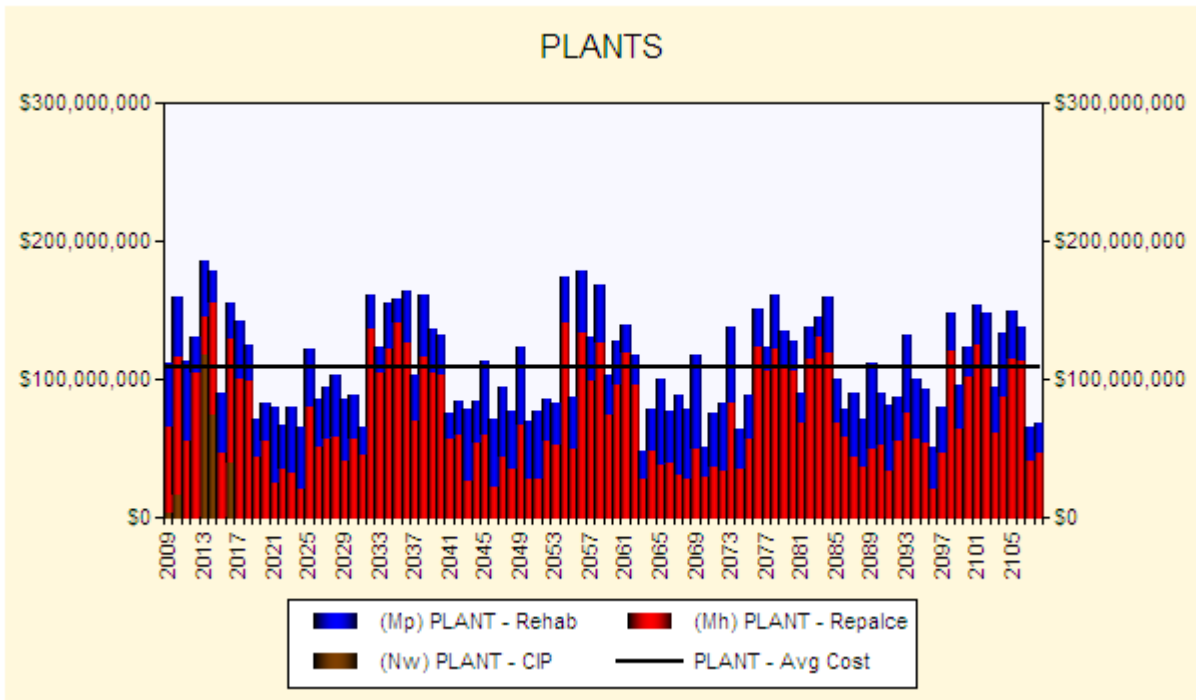
own is increasing steadily over time, the latent asset replacement obligation is rising, and as a consequence, OCSD needs to be planning for decreased capital projects for expansion and increased renewal expenditures in the future relative to past expenditure levels. Additional focus will need to be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

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

Future Investment Need Graph - Collection System



Future Investment Need Graph – Plants and Miscellaneous



Asset Valuation

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

The 2012 replacement value is estimated to be \$6.20 billion. In 1998 the prediction was \$2.03 billion, which was based on original purchase cost. It is projected that the replacement value will increase by approximately \$7.1 billion when the existing three billion dollar Capital Improvement Program (CIP) has been captured in the District’s database. The major reasons for this increase are all the new assets added to the asset register and the increased replacement costs due to performing construction in a more urbanized Orange County.

Valuation	Plants	Collection	Total
Replacement Value (\$B)	3.11	3.09	6.20
Depreciated Value (\$B)	1.88	1.88	3.76

Planned Expenditure

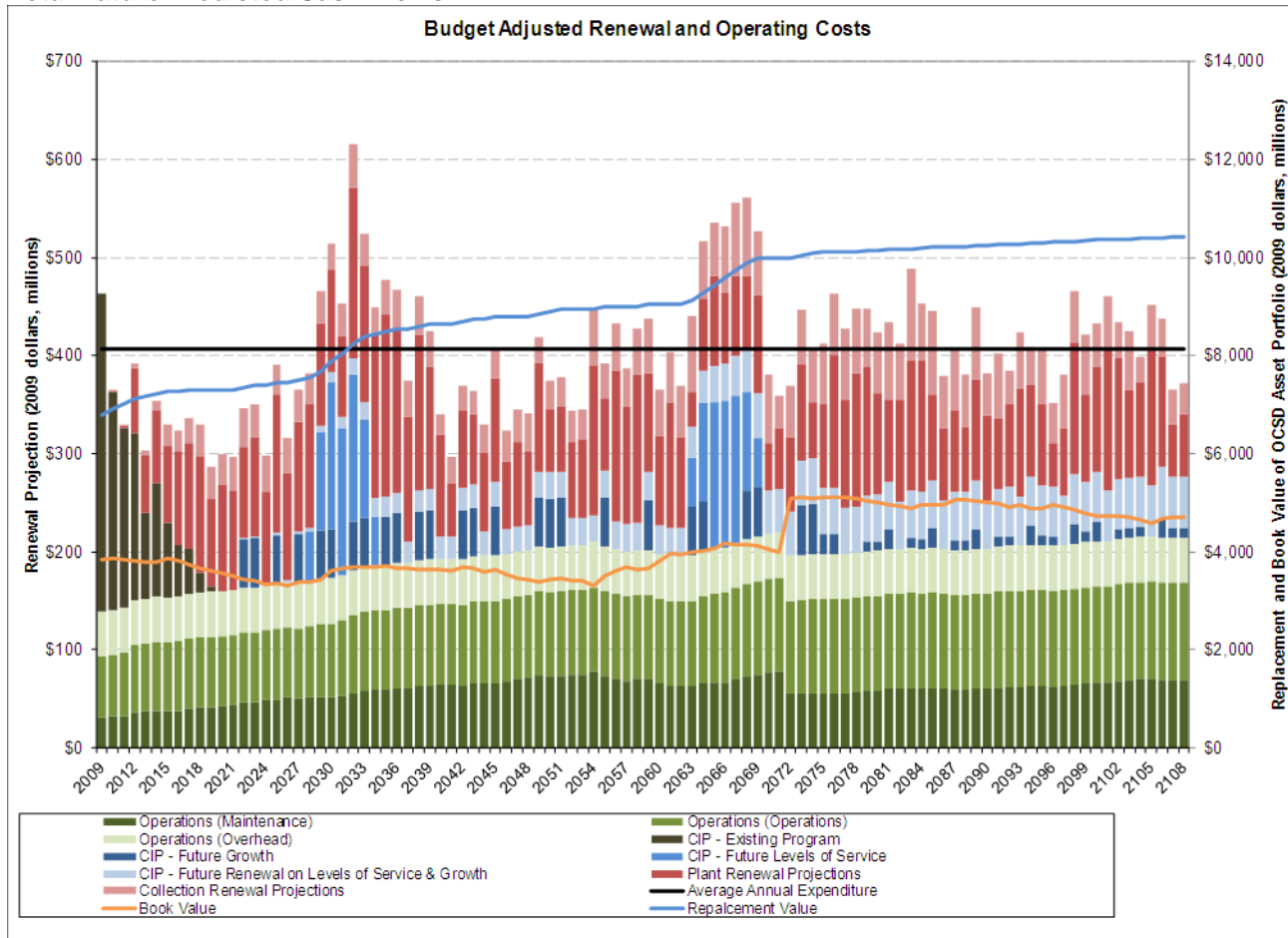
A computer model was developed to produce the future expenditure aspects of this Asset Management Plan. This model was used to perform a series of calculations on information related to the current and future OCSD assets. The following chart is the result of the modeling work undertaken, including current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

2014-15 & 2015-16 Budget

The flat black line in the Total Future Predicted Cash Flows below is the average of all the future cash flows, which represents the average expenditure (\$375M current value worth) required by the District for each of the next 100 years. The actual annual expenditure will vary depending on

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

Total Future Predicted Cash Flows



Future Funding Requirements

The overall expenditure in future years will not “drop off” as dramatically as previously predicted in the past after the current Capital Improvement Program winds down. This means that pressures on rate increases are likely to grow more than previously anticipated in the past. Fully funding the replacement and rehabilitation costs of the assets will mean that the likely scenario is greater-than-inflation rate increases in the future.

Future Efforts

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

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

to meet future expenditure scenarios.

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

2014-15 & 2015-16 Budget

Protecting Public Health

Protecting public health and the environment utilizing all practical and effective means for wastewater, energy, and solids resource recovery

	FY 12-13 Results	Level of Service Target
Accept dry weather runoff diversion flows without imposing fees.	1.4 mgd	Up to 10 mgd
Air emissions health risk to community and employees, per one million people (for each treatment plant).	9	<10
Notices of violation (NOV) with air, land, and water permits	0	0
Respond to collection system spills within 1 hour	100%	100%
Sanitary sewer spills per 100 miles	0.53	< 2.1
Contain sanitary sewer spills within 5 hours	100%	100%
Meet secondary treatment standards	BOD 9.4 mg/L TSS 7.3 mg/L	BOD 25 mg/L TSS 30 mg/L
Frequency of unplanned use of emergency one-mile (78-inch diameter) outfall (per year during dry weather).	1	0
Tons of biosolids to landfill through 2017 Peak Production period.	70	<100
Stakeholder Understanding and Support Communicating the District's mission and strategies with those we serve and all other stakeholders. Partnering with others to benefit our customers, this region, and our industry.		
	FY 12-13 Results	Level of Service Target
Meet GWRS specification requirements for Plant 1 secondary effluent	2.8	5 NTU
Provide specification effluent available to the Groundwater Replenishment System to maximize production of purified water.	100%	100%
Managing and Protecting the Public Funds Continually seeking efficiencies to ensure that the public's money is wisely spent.		
	FY 12-13 Results	Level of Service Target
Annual user fees sufficient to cover all O&M Requirements	100%	100%
Actual collection, treatment, and disposal costs per million gallons	4.9% under	≤ 10% of budget
Maintain AAA Bond Rating	100%	100%

Business Plan

Providing Exceptional Customer Service

Providing reliable, responsive and affordable services in line with customer needs and expectations.

	FY 12-13 Results	Level of Service Target
Treatment plants odor complaint response within 1 hour.	100%	100%
Collection system odor complaint response within 1 working day.	100%	100%
Number of odor complaints:		
• Reclamation Plant No. 1	3	0
• Treatment Plant No. 2	32	0
• Collection System	6	12
*Under normal operating conditions		
Respond to public complaints or inquiries regarding construction projects within 1 day.	100%	100%
New construction permits processed within 1 working day.	100%	100%
Respond to all biosolids contractor violations within a week of violation notice.	100%	100%
Organizational Effectiveness		
Creating the best possible workforce in terms of safety, productivity, customer service, and training.		
	FY 12-13 Results	Level of Service Target
Employee injury incident rate – per 100 employees	2.2	<4.6 Industry Average
Meet mandatory OSHA training requirements	95%	>95%
Hours worked since last lost work day	90,000	<1,000,000
Achieve annual agency target of days away from work, days of restricted work activity, or job transferred as a result of a work-related injury or illness	1.5	<2.5
Training hours per employee	39	45 per year

2014-15 & 2015-16 Budget

Strategic Goals for FY 2014-15 & FY 2015-16			
Goals	Strategic Importance	Desired Outcome	Next Steps
1. Pursue Legislative Advocacy and Public Outreach	As the third largest wastewater utility west of the Mississippi, this program is essential in maintaining leadership.	Educate the public on the District's purpose, mission and services; and secure additional funding for District programs.	Establish a special committee to oversee and guide this program. Identify and pursue grant funding. Track legislative bills.
2. Develop Biosolids Management Options	Contract to dispose of one-half of total Bio-solids expires in 2016.	Develop a mid and long-term strategy for biosolids disposal prior to the expiration of current contracts.	Study available biosolids disposal options and identify practical and reasonable alternatives.
3. Update Odor Master Plan	Results of process performance and new odor measurement technologies compel the review of current standards.	Limiting offsite odor impacts in an efficient and cost effective manner.	Reassess whether dilution to threshold is the most appropriate measurement system.
4. Review the Utilization of Renewable Energy in Wastewater Management	The District is a significant consumer of energy and seeks to minimize energy usage and maximize the conversion of sludge to energy.	Maximize energy efficiency and conversion from organic sludge to electricity, gas, and useful heat.	Search for research opportunities to improve conversion of organic sludge to energy and to optimize process and hauling energy.
5. Development Future Water Recycling Options	Water demand in service area is projected to increase 16 percent by 2035. About one-half of District treated wastewater is lost to ocean disposal.	Develop a plan for the best utilization of Plant No. 2 effluent water currently discharged out to the ocean.	Create an evaluation methodology to weigh the benefit, cost, and risk of each treatment and utilization alternative for Plant No. 2 effluent.
6. Feasibility of Discontinuing Ocean Discharge Disinfection	There are negative impacts to the biological marine life near the ocean outfall and disinfection cost \$500,000 a year.	Full recovery of marine life around the ocean outfall and removal of the requirement to disinfect from the ocean discharge permit.	Re-evaluate the need for disinfection of the ocean outfall now that full secondary treatment has been achieved.
7. Transfer of Local Sewers to Member Cities and Sewer Agencies	District's core business is wastewater treatment and disposal, and maintaining sewer pipes of the regional collection system.	Obtain Board support for transferring the ownership of all local sewers to the member cities and sewer agencies.	Prepare and provide analysis to the Board for their consideration.

Long-Term Planning

OCSD Long-Term Planning

	Type of Planning Process	Description of Process	Budget Impacts
Update of the Five-Year Strategic Plan	Maintaining a rolling 5-year comprehensive strategic plan that addresses the sanitation health and safety needs of the 2.5 million people we serve.	In November 2007, the District's Board approved a 5-Year Strategic Plan that updated the District's Mission, Vision, Levels of Services, and Business Plan. Also included are the strategic objectives listed below. This plan is now updated annually.	The levels of service identified within the 2014 Strategic Plan Update were the foundation for the development of this two-year budget.
Plan for Capital Improvements out to 2050	Plan, design, and build capital improvement projects (CIP) out to 2050 to meet the regulatory, environmental, health, and safety needs of a growing population.	In December 2009, the Board approved a new Master Plan that lays out a capital program to deliver and maintain the levels of service desired by the Board of Directors.	The newly validated 2014 -15 CIP Budget, based on the 2009 Master Plan, includes 115 projects with a 20-year cash outlay of \$1.9 billion. This total represents a \$120.6 million increase from the 2013-14 CIP estimate.
Biosolids Management	Aggressively pursue biosolid disposal alternatives following the expiration of the 2016-17 disposal contract.	The study of biosolids options will include offsite an onsite facilities, and new and established technologies.	Biosolids production will decrease by one-third when IRWD discontinues sending us biosolids and centrifuges come online.
Odor Control	Direct sufficient resources and investigate new technologies to effectively deal with odor issues.	Design all new processes so that odors remain within 10 dilutions to threshold (D/T), or within treatment plant boundaries.	Implement odor control projects at Plant No. 1 (trickling filters) and Plant No. 20 (solids loading facilities) by 2018.
Air Emissions Control	Apply sufficient resources to meet regulatory requirements related to air emissions.	Catalytic converters are being installed on power generation engines which will significantly lower emissions	Cengen Emissions Control is a continuing project within this two-year budget at a total cost of \$25.0 million that addresses the new air toxic emission standards.
Groundwater Replenishment System (GWRS)	Continue partnership with the Orange County Water District (OCWD) in support of the GWRS.	Maximize the use of treated effluent for water recycling to defer the need for second ocean outfall	The District will evaluate the feasibility of providing additional effluent to the GWRS from effluent currently being discharged to the ocean from Plant No. 2.

2014-15 & 2015-16 Budget

Background Information and Description of Services:

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

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

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

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

Professional staff of 626 full-time equivalent employees supports the District's around-the-clock operation. Staff is organized into six departments, including the General Manager's Office, Human Resources, Administration, Facilities Support Services, Engineering, and Operations and Maintenance.

As working environmentalists, the District's staff is regulated by many agencies, including the United States Environmental Protection Agency (USEPA), the California Regional Water Quality Control Board (CRWQCB), the California Integrated Waste Management Board, the California Environmental

Protection Agency and the South Coast Air Quality Management District (SCAQMD).

The District operates under an ocean discharge permit issued by the USEPA and the Santa Ana Regional Water Quality Control Board. This permit was last issued in July 2012 and is noticed for re-adoption on December 15, 2017. To maintain the District's National Pollutant Discharge Elimination System (NPDES) operating permit, the District's plants must meet strict conditions set jointly by the USEPA and the CRWQCB.

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

Most of the treated effluent is pumped through a five-mile, 10-foot diameter, ocean outfall pipe. The outfall has a one-mile long diffuser section that discharges treated water through more than 500 portholes four miles off shore.

In January 2008, the Orange County Water District (OCWD) and the District completed the GWRS, a joint project for water reclamation. The GWRS project reclaims up to 70 million gallons of water per day for percolation into the groundwater basin. Most secondary effluent is pumped from our Fountain Valley plant to the OCWD where it is further processed and distributed for reuse.

Orange County at a Glance

Community Profile of the County of Orange

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

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

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

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

Economic Outlook

According to the California Employment Development Department, California generated an increase of approximately 2.3 percent in payroll jobs from April 2013 to April 2014. During this same time period, unemployment in California decreased to 7.8 percent from 9.1 percent and unemployment for Orange County decreased to 5.0 percent from 5.7 percent.

According to Chapman University's December 2013 Economic Forecast, 2012 marked the first year since the beginning of the 2007 recession that the pace of payroll job creation in California at 2.1 percent and Orange County at 2.3 percent surpassed U.S. job growth of 1.7 percent. The underlying reason for this underperformance during the recession and early stages of the recovery was mostly construction spending. During the recession the total value of building permit valuation in

California declined from a peak of \$59.2 billion in 2006 to \$22.9 billion in 2009. From 2009 to 2011, California's building permit valuation showed a gradual improvement but rebounded sharply in 2012 to \$32.5 billion, increasing 18.6 percent. Likewise, the total value of building permit valuation in Orange County increased from \$2.8 billion in 2011 to \$3.6 billion in 2012. The combination of strong construction spending, a pick-up in U.S. real Gross Domestic Product (GDP) growth along with rising California export growth points to an improved job outlook for both in California and Orange County in 2014 as Chapman University forecasts payroll employment to grow by 2.3 percent in California and 2.5 percent in Orange County.

This translates to total payroll growth job creation of 332,000 in California and 35,000 in Orange County in 2014. Job growth in construction, education and health, professional and business services, and leisure and hospitality are forecasted to outperform all the other sectors.

In 2013, the year-over-year home price appreciation was 19.7 percent for the median home price in Orange County that is believed to be mostly due to investors' appetite for purchasing homes and the relatively tight supply of new and resale homes.

Going forward, investors faced with significantly higher prices will not be an active participant in the marketplace. In addition, mortgage rates are headed higher. In spite of increasing household income, higher mortgage rates and higher home prices will make home purchase less affordable.

A home buyer with an estimated median family income of \$84,200 in 2014 will need to allocate about 37.3 percent of his gross income to pay interest, principal, and property tax. While this is significantly lower than the 46.7 percent of gross income needed in 2006, it is higher than the 27.4 percent in 2012.

Chapman University forecasts year-over-year percentage changes in single-family home prices to trend down to 4.1 percent in Orange County and 3.6 percent in California in 2014. This decline, in spite of continued payroll growth, is driven by the decline in the pool of investors, lower housing affordability and increasing supply of new and resale housing units.

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Fiscal Policy

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

2014-15 & 2015-16 Budget

<i>Fiscal Policy Statement</i>	<i>Completed</i>	<i>In Progress</i>	<i>Comments</i>
Annual budgets including reserves will provide for adequate design, construction, maintenance and replacement of District capital facilities and equipment.	✓		
The District will maintain all physical assets at a level adequate to protect the District's capital investment and to minimize future maintenance and replacement costs.	✓		
The District will project equipment replacement and maintenance needs for the next five years and will update this projection each year. From this projection a maintenance and replacement schedule will be developed and followed.	✓		
The District will avoid budgetary and accounting procedures that balance the current budget at the expense of future budgets.	✓		
The District will forecast its expenditures and revenues for each of the next five years and will update this forecast at least annually.	✓		
Revenue Policies			
Because revenues are sensitive to both local and regional economic conditions, revenue estimates adopted by the Board of Directors must be conservative.	✓		
Staff will estimate annual revenues by an objective, analytical process that utilizes trend, judgmental, and statistical analysis as appropriate.	✓		
Ad valorem property tax revenues of the District will be dedicated to debt service.	✓		
Sewer Service User Fees will be projected for each of the next ten years and this projection will be updated annually.	✓		
Expenditure Policies			
The District will maintain a level of expenditures that provides for the health, safety and welfare of the residents of the community.	✓		
The District will set fees and user charges at a level that fully supports the total direct and indirect costs of operations, capital improvements, and debt service requirements not covered by reserves.	✓		

Fiscal Policy

<i>Fiscal Policy Statement</i>	<i>Completed</i>	<i>In Progress</i>	<i>Comments</i>
Capital Improvement Budget Policies			
The District will make all capital improvements in accordance with an adopted and funded capital improvement program. The adopted capital improvement program will be based on need.	✓		
The District will develop an annual five-year plan for capital improvements, including design, development, implementation, and operating and maintenance costs.	✓		Master Plan projects needs through 2050.
All capital improvement projects approved in the annual operating budget are approved at the budgeted amounts through the completion of the project. The Board of Directors approves both the individual project total budget and the projected cash outlays for all capital improvement projects for the current fiscal year.	✓		
Staff will identify the estimated costs, potential funding sources and project schedule for each capital project proposal before it is submitted to the Board of Directors for approval.	✓		
Staff will identify the estimated on-going future Operating and Maintenance costs, as well as staffing requirements upon completion for each capital project proposal before it is submitted to the Board of Directors for approval.	✓		Included in Asset Management.
The District will use intergovernmental assistance and other outside resources whenever possible to fund capital improvements providing that these improvements are consistent with the Capital Improvement Plan and the District's priorities, and that the future operating and maintenance costs of these improvements have been included in the budget.	✓		
Staff will coordinate development of the capital improvement budget with the development of the operating budget. All operations and maintenance resources required to implement the CIP have been considered and appropriately reflected in the operating budget for the year the CIP is to be implemented.	✓		
Cost tracking for components of the capital improvement program will be updated quarterly to ensure project completion against budget and established time lines.	✓		

2014-15 & 2015-16 Budget

<i>Fiscal Policy Statement</i>	<i>Completed</i>	<i>In Progress</i>	<i>Comments</i>
Asset Management Policy			
In order to provide for the systematic planning, acquisition, deployment, utilization control, and decommissioning of capital assets, the following policies have been established:			
<ul style="list-style-type: none"> The condition, performance, utilization, and cost of assets will be recorded down to the maintenance managed item component level. 	✓		
<ul style="list-style-type: none"> A detailed, planned maintenance program is in place to ensure that the assets, facilities and systems perform to their design criteria and meet their design lives. 	✓		
<ul style="list-style-type: none"> A system is in place to blend planned and unplanned activity to optimize the cost against the asset performance requirements. 	✓		
<ul style="list-style-type: none"> Reliability Centered Maintenance techniques will be used to optimize the maintenance plans and to identify any design alterations that are economically justified. 	✓		
<ul style="list-style-type: none"> Current levels of asset management service in terms of quantity and quality of service including condition, function/size/type, regulatory requirements, reliability, and repair response times have been determined and documented. 	✓		Completed for critical and high value assets.
<ul style="list-style-type: none"> The full economic cost is charged on all asset management activities. 	✓		
<ul style="list-style-type: none"> Asset Management maintains appropriate pricing and funding strategies that match the needs of the business to ensure sustainability. 	✓		
<ul style="list-style-type: none"> Asset Management considers the real growth of the District's service area and the way in which demands for service will change in the future, including population, unit demand, demographics, changing customer expectations, and changing regulatory requirements. 	✓		
<ul style="list-style-type: none"> Monitoring and reporting is performed on the condition, performance and functionality of the District's assets against prescribed service levels and regulatory requirements. 	✓		Service levels are reported quarterly through the Strategic Plan reporting.
<ul style="list-style-type: none"> A condition/function index is linked with customer expectations at a cost that customers are willing to pay. 	✓		Completed through the budget process.
<ul style="list-style-type: none"> Future level of service options available and their associated costs are constantly analyzed. 	✓		

Fiscal Policy

<i>Fiscal Policy Statement</i>	<i>Completed</i>	<i>In Progress</i>	<i>Comments</i>
<ul style="list-style-type: none"> An assessment of the relative risks, costs and benefits is derived for all investments in capital works, maintenance, and operations. 	✓		
<ul style="list-style-type: none"> Individual asset management decisions are made only when the cost of all programs has been analyzed and the funding needs of the whole organization is known together with the knowledge of its impact on rates. 	✓		
<ul style="list-style-type: none"> Necessary renewal programs to sustain the existing levels of service and condition of assets, as identified through the best appropriate process, is approved ahead of new capital works and services. 	✓		
<ul style="list-style-type: none"> New capital assets for new works and services are approved only with the commitment of the recurrent (operations and maintenance) funding necessary to sustain the new works and services. 	✓		
<ul style="list-style-type: none"> The financial, social, and environmental aspects of asset management will be reported on bi-annually. 	✓		

Vehicle Replacement Policy

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

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

2014-15 & 2015-16 Budget

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

Fiscal Policy

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

2014-15 & 2015-16 Budget

<i>Fiscal Policy Statement</i>	<i>Completed</i>	<i>In Progress</i>	<i>Comments</i>
Quarterly financial reports will be submitted to the Board of Directors and will be made available to the public.	✓		
Full disclosure will be provided in the general financial statements and bond representations.	✓		
The District will maintain a good credit rating in the financial community.	✓		The District's AAA rating was reaffirmed with the \$129 million 2013A Revenue Refunding debt issuance.
An annual audit will be performed by an independent public accounting firm with the subsequent issue of an official Comprehensive Annual Financial Report, including an audit opinion and a management letter.	✓		

GFOA Best Practices and Advisories

<i>GFOA Recommended Practice</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
<u>Accounting, Auditing, and Financial Reporting Recommended Practices</u>				
Governmental Accounting, Auditing, and Financial Reporting Practice	✓			
Prepare Popular Reports		✓		Not being considered at this time due to other communication efforts.
Appropriate Levels of Working Capital in Enterprise Funds	✓			Working Capital of the District shall be greater than 45 days worth of annual operating expenses
Audit Procurement	✓			
Use the Comprehensive Annual Financial Report to Meet SEC Requirements for Periodic Disclosure	✓			
Establish Appropriate Capitalization Thresholds for Tangible Capital Assets	✓			
Internal Audit Function Established	✓			Administrative Committee directs Internal Audits
Audit Committees	✓			Administrative Committee serves as an audit committee.
The Need for Periodic Inventories of Capitalized Tangible Assets			✓	
Application of Full-Cost Accounting to Municipal Solid Waste Management Activities		✓		OCSD does not provide solid waste services.
Present Securities Lending Transactions in Financial Statements		✓		OCSD does not have Securities Lending Activities
Technology Disaster Recovery Planning			✓	Managed by Information Technology Division
Present Budget to Actual Comparisons Within the Basic Financial Statements		✓		Not required for audited financial statement reports of Enterprise Funds. Budget/actual comparisons are included within unaudited quarterly financial reports.
Use Websites to Improve Access to Budget Documents and Financial Reports	✓			
Use of Trend Data and Comparative Data for Financial Analysis	✓			

2014-15 & 2015-16 Budget

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

GFOA Best Practices and Advisories

<i>GFOA Recommended Practice</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
Debt Service Payment Settlement Procedures	✓			
Adopt a comprehensive written Investment Policy and review and update policies, if necessary on an annual basis	✓			
Use of Derivatives and Structured Investment by State and Local Governments for Non-Pension Fund Investment Portfolios		✓		Investment Policy does not allow Derivative Investments
Use of Derivatives and Structured Investment by State and Local Governments for Cash Operating and Reverse Portfolios		✓		Investment Policy does not allow Derivative Investments
Security Lending Programs for Non-Pension Fund Portfolios	✓			
Diversification of Investments in a Portfolio	✓			
Managing Market Risk in Investment Portfolios	✓			Managed by PIMCO
Electronic Payment Systems	✓			
Procurement of Banking Services	✓			
Purchasing Card Programs	✓			
Acceptance of Payment Cards and Selection of Payment Card Service Providers	✓			
Frequency of Purchased Securities Valuation in Repurchase Agreements	✓			
Selection of Investment Advisors for Non-Pension Fund Investment Portfolios	✓			
Utilize independent Third-Party Custodians to safeguard District investments and protect against safekeeping/custodial risks.	✓			
Mark-to-Market Reporting Practices	✓			
Establish Policy for Repurchase Agreements and Reverse Repurchase Agreements	✓			

2014-15 & 2015-16 Budget

<i>GFOA Recommended Practice</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
Use of Lockbox Services		✓		OCSD does not have sufficient cash related transactions to use Lockbox services. The majority of revenues are collected on the property tax roll.
Commercial Paper	✓			
Use of Cash Flow Forecasts in Operations	✓			
Bank Account Fraud Prevention	✓			
Use of Local Government Investment Pools	✓			
Revenue Control and Management Policy	✓			
Payment Consolidation Services		✓		
Using Electronic Signatures			✓	
Using Remote Deposit Capture	✓			
<u>Budgeting and Fiscal Policy Recommended Practices</u>				
Economic Development Incentives	✓			
Use of Performance Measurement for Decision Making	✓			
Providing a Concise Summary of the Budget	✓			
Establishing of Government Charges and Fees	✓			
Recommended Budget Practices of the National Advisory Council on State and Local Budgeting (NACSLB)	✓			
Financial Forecasting in the Budget Preparation Process	✓			
Relationships Between Budgetary and Financial Statement Information	✓			
Use of Financial Status in the Budgeting Process	✓			
Adoption of Financial Policies	✓			
Appropriate Level of Unreserved Fund Balance in the General Fund	✓			OCSD only has Proprietary Fund Types - established a formal policy on the level of unrestricted net assets

GFOA Best Practices and Advisories

<i>GFOA Recommended Practice</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
Include Sustainability in Public Finance Practices	✓			
Establish Strategic Plans	✓			
Measuring the Cost of Government Services	✓			
Using Websites to Improve Access to Budget Documents and Financial Reports	✓			
Business Preparedness and Continuity Guidelines	✓			
Statistical/Supplemental Section of the Budget Document	✓			
Budgeting for Results and Outcomes	✓			
Present Capital Budget in Operating Budget Document	✓			
Present Departmental Section in the Operating Budget Document	✓			
Alternative Service Delivery: Shared Services	✓			
Long-Term Financial Planning	✓			
Comprehensive Risk Management Program	✓			
Public Participation in Planning, Budgeting, and Performance Management	✓			
Inflationary Indices in Budgeting	✓			
Key Issues in Succession Planning			✓	Expand and align ongoing succession planning as part of OCSD's workforce planning and development efforts to ensure continuity and consistency of service delivery.
Managing the Salary and Wage Budgeting Process	✓			
Managed Competition as a Service Delivery Option			✓	
<i><u>Debt Management Recommended Practices</u></i>				
Select and Manage the Method of Sale of State and Local Government Bonds	✓			

2014-15 & 2015-16 Budget

<i>GFOA Recommended Practice</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
Analyzing and Issuing Refunding Bonds	✓			At the outset of evaluating the issuance of bonds, solicit the advice of bond counsel and financial advisor in order to outline key legal and financial issues.
Debt Management Policy	✓			Board approved Debt Policy completed in 2001-02.
Investment of Bond Proceeds	✓			Included in Trustee Documents
Use of Debt-Related Derivatives Products and Development of Derivatives Policy		✓		No Derivative Products
Maintain an Investor Relations Program	✓			
Payment of the Expense Component of Underwriters' Discount	✓			Establish at the beginning of the bond negotiation process what expenses will be directly paid by the issuer or as part of the underwriter spread.
Issuer's role in Secondary Market Securitization of Tax-Exempt Obligations	✓			Meet qualifications of arbitrage
Evaluate the Use of Pension Obligation Bonds		✓		OCSD does not manage pension fund
Evaluating the Sale and Securitization of Property Tax Liens		✓		
Use Variable Rate Debt Instruments	✓			
Issuer's Role in Selection of Underwriter's Counsel		✓		
Issuing Taxable Debt by U.S. State and Local Governments	✓			OCSD does not plan to issue taxable debt outside of the Build America Bonds program
Select Bond Counsel	✓			
Price Bonds in a Negotiated Sale	✓			
Underwriter Disclaimers in Official Statements	✓			
Use a Web Site for Disclosure	✓			
Tax Increment Financing as a Fiscal Tool		✓		

GFOA Best Practices and Advisories

<i>GFOA Recommended Practice</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
Caution in Regard to OPEB Bonds		✓		Pay-As-You-Go funding, no plan on issuing bond
Public-Private Partnerships for Economic Development		✓		
Role of the Finance Officer in Privatization		✓		
Selecting Financial Advisors	✓			
Selecting Underwriters for Negotiated Bond Sales	✓			
Understanding Your Continuing Disclosure Responsibilities	✓			
Managing Build America and Other Subsidy Bonds	✓			Develop procedures for managing post-sale considerations and responsibilities while the bonds remain outstanding.
<u>Retirement and Benefits Administration Recommended Practices</u>				
Public Employee Retirement System Investments		✓		Managed by OCERS
Preparing an Effective Summary Plan Description		✓		Managed by OCERS
Retirement and Financial Planning Services		✓		Managed by OCERS
Directed Brokerage Programs		✓		OCERS manages all "soft dollar" transactions
A Policy for Retirement Plan Design Option	✓			
Asset Allocation – Guidance for Defined Benefit Plans		✓		Managed by OCERS
Asset Allocation - Guidance for Defined Contribution Plans		✓		OCERS is a defined benefit plan.
Alternative Investment Policy for Public Employee Retirement Systems (PERS)		✓		Managed by OCERS
Pension Investment Policy		✓		Managed by OCERS
Selection of Investment Advisors for Pension Fund Assets		✓		Managed by OCERS

2014-15 & 2015-16 Budget

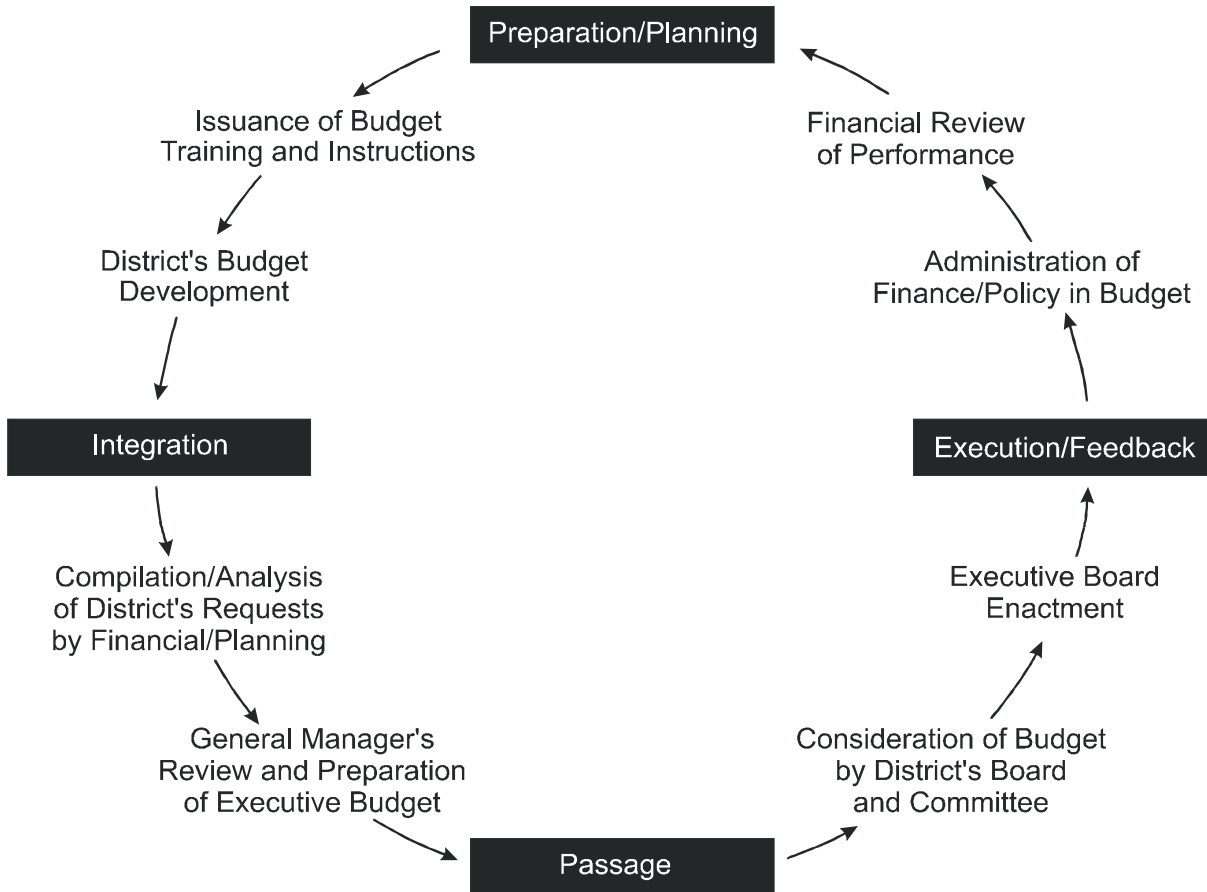
<i>GFOA Recommended Practice</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
Brokerage Window Options for Defined Contribution Retirement Plans		✓		Managed by OCERS
Framework for Understanding Pension Fund Risk		✓		Managed by OCERS
Investment Policies Governing Assets in a Deferred Compensation Plan			✓	Managed by the plan sponsors
Health Care Cost Containment	✓			
Evaluating Use of Early Retirement Incentives	✓			
Deferred Retirement Option Plans (DROPs)		✓		
A Policy to Participate in Securities Litigation Class Actions		✓		Managed by OCERS
Ensuring the Sustainability of Other Postemployment Benefits	✓			Pay-As-You-Go funding
Design Elements of Defined Benefit Retirement Plans		✓		Managed by OCERS
Design Elements of Defined Contribution Plans as the Primary Retirement Plan		✓		
Design Elements of Hybrid Retirement Plans		✓		
Monitoring and Disclosure of Fees for Defined Contribution Plans		✓		
Prefunding OPEB Obligation		✓		Pay-As-You-Go funding
Establishing and Administering an OPEB trust		✓		Pay-As-You-Go funding
Commission Recapture Program		✓		
Communicating Health-Care Benefits to Employees and Retirees	✓			
Participant Education-Guidance for Defined Contribution Plans		✓		
Strategic Health-Care Plan Design			✓	
Governance of Public Employee Retirement System		✓		Managed by OCERS
Sustainable Funding Practices of Defined Benefit Pension Plans	✓			

GFOA Best Practices and Advisories

<i>GFOA Recommended Practice</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
Responsible Management and Design Practices for Defined Benefit Pension Plans	✓			
Design and Implement Sustainable Pension Benefit Tiers			✓	
Develop a Review Process for Implementing National Health-Care Reform (COBRA)	✓			
<u>Economic Development and Capital Planning</u>				
Multi-Year Capital Planning	✓			
The Role of the Finance Officer in Economic Development	✓			
Capital Project Monitoring and Reporting	✓			
Capital Asset Assessment, Maintenance, and Replacement Policy	✓			Establish a system for assessing District assets and plan and budget for any capital maintenance and replacement needs.
The Role of Master Plans in Capital Improvement Planning	✓			
Analyzing the Cost of Economic Development Projects		✓		
Building Resiliency into Capital Planning	✓			Establish resiliency into the capital planning process to produce a sustainable community and mitigate the effects of disasters.
Incorporating a Capital Project Budget in the Budget Process	✓			
Developing an Economic Development Incentive Policy		✓		No Incentive Policy established
Monitoring Economic Development Performance		✓		
Balancing the Costs and Benefits of Economic Development Projects	✓			
Incorporating Environmentally Responsible Practices in the Capital Improvement Program	✓			

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Overview of the Budget Process



Budget Process:

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

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

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

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

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

Team Approach

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

2014-15 & 2015-16 Budget

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

The Process

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

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

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

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

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

Level of Control and Amendments to the Budget

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

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

1. Budget Adjustment

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

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

2. Budget Amendment:

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

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

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

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

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

Budget Assumptions

2014-16 Proposed Budget Assumptions

Economic Assumptions

- Inflation for Orange County in FY 2014-15 is projected to be 2.3 percent based on the 2014 projected percentage change in consumer price index obtained from the November 2013 Economic and Business Review report prepared by Chapman University. A 2.3 percent inflation factor will also be used for 2015-16.

Revenue Assumptions

- A five-year Sewer Service Fee Rate Schedule was approved by the Board in March 2013.
- The single-family residence (SFR) rate will increase 2.6 percent to \$316 in FY 2014-15. For FY 2015-16, the single-family residence (SFR) rate will increase an additional 2.2 percent to \$323.
- Note that each \$1 increase in the SFR rate generates approximately \$900,000 per year.
- The capital facilities capacity charge (CFCC) fee captures only those infrastructure costs that relate to additional capacity. Other infrastructure costs such as improved treatment, rehabilitation, refurbishment, and replacement, will be supported through user fees.
- Given the new Facilities Master Plan adopted in December 2009, a new rate study was completed in April 2010 to ensure that the CFCC fee methodology remains equitable and to confirm that an appropriate share of system costs would be recovered from new development.
- Revenues will be budgeted to reflect little growth in Equivalent Dwelling Unit (EDU) connections that have remained flat over the past five years.
- Permit user rates for flow, Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS) will follow the most recent Rate Study.
- Annexation fees capture both the net current assets and the equivalent property tax allocations totaling \$4,235 per acre.
- Annexable property in the District's service area sphere is minimal; consequently, no FY 2014-15 income from annexation fees is anticipated.

- Property tax revenues of \$64,025,000 are preliminarily estimated to increase by approximately 5 percent from FY 2013-14.

A 2 percent annual increase in Assessed Value is authorized by the state constitution and is included in the increases noted above. The additional increase in assessed value is from authorized increases to market value when property is sold at a higher value.

- Earnings on the investment of the District's operating cash and reserves will be budgeted at 1.0 percent of the average cash and investment balance projected for the fiscal year.
- No additional debt issuance is scheduled for FY 2014-15 or FY 2015-16.

Operating Assumptions

- Operating expenses are expected to approximate the adopted FY 2013-14 budget of \$153.4 million.
- All secondary treatment facilities are completed and fully operational.
- Average daily flows are projected to remain steady at 200 mgd for FY 2014-15 and FY 2015-16. This projection reflects an expectation that increased economic activity and urban runoff will be offset by effects of conservation and minimal rainfall, resulting in no overall increase in the average daily flow. The FY 2014-15 flow projection of 200 mgd reflects no change from the actual for the first 5 months of the current year and the final actual flow for FY 2012-13.

Employee/Staffing Assumptions

- Staffing level is expected to remain flat. The total FY 2013-14 authorization level is 626.00 FTEs.
- Vacant positions as of December 31, 2013 are budgeted at 50 percent of step 1 for the remainder of FY 2013-14 and at 100 percent of step 2 for FY 2014-15.
- New positions will be projected at 100 percent of step 1 for FY 2014-15.

2014-15 & 2015-16 Budget

- A three percent vacancy factor on authorized positions has been budgeted for FY 2014-15. The actual vacancy factor for 2012-13 was 5.6 percent. This vacancy factor accounts for time spent for recruitment and turnover.
- The Memorandum of Understanding (MOU) for the Supervisor and Professional (SPMT) group expired June 30, 2013. Pending the completion of the negotiation process, no salary adjustments will be included in the budget for COLA for periods beyond the expiration of the current MOU.
- The MOUs for both OCEA and Local 501 will expire June 30, 2014. Pending the completion of the negotiation process, no salary adjustments will be included in the budget for COLA for periods beyond the expiration of the current MOUs.
- Retirement costs for employees enrolled in OCERS Plans G and H are estimated at a rate of 40.07 percent of the employee's base salary for FY 2014-15 and FY 2015-16, up from 35.45 percent in FY 2013-14. The rates for Plans G and H include the District's pickup of 3.5 percent of employees' required contributions. Employees enrolled in OCERS Plan B are estimated at a rate of 34.87 percent of the employee's base salary for FY 2014-15 and FY 2015-16, up from 30.77 percent in FY 2013-14. All employees hired on or after January 1, 2013 are enrolled in OCERS Plan U and are estimated at a rate of 33.52 percent for FY 2014-15 and FY 2015-16, up from 29.36 percent in FY 2013-14. Interns are not enrolled in OCERS so their retirement benefits are calculated at 6.2 percent (FICA rate).
- Other employee benefits and insurances will be budgeted to increase each year by moderate but yet to be determined amounts.

Materials, Supplies, & Services Assumptions

- The proposed operating budget will continue to reflect an emphasis on safety, technical, and management training. The proposed FY 2014-15 budget will include a budget for training based on recent actual costs and identified needs rather than on a percentage of regular salaries and wages.

- An amount equal to half of one percent of the Operating materials and services budget will be a contingency for prior year re-appropriations. Since the current year's budget lapses on June 30, a contingency is needed in the succeeding budget year for goods or services ordered at the end of one budget year but not delivered until the following year.
- An amount equal to one half of one percent of the Operating materials and services budget will be the General Manager's contingency budget. These funds will be allocated to appropriate line items during the year after requests and justifications for unanticipated needs are approved by the General Manager.
- Resource needs for strategic initiatives will be included in the budget.

Capital Improvement Program Assumptions

- The FY 2014-15 and 2015-16 cash flow budgets, based on the most current Validated Capital Improvement Program (CIP), is the target.
- The baseline CIP cash flow for FY 2014-15 is \$205 million and for FY 2015-16 is \$183 million.
- Continual evaluation of the CIP by the Asset Management Team may result in deferral or reduction of some projects and a resultant increase in O&M repair costs for materials and services, if the net cash flow impact is a decrease.
- The FY 2014-15 and 2015-16 CIP budget will only increase for critical projects which were not previously identified in the Strategic Plan Update.
- For the first five months of FY 2013-14, \$36.2 million of the \$141.6 million CIP budget, approximately 25.6 percent, was expended.

Debt Financing

- The District will issue new debt in the form of Certificates of Participation (COP) as needed to fund the CIP and to maintain reserves.
- No additional debt issuance is scheduled for FY 2014-15 and FY 2015-16.
- Debt will only be used for CIP and capital expenses, not for operating expenses.

Budget Assumptions

- Capital financing plans which include fewer future borrowings and higher user fees after FY 2015-16 will be considered.
- Borrowing is proposed only for facilities which do not add capacity and that are funded by all users for replacement, rehabilitation, and improved treatment.

Reserve Assumptions

- The current reserve policy was reviewed by Public Resources Advisory Group and the Board during FY 2003-04. No changes were proposed and direction was given to continue to maintain reserve levels at a level that is adequate to offset exposure to variable rate COPs due to interest rate increases.
- The current reserve policy is summarized as follows:

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

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

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

Catastrophic loss, or self-insurance, reserves will be maintained for property damage including fire, flood and earthquake, for general liability

and for workers' compensation. These reserves are intended to work with purchased insurance policies, FEMA disaster reimbursements and State disaster reimbursements. The potential infrastructure loss from a major earthquake, of which the District currently has no outside insurance coverage, has been estimated to be as high as \$1.3 billion. The level of this reserve has been set at \$57 million should such a catastrophic event occur. This reserve amount will assist the District with any short-term funding needs until Federal and State assistance becomes available.

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

A capital replacement/renewal reserve policy has been established to provide thirty percent of the funding to replace or refurbish the current collection, treatment and disposal facilities at the end of their useful economic lives.

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

Provisions of the various certificates of participation (COP) issues require debt service reserves to be under the control of the Trustee for that issue. These reserve funds are not available for the general needs of the District and must be maintained at specified levels. The current level of required COP service reserves is projected to be \$214.5 million.

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

2014-15 & 2015-16 Budget

Miscellaneous

- The budget document will be in a bi-annual format with two, one-year budgets presented for FY 2014-15 and FY 2015-16.
- The budget worksheets for operating costs will contain one column for FY 2014-15 and one column for 2015-16. The column will represent all collection, treatment, and disposal/reuse costs.

Accounting System & Budgetary Control

Accounting System and Budgetary Control

Fund Accounting & Proprietary Funds

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

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

Basis of Accounting

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

Budgetary Basis of Accounting

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

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

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

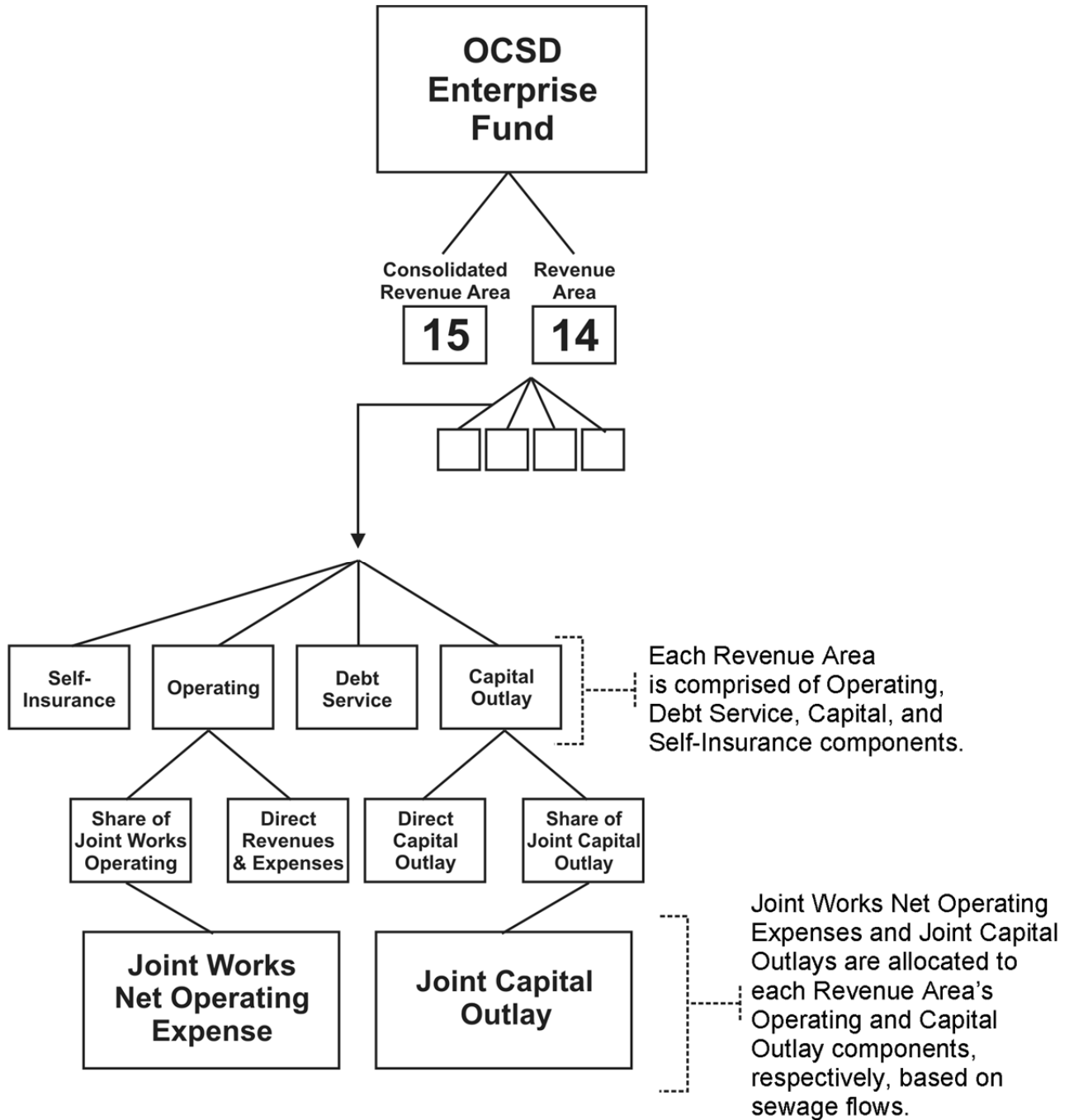
Internal Controls

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

Budgetary Control

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

2014-15 & 2015-16 Budget



Revenue Sources

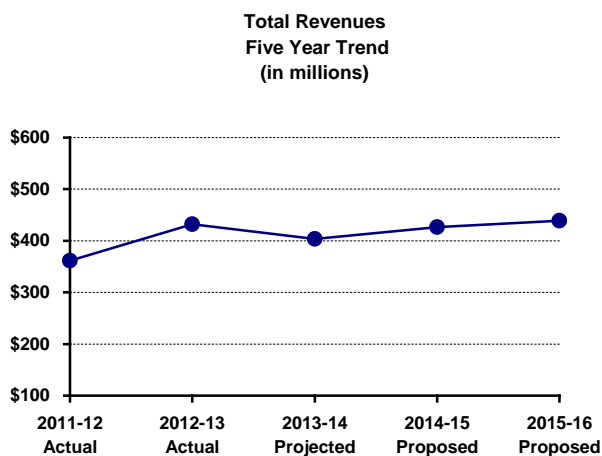
Revenue Sources

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

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

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

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



Total revenues increased from \$361.6 million in FY 2011-12 to \$432.0 million in FY 2012-13, or \$70.4 million. This increase was due mostly to the \$26.4 million generated from the 10.1 percent increase in the annual single family residential user fee, the underlying basis used in calculating all user fees. Total projected revenues for FY 2013-14 are expected to decrease to \$403.3 million, or \$28.7 million, from FY 2012-13 due to the \$19.1 million decrease in intra-district equity sale/purchase between the Consolidated Revenue Areas and Revenue Area 14 and the \$16.2 million reduction in IRWD Assessments that are partially offset by the \$13.7 million expected to be generated from the increase of 4.8 percent in user fees.

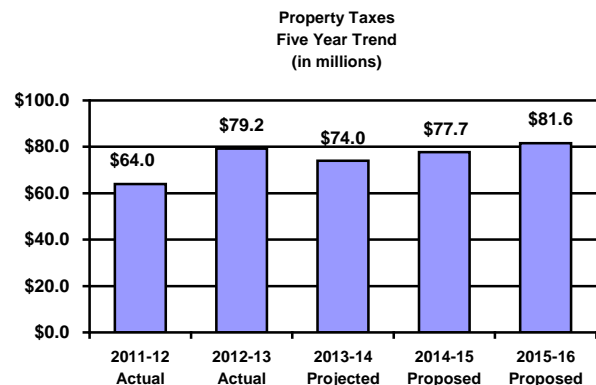
In FY 2014-15, revenues are being proposed at \$426.7 million, an increase of \$23.3 million, or 5.8 percent over the prior year. This increase is

primarily attributable to the \$9.7 million, or 3.5 percent, increase in user fees expected to be generated from the 2.6 percent increase in all user fees, an increase of \$5.7 million, or 66.7 percent increase in IRWD assessments, and a \$9.3 million, or a 2.5 times increase in interest earnings. IRWD assessments are expected to increase due to current year activity plus adjustments from prior years. Interest revenues are anticipated to increase due to an expected rebound on the returns in fixed income securities. At the midpoint in FY 2013-14, total return on the District's long-term investment portfolio was down 0.37 basis points.

In FY 2015-16, revenues are being proposed at \$438.9 million, an increase of \$12.2 million, or 2.9 percent over the prior year. This increase is primarily attributable to the 2.2 percent increase in user fees that is expected to generate an additional \$7.3 million. Property taxes are expected to generate an additional increase of \$3.9 million, or an increase of 5.0 percent over the prior year as property assessed valuations continue to rebound from the previous market downturn.

Property Taxes

The County is permitted by State law (Proposition 13) to levy taxes at 1 percent of full market value (at time of purchase) and can increase the assessed value no more than 2 percent per year. The District receives a share of this basic levy proportionate to what was received in the 1976 to 1978 period less \$3.5 million, the amount that represents the State's permanent annual diversion from special districts to school districts that began in 1992-93.



The District's share of the one percent ad valorem property tax levy is dedicated for the payment of COP debt service. The apportionment of the ad valorem tax is pursuant to the Revenue Program adopted in April 1979 to comply with regulations of

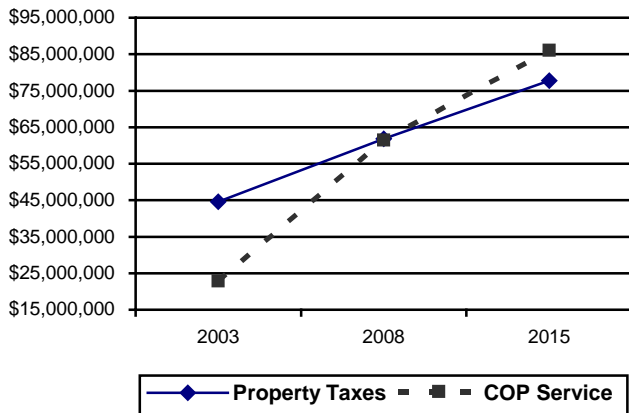
2014-15 & 2015-16 Budget

the Environmental Protection Agency, the State Water Resources Control Board, and in accordance with COP documents and Board policy.

As shown in the graph above, property tax revenues increased from a low in FY 2011-12 of \$64.0 million to a projected \$81.6 million in FY 2015-16, primarily due to the rebound from the economic decline and the collapse in the housing and commercial property markets beginning in 2008. Property tax revenues are now being projected to increase 5.0 percent a year through FY 2015-16.

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

COP Funding Requirements vs. Property Tax Funding Source



User Fees

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

In addition, the Consolidated Revenue Area charges industrial and commercial user fees to customers discharging high-strength or high-volume wastes

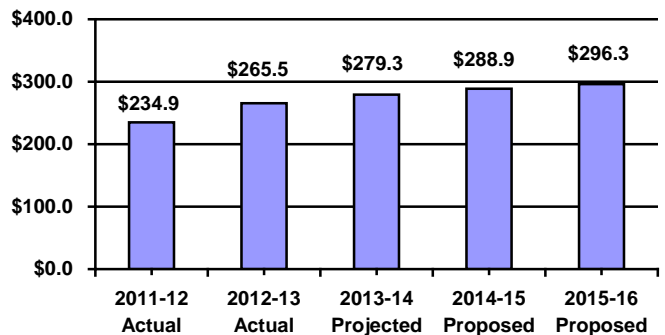
into the sewer systems. Revenue Area No. 14 need's are funded by Irvine Ranch Water District.

Previously the District had been able to avoid or minimize user fee increases by reducing operational costs through reorganizing and streamlining District operations. As a result of the capital improvement program expansion and the rehabilitation and refurbishment of existing facilities, the District's debt service obligations continue to increase beyond the level of its primary funding source, property tax revenues requiring annual increases in user fees.

In the fall of 2007, District staff conducted strategic planning workshops with the Board of Directors to layout a capital program to deliver the levels of service desired by the Board of Directors. These levels of service and resulting capital projects are included in the District's 5-year Strategic Plan. This effort was reinforced through the adoption of a new Master Plan in December 2009, a planning effort to define the District's goals, responsibilities, and requirements over the next twenty years, and includes projections through the assumed "build-out" of the District's service area to the year 2050. Incorporating the 2009 Master Plan into the CIP validation update for FY 2014-15, the current CIP includes 105 projects totaling \$1.9 billion through the year 2035.

In March of 2013, the Board approved rate increases for each year over the next five years. These increases are necessary for compliance with the District's debt fiscal policy of balancing the funding of new capital improvements with current revenues and existing debt, and to minimize the increase in rates over an extended period of time.

Net User Fees (in millions)



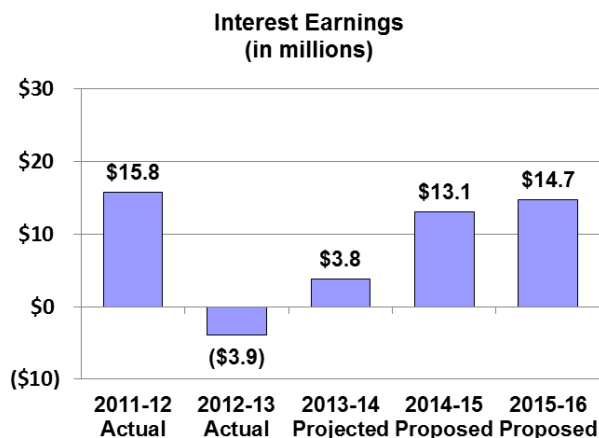
Revenue Sources

The impact of this five-year sewer fee schedule has increased the single family residence user fee rate, on average, 2.9 percent a year from \$294.00 in FY 2012-13 to \$339 in FY 2017-18. These rate increases by the District are still well below the average annual sewer rate of \$484 being charged throughout the State according to the 2013 California Wastewater Charge Survey of 759 agencies conducted by the State Water Resources Control Board encompassing all 58 counties in California.

Interest Earnings

Interest earnings are generated from the investment of accumulated reserves consisting of a cash flow/contingency, a capital improvement, a renewal/replacement, and a self-insurance reserve, all projected to total \$727.6 million at July 1, 2014.

The District's reserves are invested in accordance with the District's investment policy and the State Government Code through an outside money manager, and an independent custodian bank.



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

The District's investment policy is structured conservatively towards liquidity to avoid having to sell investments at a loss and having unrealized losses become realized losses. However, the total return on investments decreased from 2.8 percent in FY 2011-12 to -0.6 percent in FY 2012-13 as an unrealized loss of \$14.4 million was recorded in FY 2012-13 due to declines in the bond market at year-end.

Total projected investment balances are expected to reach a high of \$727.6 million at June 30, 2014 and a low of \$587.4 million at June 30, 2016 as future capital improvement replacements and refurbishments are expected to be funded through current user fees without any new money debt issuances and an additional reduction in long-term liabilities in the amount of \$125 million is being proposed for FY 2014-15. The interest earnings of \$15.8 million in FY 2011-12 were attributable to higher yields earned on investments, as investments earnings yielded 2.8 percent. However, these yields have since fallen below 1.0 percent, and at times into negative territory, due to the recent downturn in the bond market.

The District is proposing an interest earnings rate of 2.0 percent in FY 2014-15 and 2.5 percent in FY 2015-16 to generate earnings of \$13.1 million and \$14.7 million, on annual average investment portfolio projections of \$663.7 million and \$593.6 million for FY 2014-15 and FY 2015-16, respectively.

Debt Proceeds

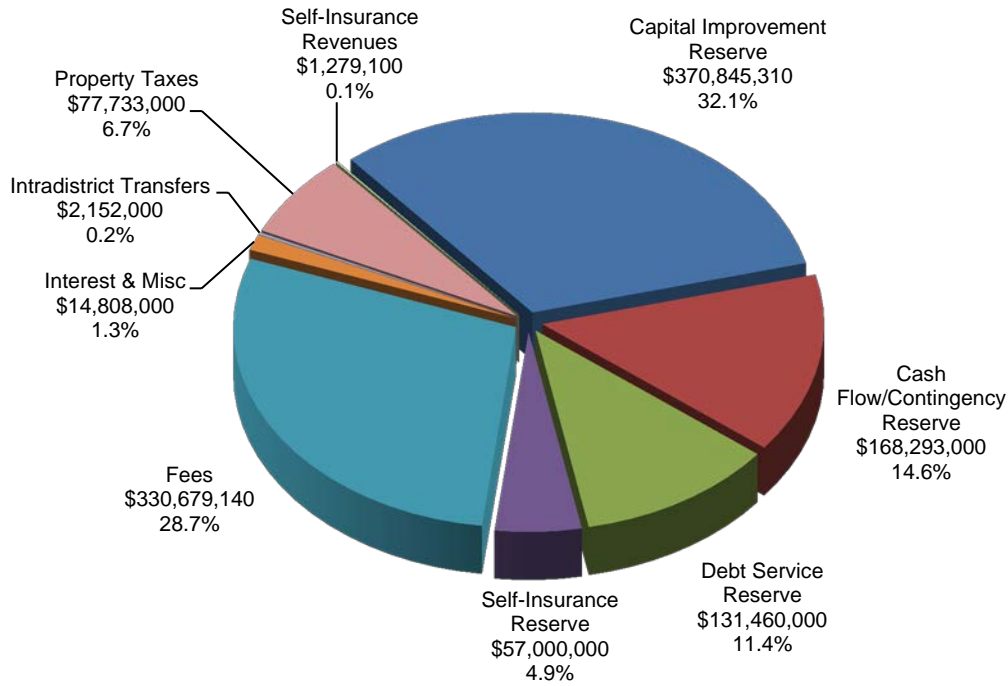
Over the next ten years, the District is projecting an additional \$2.3 billion in future treatment plant and collection system capital refurbishments. In order to minimize annual sewer rate increases in the long-term, all of these refurbishments are being proposed to be funded from user fees with no issuances of new money debt issuances.

2014-15 & 2015-16 Budget

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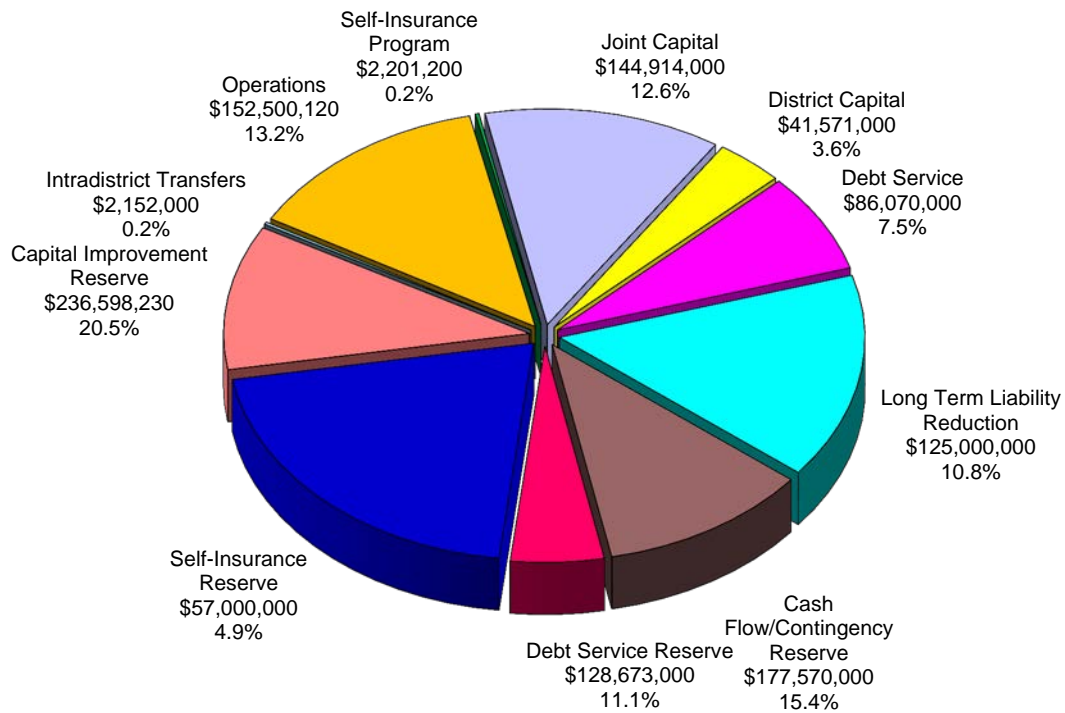
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Where the Money Comes From



FY 2014-15 Total Funding Sources - \$1,154,249,550

Where the Money Goes



FY 2014-15 Total Funding Uses - \$1,154,249,550

2014-15 & 2015-16 Budget

Funding Sources by Category FY 2014-15

	Consolidated Revenue Area	Revenue Area 14	Total Sources
Beginning Reserves	\$ 674,914,961	\$ 52,683,349	\$ 727,598,310
Services Fees	16,182,250	14,195,890	30,378,140
User Fees	288,946,000	-	288,946,000
Capital Facilities Capacity Charge	11,355,000	-	11,355,000
Capacity Rights	-	-	-
Debt Proceeds	-	-	-
Property Taxes	75,469,000	2,264,000	77,733,000
Intradistrict Transfers	-	2,152,000	2,152,000
Insurance In-Lieu Premiums	1,263,240	15,860	1,279,100
Interest and Other Revenue	<u>13,147,100</u>	<u>1,660,900</u>	<u>14,808,000</u>
Total Sources	<u>\$ 1,081,277,551</u>	<u>\$ 72,971,999</u>	<u>\$ 1,154,249,550</u>

Funding Uses by Category

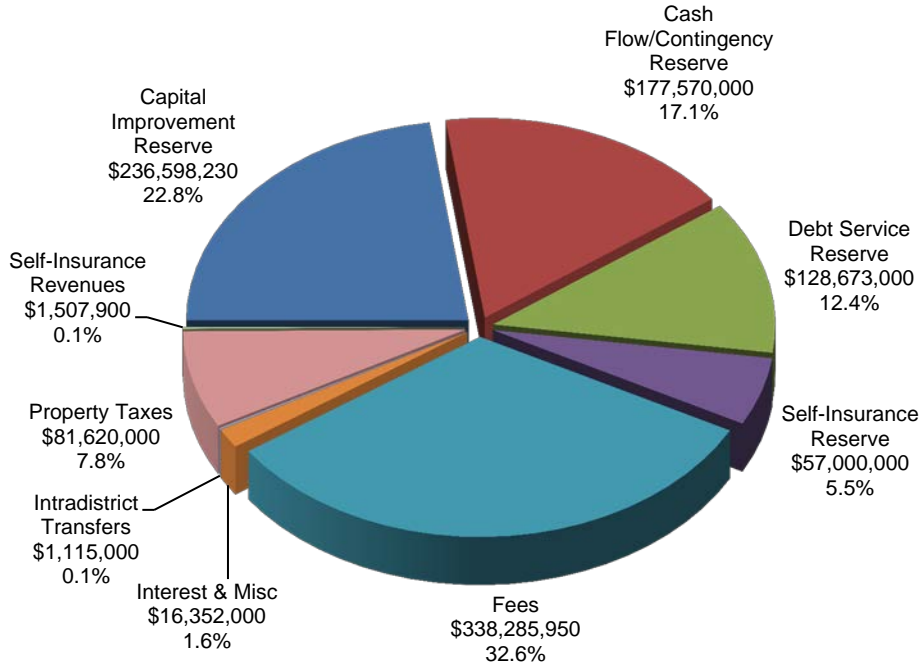
Funding Uses by Category FY 2014-15

	Consolidated Revenue Area	Revenue Area 14	Total Uses
Director's Fees	\$ 152,000	\$ 16,300	\$ 168,300
Salaries & Benefits	92,961,710	6,038,790	99,000,500
Administrative Expenses	1,311,850	85,220	1,397,070
Printing & Publications	404,090	26,250	430,340
Training & Meetings	1,011,970	65,740	1,077,710
Operating Materials and Supplies	14,819,430	962,670	15,782,100
Contractual Expenses	22,763,460	1,478,710	24,242,170
Professional Expenses	3,069,950	199,420	3,269,370
Research & Monitoring	779,370	50,630	830,000
Repairs & Maintenance	12,266,390	796,820	13,063,210
Utilities	6,984,080	453,690	7,437,770
Self-Insurance Requirements	2,173,910	27,290	2,201,200
Other Materials, Supplies, & Services	2,387,210	155,070	2,542,280
Cost Allocation	(15,713,530)	(1,027,170)	(16,740,700)
Joint Works Capital Improvement Program	142,219,000	2,695,000	144,914,000
Collection System Capital Improvement Prog.	41,571,000	-	41,571,000
Certificate of Participation Service	86,070,000	-	86,070,000
Long Term Debt Reduction	117,375,000	7,625,000	125,000,000
Intradistrict Transfers	2,152,000	-	2,152,000
Joint Equity Sale to IRWD	-	-	-
Ending Reserves	<u>546,518,661</u>	<u>53,322,569</u>	<u>599,841,230</u>
Total Uses	<u>\$ 1,081,277,551</u>	<u>\$ 72,971,999</u>	<u>\$ 1,154,249,550</u>

2014-15 & 2015-16 Budget

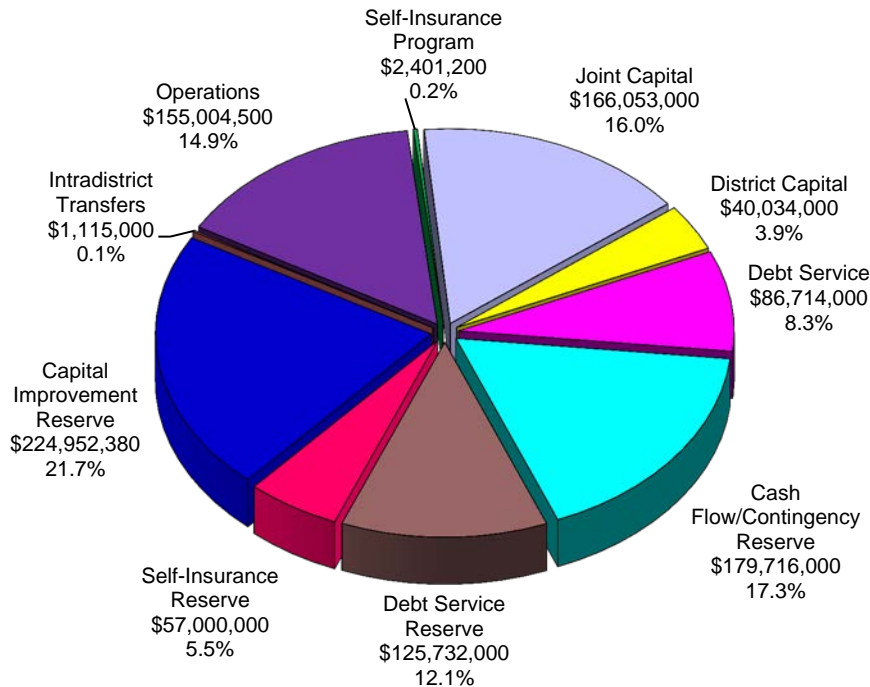
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Where the Money Comes From



FY 2015-16 Total Funding Sources - \$1,038,722,080

Where the Money Goes



FY 2015-16 Total Funding Uses - \$1,038,722,080

2014-15 & 2015-16 Budget

Funding Sources by Category FY 2015-16

	<u>Consolidated Revenue Area</u>	<u>Revenue Area 14</u>	<u>Total Sources</u>
Beginning Reserves	\$ 546,518,661	\$ 53,322,569	\$ 599,841,230
Services Fees	16,605,770	13,551,180	30,156,950
User Fees	296,252,000	-	296,252,000
Capital Facilities Capacity Charge	11,877,000	-	11,877,000
Capacity Rights	-	-	-
Debt Proceeds	-	-	-
Property Taxes	79,243,000	2,377,000	81,620,000
Intradistrict Transfers	-	1,115,000	1,115,000
Insurance In-Lieu Premiums	1,489,200	18,700	1,507,900
Interest and Other Revenue	<u>14,609,300</u>	<u>1,742,700</u>	<u>16,352,000</u>
Total Sources	<u>\$ 966,594,931</u>	<u>\$ 72,127,149</u>	<u>\$ 1,038,722,080</u>

Funding Uses by Category

Funding Uses by Category FY 2015-16

	Consolidated Revenue Area	Revenue Area 14	Total Uses
Director's Fees	\$ 152,000	\$ 16,300	\$ 168,300
Salaries & Benefits	95,023,850	5,389,750	100,413,600
Administrative Expenses	1,473,910	83,600	1,557,510
Printing & Publications	406,150	23,040	429,190
Training & Meetings	989,510	56,130	1,045,640
Operating Materials and Supplies	15,442,710	875,910	16,318,620
Contractual Expenses	23,208,350	1,316,380	24,524,730
Professional Expenses	2,948,880	167,260	3,116,140
Research & Monitoring	794,910	45,090	840,000
Repairs & Maintenance	12,233,860	693,910	12,927,770
Utilities	7,367,210	417,870	7,785,080
Self-Insurance Requirements	2,371,420	29,780	2,401,200
Other Materials, Supplies, & Services	2,607,520	147,900	2,755,420
Cost Allocation	(15,964,310)	(913,190)	(16,877,500)
Joint Works Capital Improvement Program	162,964,000	3,089,000	166,053,000
Collection System Capital Improvement Prog.	40,034,000	-	40,034,000
Certificate of Participation Service	86,714,000	-	86,714,000
Long Term Debt Reduction	-	-	-
Intradistrict Transfers	1,115,000	-	1,115,000
Joint Equity Sale to IRWD	-	-	-
Ending Reserves	<u>526,711,961</u>	<u>60,688,419</u>	<u>587,400,380</u>
Total Uses	<u>\$ 966,594,931</u>	<u>\$ 72,127,149</u>	<u>\$ 1,038,722,080</u>

2014-15 & 2015-16 Budget

DESCRIPTION OR ACCOUNT TITLE	ACTUAL 2012-13	APPROVED 2013-14	PROJECTED 2013-14	PROPOSED 2014-15	PROPOSED 2015-16
BEGINNING ACCUMULATED FUNDS	\$ 608,175,087	\$ 653,196,810	\$ 651,825,630	\$ 727,598,310	\$ 599,841,230
<u>OPERATING REVENUES</u>					
General Sewer Service User Fees	265,544,298	284,331,000	279,277,000	288,946,000	296,252,000
Permitted User Fees	11,305,741	11,291,000	13,337,000	13,684,000	13,988,000
IRWD Assessments	23,495,187	12,279,800	7,248,540	10,696,140	9,685,950
SAWPA Assessments	2,748,435	2,938,000	2,413,000	2,529,000	2,650,000
Interest	3,260,776	16,372,000	3,771,000	13,143,000	14,657,000
Miscellaneous Receipts	2,344,158	2,339,000	2,017,010	1,665,000	1,695,000
Operating Revenue Subtotal	308,698,595	329,550,800	308,063,550	330,663,140	338,927,950
<u>NON-OPERATING REVENUES</u>					
Property Tax Allocation	64,345,766	67,632,000	67,937,000	71,334,000	74,901,050
Redevelopment Agency Pass Thru	14,893,731	6,067,000	\$6,094,000	6,399,000	6,718,950
Subtotal-Taxes	79,239,497	73,699,000	74,031,000	77,733,000	81,620,000
Capital Facilities Capacity Charge	12,879,974	9,761,000	10,856,000	11,355,000	11,877,000
Sale of Capacity Rights, SAWPA & SSBSD	-	-	-	-	-
Capital Assessment (IRWD)	2,087,779	2,107,000	1,247,000	3,469,000	3,833,000
Non-Operating Revenue Subtotal	94,207,250	85,567,000	86,134,000	92,557,000	97,330,000
<u>INTRADISTRICT REVENUES</u>					
Annual Intradistrict Joint Equity Purchase/Sale	26,590,533	2,200,000	7,510,000	2,152,000	1,115,000
<u>FINANCING REVENUES</u>					
Sale of Certificates of Participation	-	-	-	-	-
Financing Revenues Subtotal	-	-	-	-	-
<u>SELF INSURANCE REVENUES</u>					
Workers' Comp SFI	805,026	455,000	455,000	755,000	794,100
General Liability SFI	1,728,649	932,900	1,186,100	524,100	713,800
Subtotal-Self Insurance	2,533,675	1,387,900	1,641,100	1,279,100	1,507,900
Total Revenues	432,030,053	418,705,700	403,348,650	426,651,240	438,880,850
TOTAL AVAILABLE FUNDING	\$ 1,040,205,140	\$ 1,071,902,510	\$ 1,055,174,280	\$1,154,249,550	\$ 1,038,722,080

Budget Resources

DESCRIPTION OR ACCOUNT TITLE	ACTUAL 2012-13	APPROVED 2013-14	PROJECTED 2013-14	PROPOSED 2014-15	PROPOSED 2015-16
<u>OPERATING REQUIREMENTS</u>					
Director's Fees	\$ 146,483	\$ 167,000	\$ 168,300	168,300	168,300
Salaries & Benefits	90,512,794	97,828,300	93,532,500	99,000,500	100,413,600
Administrative Expense	1,349,378	1,239,700	1,177,450	1,397,070	1,557,510
Printing & Publications	387,657	393,590	281,345	430,340	429,190
Training & Meetings	719,306	1,200,940	769,775	1,077,710	1,045,640
Operating Materials & Supplies	16,600,130	16,917,030	15,669,486	15,782,100	16,318,620
Contractual Expense	22,234,871	23,315,770	22,862,476	24,242,170	24,524,730
Professional Expense	3,107,080	3,637,480	2,873,999	3,269,370	3,116,140
Research & Monitoring	1,053,276	874,000	807,000	830,000	840,000
Repairs & Maintenance	10,095,057	11,166,290	9,592,655	13,063,210	12,927,770
Utilities	6,403,014	7,676,470	7,007,874	7,437,770	7,785,080
Other Materials, Supplies, & Services	1,958,922	3,134,620	2,039,030	2,542,280	2,755,420
Cost Allocation	(15,414,256)	(18,220,200)	(13,902,680)	(16,740,700)	(16,877,500)
Subtotal- Operating	139,153,712	149,330,990	142,879,210	152,500,120	155,004,500
<u>CAPITAL IMPROVEMENTS</u>					
Joint Works Capital Improvements	87,296,169	107,620,000	\$75,423,800	144,914,000	166,053,000
Collection System Capital Improvements	11,818,870	37,283,000	\$17,228,800	41,571,000	40,034,000
Annual Intradistrict Joint Equity Purchase/Sale	26,590,533	2,200,000	7,510,000	2,152,000	1,115,000
Subtotal- Capital Improvements	125,705,572	147,103,000	\$100,162,600	188,637,000	207,202,000
<u>FINANCING REQUIREMENTS</u>					
Certificate of Participation Service	122,115,877	98,450,000	82,565,000	86,070,000	86,714,000
Long Term Debt Reduction	-	-	-	125,000,000	-
Subtotal-Financing Req	122,115,877	98,450,000	82,565,000	211,070,000	86,714,000
<u>SELF INSURANCE REQUIREMENTS</u>					
Workers' Comp SFI	439,289	640,000	752,660	700,000	790,000
General Liability SFI	965,060	1,512,200	1,216,500	1,501,200	1,611,200
Subtotal-Self Insurance	1,404,349	2,152,200	1,969,160	2,201,200	2,401,200
<u>OTHER CASH OUTLAYS</u>					
Joint Equity Sale to IRWD	-	-	-	-	-
Prior Periods Operating Reimbursements- IRWD	-	-	-	-	-
Subtotal- Other Cash Outlays	-	-	-	-	-
TOTAL REQUIREMENTS	388,379,510	397,036,190	327,575,970	554,408,320	451,321,700
REVENUES EXCEEDING REQUIREMENTS	43,650,543	(37,165,890)	75,772,680	(127,757,080)	(12,440,850)
ENDING ACCUM FUNDS & RESERVES	\$ 651,825,630	\$ 674,866,320	\$ 727,598,310	\$ 599,841,230	\$ 587,400,380

2014-15 & 2015-16 Budget

BUDGET RESOURCES BY REVENUE AREA - FY 14-15

DESCRIPTION OR ACCOUNT TITLE	Consolidated Revenue Area Proposed	Rev Area 14 Proposed	Total Proposed
BEGINNING ACCUMULATED FUNDS	\$ 674,914,961	\$ 52,683,349	\$ 727,598,310
<u>OPERATING REVENUES</u>			
General Sewer Service User Fees	288,946,000	-	288,946,000
Permitted User Fees	13,684,000	-	13,684,000
O & M Joint Operating Assessment Service Fees (IRWD)	-	1,400,690	1,400,690
O & M Collection System Assessment Service Fees (IRWD)	-	901,450	901,450
O & M Sludge Disposal Assessment Service Fees (IRWD)	-	8,394,000	8,394,000
SAWPA Assessments	2,498,250	30,750	2,529,000
Interest	11,549,000	1,594,000	13,143,000
Miscellaneous Receipts	1,598,100	66,900	1,665,000
Operating Revenue Subtotal	318,275,350	12,387,790	330,663,140
<u>NON-OPERATING REVENUES</u>			
Property Tax Allocation	69,256,000	2,078,000	71,334,000
Redevelopment Agency Pass Thru	6,213,000	186,000	6,399,000
Subtotal-Taxes	75,469,000	2,264,000	77,733,000
Capital Facilities Capacity Charge	11,355,000	-	11,355,000
Sale of Capacity Rights, SAWPA & SSBSD	-	-	-
Capital Assessment (IRWD)	-	3,469,000	3,469,000
Non-Operating Revenue Subtotal	86,824,000	5,733,000	92,557,000
<u>INTRADISTRICT REVENUES</u>			
Annual Intradistrict Joint Equity Purchase/Sale	-	2,152,000	2,152,000
<u>FINANCING REVENUES</u>			
Sale of Certificates of Participation	-	-	-
Intradistrict Loans, Advances & Repayments	-	-	-
Financing Revenues Subtotal	-	-	-
<u>SELF INSURANCE REVENUES</u>			
Workers' Comp SFI	745,640	9,360	755,000
General Liability SFI	517,600	6,500	524,100
Subtotal-Self Insurance	1,263,240	15,860	1,279,100
Total Revenues	406,362,590	20,288,650	426,651,240
TOTAL AVAILABLE FUNDING	\$ 1,081,277,551	\$ 72,971,999	\$ 1,154,249,550

Budget Resources

DESCRIPTION OR ACCOUNT TITLE	Consolidated Revenue Area Proposed	Rev Area 14 Proposed	Total Proposed
<u>OPERATING REQUIREMENTS</u>			
Director's Fees	\$ 152,000	\$ 16,300	\$ 168,300
Salaries & Benefits	92,961,710	6,038,790	99,000,500
Administrative Expense	1,311,850	85,220	1,397,070
Printing & Publications	404,090	26,250	430,340
Training & Meetings	1,011,970	65,740	1,077,710
Operating Materials and Supplies	14,819,430	962,670	15,782,100
Contractual Expense	22,763,460	1,478,710	24,242,170
Professional Expense	3,069,950	199,420	3,269,370
Research & Monitoring	779,370	50,630	830,000
Repairs & Maintenance	12,266,390	796,820	13,063,210
Utilities	6,984,080	453,690	7,437,770
Other Materials, Supplies, & Services	2,387,210	155,070	2,542,280
Cost Allocation	(15,713,530)	(1,027,170)	(16,740,700)
Subtotal- Operating	143,197,980	9,302,140	152,500,120
<u>CAPITAL IMPROVEMENTS</u>			
Joint Works Capital Improvements	142,219,000	2,695,000	144,914,000
Collection System Capital Improvements	41,571,000	-	41,571,000
Annual Intradistrict Joint Equity Purchase/Sale	2,152,000	-	2,152,000
Subtotal- Capital Improvements	185,942,000	2,695,000	188,637,000
<u>FINANCING REQUIREMENTS</u>			
Certificate of Participation Service	86,070,000	-	86,070,000
Long Term Debt Reduction	117,375,000	7,625,000	125,000,000
Subtotal- Financing Requirements	203,445,000	7,625,000	211,070,000
<u>SELF INSURANCE REQUIREMENTS</u>			
Workers' Comp SFI	691,320	8,680	700,000
General Liability SFI	1,482,590	18,610	1,501,200
Subtotal- Self Insurance	2,173,910	27,290	2,201,200
<u>OTHER CASH OUTLAYS</u>			
Joint Equity Sale to IRWD	-	-	-
Subtotal- Other Cash Outlays	-	-	-
TOTAL REQUIREMENTS	534,758,890	19,649,430	554,408,320
REVENUES EXCEEDING REQUIREMENTS	(128,396,300)	639,220	(127,757,080)
ENDING ACCUMULATED FUNDS & RESERVES	\$ 546,518,661	\$ 53,322,569	\$ 599,841,230

2014-15 & 2015-16 Budget

BUDGET RESOURCES BY REVENUE AREA - FY 15-16

DESCRIPTION OR ACCOUNT TITLE	Consolidated Revenue Area Proposed	Rev Area 14 Proposed	Total Proposed
BEGINNING ACCUMULATED FUNDS	\$ 546,518,661	\$ 53,322,569	\$ 599,841,230
<u>OPERATING REVENUES</u>			
General Sewer Service User Fees	296,252,000	-	296,252,000
Permitted User Fees	13,988,000	-	13,988,000
O & M Joint Operating Assessment Service Fees (IRWD)	-	1,403,170	1,403,170
O & M Collection System Assessment Service Fees (IRWD)	-	916,780	916,780
O & M Sludge Disposal Assessment Service Fees (IRWD)	-	7,366,000	7,366,000
SAWPA Assessments	2,617,770	32,230	2,650,000
Interest	12,986,000	1,671,000	14,657,000
Miscellaneous Receipts	1,623,300	71,700	1,695,000
Operating Revenue Subtotal	327,467,070	11,460,880	338,927,950
<u>NON-OPERATING REVENUES</u>			
Property Tax Allocation	72,720,050	2,181,000	74,901,050
Redevelopment Agency Pass Thru	6,522,950	196,000	6,718,950
Subtotal-Taxes	79,243,000	2,377,000	81,620,000
Capital Facilities Capacity Charge	11,877,000	-	11,877,000
Sale of Capacity Rights, SAWPA & SSBSD	-	-	-
Capital Assessment (IRWD)	-	3,833,000	3,833,000
Non-Operating Revenue Subtotal	91,120,000	6,210,000	97,330,000
<u>INTRADISTRICT REVENUES</u>			
Annual Intradistrict Joint Equity Purchase/Sale	-	1,115,000	1,115,000
<u>FINANCING REVENUES</u>			
Sale of Certificates of Participation	-	-	-
Intradistrict Loans, Advances & Repayments	-	-	-
Financing Revenues Subtotal	-	-	-
<u>SELF INSURANCE REVENUES</u>			
Workers' Comp SFI	784,250	9,850	794,100
General Liability SFI	704,950	8,850	713,800
Subtotal-Self Insurance	1,489,200	18,700	1,507,900
Total Revenues	420,076,270	18,804,580	438,880,850
TOTAL AVAILABLE FUNDING	\$ 966,594,931	\$ 72,127,149	\$ 1,038,722,080

Budget Resources

DESCRIPTION OR ACCOUNT TITLE	Consolidated Revenue Area Proposed	Rev Area 14 Proposed	Total Proposed
<u>OPERATING REQUIREMENTS</u>			
Director's Fees	\$ 152,000	\$ 16,300	\$ 168,300
Salaries & Benefits	95,023,850	5,389,750	100,413,600
Administrative Expense	1,473,910	83,600	1,557,510
Printing & Publications	406,150	23,040	429,190
Training & Meetings	989,510	56,130	1,045,640
Operating Materials and Supplies	15,442,710	875,910	16,318,620
Contractual Expense	23,208,350	1,316,380	24,524,730
Professional Expense	2,948,880	167,260	3,116,140
Research & Monitoring	794,910	45,090	840,000
Repairs & Maintenance	12,233,860	693,910	12,927,770
Utilities	7,367,210	417,870	7,785,080
Other Materials, Supplies, & Services	2,607,520	147,900	2,755,420
Cost Allocation	(15,964,310)	(913,190)	(16,877,500)
Subtotal- Operating	146,684,550	8,319,950	155,004,500
<u>CAPITAL IMPROVEMENTS</u>			
Joint Works Capital Improvements	162,964,000	3,089,000	166,053,000
Collection System Capital Improvements	40,034,000	-	40,034,000
Annual Intradistrict Joint Equity Purchase/Sale	1,115,000	-	1,115,000
Subtotal- Capital Improvements	204,113,000	3,089,000	207,202,000
<u>FINANCING REQUIREMENTS</u>			
Certificate of Participation Service	86,714,000	-	86,714,000
Subtotal-Financing Req	86,714,000	-	86,714,000
<u>SELF INSURANCE REQUIREMENTS</u>			
Workers' Comp SFI	780,200	9,800	790,000
General Liability SFI	1,591,220	19,980	1,611,200
Subtotal-Self Insurance	2,371,420	29,780	2,401,200
<u>OTHER CASH OUTLAYS</u>			
Joint Equity Sale to IRWD	-	-	-
Subtotal- Other Cash Outlays	-	-	-
TOTAL REQUIREMENTS	439,882,970	11,438,730	451,321,700
REVENUES EXCEEDING REQUIREMENTS	(19,806,700)	7,365,850	(12,440,850)
ENDING ACCUMULATED FUNDS & RESERVES	\$ 526,711,961	\$ 60,688,419	\$ 587,400,380

2014-15 & 2015-16 Budget

Projected Reserves at June 30, 2014, 2015 and 2016

	Projected 6/30/2014	Proposed 6/30/2015	Proposed 6/30/2016
Cash Flow Requirements			
Operating Expenses	\$ 71,440,000	\$ 76,250,000	\$ 77,502,000
COP Payments	82,565,000	86,070,000	86,714,000
Operating Contingencies	14,288,000	15,250,000	15,500,000
Capital Improvement Program	309,896,310	174,430,230	161,541,380
Catastrophe & Self Insurance	57,000,000	57,000,000	57,000,000
Sub-total	535,189,310	409,000,230	398,257,380
Capital Replacement & Refurbishment	60,949,000	62,168,000	63,411,000
COP Service Required Reserves	131,460,000	128,673,000	125,732,000
Total	\$ 727,598,310	\$ 599,841,230	\$ 587,400,380

Accumulated Funds and Reserves Policy

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

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

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

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

A catastrophic loss or self-insurance reserve has been established to fund potential losses from property damage, including fire, flood and earthquake; general liability; and for workers' compensation. These reserves are intended to supplement purchased insurance policies, FEMA disaster reimbursements and State disaster reimbursements. The potential infrastructure loss from a major earthquake has been estimated at \$495 million. The level of this reserve has been set to fund the District's non-reimbursed costs, estimated to be \$57 million.

A capital replacement/renewal reserve policy has been established to provide thirty percent of the funding to replace or refurbish the current collection, treatment and disposal facilities at the end of their useful economic lives. The current replacement value of these facilities is estimated to be \$6.2 billion. The initial reserve level was established at \$50 million, which will be augmented by interest earnings and a small portion of the annual sewer user fee, in order to meet projected needs over the next 20 years.

Projected Reserves

Provisions of the various Certificate of Participation (COP) issues require debt service reserves to be under the control of the Trustee for that issue. These reserve funds are not available for the general needs of the District and must be maintained at specified levels.

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

2014-15 & 2015-16 Budget

Orange County Sanitation District Consolidated Cash Flow Projections

<u>Ref</u>	<u>Description</u>	<u>Preliminary 14-15</u>	<u>Preliminary 15-16</u>	<u>Preliminary 16-17</u>	<u>Preliminary 17-18</u>	<u>Preliminary 18-19</u>	<u>Preliminary 19-20</u>
Revenues:							
1	General User Fees	288,946,000	296,252,000	304,539,000	312,888,000	321,414,000	330,166,000
2	Permitted User Fees	13,684,000	13,988,000	14,335,000	14,682,000	15,034,000	15,395,000
3	IRWD Assessments	14,165,140	13,518,950	8,837,750	4,637,650	4,994,010	6,636,060
4	SAWPA Assessments	2,529,000	2,650,000	2,769,000	2,893,000	3,023,000	3,159,000
5	Property Taxes	77,733,000	81,620,000	85,701,000	89,986,000	94,485,000	99,209,000
6	New COP Issues	-	-	-	-	-	-
7	Interest Revenues	13,143,000	14,657,000	17,446,000	17,495,000	20,598,000	23,494,000
8	Capital Facilities Capacity Charges	11,355,000	11,877,000	8,994,000	9,599,000	9,551,000	10,020,000
9	Other Revenues	5,096,100	4,317,900	12,519,200	4,181,200	4,226,200	12,652,200
10	Revenues	426,651,240	438,880,850	455,140,950	456,361,850	473,325,210	500,731,260
Requirements:							
11	Oper & Mtce Exp (5.0% yr)	152,500,120	155,004,500	158,750,000	162,645,000	169,929,000	177,538,000
12	Capital Improvement Program	169,236,000	180,338,000	135,459,000	105,371,000	117,910,000	199,228,000
13	Repl, Rehab & Refurb	17,249,000	25,749,000	61,140,000	100,545,000	80,906,000	50,772,000
14	COP Service (5.0%, 30 yrs)	86,070,000	86,714,000	91,697,000	87,790,000	85,952,000	86,447,000
15	Reduction of Long-Term Liabilities	125,000,000	-	-	-	-	-
16	Other Requirements	4,353,200	3,516,200	2,401,200	2,401,200	2,401,200	2,401,200
17	Requirements	554,408,320	451,321,700	449,447,200	458,752,200	457,098,200	516,386,200
18	Revenues-Requirements	(127,757,080)	(12,440,850)	5,693,750	(2,390,350)	16,227,010	(15,654,940)
Accumulated Funds:							
19	Beginning of Year	727,598,310	599,841,230	587,400,380	593,094,130	590,703,780	606,930,790
20	End of Year	599,841,230	587,400,380	593,094,130	590,703,780	606,930,790	591,275,850
21	Consolidated Reserve Policy	540,606,000	541,054,000	545,996,000	542,404,000	544,973,000	550,034,000
22	Over (Under) Reserve Policy*	59,235,230	46,346,380	47,098,130	48,299,780	61,957,790	41,241,850
Sewer Service User Fees:							
23	Avg SFR Annual User Fee	\$316.00	\$323.00	\$331.00	\$339.00	\$347.14	\$355.47
24	Percentage Change	2.60%	2.22%	2.48%	2.42%	2.40%	2.40%
25	Equivalent Dw elling Units	920,506	923,175	925,898	928,676	931,462	934,256
26	SFR Connection Fee	\$3,588	\$3,753	\$3,926	\$4,107	\$4,296	\$4,494
27	<u>Outstanding COPs</u>	\$1,286,727,000	\$1,257,322,000	\$1,221,747,000	\$1,188,577,000	\$1,175,762,000	\$1,162,307,000
Reserve Policy							
28	50% Next Year Operating	76,250,000	77,502,000	79,375,000	81,323,000	84,965,000	88,769,000
29	10% Next Year Operating	15,250,000	15,500,000	15,875,000	16,265,000	16,993,000	17,754,000
30	100% Next Year AUG COP Svc.	86,070,000	86,714,000	91,697,000	87,790,000	85,952,000	86,447,000
31	50% average ten-year CIP Bal.	115,195,000	115,195,000	115,195,000	115,195,000	115,195,000	115,195,000
32	DSR @ 10% Outstanding COPs	128,673,000	125,732,000	122,175,000	118,858,000	117,576,000	116,231,000
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	62,168,000	63,411,000	64,679,000	65,973,000	67,292,000	68,638,000
35	*Reserve Reduction (in accordance w ith Board action allow ing a \$40M reduction to total reserves)	-	-	-	-	-	-
36	Total	540,606,000	541,054,000	545,996,000	542,404,000	544,973,000	550,034,000
COP Ratios							
37	Sr Lien Coverge, Min 1.25	3.05	3.14	3.13	3.24	3.42	3.62

Cash Flow Projection

Orange County Sanitation District Consolidated Cash Flow Projections

<u>Ref</u>	<u>Description</u>	<u>Preliminary 20-21</u>	<u>Preliminary 21-22</u>	<u>Preliminary 22-23</u>	<u>Preliminary 23-24</u>	<u>10-Year Total</u>
Revenues:						
1	General User Fees	339,156,000	348,393,000	357,882,000	367,622,000	3,267,258,000
2	Permitted User Fees	15,764,000	16,142,000	16,529,000	16,926,000	152,479,000
3	IRWD Assessments	6,976,090	7,353,370	5,712,170	5,703,990	78,535,180
4	SAWPA Assessments	3,301,000	3,450,000	3,605,000	3,767,000	31,146,000
5	Property Taxes	104,169,000	109,377,000	114,846,000	120,588,000	977,714,000
6	New COP Issues	-	-	-	-	-
7	Interest Revenues	22,548,000	21,549,000	20,936,000	20,551,000	192,417,000
8	Capital Facilities Capacity Charges	10,515,000	11,030,000	11,573,000	12,141,000	106,655,000
9	Other Revenues	4,318,200	4,366,200	4,414,200	4,465,201	60,556,601
10	Revenues	506,747,290	521,660,570	535,497,370	551,764,191	4,866,760,781
Requirements:						
11	Oper & Mtce Exp (7.0% yr)	185,490,000	193,799,000	202,479,000	212,531,002	1,770,665,622
12	Capital Improvement Program	210,288,000	222,963,000	126,779,000	117,384,000	1,584,956,000
13	Repl, Rehab & Refurb	54,711,000	42,037,000	138,221,000	147,616,000	718,946,000
14	COP Service (5.0%, 30 yrs)	86,474,000	78,781,000	78,576,000	78,495,000	846,996,000
15	Reduction of Long-Term Liabilities	-	-	-	-	125,000,000
16	Other Requirements	2,401,200	2,401,200	2,401,200	2,401,200	27,079,000
17	Requirements	539,364,200	539,981,200	548,456,200	558,427,202	5,073,642,622
18	Revenues-Requirements	(32,616,910)	(18,320,630)	(12,958,830)	(6,663,011)	(206,881,841)
Accumulated Funds:						
19	Beginning of Year	591,275,850	558,658,940	540,338,310	527,379,480	727,598,310
20	End of Year	558,658,940	540,338,310	527,379,480	520,716,469	520,716,469
21	Consolidated Reserve Policy	554,343,000	540,180,000	528,616,000	522,890,001	522,890,001
22	Over (Under) Reserve Policy*	4,315,940	158,310	(1,236,520)	(2,173,532)	(2,173,532)
Sewer Service User Fees:						
23	Avg SFR Annual User Fee	\$364.00	\$372.74	\$381.69	\$390.85	
24	Percentage Change	2.40%	2.40%	2.40%	2.40%	
25	Equivalent Dw elling Units	937,059	939,870	942,690	945,518	
26	SFR Connection Fee	\$4,701	\$4,917	\$5,143	\$5,380	
27	Outstanding COPs	\$1,143,692,000	\$1,115,127,000	\$1,085,182,000	\$1,053,847,000	
Reserve Policy						
28	50% Next Year Operating	92,745,000	96,900,000	101,240,000	106,266,000	
29	10% Next Year Operating	18,549,000	19,380,000	20,248,000	21,253,000	
30	100% Next Year AUG COP Svc.	86,474,000	78,781,000	78,576,000	78,495,000	
31	50% average ten-year CIP Bal.	115,195,000	115,195,000	115,195,000	115,195,000	
32	DSR @ 10% Outstanding COPs	114,369,000	111,513,000	108,518,000	105,385,000	
33	SFI @ \$57mm INPUT	57,000,000	57,000,000	57,000,000	57,000,001	
34	Repl & Refurb @ 2%/yr	70,011,000	71,411,000	72,839,000	74,296,000	
35	*Reserve Reduction	-	(10,000,000)	(25,000,000)	(35,000,000)	
36	Total	554,343,000	540,180,000	528,616,000	522,890,001	
COP Ratios						
37	Sr Lien Coverge, Min 1.25	3.59	4.02	4.09	4.17	

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Operations Budget Overview

OPERATING REQUIREMENTS

The net operating requirements budget finances the administrative, operations and maintenance, and program costs for collecting, treating, and disposing of wastewater. The net operating budget for FY 2014-15 is \$152.500 million and for FY 2015-16 is \$155.005 million.

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

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

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

Fats, Oil, and Grease (FOG) Control Program: This program was established to respond to the CRWQCB's *General Waste Discharge Requirements* (Order No. R8-2002-0014) to control sanitary sewer overflows. The District's Environmental Compliance Division facilitated the regional efforts to develop FOG Control Programs and has a program for the District to regulate the quantity and quality of FOG-laden wastewater that is discharged into the District's sewerage system.

Operating Chemicals: Chemicals are used for disinfection, coagulation, and odor control programs.

- **Disinfection:** The District is committed to disinfecting final effluent to reduce bacteria levels per NPDES permit requirements. The largest cost related to disinfection is that used for chemicals, specifically bleach. After

disinfecting final effluent with bleach, sodium bisulfite is used to ensure that no residual chlorine is discharged into the ocean.

- **Coagulants:** Coagulant chemicals are used to enhance primary treatment solids removal, solids dewatering, waste solids thickening, and to control hydrogen sulfide in the digesters.
- Ferric chloride is an iron salt which is used with anionic polymer to increase the solids removal efficiencies in the primary treatment process and to control hydrogen sulfide levels in the digester gas as required by AQMD Rule 431.1.
- Cationic polymer is added to digested sludge prior to dewatering to improve the sludge and water separation process. Cationic polymer is also added to the waste activated sludge dissolved air flotation thickeners to thicken the solids before digestion. Cationic polymer use increased as solids production increased when the District started operating to full secondary standard in 2012.
- **Odor Control:** Hydrogen sulfide is naturally generated in trunk sewers when oxygen is not present and converts into sulfuric acid which corrodes concrete and metal. In an effort to extend the useful life of the District's trunk line assets, the District adds chemicals to key trunk lines to control hydrogen sulfide levels and corrosion.
- Sodium hydroxide (caustic soda) and bleach are used in the treatment plant foul air scrubbers for control of sulfides and other odor causing compounds. Hydrogen peroxide is added to incoming trunklines to minimize plant odors. Sodium hydroxide is also used in the trunk sewers for odor and corrosion control.
- The largest costs for collection system odor control are for ferrous chloride, magnesium hydroxide and calcium nitrate. These costs cover continuous treatment for odor control within four trunk lines. The contractor(s) provide(s) leased equipment and on-going labor for services such as maintenance, remote monitoring of the chemical and feed rates, optimization, and field sampling.

2014-15 & 2015-16 Budget

Residuals Management: These costs are for hauling and beneficial reuse or landfill disposal of wastewater solids removed during the treatment process. Solids through the digesters, called biosolids or treated sewage sludge, can be recycled offsite via composting (about 40 percent) or land application on farm fields (about 50 percent) or sent to a landfill. Approximately 10 percent of the District's biosolids are disposed in an Orange County landfill with methane recovery (energy production). Most of the District's residuals management costs are for hauling 30-40 truckloads of biosolids offsite every day. A smaller component of residuals management cost is grit and screenings waste that must be disposed of at a landfill.

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

Utilities: The cost for utilities is a significant component of the operating budget. The largest utility cost incurred by the District is the electricity that is purchased to supplement generated power to operate the plant processes. The central generation facilities produce approximately 70 percent of the electricity used for running the plants. In FY 2005-06 the central generation production was reduced in order to meet new air emission limits. After installation of catalytic converters on the engines, emissions should decrease and the SCAQMD should approve increases in production.

Operations Summary

Proposed Budget Comparisons by Department

Department and Division	2013-14 Revised Budget	2013-14 Projected	2014-15 Proposed	Budget Percent Change	2015-16 Proposed	Budget Percent Change
General Manager's Office						
General Management Admin	\$ 2,331,400	\$ 2,188,272	\$ 2,671,470	14.59%	\$ 2,714,370	1.61%
Board Services	735,420	622,165	659,220	-10.36%	671,520	1.87%
Public Affairs	653,470	628,796	798,200	22.15%	755,300	-5.37%
Department subtotal	3,720,290	3,439,233	4,128,890	10.98%	4,141,190	0.30%
Human Resources Department						
Human Resources	4,960,050	4,651,290	4,799,030	-3.25%	4,875,010	1.58%
Department subtotal	4,960,050	4,651,290	4,799,030	-3.25%	4,875,010	1.58%
Administrative Services Department						
Administrative Services Admin	616,960	583,760	677,510	9.81%	683,610	0.90%
Financial Management	3,584,640	3,469,195	3,729,300	4.04%	3,803,650	1.99%
Contracts, Purch, & Materials Mgmt	4,683,490	4,216,330	4,518,800	-3.52%	4,499,100	-0.44%
Information Technology	10,239,430	9,522,210	10,386,290	1.43%	10,806,740	4.05%
Risk Management	4,634,030	3,633,684	3,684,910	-20.48%	3,919,710	6.37%
Department subtotal	23,758,550	21,425,179	22,996,810	-3.21%	23,712,810	3.11%
Facilities Support Services Department						
Facilities Support Services Admin	667,830	639,071	709,130	6.18%	705,330	-0.54%
Facilities Support	488,820	491,320	490,790	0.40%	493,200	0.49%
Equipment Rebuild	1,553,330	1,536,267	1,651,440	6.32%	1,698,390	2.84%
Fleet Services	1,930,110	1,937,540	1,997,800	3.51%	2,036,290	1.93%
Facilities Engineering & Repair Services	4,050,070	3,455,750	4,121,880	1.77%	4,153,200	0.76%
NPDES Source Inspection	2,572,870	2,601,460	2,640,360	2.62%	2,659,810	0.74%
Odor & Corrosion Control	7,168,130	6,959,095	7,196,980	0.40%	7,379,500	2.54%
Collection Facilities O&M	3,981,260	3,631,670	4,039,300	1.46%	4,087,380	1.19%
Department subtotal	22,412,420	21,252,173	22,847,680	1.94%	23,213,100	1.60%
Engineering Department						
Engineering Admin	424,090	409,341	415,210	-2.09%	417,250	0.49%
Planning	3,595,640	3,430,480	3,662,170	1.85%	3,702,870	1.11%
Project Management Office	3,407,850	3,385,025	3,579,510	5.04%	3,625,990	1.30%
Engineering and Construction	9,015,970	8,741,400	9,146,430	1.45%	9,246,290	1.09%
Environmental Compliance	6,972,240	6,648,678	6,757,090	-3.09%	6,786,090	0.43%
Department subtotal	23,415,790	22,614,924	23,560,410	0.62%	23,778,490	0.93%
Operations & Maintenance Dept.						
O & M Administration	904,110	830,278	916,210	1.34%	916,610	0.04%
Plant No. 1 Operations	26,813,270	25,056,390	26,496,250	-1.18%	27,844,750	5.09%
Plant No. 2 Operations	22,607,420	21,578,283	22,623,590	0.07%	22,439,520	-0.81%
Building, Grounds & Mechanical Maintenance	14,754,219	13,649,790	16,792,130	13.81%	16,846,830	0.33%
Instrumentation/Electrical Maint	15,910,391	14,449,689	15,821,250	-0.56%	15,722,530	-0.62%
Environmental Lab / Ocean Monitoring	8,294,680	7,834,662	8,258,570	-0.44%	8,391,160	1.61%
Department subtotal	89,284,090	83,399,092	90,908,000	1.82%	92,161,400	1.38%
Less: Cost Allocation	(18,220,200)	(13,902,680)	(16,740,700)	-8.12%	(16,877,500)	0.82%
Net Operating Requirements	\$ 149,330,990	\$ 142,879,211	\$ 152,500,120	2.12%	\$ 155,004,500	1.64%

2014-15 & 2015-16 Budget

Proposed Budget Expense by Category

Description	2012-13 Actual	2013-14 Revised Budget	2013-14 Projected	2014-15 Proposed	2015-16 Proposed
Salaries, Wages & Benefits	\$ 90,659,277	\$ 97,995,300	\$ 93,700,800	\$ 99,168,800	\$ 100,581,900
Administrative Exp	1,349,378	1,239,700	1,177,451	1,397,070	1,557,510
Printing & Publication	387,657	393,590	281,345	430,340	429,190
Training & Meetings	719,306	1,200,940	769,775	1,077,710	1,045,640
Op Materials & Supplies	16,600,130	16,917,030	15,669,486	15,782,100	16,318,620
Contractual Services	22,234,871	23,315,770	22,862,476	24,242,170	24,524,730
Professional Services	3,107,080	3,637,480	2,873,999	3,269,370	3,116,140
Research & Monitoring	1,053,276	874,000	807,000	830,000	840,000
Repairs & Maintenance	10,095,057	11,166,290	9,592,655	13,063,210	12,927,770
Utilities	6,403,014	7,676,470	7,007,874	7,437,770	7,785,080
Other Operating Supplies	1,903,904	2,486,730	1,962,109	1,541,740	1,737,900
Other Non-Operating	55,018	647,890	76,921	1,000,540	1,017,520
Cost Allocation	(15,414,256)	(18,220,200)	(13,902,680)	(16,740,700)	(16,877,500)
Net Operating Requirements	<u>\$ 139,153,712</u>	<u>\$ 149,330,990</u>	<u>\$ 142,879,211</u>	<u>\$ 152,500,120</u>	<u>\$ 155,004,500</u>
Cost to Collect/Treat 1 Million Gallons	<u>\$ 1,906.01</u>	<u>\$ 2,060.35</u>	<u>\$ 1,971.34</u>	<u>\$ 2,089.04</u>	<u>\$ 2,123.35</u>
Flow, Million Gallons	<u>73,008</u>	<u>72,478</u>	<u>72,478</u>	<u>73,000</u>	<u>73,000</u>
Flow Per Day, MGD	<u>200.02</u>	<u>198.57</u>	<u>198.57</u>	<u>200.00</u>	<u>200.00</u>

Operations Summary

Proposed Budget Allocation to Individual Revenue Areas

Revenue Area No.	Total Gallonage Flows, Million Gallons per Year (MG)					
	2013-14 Projected Flow (MG)	Projected Increase (MG)	2014-15 Budgeted Flow (MG)	Percent of Total	2015-16 Budgeted Flow (MG)	Percent of Total
Consolidated	71,608.00	542.00	72,150.00	98.84%	72,170.00	98.86%
14	870.00	(20.00)	850.00	1.16%	830.00	1.14%
TOTALS	72,478.00	522.00	73,000.00	100.00%	73,000.00	100.00%

Revenue Area No.	Average Daily Gallonage Flows, Million Gallons per Day (MGD)					
	2013-14 Projected Flow (MGD)	Projected Increase (MGD)	2014-15 Budgeted Flow (MGD)	Percent of Total	2015-16 Budgeted Flow (MGD)	Percent of Total
Consolidated	196.19	1.48	197.67	98.84%	197.73	98.86%
14	2.38	(0.05)	2.33	1.16%	2.27	1.14%
TOTALS	198.57	1.43	200.00	100.00%	200.00	100.00%

FY 2014-15 Estimated Allocation of Total Costs to Revenue Areas

Revenue Area No.	Collection Costs	Treatment & Disposal Costs	Total Costs	Total Cost/MG
Consolidated	\$ 24,264,850	\$ 118,933,130	\$ 143,197,980	\$ 1,984.73
14 - O&M	901,450	1,400,690	2,302,140	2,708.40
14 - Sludge	-	7,000,000	7,000,000	8,235.29
TOTALS	\$ 25,166,300	\$ 127,333,820	\$ 152,500,120	\$ 2,089.04

FY 2015-16 Estimated Allocation of Total Costs to Revenue Areas

Revenue Area No.	Collection Costs	Treatment & Disposal Costs	Total Costs	Total Cost/MG
Consolidated	\$ 24,677,520	\$ 122,007,030	\$ 146,684,550	\$ 2,032.49
14 - O&M	916,780	1,403,170	2,319,950	2,795.12
14 - Sludge	-	6,000,000	6,000,000	7,228.92
TOTALS	\$ 25,594,300	\$ 129,410,200	\$ 155,004,500	\$ 2,123.35

2014-15 & 2015-16 Budget

Proposed Budget Net Operating Expense by Line Item

Description	2012-13 Actual	Adjusted Budget 2013-14	2013-14 Projected	2014-15 Proposed	% Budget Change to 13-14	2015-16 Proposed	% Budget Change to 14-15
Salaries, Wages, & Benefits							
Salaries & Wages							
Salaries & Wages	61,878,748	65,431,700	61,274,000	63,460,100	-3.01%	64,154,500	1.09%
Employee Benefits							
Retirement	18,937,769	21,725,300	22,905,100	25,398,200	16.91%	25,629,300	0.91%
Group Insurances	8,474,463	9,875,200	8,479,600	8,965,000	-9.22%	9,410,000	4.96%
Tuition & Certificate Reimb	169,988	155,000	170,000	173,400	11.87%	176,900	2.02%
Edu.degrees,Cert. & Lic.	289,741	275,900	295,800	295,800	7.21%	295,800	0.00%
Uniform Rental	54,725	42,100	54,100	54,100	28.50%	54,100	0.00%
Workers' Compensation	796,002	455,100	455,000	755,000	65.90%	794,100	5.18%
Unemployment Insurance	27,936	27,000	60,100	60,100	122.59%	60,100	0.00%
EMT Supplemental Benefits	29,905	8,000	7,100	7,100	-11.25%	7,100	0.00%
Salaries, Wages, & Benefits	90,659,277	97,995,300	93,700,800	99,168,800	1.20%	100,581,900	1.42%
Materials, Supplies, & Services							
Administrative Expenses							
Memberships	472,069	531,670	518,228	576,240	8.38%	577,630	0.24%
Office Exp - Supplies	51,594	82,220	62,047	67,840	-17.49%	68,970	1.67%
Postage	263,369	48,120	38,790	38,570	-19.85%	39,970	3.63%
Books & Publications	29,415	45,200	37,204	40,600	-10.18%	38,350	-5.54%
Forms	2,124	1,290	872	890	-31.01%	910	2.25%
Small Computer Items	462,892	438,000	438,000	550,000	25.57%	734,000	33.45%
Minor Furniture & Fixtures	67,915	93,200	82,310	122,930	31.90%	97,680	-20.54%
Printing & Publication							
Repro-In-House	253,024	261,560	236,080	378,640	44.76%	378,850	0.06%
Printing-Outside	115,951	114,080	26,713	26,330	-76.92%	26,450	0.46%
Notices & Ads	17,548	15,140	18,300	25,110	65.85%	23,620	-5.93%
Photo Processing	1,134	2,810	252	260	-90.75%	270	3.85%
Meetings & Training							
Meetings	153,794	227,560	159,330	189,970	-16.52%	192,550	1.36%
Training	565,512	973,380	610,445	887,740	-8.80%	853,090	-3.90%
Operating Materials & Supplies							
Chem. Coagulants	6,176,235	6,273,700	5,784,840	5,785,000	-7.79%	6,104,000	5.51%
Odor Control	7,256,497	7,516,720	7,013,758	7,056,600	-6.12%	7,285,570	3.24%
Disinfection	663,259	451,000	331,000	425,000	-5.76%	395,000	-7.06%
Chemicals - Cogen Op.	10,286	24,960	18,640	25,000	0.16%	26,000	4.00%
Miscellaneous Chemicals	51,528	40,660	40,660	43,000	5.76%	45,000	4.65%
Gas, Diesel, & Oil	666,365	642,870	629,029	665,800	3.57%	701,070	5.30%
Tools	308,077	364,820	329,958	360,970	-1.06%	304,110	-15.75%
Safety Equipment/tools	615,551	653,720	606,458	461,440	-29.41%	472,640	2.43%
Solv,Paint,Janitor Supplies	96,408	113,920	85,084	90,610	-20.46%	93,500	3.19%
Lab Chemicals & Supplies	612,148	664,040	659,552	690,770	4.03%	707,580	2.43%
Misc. Operating Supplies	128,095	153,490	153,917	161,220	5.04%	167,350	3.80%
Property Tax Fees	15,681	17,130	16,590	16,690	-2.57%	16,800	0.66%
Contractual Services							
Solids Removal	17,202,571	17,940,000	17,499,000	18,321,850	2.13%	18,596,680	1.50%
Other Waste Disp.	879,800	932,240	841,740	831,450	-10.81%	879,620	5.79%
Groundskeeping	203,463	210,080	158,000	170,000	-19.08%	174,000	2.35%
Janitorial	440,506	440,000	466,000	459,940	4.53%	478,340	4.00%
Outside Lab Services	161,121	190,410	226,830	239,400	25.73%	241,600	0.92%
Oxygen Plant Oper	599,514	572,800	730,000	719,000	25.52%	673,900	-6.27%
County Service Fee	603,800	582,180	666,370	686,360	17.89%	706,950	3.00%
Temporary Services	347,749	455,610	315,636	418,990	-8.04%	370,630	-11.54%
Security Services	360,962	400,400	400,400	600,000	49.85%	600,000	0.00%
Other	1,435,385	1,592,050	1,558,500	1,795,180	12.76%	1,803,010	0.44%

Operations Summary

Proposed Budget Net Operating Expense by Line Item (Continued)

Description	2012-13 Actual	Budget 2013-14	2013-14 Projected	2014-15 Proposed	Budget Change to 13-14	2015-16 Proposed	Budget Change to 14-15
<u>Professional Services</u>							
Legal	1,690,700	1,242,210	1,428,300	884,400	-28.80%	882,900	-0.17%
Audit & Accounting	187,813	351,760	143,995	224,650	-36.14%	211,250	-5.96%
Engineering	136,914	311,200	257,080	635,000	104.05%	637,000	0.31%
Enviro Scientific Consult	77,184	185,200	65,000	67,500	-63.55%	67,500	0.00%
Software Prgm Consult	271,524	340,000	335,000	420,000	23.53%	432,000	2.86%
Advocacy Efforts	209,364	179,000	185,000	187,000	4.47%	187,000	0.00%
Industrial Hygiene Svcs	29,279	120,000	30,000	50,000	-58.33%	50,000	0.00%
Labor Negotiation Svc	30,000	119,080	80,000	119,080	0.00%	119,080	0.00%
Other	474,302	789,030	349,624	681,740	-13.60%	529,410	-22.34%
<u>Research & Monitoring</u>							
Environ. Monitoring	346,181	352,000	317,000	340,000	-3.41%	350,000	2.94%
Air Quality Monitoring	92,039	85,000	85,000	85,000	0.00%	85,000	0.00%
Research	615,056	437,000	405,000	405,000	-7.32%	405,000	0.00%
<u>Repairs & Maintenance</u>							
Materials & Services	8,209,513	9,101,910	7,897,931	11,111,070	22.07%	10,916,680	-1.75%
Service Maint. Agreements	1,885,544	2,064,380	1,694,724	1,952,140	-5.44%	2,011,090	3.02%
<u>Utilities</u>							
Telephone	223,863	300,000	240,000	320,000	6.67%	385,000	20.31%
Diesel For Generators	10,448	20,000	22,000	23,230	16.15%	24,160	4.00%
Natural Gas	349,423	440,000	425,932	400,500	-8.98%	416,000	3.87%
Power	4,847,174	5,775,190	5,378,144	6,003,200	3.95%	6,247,500	4.07%
Water	972,106	1,141,280	941,798	690,840	-39.47%	712,420	3.12%
<u>Other Operating Costs</u>							
Outside Equip Rental	29,102	5,770	7,080	7,330	27.04%	7,570	3.27%
Insurance Premiums	31,197	32,600	31,862	32,000	-1.84%	32,000	0.00%
Prop & Gen Liab Insurance	909,000	1,400,000	909,000	500,000	-64.29%	689,700	37.94%
Freight	63,541	74,660	58,681	60,120	-19.47%	60,150	0.05%
Misc. Operating Expense	203,759	258,700	235,486	254,290	-1.70%	240,480	-5.43%
Regulatory Operating Fees	667,305	715,000	720,000	688,000	-3.78%	708,000	2.91%
Contingency	-	353,700	-	587,700	66.16%	598,000	1.75%
Prior year reappropriation	-	197,300	-	345,700	75.22%	351,800	1.76%
Loss on obsolete inventory	468	2,610	4,426	3,300	26.44%	3,380	2.42%
Other Non-Oper Expense	54,550	94,280	72,495	63,840	-32.29%	64,340	0.78%
Materials, Supplies, & Services	63,908,691	69,555,890	63,081,091	70,072,020	0.74%	71,300,100	1.75%
Total Operating Requirements	154,567,968	167,551,190	156,781,891	169,240,820	1.01%	171,882,000	1.56%
Less: Cost Allocation	(15,414,256)	(18,220,200)	(13,902,680)	(16,740,700)	-8.12%	(16,877,500)	0.82%
Net Operating Requirements	\$ 139,153,712	\$ 149,330,990	\$ 142,879,211	\$ 152,500,120	2.12%	\$ 155,004,500	1.64%
Cost to Collect, Treat, & Dispose of 1 Million	\$ 1,906.01	\$ 2,060.35	\$ 1,971.34	\$ 2,089.04		\$ 2,123.35	
Flow, Million Gallons	73,008	72,478	72,478	73,000		73,000	
Flow Per Day, MGD	200.02	198.57	198.57	200.00		200.00	

2014-15 & 2015-16 Budget

NOTES TO THE FISCAL YEAR 2014-15 and 2015-16 OPERATIONS BUDGET

Salaries, Wages & Benefits

Salaries & Wages - The proposed budget is set at 626.0 Full Time Equivalent (FTE) positions for FY 2014-15 and 2015-16. Provision has been made in the proposed salaries for FY 2014-15 in order to comply with the terms of those current MOU's which extend through that fiscal year. Pending completion of the negotiation process, no salary adjustments have been included for periods beyond the expiration of current MOU's.

Retirement - The District's employees are members of the Orange County Employees' Retirement System. Employees participate in one of three plans depending on hire date: Plan G/H (older), Plan B, or Plan U (newer, with a lower retirement benefit). The employer's required contribution rate for Plan G/H has been increased from 31.95 percent to 36.57 percent, Plan B has been increased from 30.77 percent to 34.87 percent, and Plan U has been increased from 29.36 percent to 33.52 percent in FY 2014-15. In addition, for Plan G/H the District pays 3.5 percent on behalf of each employee.

Group Insurance - This includes the District's share of employees' medical and dental insurance plans, and life and disability insurance premiums. It also includes the other post-employment benefits that the District is obligated to pay for retirees. The FY 2014-15 and 2015-16 budgets include estimated annual increases for medical, vision, life, and disability insurances of 5.7 percent, 3.0 percent, 13.0 percent and 8.8 percent, respectively. The FY 2014-15 budget also includes an estimated 1.0 percent decrease for dental insurance, followed by no change in FY 2015-16.

Tuition & Certification Reimbursements - To encourage the self-development and training of employees, the District has a tuition and certification reimbursement program. This appropriation is set at \$173,400 for FY 2014-15 and \$176,900 for FY 2015-16.

Development Pay - To further promote employee efforts that increase job knowledge, skills, and abilities, the District has established this new benefit for employees obtaining educational degrees and job-related

certificates/licenses. The budget of \$295,800 is based on estimated employee participation.

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

Workers' Compensation - This item is used to maintain the level of accumulated reserves for workers' compensation self-insurance. The amount recommended is \$755,000 for FY 2014-15 and \$794,100 for FY 2015-16. The total estimated expenditures for the workers' compensation program are set forth in detail in the Self-Insurance section.

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

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

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

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

Training & Meetings - Board member and staff travel has been significantly reduced in recent years. This category includes meetings of professional societies; ongoing technical training and materials for staff; training for computerized plant monitoring and control systems and other "high tech" equipment, processes and systems; and training to allow for an adaptive and flexible work force. The District continues to place an emphasis on safety,

Notes to Operations Summary

technical, leadership and management training. The training budget has held constant between 2 percent and 1.7 percent of budgeted, regular salaries.

Operating Materials & Supplies

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

The anionic polymer budget for FY 2014-15 is \$403,000 with FY2015-16 increasing to \$432,000 because of a 7 percent anticipated unit rate increase. The cationic polymer budgets are \$1,548,000 for FY 2014-15 and \$1,662,000 in FY 2015-16. The projected ferric chloride budget for FY 2014-15 is \$3,834,000 and \$4,010,000 in FY2015-16, a 5 percent increase due to anticipated changes in unit rates.

Odor Control Chemicals - The District uses hydrogen peroxide, sodium hydroxide (caustic soda), and bleach as the primary odor control chemicals within the treatment plants; muriatic acid is an odor control chemical used for cleaning the scrubbers. The treatment plant odor control chemicals budgets reflect a \$481,000 decrease from FY 2013-14, with an increase of \$57,000 in FY 2015-16 because of unit rate increases.

Ferrous chloride, magnesium hydroxide, calcium nitrate, and caustic soda are the primary odor control chemicals used within the collection system. The FY 2014-15 budgets for these chemicals has remained approximately the same at \$5.9 million, primarily as a result of decreased usage with chemical optimization and estimated unit rates increases.

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

Sodium Hypochlorite (Bleach) – Approximately 57 percent of all bleach will be used for effluent disinfection in FY 2014-15. The remaining treatment plant bleach usage is disinfection of plant water and odor control. It is anticipated that the District treatment plant bleach budgets will be \$580,000 in FY 2014-15 and \$562,000 in FY 2015-16.

Sodium Bisulfite – Sodium bisulfite is used for dechlorination of outfall effluent at Plant 2 to ensure that no residual chlorine is discharged into the ocean. Sodium bisulfite usage decreased with the decrease in effluent disinfection bleach during FY 2013-14. That is anticipated to remain the same during fiscal years 2014-15 and 2015-16.

Gasoline, Oil and Fuel - This group of accounts includes gasoline, oil, and diesel fuel required to operate stationary treatment plant equipment as well as approximately 300 pieces of major mobile equipment such as cars, trucks, cranes, and generators. Also included in this group of accounts is the cost of fuel for the compressed natural gas station. The cost of the natural gas is recovered by selling the compressed natural gas as vehicle fuel to outside users. The budgets for this group of items are expected to remain the same for the next two fiscal years.

Other Operating Supplies - This group of accounts is for miscellaneous items such as scrubber acids, activated carbon, solvents, cleaners, hardware, janitorial supplies, tools, safety equipment, laboratory supplies, etc., that are required to operate and maintain existing and expanding facilities. This group of accounts is expected to remain the same during fiscal years 2014-15 and 2015-16.

Contractual Services - The major component of this category is biosolids removal and transportation costs. Contracts have been executed with firms for agricultural reuse of residual solids, composting, and a landfill site for biosolids disposal. A total of \$19.2 million has been budgeted for solids and other waste removal and transportation in FY 2014-15 and \$19.5 million in FY 2015-16.

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

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

Research and Monitoring - Overall this category of costs is expected to decrease approximately

2014-15 & 2015-16 Budget

\$44,000 in FY 2014-15 and then increase by \$10,000 the following fiscal year. The costs in this category consist of contract services to carry out the extensive ocean monitoring program required by EPA Region IX under the provisions of the District's NPDES permit; air quality monitoring costs; the District's contribution to the Southern California Coastal Water Research Project (SCCWRP) being conducted under a joint powers agreement with other Southern California municipal dischargers; and also provides for operational and ocean research and evaluation to develop optimum operating parameters in the treatment plants.

Repairs and Maintenance - Over 90 percent of these budgets support the maintenance of the collection system and the treatment plants. These line items also reflect base budgets for equipment maintenance. Out-sourced annual service contracts and maintenance agreements are also included. The FY 2014-15 and FY 2015-16 budgets include maintenance costs totaling \$11.8 million and \$11.6 million, respectively. Further, Information Technology has a repairs and maintenance budget of \$1.3 million for each of the next two fiscal years that will provide services for the computer systems located throughout the collection facilities, treatment plants, and administration areas.

O&M contracted materials and services for FY 2014-15 include: process area painting preventive maintenance; flooring and window cleaning; Dig Alert and street overlays/manhole raising; manhole cover purchases; easement improvements; secondary clarifier and cross-collector maintenance; various valve replacements; and other maintenance services and operating materials, including warehouse stock.

Utilities - The cost for utilities is a significant component of the operating budget. In FY2014-15, the overall cost for utilities is anticipated to decrease by \$239,000 from the FY 2013-14 budget and then to increase by \$347,000 in FY 2015-16.

Natural Gas - Natural gas is purchased to supplement the digester gas that is used to run the central generation facilities. The total FY 2014-15 natural gas budget is \$400,500, approximately the same as last fiscal year; there were no new air quality permit requirements. A natural gas budget increase in FY 2015-16 reflects the ability to peak shave with the repair of the Plant No. 1 engine in FY 2015-16.

Electricity - Electricity is the largest utility cost incurred by the District. Over 80 percent of purchased electricity is used to run the plant processes; the remaining power is used for the support building and pump stations. The treatment plants and support buildings estimated consumption and resulting costs for electrical energy purchased from Southern California Edison for the 2014-15 fiscal year are \$4,820,000 and the pump stations budget for the same period is \$686,200. Other support buildings power costs are \$497,000, completing the total estimated power costs for FY 2014-15.

Other Materials, Supplies, and Services

Insurance Premiums - Other than approximately \$32,000 budgeted each year in the operating section to insure the District's ocean vessel, the cost for general liability and property insurance premiums is budgeted entirely within the Self-Insurance section.

In-Lieu Insurance Premium - This item is used to maintain the level of accumulated reserves for property and general liability self-insurance. The amount recommended is \$500,000 for FY 2014-15 and \$689,700 for FY 2015-16. The total estimated expenditures for the insurance program are set forth in detail in the Self-Insurance section.

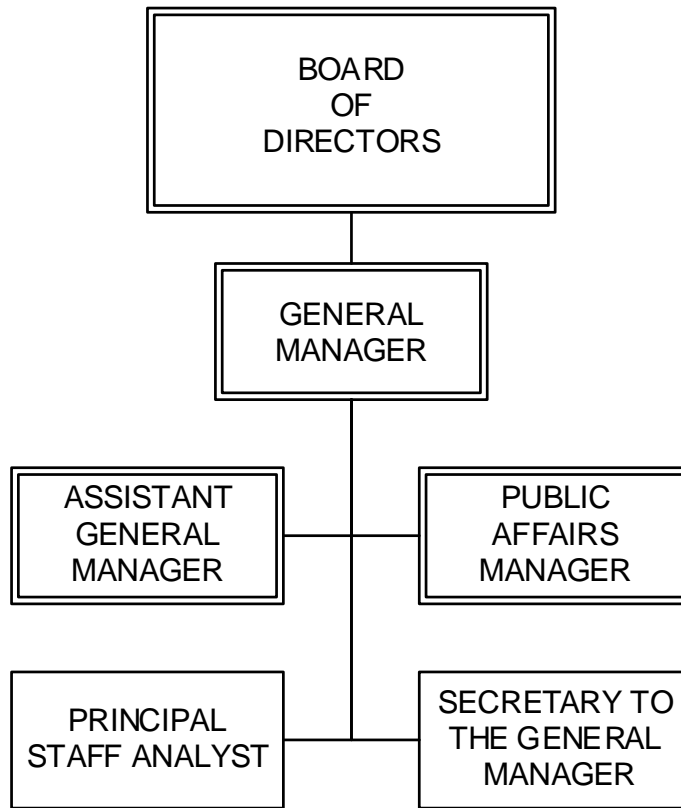
Other Operating & Non-Operating Expenses - Expenses not chargeable elsewhere, such as annual regulatory fees assessed by the SCAQMD and CRWQCB, freight and other miscellaneous items are recorded within these groups of accounts.

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

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

**OPERATING DIVISIONS
SECTION 6**

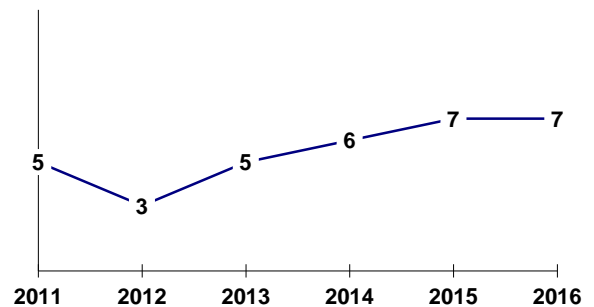
General Management Administration



Staffing Trends

2014-15 & 2015-16 Authorized FTE Positions

Executive Managers	2.0
Manager	1.0
Supervisors / Professionals	2.0
Management Discretion	2.0
Total	7.0



2014-15 & 2015-16 Budget

Service Description

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

2013-14 Performance Objectives

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

2013-14 Performance Results

- ◆ This number was revised to \$1,971 because operating expenses are 4.3% less than the budget. \$1,950 is the actual cost through 7 months.
- ◆ Actual FTE count of 583 as of March 31, 2013.
- ◆ 81% of Fiscal Year 2013-14 CIP budget estimated for delivery.
- ◆ Strategic Plan was adopted by the Board of Directors in November 2013.
- ◆ Final compliance was achieved prior to December 31, 2012. Consent decree was lifted on August 27, 2013.

2014-15 & 2015-16 Performance Objectives

- ◆ Ensure collection, treatment, and disposal cost per million gallons does not exceed \$2,089.04 by end of Fiscal Year 2014-15 and \$2,123.35 by end of Fiscal Year 2015-16.
- ◆ Ensure the District does not exceed 626 FTEs by the end of Fiscal Years 2014-15 and 2015-16.
- ◆ Deliver a minimum of 90% of each fiscal year's CIP budget.
- ◆ Ensure OCSD's total recordable injury rate is below industry average of 4.6.
- ◆ Pursue legislation to revise OCSD's charter to provide a seat on the Board of Directors for Yorba Linda Water District in place of the City of Yorba Linda.
- ◆ Ensure that the Board approved Strategic Plan is implemented.

Performance Measures

Summary	2012-13 Actual	2013-14 Projected	2014-15 Proposed	2015-16 Proposed	Justification
◆ Cost Per Million Gallons	\$1,906.01	\$1,971.34	\$2,089.04	\$2,123.35	In-house standard
◆ FTE Count	627.50	626.00	626.00	626.00	Budgeted staffing plan
◆ 90%+ of CIP Budget	69%	81%	90%+	90%+	In-house standard
◆ Recordable Injury Rate	3.2	2.7	< 4.6	< 4.6	In-house standard
◆ Revise OCSD Charter for Yorba Linda Seat	N/A	In Progress	In Progress	Complete	In-house standard
◆ Implement Strategic Plan	N/A	N/A	In Progress	In Progress	In-house standard

General Management Administration

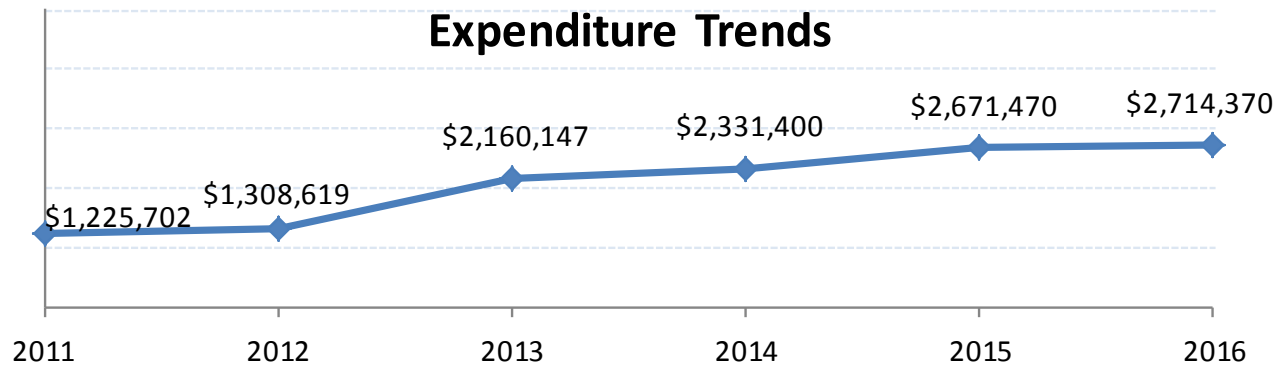
Budget Overview

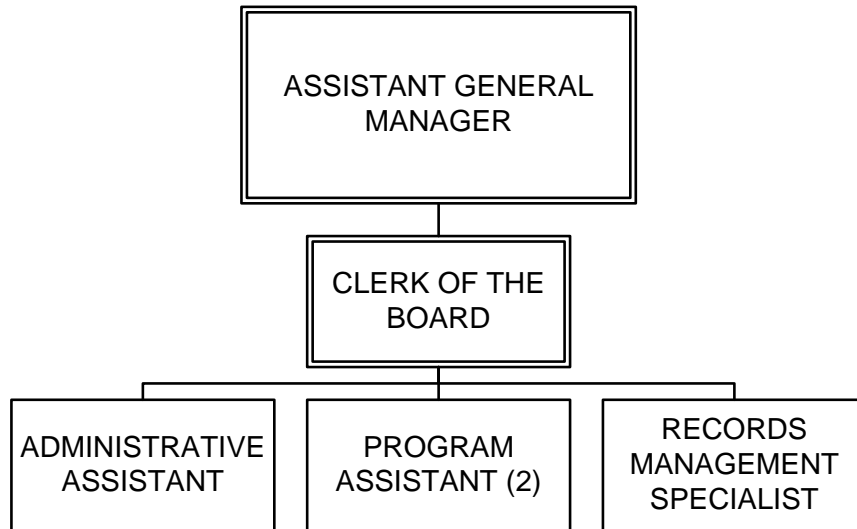
The FY 2014-15 & 2015-16 budgets for the General Management Administration Division reflect increases of 15% and 2% over the prior year, respectively. The increase is primarily due to increasing the General Manager's contingency to 0.85% of the District's overall non-salary related operating budget and restoring the contingency for reappropriations at 0.5% of the District's overall non-salary related operating budget.

2013-14 Adjusted Budget - Total Operating Requirements	\$ 2,331,400
<i>Salaries for Position Changes:</i>	
Transfer of Positions from/(to) Other Divisions	117,500
New or (decreased) FTE	-
<i>Changes in Personnel Expenses:</i>	
Other net salary adjustments	500
Change in OCERS retirement costs	77,700
Change in group insurance costs	(1,800)
Other benefit cost adjustments	(1,600)
<i>Other Cost Adjustments:</i>	
Decrease in memberships	(7,000)
Decrease in meetings	(7,640)
Decrease in training	(12,000)
Decrease in legal services	(252,000)
Increase in other professional services	11,280
Increase in electricity costs	20,000
Increase in miscellaneous operating supplies expense	12,460
Increase in General Manager's contingency / reappropriations	382,400
<i>Aggregate change in Other Categories:</i>	
Aggregate change in other materials, supplies, and services	270
2014-15 Proposed Budget - Total Operating Requirements	\$ 2,671,470
<i>Changes in Personnel Expenses:</i>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	10,200
Change in OCERS retirement costs	3,600
Change in group insurance costs	2,400
Other benefit cost adjustments	300
<i>Other Cost Adjustments:</i>	
Increase in meetings	2,000
Increase in electricity costs	8,000
Increase in General Manager's contingency / reappropriations	16,400
<i>Aggregate change in Other Categories:</i>	
Aggregate change in other materials, supplies, and services	-
2015-16 Proposed Budget - Total Operating Requirements	\$ 2,714,370

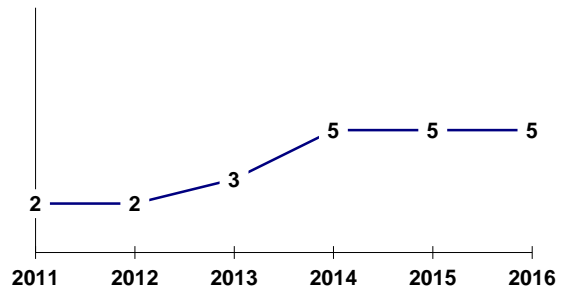
2014-15 & 2015-16 Budget

Operating Expenses By Category	2012-13 Actual	2013-14 Revised Budget	2013-14 Projected	2014-15 Proposed	Budget % Change	2015-16 Proposed	Budget % Change
Personnel	\$ 1,055,089	\$ 1,086,500	\$ 1,171,700	\$ 1,278,800	17.70%	\$ 1,295,300	1.29%
Supplies	184,574	214,140	187,810	187,770	(12.31%)	189,770	1.07%
Professional & Contractual Services	823,468	370,720	724,704	130,000	(64.93%)	130,000	0.00%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	38	-	-	-	-
Utilities	96,737	108,000	103,020	128,000	18.52%	136,000	6.25%
Other	279	552,040	1,000	946,900	71.53%	963,300	1.73%
Total	\$ 2,160,147	\$ 2,331,400	\$ 2,188,272	\$ 2,671,470	14.59%	\$ 2,714,370	1.61%





Staffing Trends



2014-15 & 2015-16 Authorized FTE Positions

Supervisors / Professionals	2.00
Administrative / Clerical	3.00

Total 5.00

2014-15 & 2015-16 Budget

Service Description

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

2013-14 Performance Objectives

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

2013-14 Performance Results

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

2014-15 & 2015-16 Performance Objectives

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

Performance Measures

Summary	2012-13 Actual	2013-14 Projected	2014-15 Proposed	2015-16 Proposed	Justification
◆ Board Agenda Package	100% - 6 days	100% - 6 days	100% - 6 days	100% - 6 days	In-house Standard
◆ Maintain accurate records of official actions taken by the Board of Directors.	100%	100%	100%	100%	In-house Standard
◆ Post annotated agendas on website by 5:00 pm the following day.	100%	100%	100%	100%	In-house Standard

Board Services

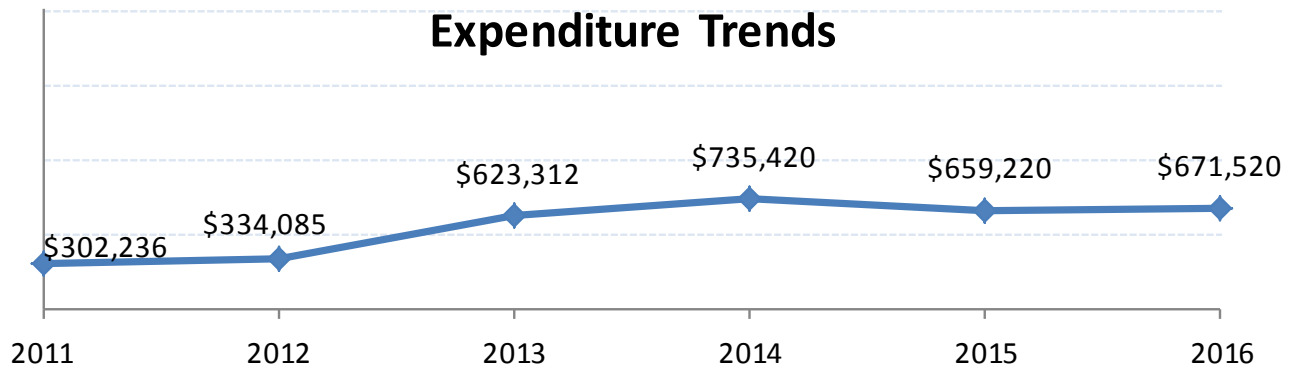
Budget Overview

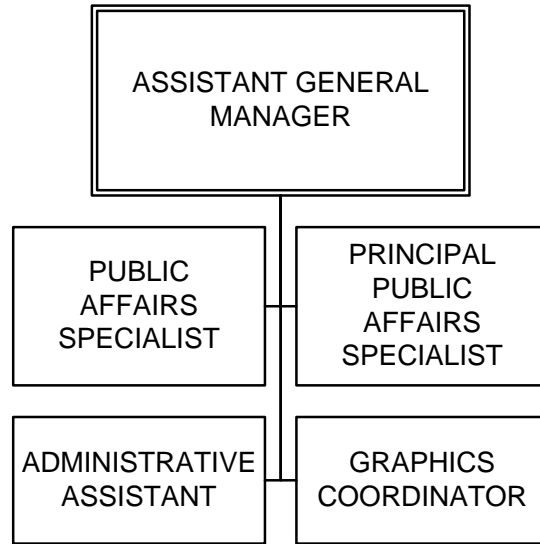
The FY 2014-15 & 2015-16 budgets for the Board Services Division reflect a decrease of 10% and an increase of 2% over the prior year, respectively. The decrease is primarily due to a reduction in legal services for FY 2014-15.

2013-14 Adjusted Budget - Total Operating Requirements	\$ 735,420
<i>Salaries for Position Changes:</i>	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
<i>Changes in Personnel Expenses:</i>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(15,700)
Change in OCERS retirement costs	9,700
Change in group insurance costs	(7,400)
Other benefit cost adjustments	1,400
<i>Other Cost Adjustments:</i>	
Decrease in legal services	(63,910)
<i>Aggregate change in Other Categories:</i>	
Aggregate change in other materials, supplies, and services	(290)
2014-15 Proposed Budget - Total Operating Requirements	\$ 659,220
<i>Changes in Personnel Expenses:</i>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	7,800
Change in OCERS retirement costs	2,500
Change in group insurance costs	3,600
Other benefit cost adjustments	400
<i>Other Cost Adjustments:</i>	
Decrease in training	(2,300)
<i>Aggregate change in Other Categories:</i>	
Aggregate change in other materials, supplies, and services	300
2015-16 Proposed Budget - Total Operating Requirements	\$ 671,520

2014-15 & 2015-16 Budget

Operating Expenses By Category	2012-13 Actual	2013-14 Revised Budget	2013-14 Projected	2014-15 Proposed	Budget % Change	2015-16 Proposed	Budget % Change
Personnel	\$ 493,680	\$ 603,700	\$ 532,500	\$ 591,700	(1.99%)	\$ 606,000	2.42%
Supplies	10,089	16,250	17,915	16,020	(1.42%)	14,020	(12.48%)
Professional & Contractual Services	117,860	113,910	70,000	50,000	(56.11%)	50,000	0.00%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	1,419	1,560	1,500	1,500	(3.85%)	1,500	0.00%
Utilities	-	-	-	-	-	-	-
Other	264	-	250	-	-	-	-
Total	\$ 623,312	\$ 735,420	\$ 622,165	\$ 659,220	(10.36%)	\$ 671,520	1.87%



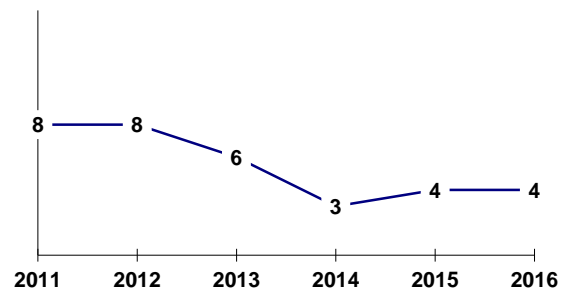


Staffing Trends

2014-15 & 2015-16 Authorized FTE Positions

Supervisors / Professionals	2.0
Administrative & Clerical	2.0

Total 4.0



2014-15 & 2015-16 Budget

Service Description

The Public Affairs Division provides services and implements programs to meet the communications and legislative needs of both internal and external audiences for the Orange County Sanitation District. The 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, crisis communications and legislative affairs. The goal is to create a total communications program that promotes clear and transparent communications with all designated audiences and to promote the understanding of OCSD's mission to protect the environment.

2013-14 Performance Objectives

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

2013-14 Performance Results

- ◆ Produced and circulated daily articles on MyOCSD, weekly blurbs on Three Things to Know email, monthly news in Digester, and Bi-monthly stories in Pipeline.
- ◆ Coordinated employee events including holiday luncheons, 60th anniversary activities, and Honor Walk event.
- ◆ Hosted 2,400 people that toured Plant No. 1, staff participated in 36 speaking engagements, staffed a booth at 21 community events, and seven career fairs.
- ◆ Collaborated with OCWD to expand tour program and offer joint GWRS tours.
- ◆ Daily participation on social media sites
- ◆ Created program to allow other public agencies to use What 2 Flush campaign.
- ◆ Created protocol to handle odor complaints from the community.
- ◆ Pitched What 2 Flush stories to media.
- ◆ Designed and implemented a website for What 2 Flush campaign What2Flush.com.
- ◆ Prepared key messages and talking points for Board Chair and General Manager.
- ◆ Facilitated media training for Board Chair and General Manager.
- ◆ Prepared/presented reports on division efforts to OCSD Public Affairs and Legislative Affairs Committee.

2014-15 & 2015-16 Performance Objectives

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

Performance Measures

Summary	2012-13 Actual	2013-14 Projected	2014-15 Proposed	2015-16 Proposed	Justification
◆ Internal Services & Programs	Completed	On Target	Per Plan	Per Plan	In-house standard
◆ External Services & Programs	Completed	On Target	Per Plan	Per Plan	In-house standard
◆ Board of Directors & GM Support	Completed	On Target	Per Plan	Per Plan	In-house standard

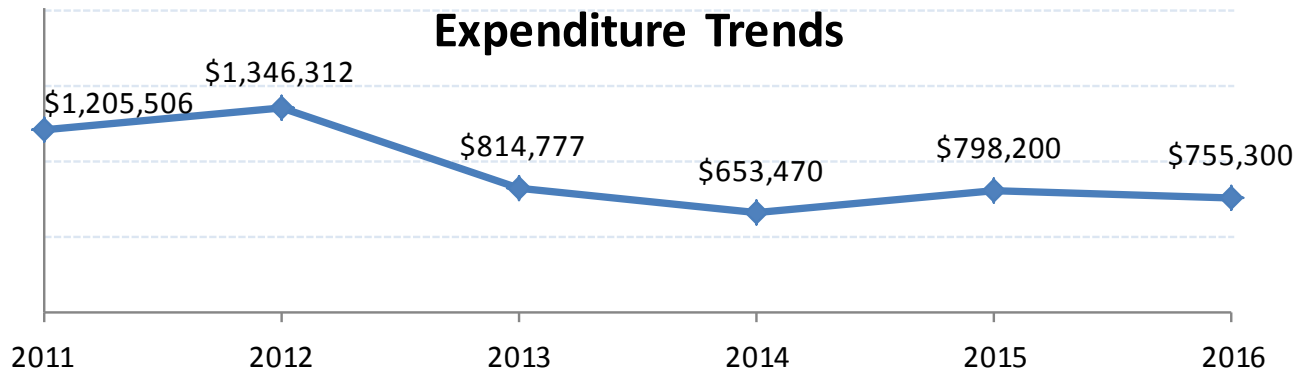
Budget Overview

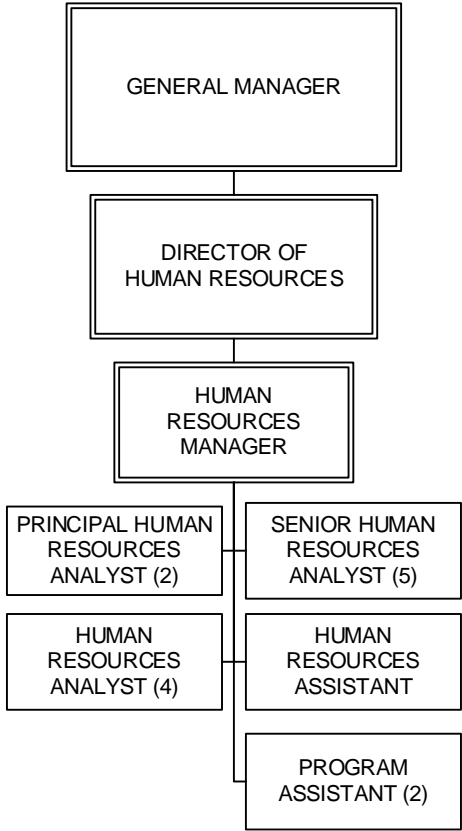
The FY 2014-15 & 2015-16 budgets for the Public Affairs Division reflect an increase of 22% and a decrease of 5% from the prior year, respectively. The increase is primarily due to the transfer of 1 FTE position and salary and benefits adjustments.

2013-14 Adjusted Budget - Total Operating Requirements	\$ 653,470
<i>Salaries for Position Changes:</i>	
Transfer of Positions from/(to) Other Divisions	65,100
New or (decreased) FTE	-
<i>Changes in Personnel Expenses:</i>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	24,800
Change in OCERS retirement costs	37,500
Change in group insurance costs	25,300
Other benefit cost adjustments	(6,500)
<i>Other Cost Adjustments:</i>	
Increase in memberships	2,800
Increase in office supplies	2,000
Increase in minor furniture & fixtures	5,000
Decrease in meetings	(4,040)
Increase in training	21,920
Decrease in other professional services	(10,120)
Decrease in miscellaneous operating supplies expense	(17,300)
<i>Aggregate change in Other Categories:</i>	
Aggregate change in other materials, supplies, and services	(1,730)
2014-15 Proposed Budget - Total Operating Requirements	\$ 798,200
<i>Changes in Personnel Expenses:</i>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	7,000
Change in OCERS retirement costs	2,300
Change in group insurance costs	2,900
Other benefit cost adjustments	300
<i>Other Cost Adjustments:</i>	
Decrease in training	(14,400)
Decrease in other professional services	(25,000)
Decrease in miscellaneous operating supplies expense	(15,500)
<i>Aggregate change in Other Categories:</i>	
Aggregate change in other materials, supplies, and services	(500)
2015-16 Proposed Budget - Total Operating Requirements	\$ 755,300

2014-15 & 2015-16 Budget

Operating Expenses By Category	2012-13 Actual	2013-14 Revised Budget	2013-14 Projected	2014-15 Proposed	Budget % Change	2015-16 Proposed	Budget % Change
Personnel	\$ 446,823	\$ 371,500	\$ 404,000	\$ 517,700	39.35%	\$ 530,200	2.41%
Supplies	71,313	68,650	64,525	94,600	37.80%	79,700	(15.75%)
Professional & Contractual Services	197,269	55,120	10,000	45,000	(18.36%)	20,000	(55.56%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	238	-	1	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	99,134	158,200	150,270	140,900	(10.94%)	125,400	(11.00%)
Total	\$ 814,777	\$ 653,470	\$ 628,796	\$ 798,200	22.15%	\$ 755,300	(5.37%)

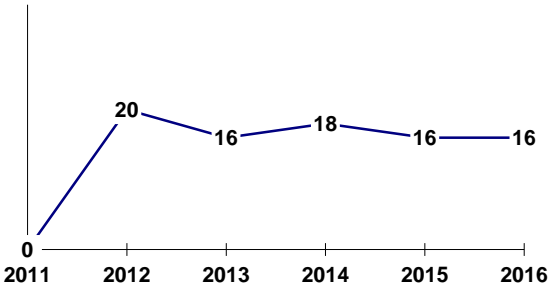




2014-15 & 2015-16 Authorized FTE Positions

Executive Manager	1.0
Manager	1.0
Supervisors / Professionals	11.0
Administrative/Clerical	3.0
Total	16.0

Staffing Trends



2014-15 & 2015-16 Budget

Service Description

The mission of the Human Resources Division is to work with employees and management to ensure an effective and productive employment relationship.

2013-14 Performance Objectives

- ◆ Implement workforce development through June 2014.
- ◆ Development of Human Resources Strategic Plan through June 2014.
- ◆ Implement organizational performance measures through June 2014.
- ◆ Support continuous leadership development through June 2014.
- ◆ Support departments in the development of a two-year workforce plan.
- ◆ Meet the training level of service of 45 hours per employee.
- ◆ Manage the department's budget to within 90 to 100% of the approved amount.

2013-14 Performance Results

- ◆ Implemented.
- ◆ Implemented.
- ◆ Implemented.
- ◆ Implemented.
- ◆ Implemented.
- ◆ 45 hours per employee.
- ◆ Estimated at 80%.

2014-15 & 2015-16 Performance Objectives

- ◆ Support departments in the development of multi-year workforce planning requirements.
- ◆ Support departments in the development of multi-year workforce development plans.
- ◆ Support continuous leadership development through June 2015.
- ◆ Meet the training level of service of 45 hours per employee.
- ◆ Manage operating expenditures to within 96 to 100% of the approved budget.
- ◆ Implement a comprehensive employee relations and labor relations training program by the end of Fiscal Year 2015-16.

Performance Measures

Summary	2012-13 Actual	2013-14 Projected	2014-15 Proposed	2015-16 Proposed	Justification
◆ Workforce Planning	Implement	Sustain	Sustain	Sustain	OCSD Strategic Plan
◆ Workforce Development	Implement	Sustain	Sustain	Sustain	OCSD Strategic Plan
◆ Continuous Leadership Development	Sustain	Sustain	Sustain	Sustain	OCSD Strategic Plan
◆ Training Level of Service	Sustain	Sustain	Sustain	Sustain	Level of Service
◆ Manage Budget	81%	80%	96-100%	96-100%	In-house standard
◆ Implement Employee Relations & Labor Relations Training Program	N/A	N/A	In Progress	Complete	HR Work Plan

Human Resources

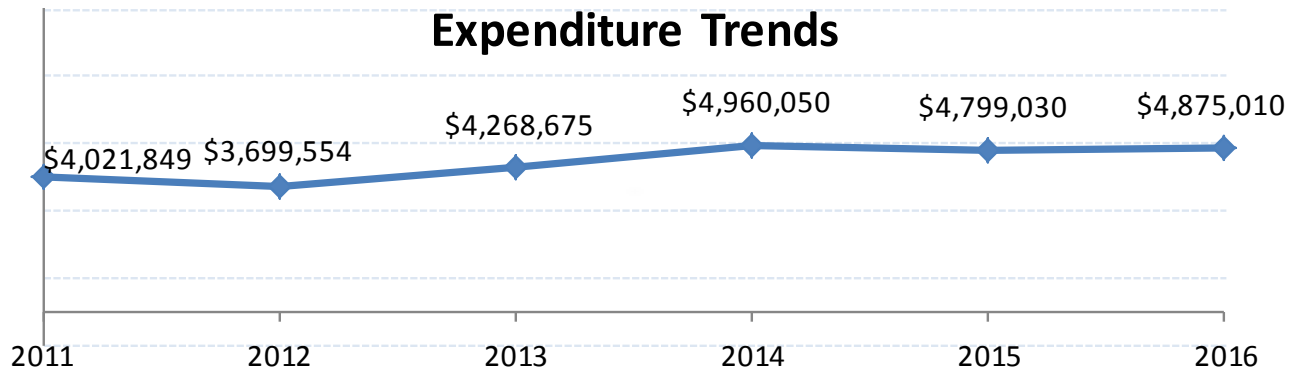
Budget Overview

The FY 2014-15 & 2015-16 budgets for the Human Resources Division reflect a decrease of 3% and an increase of 2% over the prior year, respectively. The decrease is mainly due to reductions in training costs and other professional services.

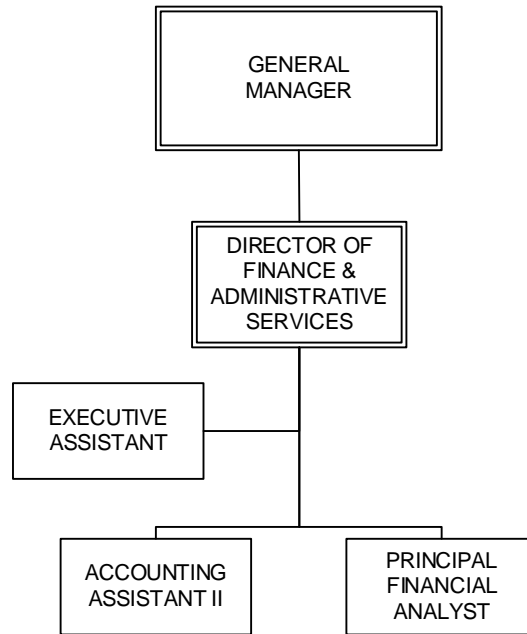
2013-14 Adjusted Budget - Total Operating Requirements	\$ 4,960,050
<i>Salaries for Position Changes:</i>	
Transfer of Positions from/(to) Other Divisions	(80,400)
New or (decreased) FTE	-
<i>Changes in Personnel Expenses:</i>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	6,700
Change in OCERS retirement costs	80,900
Change in group insurance costs	(24,000)
Other benefit cost adjustments	74,100
<i>Other Cost Adjustments:</i>	
Decrease in training	(115,650)
Increase in legal services	80,000
Decrease in other professional services	(167,000)
Decrease in other non-operating expense	(16,000)
<i>Aggregate change in Other Categories:</i>	
Aggregate change in other materials, supplies, and services	330
2014-15 Proposed Budget - Total Operating Requirements	\$ 4,799,030
<i>Changes in Personnel Expenses:</i>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	14,200
Change in OCERS retirement costs	4,700
Change in group insurance costs	11,400
Other benefit cost adjustments	4,500
<i>Other Cost Adjustments:</i>	
Decrease in training	8,000
Increase in legal services	28,800
Decrease in other professional services	4,380
<i>Aggregate change in Other Categories:</i>	
Aggregate change in other materials, supplies, and services	-
2015-16 Proposed Budget - Total Operating Requirements	\$ 4,875,010

2014-15 & 2015-16 Budget

Operating Expenses By Category	2012-13 Actual	2013-14 Revised Budget	2013-14 Projected	2014-15 Proposed	Budget % Change	2015-16 Proposed	Budget % Change
Personnel	\$ 3,141,625	\$ 3,815,900	\$ 3,857,000	\$ 3,873,200	1.50%	\$ 3,908,000	0.90%
Supplies	463,858	303,130	200,570	184,810	(39.03%)	192,810	4.33%
Professional & Contractual Services	635,720	789,480	563,000	705,480	(10.64%)	738,660	4.70%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	200	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	27,272	51,540	30,720	35,540	(31.04%)	35,540	0.00%
Total	\$ 4,268,675	\$ 4,960,050	\$ 4,651,290	\$ 4,799,030	(3.25%)	\$ 4,875,010	1.58%



Administrative Services Administration

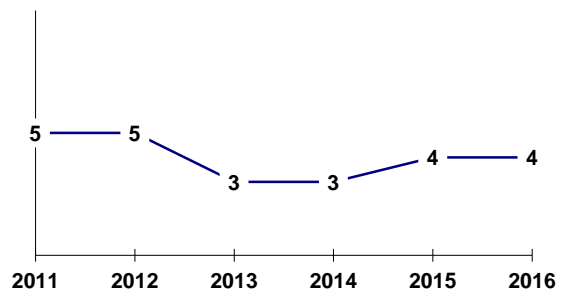


2014-15 & 2015-16 Authorized FTE Positions

Executive Manager	1.0
Supervisors / Professionals	1.0
Administrative / Clerical	2.0

Total 4.0

Staffing Trends



2014-15 & 2015-16 Budget

Service Description

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

2013-14 Performance Measures

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

2013-14 Performance Results

- ◆ Submittal completed in time for placement on secured property tax bills.
- ◆ All Treasury investments in compliance 100% of the time.
- ◆ All identified staff have been trained through the leadership academy; proposed succession management programs for Professional and Administrative Employees drafted and presented.
- ◆ Solicitation schedules upheld at 100% completion.

2014-15 & 2015-16 Performance Objectives

- ◆ Comply with the California State Government Code 100% of the time with all treasury investments.
- ◆ Coordinate and uphold solicitation schedules in support of planned projects and emergency procurements.
- ◆ Work toward obtaining the OSHA Voluntary Protection Program (VVP) certification promoting an effective worksite-based safety and health environment.
- ◆ Align the Risk Register with the General Manager's Work Plan.

Performance Measures

Summary	2012-13 Actual	2013-14 Projected	2014-15 Proposed	2015-16 Proposed	Justification
◆ Investment Compliance	Yes	Yes	Expected	Expected	In-house standard
◆ Uphold Solicitation Schedules	100%	100%	100%	100%	In-house standard
◆ OSHA's VVP Certification	N/A	N/A	In Progress	In Progress	In-house standard
◆ Align Risk Register	N/A	N/A	In Progress	Complete	In-house standard

Administrative Services Administration

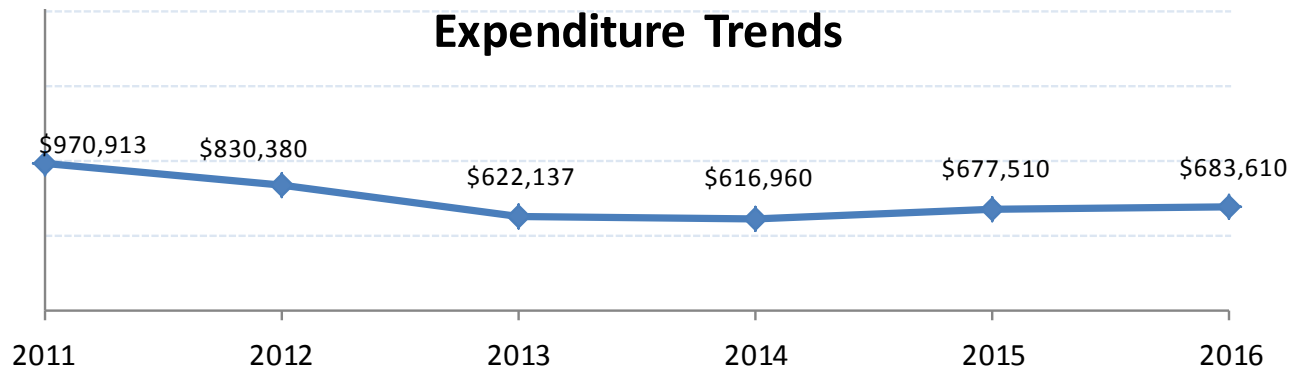
Budget Overview

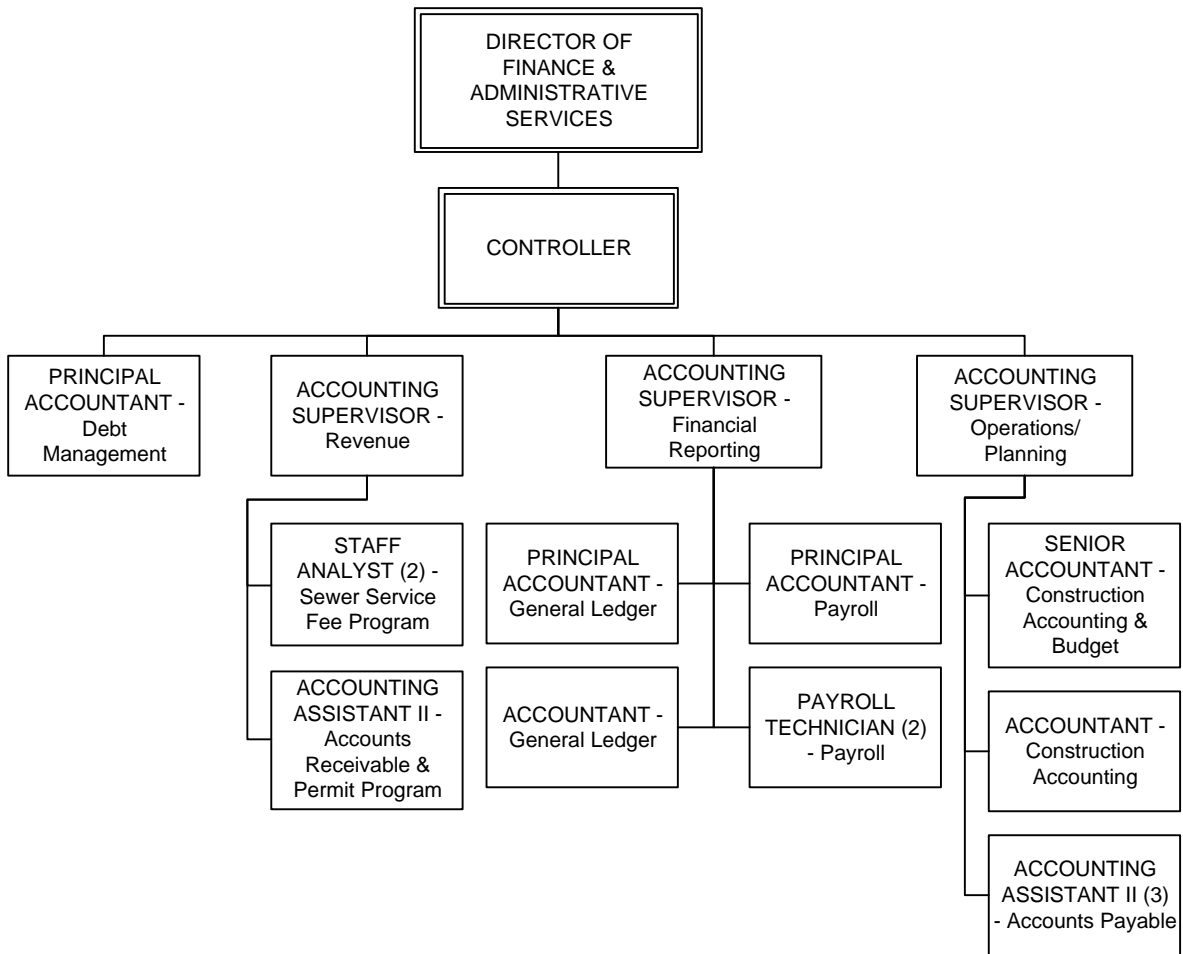
The FY 2014-15 & 2015-16 budgets for the Administrative Services Administration Division reflect an increase of 10% and an increase of 1% over the prior year, respectively. The increase is primarily due to the transfer of one FTE position and salary and benefits adjustments.

2013-14 Adjusted Budget - Total Operating Requirements	\$ 616,960
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	83,200
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(61,000)
Change in OCERS retirement costs	43,100
Change in group insurance costs	(3,900)
Other benefit cost adjustments	2,700
Other Cost Adjustments:	
Decrease in legal services	(3,000)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(550)
2014-15 Proposed Budget - Total Operating Requirements	\$ 677,510
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	2,900
Change in OCERS retirement costs	900
Change in group insurance costs	2,100
Other benefit cost adjustments	200
Other Cost Adjustments:	
No other cost changes	
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	-
2015-16 Proposed Budget - Total Operating Requirements	\$ 683,610

2014-15 & 2015-16 Budget

Operating Expenses By Category	2012-13 Actual	2013-14 Revised Budget	2013-14 Projected	2014-15 Proposed	Budget % Change	2015-16 Proposed	Budget % Change
Personnel	\$ 611,096	\$ 609,000	\$ 579,300	\$ 673,100	10.53%	\$ 679,200	0.91%
Supplies	6,376	1,560	1,400	1,350	(13.46%)	1,350	0.00%
Professional & Contractual Services	4,398	6,000	3,000	3,000	(50.00%)	3,000	0.00%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	267	400	60	60	(85.00%)	60	0.00%
Total	\$ 622,137	\$ 616,960	\$ 583,760	\$ 677,510	9.81%	\$ 683,610	0.90%



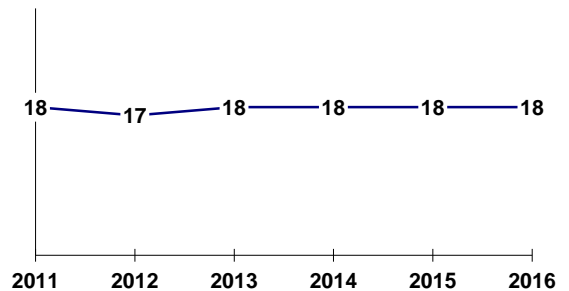


Staffing Trends

2014-15 & 2015-16 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	11.0
Administrative & Clerical	6.0

Total 18.0



2014-15 & 2015-16 Budget

Service Description

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

2013-14 Performance Measures

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

2013-14 Performance Results

- ◆ Due to a vacancy in the general ledger accountant position, monthly reports were issued within 10 days only 50% of the time through April 2014.
- ◆ No more than 30 invoices for payment were outstanding longer than 30 days during the completion of any one accounts payable cycle 100% of the time.
- ◆ The recent economic downturn has resulted in a doubling of claims submitted. As a result, claims were not processed within 90 days.
- ◆ Payroll was processed with an error-free rate of 99.9% on a bi-weekly and interim basis.
- ◆ All debt service payments were paid electronically, on the actual due dates, and error free 100% of the time.
- ◆ All treasury investments were in compliance with the California State Government Code 100% of the time.

2014-15 & 2015-16 Performance Objectives

- ◆ Issue monthly financial reports within 10 working days of the following month for 83% of the year.
- ◆ No more than 30 invoices for payment shall be outstanding longer than 30 days during the completion of any one accounts payable cycle 90% of the time.
- ◆ The current backlog of sewer service fee refund requests will be processed resulting in all claims being processed within 45 days of receipt.
- ◆ Payroll processing will be completed on time 100% of the time and error free >99.5% of the time.
- ◆ All debt service payments will be paid electronically, on the actual due dates, and error free 100% of the time.
- ◆ All treasury investments will be in compliance with the California State Government Code 100% of the time.

Performance Measures

Summary	Performance Measures				Justification
	2012-13 Actual	2013-14 Projected	2014-15 Proposed	2015-16 Proposed	
◆ Financial Reports Issuance Standard	8%	58%	83%	83%	In-house standard
◆ Accounts Payable Standard	100%	100%	90%	90%	In-house standard
◆ Sewer Service Refund 45 day Standard	0%	0%	100%	100%	In-house standard
◆ Payroll Error Free Standard	99.8%	99.8%	99.5%	99.5%	In-house standard
◆ Debt Service Payment Standard	100%	100%	100%	100%	In-house standard
◆ Investment Compliance	100%	100%	100%	100%	In-house standard

Financial Management

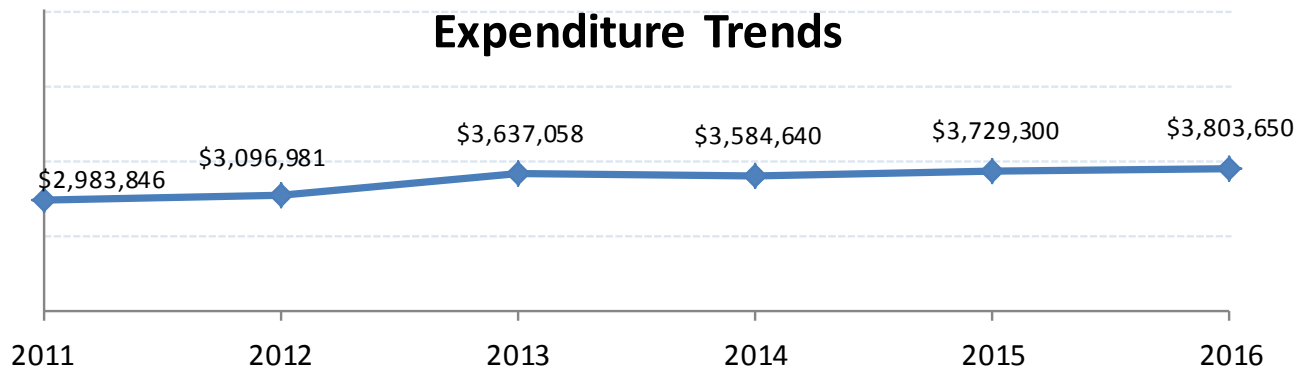
Budget Overview

The FY 2014-15 & 2015-16 budgets for the Financial Management Division reflect an increase of 4% and an increase of 2% over the prior year, respectively. The increase is primarily due to county service fees and salaries and benefits adjustments.

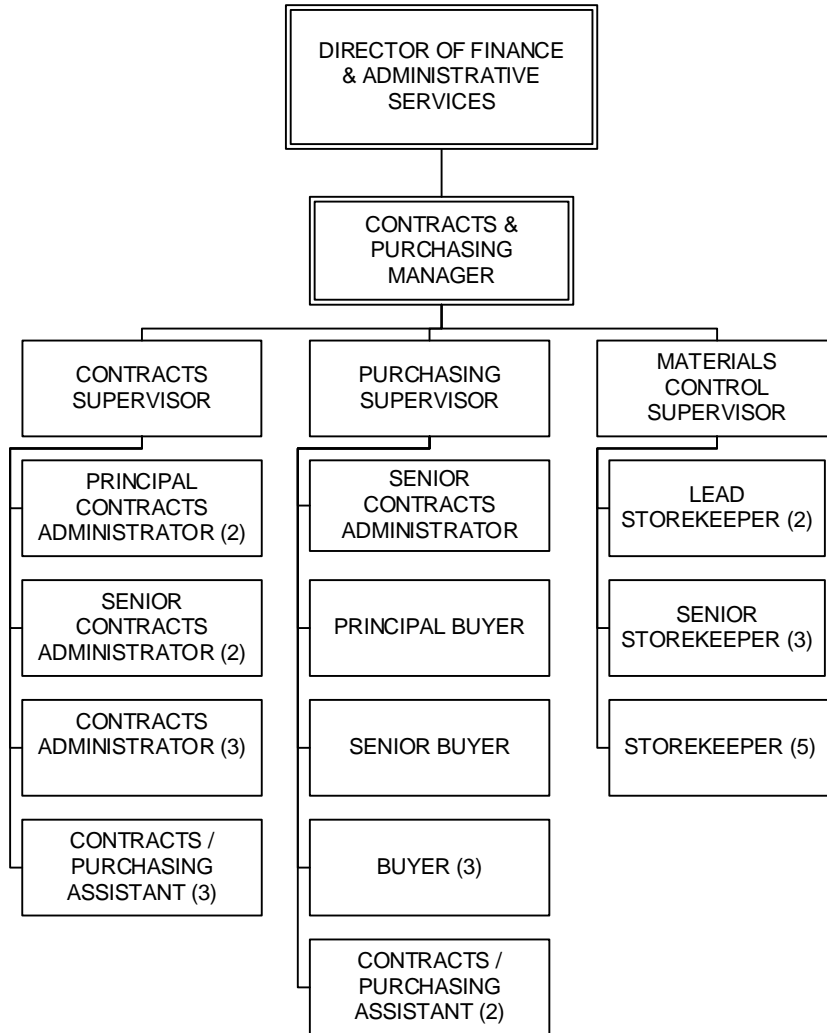
2013-14 Adjusted Budget - Total Operating Requirements	\$ 3,584,640
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(41,100)
Change in OCERS retirement costs	114,400
Change in group insurance costs	(26,400)
Other benefit cost adjustments	(15,200)
Other Cost Adjustments:	
Decrease in administrative expense	(10,590)
Decrease in printing and publications	(12,400)
Increase in training and meetings	6,810
Increase in county service fee	104,180
Increase in temporary services	70,630
Decrease in other contractual services	(6,620)
Decrease in legal services	(9,400)
Increase in audit and accounting services	10,890
Decrease in other professional services	(37,090)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(3,450)
2014-15 Proposed Budget - Total Operating Requirements	\$ 3,729,300
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	18,400
Change in OCERS retirement costs	6,500
Change in group insurance costs	12,900
Other benefit cost adjustments	1,100
Other Cost Adjustments:	
Decrease in training and meetings	(6,630)
Increase in county service fee	20,590
Increase in audit and accounting services	2,600
Increase in other professional services	17,200
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	1,690
2015-16 Proposed Budget - Total Operating Requirements	\$ 3,803,650

2014-15 & 2015-16 Budget

Operating Expenses By Category	2012-13 Actual	2013-14 Revised Budget	2013-14 Projected	2014-15 Proposed	Budget % Change	2015-16 Proposed	Budget % Change
Personnel	\$ 2,475,430	\$ 2,648,100	\$ 2,587,700	\$ 2,679,800	1.20%	\$ 2,718,700	1.45%
Supplies	308,516	62,260	30,405	44,580	(28.40%)	38,330	(14.02%)
Professional & Contractual Services	852,257	872,330	851,090	1,004,920	15.20%	1,046,620	4.15%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	409	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	446	1,950	-	-	(100.00%)	-	-
Total	\$ 3,637,058	\$ 3,584,640	\$ 3,469,195	\$ 3,729,300	4.04%	\$ 3,803,650	1.99%



Contracts, Purchasing, & Materials Management

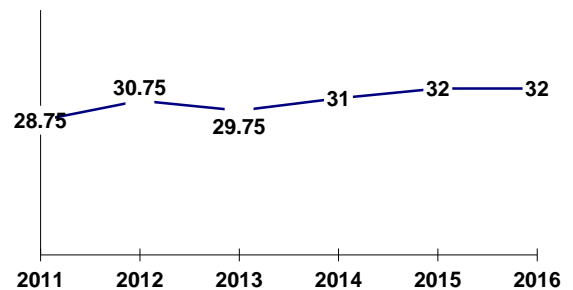


Staffing Trends

2014-15 & 2015-16 Authorized FTE Positions

Manager	1.00
Supervisors / Professionals	16.00
Administrative & Clerical	15.00

Total 32.00



2014-15 & 2015-16 Budget

Service Description

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

2013-14 Performance Objectives

- ◆ Continue the cycle count program and maintain a 97% accuracy rate or better.
- ◆ Obtain the 2012 & 2013 "Achievement of Excellence in Procurement" (AEP) award by meeting all National requirements.
- ◆ Successfully reorganize Plant 1 and Plant 2 warehouse inventories to accommodate staffing relocation.
- ◆ Successfully complete the new Purchasing Ordinance and General Managers Policies & Procedures and have Ordinance approved by Committees and Board.
- ◆ Successfully implement two high-level service-based contracts to substantially increase cost savings through economies of scale.

2013-14 Performance Results

- ◆ Cycle count program temporarily suspended due to ERP change
- ◆ AEP award received.
- ◆ Completed
- ◆ Completed
- ◆ Completed.

2014-15 & 2015-16 Performance Objectives

- ◆ Re-implement the cycle count program and maintain a 97% accuracy rate or better.
- ◆ Obtain the 2014 – 2015 "Achievement of Excellence in Procurement" (AEP) award by meeting all National requirements.
- ◆ Successfully implement and complete one cycle of cross-training for Materials Management staff to ensure continuity and efficiency in core responsibilities.
- ◆ Successfully implement the restructuring of Contracts and Purchasing to better meet OCSD's contracting volume demand with current staffing levels.

Performance Measures

Summary	2012-13 Actual	2013-14 Projected	2014-15 Proposed	2015-16 Proposed	Justification
◆ Cycle Count	97%	97%	97%	97%	APICS standard
◆ AEP Award	Obtained	Obtained	Obtain	Obtain	NPI, NAPM, NIGP, & CAPPO standards
◆ Materials Training	N/A	N/A	In Progress	In Progress	Best Practices
◆ Contracts, Purchasing Restructuring	N/A	N/A	In Progress	In Progress	Optimizing Resources

Contracts, Purchasing, & Materials Management

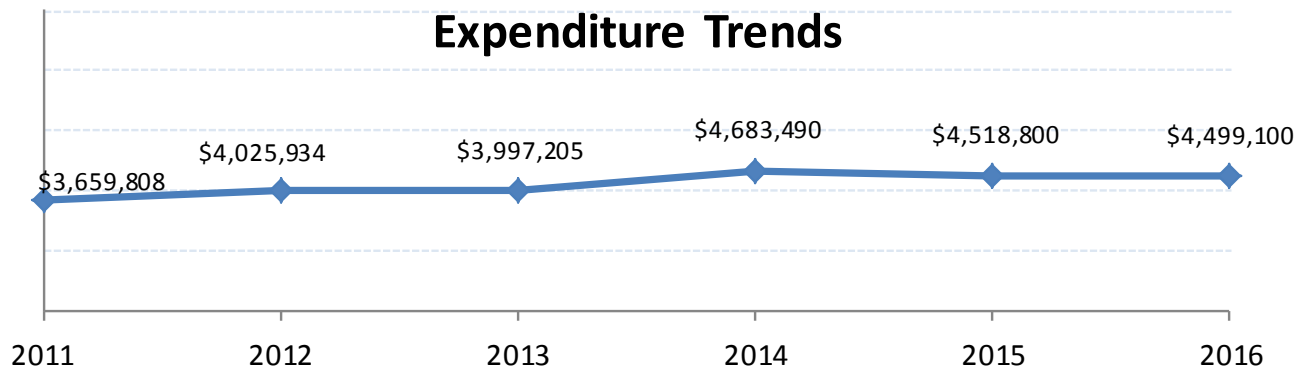
Budget Overview

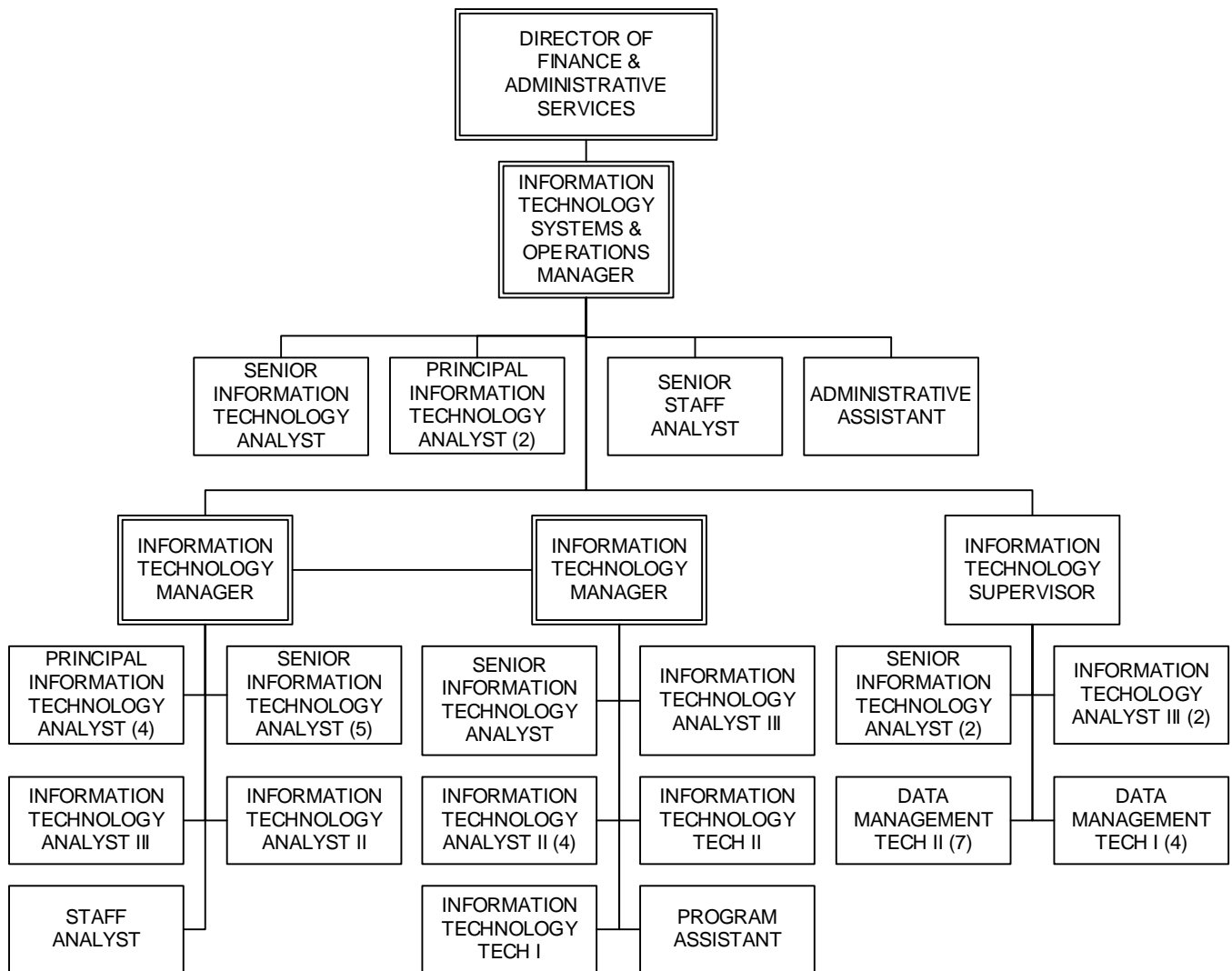
The FY 2014-15 & 2015-16 budgets for the Contracts, Purchasing, & Materials Management Division reflect a decrease of 4% and a decrease of 0.4% over the prior year, respectively. These changes are primarily due to a decrease in other professional services and legal services.

2013-14 Adjusted Budget - Total Operating Requirements	\$ 4,683,490
<i>Salaries for Position Changes:</i>	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
<i>Changes in Personnel Expenses:</i>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(74,400)
Change in OCERS retirement costs	176,200
Change in group insurance costs	(27,800)
Other benefit cost adjustments	17,900
<i>Other Cost Adjustments:</i>	
Increase in printing and publications	4,600
Decrease in training and meetings	(2,960)
Decrease in safety equipment/tools	(10,440)
Decrease in miscellaneous operating supplies expense	(6,000)
Increase in temporary services	50,000
Decrease in other contractual services	(20,000)
Decrease in legal services	(80,000)
Decrease in audit and accounting services	(55,000)
Decrease in other professional services	(120,000)
Decrease in freight	(12,400)
<i>Aggregate change in Other Categories:</i>	
Aggregate change in other materials, supplies, and services	(4,390)
2014-15 Proposed Budget - Total Operating Requirements	\$ 4,518,800
<i>Changes in Personnel Expenses:</i>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	26,600
Change in OCERS retirement costs	9,000
Change in group insurance costs	22,200
Other benefit cost adjustments	2,000
<i>Other Cost Adjustments:</i>	
Decrease in printing and publications	(4,000)
Decrease in temporary services	(50,000)
Decrease in legal services	(25,000)
<i>Aggregate change in Other Categories:</i>	
Aggregate change in other materials, supplies, and services	(500)
2015-16 Proposed Budget - Total Operating Requirements	\$ 4,499,100

2014-15 & 2015-16 Budget

Operating Expenses By Category	2012-13 Actual	2013-14 Revised Budget	2013-14 Projected	2014-15 Proposed	Budget % Change	2015-16 Proposed	Budget % Change
Personnel	\$ 3,824,288	\$ 4,170,700	\$ 4,020,700	\$ 4,262,600	2.20%	\$ 4,322,400	1.40%
Supplies	42,278	68,320	42,230	52,800	(22.72%)	48,300	(8.52%)
Professional & Contractual Services	69,485	375,000	100,000	150,000	(60.00%)	75,000	(50.00%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	777	1,540	1,400	1,400	(9.09%)	1,400	0.00%
Utilities	-	-	-	-	-	-	-
Other	60,377	67,930	52,000	52,000	(23.45%)	52,000	0.00%
Total	\$ 3,997,205	\$ 4,683,490	\$ 4,216,330	\$ 4,518,800	(3.52%)	\$ 4,499,100	(0.44%)



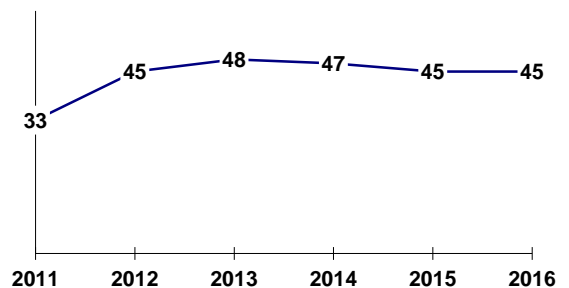


2014-15 & 2015-16 Authorized FTE Positions

Manager	2.0
Supervisors / Professionals	28.0
Technical Staff	2.0
Administrative/Clerical	13.0

Total 45.0

Staffing Trends



2014-15 & 2015-16 Budget

Service Description

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

2013-14 Performance Objectives

- ◆ Uphold and endorse OCSD's Strategic Plan levels of service; ensure the measurement of the Information Technology Strategic Plan target achievement based on the importance and completion of goals supporting the levels of service in the OCSD Strategic Plan.
- ◆ Complete 80% of the Information Technology Strategic Plan planned annual objectives.
- ◆ Replace obsolete computing equipment.
- ◆ Maintain an average uptime of 90% for critical applications.

2013-14 Performance Results

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

2014-15 & 2015-16 Performance Objectives

- ◆ Uphold and endorse OCSD's Strategic Plan levels of service; ensure the measurement of the Information Technology Strategic Plan target achievement based on the importance and completion of goals supporting the levels of service in the OCSD Strategic Plan.
- ◆ Complete 80% of the Information Technology Strategic Plan planned annual objectives.
- ◆ Replace obsolete computing equipment.
- ◆ Maintain an average uptime of 90% for critical systems availability.

Performance Measures

Summary	2012-13 Actual	2013-14 Projected	2014-15 Proposed	2015-16 Proposed	Justification
◆ Maintain Internal Service Level Agreement	Expected	Expected	Expected	Expected	In-house standard
◆ Information Technology Strategic Plan Objectives	80%	80%	80%	80%	IT Strategic Plan
◆ Replace Obsolete Computers	25% of total computers	25% of total computers	25% of total computers	25% of total computers	Rotate Every 4 Years
◆ Critical Systems Availability	99%	99%	90%	90%	Minimum Business Impact

Information Technology

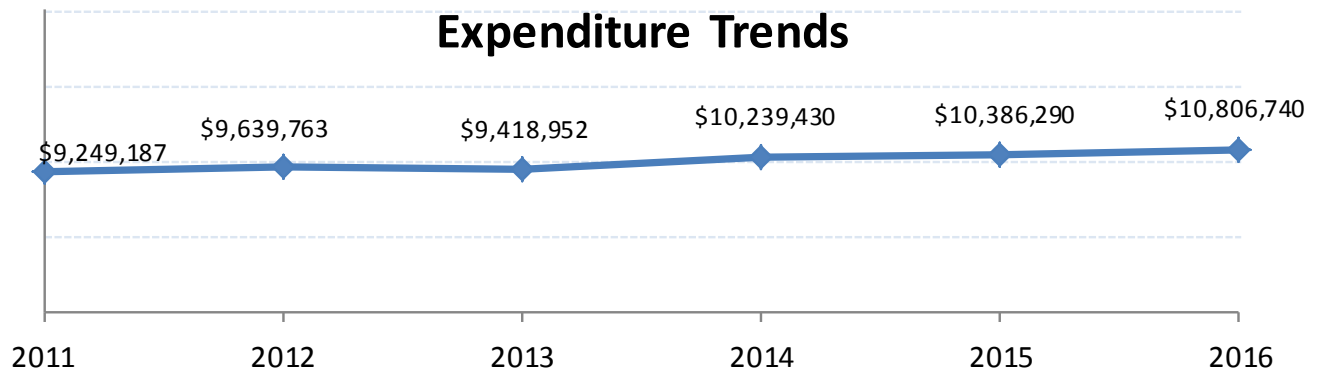
Budget Overview

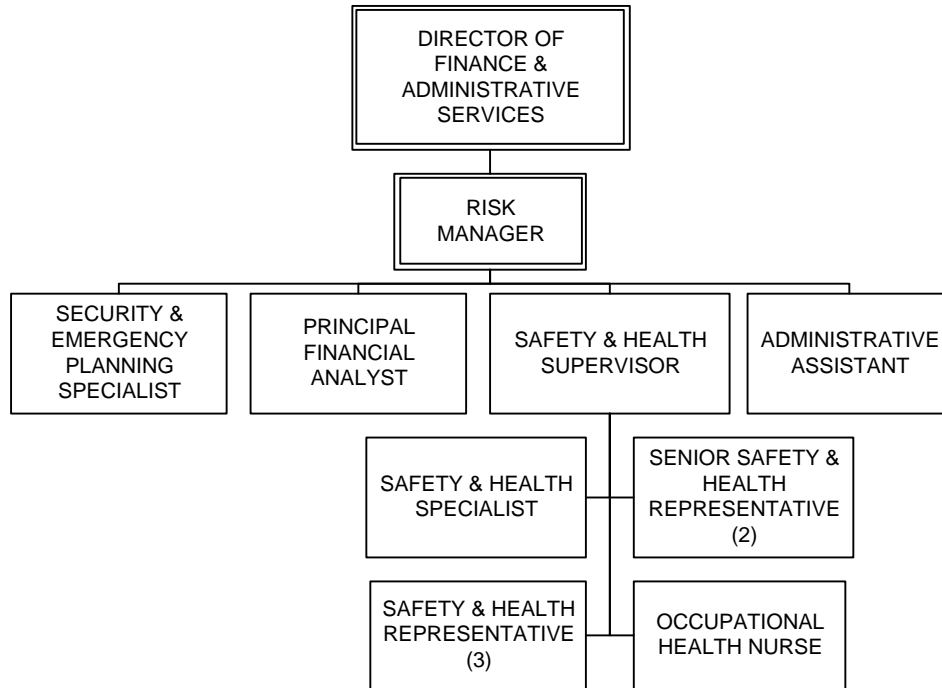
The FY 2014-15 & 2015-16 budgets for the Information Technology Division reflect an increase of 1% and an increase of 4% over the prior year, respectively. The increase is primarily due to small computer items and in-house reproduction services. The increase is partially offset by salary and benefits adjustments and decreases in temporary services and outside reproduction services.

2013-14 Adjusted Budget - Total Operating Requirements	\$ 10,239,430
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	(86,500)
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(166,800)
Change in OCERS retirement costs	264,300
Change in group insurance costs	(71,900)
Other benefit cost adjustments	11,800
Other Cost Adjustments:	
Increase in small computer items	112,000
Increase in in-house reproduction services	134,500
Decrease in outside reproduction services	(75,320)
Decrease in temporary services	(122,400)
Increase in software program consulting	30,000
Increase in service maintenance agreements	82,400
Increase in telephone	20,000
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	14,780
2014-15 Proposed Budget - Total Operating Requirements	\$ 10,386,290
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	52,200
Change in OCERS retirement costs	17,400
Change in group insurance costs	33,500
Other benefit cost adjustments	2,900
Other Cost Adjustments:	
Increase in small computer items	184,000
Increase in service maintenance agreements	48,000
Increase in telephone	65,000
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	17,450
2015-16 Proposed Budget - Total Operating Requirements	\$ 10,806,740

2014-15 & 2015-16 Budget

Operating Expenses By Category	2012-13 Actual	2013-14 Revised Budget	2013-14 Projected	2014-15 Proposed	Budget % Change	2015-16 Proposed	Budget % Change
Personnel	\$ 6,791,448	\$ 7,485,100	\$ 7,022,000	\$ 7,436,000	(0.66%)	\$ 7,542,000	1.43%
Supplies	711,693	798,500	718,620	987,590	23.68%	1,172,930	18.77%
Professional & Contractual Services	304,641	437,400	325,000	340,000	(22.27%)	352,000	3.53%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	1,385,267	1,216,400	1,214,600	1,300,710	6.93%	1,352,740	4.00%
Utilities	223,863	300,000	240,000	320,000	6.67%	385,000	20.31%
Other	2,040	2,030	1,990	1,990	(1.97%)	2,070	4.02%
Total	\$ 9,418,952	\$10,239,430	\$ 9,522,210	\$10,386,290	1.43%	\$10,806,740	4.05%

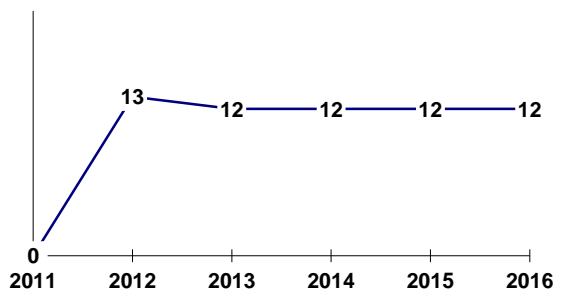




Staffing Trends

2014-15 & 2015-16 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	10.0
Administrative & Clerical	1.0
Total	12.0



2014-15 & 2015-16 Budget

Service Description

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

2013-14 Performance Objectives

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

2013-14 Performance Results

- ◆ Completed.
- ◆ Completed.
- ◆ Completed.
- ◆ Completed.
- ◆ Deferred for 2014-15.
- ◆ On-going.

2014-15 & 2015-16 Performance Objectives

- ◆ Complete 100% of all Safety Compliance training.
- ◆ Develop Job Safety Analysis (JSA).
- ◆ Update the contractor safety standards.
- ◆ Schedule a third party safety audit for OCSD.
- ◆ Develop a new liability claim procedure that streamline claim intake and expedite claim investigation by the end of Fiscal Year 2014-15.
- ◆ Work on implementing security audit findings.
- ◆ Align the Risk Register with the General Manager's Work Plan.

Performance Measures

Summary	2012-13 Actual	2013-14 Projected	2014-15 Proposed	2015-16 Proposed	Justification
◆ Safety Compliance Training	96%	95%	100%	100%	OCSD Strategic Plan
◆ Develop JSA's	Planned	Started	Ongoing	Completed	OSHA Requirement
◆ Contractor Safety Analysis	Started	Ongoing	Ongoing	Ongoing	Uniform Bid Evaluation
◆ Third Party Safety Audit	100%	100%	Complete	Complete	VPP Requirement
◆ Revise Claim Procedure	N/A	N/A	Implement	Complete	Continuous Improvement
◆ Security Recommendations	N/A	N/A	Implement	Complete	Continuous Improvement
◆ Align Risk Register	N/A	N/A	Planned	Complete	GM Work Plan

Risk Management

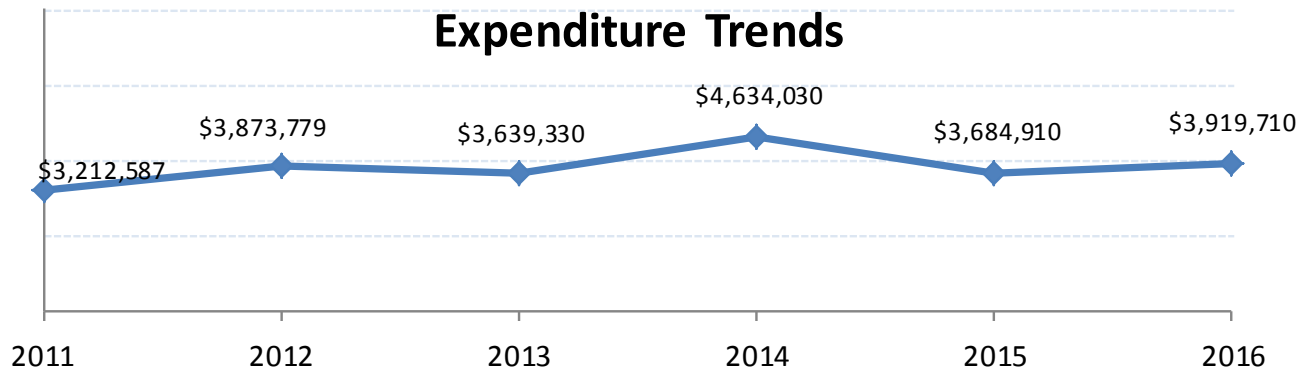
Budget Overview

The FY 2014-15 & 2015-16 budgets for the Risk Management Division reflect a decrease of 20% and an increase of 6% from the prior year, respectively. These changes are primarily due to adjustments to the property and general liability insurance in-lieu premiums.

2013-14 Adjusted Budget - Total Operating Requirements	\$ 4,634,030
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	(15,500)
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(55,600)
Change in OCERS retirement costs	40,900
Change in group insurance costs	(18,300)
Other benefit cost adjustments	27,800
Other Cost Adjustments:	
Increase in training	58,200
Decrease in safety equipment and tools	(165,000)
Increase in security services	199,600
Decrease in industrial hygiene services	(70,000)
Decrease in other professional services	(50,400)
Decrease in property/general liability insurance in-lieu premium	(900,000)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(820)
2014-15 Proposed Budget - Total Operating Requirements	\$ 3,684,910
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	21,500
Change in OCERS retirement costs	7,000
Change in group insurance costs	8,800
Other benefit cost adjustments	800
Other Cost Adjustments:	
Increase in property/general liability insurance in-lieu premium	189,700
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	7,000
2015-16 Proposed Budget - Total Operating Requirements	\$ 3,919,710

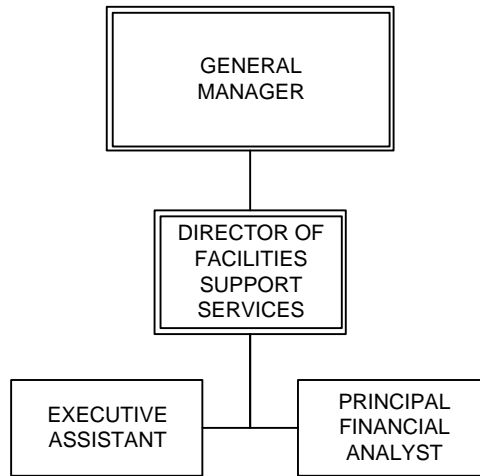
2014-15 & 2015-16 Budget

Operating Expenses By Category	2012-13 Actual	2013-14 Revised Budget	2013-14 Projected	2014-15 Proposed	Budget % Change	2015-16 Proposed	Budget % Change
Personnel	\$ 1,555,049	\$ 1,822,400	\$ 1,453,300	\$ 1,801,700	(1.14%)	\$ 1,839,800	2.11%
Supplies	499,232	550,080	559,769	455,660	(17.16%)	455,660	0.00%
Professional & Contractual Services	620,131	812,300	657,595	879,500	8.27%	886,500	0.80%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	3,205	3,250	3,520	3,550	9.23%	3,550	0.00%
Utilities	-	-	-	-	-	-	-
Other	961,713	1,446,000	959,500	544,500	(62.34%)	734,200	34.84%
Total	\$ 3,639,330	\$ 4,634,030	\$ 3,633,684	\$ 3,684,910	(20.48%)	\$ 3,919,710	6.37%



Facilities Support Services Administration

310

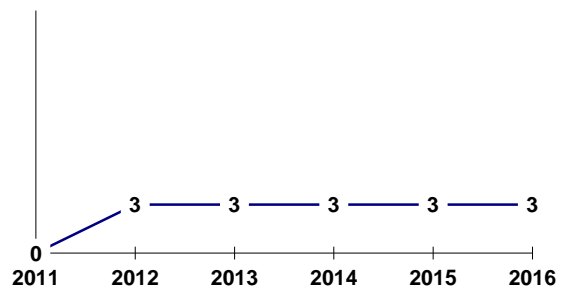


Staffing Trends

2014-15 & 2015-16 Authorized FTE Positions

Executive Manager	1.00
Supervisors / Professionals	1.00
Administrative / Clerical	1.00

Total 3.00



2014-15 & 2015-16 Budget

Service Description

The mission of the Facilities Support Services Administration Division is to provide leadership, support, oversight, and development of the Facilities Support Services Department and staff. Through staff and outsourced service providers, the division focuses on providing safe, reliable, and effective service in the areas of fleet management, equipment rebuild/welding/ fabrication and machine shop services, facilities engineering and contracted services management, source inspection, odor and corrosion control, and the operation and maintenance of the sanitary sewer system pipelines and pumping facilities. The division also proactively networks externally with OCSD member cities and sewerage agencies.

2013-14 Performance Objectives

- ◆ Achieve 100% compliance with water, air, safety, and mobile equipment permits.
- ◆ Achieve 80 to 100% compliance with levels of service targets consistent with resource availability.
- ◆ Manage overall expenditures to within 98 to 100% of the department's overall budget.
- ◆ Achieve 100% compliance with the safety scorecard.

2013-14 Performance Results

- ◆ In compliance.
- ◆ In compliance.
- ◆ In compliance.
- ◆ In compliance.

2014-15 & 2015-16 Performance Objectives

- ◆ Achieve 100% compliance with water, air, safety, and mobile equipment permits.
- ◆ Achieve 100% of the levels of service targets consistent with resource availability.
- ◆ Manage operating expenditures to within 96 to 100% of the approved budget.
- ◆ Achieve 100% compliance with the safety scorecard.
- ◆ Complete the transfer of local sewers in the City of Tustin and unincorporated areas of Service Area 7.

Performance Measures

Summary	2012-13 Actual	2013-14 Projected	2014-15 Proposed	2015-16 Proposed	Justification
◆ Permit Compliance	100%	100%	100%	100%	In-house standard
◆ Levels of Service Compliance	95%	95%	100%	100%	In-house standard
◆ Manage Budget	100.4%	96-100%	96-100%	96-100%	In-house standard
◆ Safety Scorecard Compliance	100%	100%	100%	100%	In-house standard
◆ Local Sewers Transfer	In Progress	In Progress	In Progress	Complete	OCSD Strategic Plan

Facilities Support Services Administration

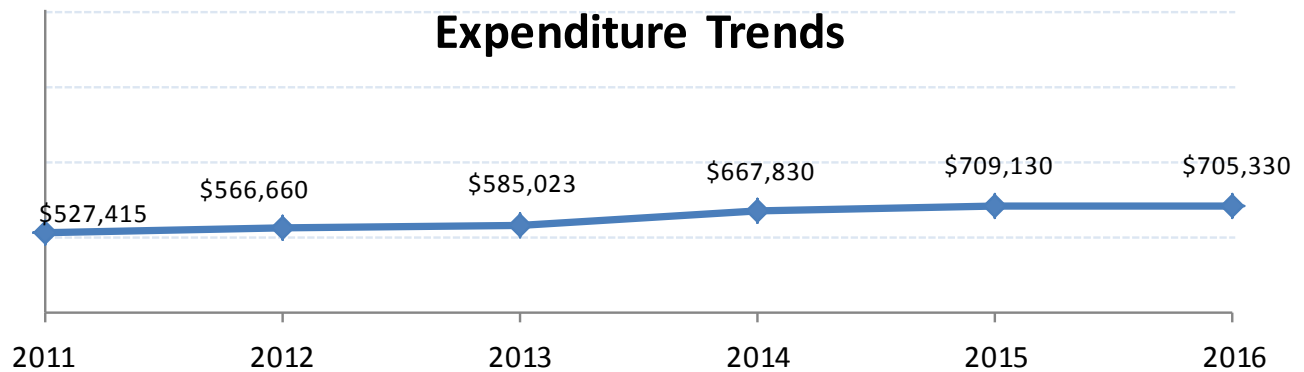
Budget Overview

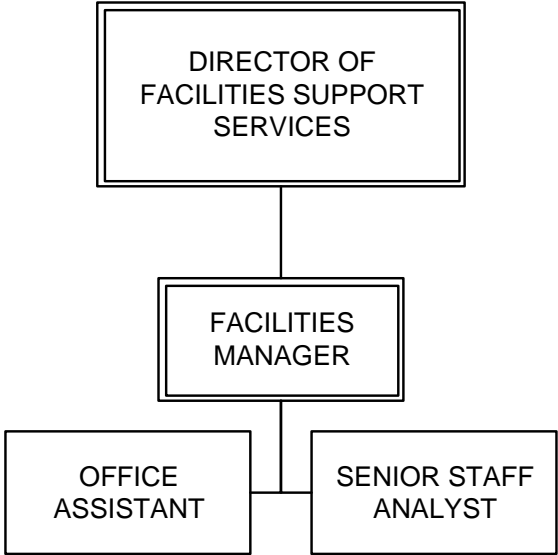
The FY 2014-15 & 2015-16 budgets for the Facilities Support Services Administration Division reflect an increase of 6% and a decrease of 1% over the prior year, respectively. These changes are primarily due to an increase in salary and benefits adjustments.

2013-14 Adjusted Budget - Total Operating Requirements	\$ 667,830
<i>Salaries for Position Changes:</i>	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
<i>Changes in Personnel Expenses:</i>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	23,000
Change in OCERS retirement costs	27,700
Change in group insurance costs	(1,500)
Other benefit cost adjustments	1,700
<i>Other Cost Adjustments:</i>	
Decrease in legal services	(9,800)
<i>Aggregate change in Other Categories:</i>	
Aggregate change in other materials, supplies, and services	200
2014-15 Proposed Budget - Total Operating Requirements	\$ 709,130
<i>Changes in Personnel Expenses:</i>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	-
Change in OCERS retirement costs	(100)
Change in group insurance costs	2,100
Other benefit cost adjustments	200
<i>Other Cost Adjustments:</i>	
Decrease in legal services	(6,000)
<i>Aggregate change in Other Categories:</i>	
Aggregate change in other materials, supplies, and services	-
2015-16 Proposed Budget - Total Operating Requirements	\$ 705,330

2014-15 & 2015-16 Budget

Operating Expenses By Category	2012-13 Actual	2013-14 Revised Budget	2013-14 Projected	2014-15 Proposed	Budget % Change	2015-16 Proposed	Budget % Change
Personnel	\$ 581,887	\$ 624,700	\$ 598,300	\$ 675,600	8.15%	\$ 677,800	0.33%
Supplies	3,095	9,170	8,036	12,030	31.19%	12,030	0.00%
Professional & Contractual Services	-	25,800	25,800	16,000	(37.98%)	10,000	(37.50%)
Research & Monitoring	-	7,000	5,000	5,000	(28.57%)	5,000	0.00%
Repairs & Maintenance	357	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	(316)	1,160	1,935	500	(56.90%)	500	0.00%
Total	\$ 585,023	\$ 667,830	\$ 639,071	\$ 709,130	6.18%	\$ 705,330	(0.54%)



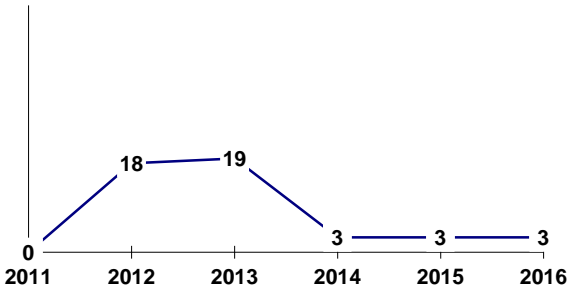


2014-15 & 2015-16 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	1.0
Administrative / Clerical	1.0

Total 3.0

Staffing Trends



2014-15 & 2015-16 Budget

Service Description

The mission of the Facilities Support Division is to provide leadership, support, and management oversight for the Equipment Rebuild and Fleet Services Divisions that provide cost-effective, quality focused asset management of the fleet vehicles, mobile equipment, mobile crane support, tour bus, motor pool management, mechanical, rebuild, welding, machining and fabrication services.

2013-14 Performance Objectives

- ◆ Manage division expenditures to within 98 to 100% of the approved operating budget.
- ◆ Achieve 100% compliance with the safety scorecard.

2013-14 Performance Results

- ◆ In compliance.
 - ◆ In compliance.
-

2014-15 & 2015-16 Performance Objectives

- ◆ Manage operating expenditures to within 96 to 100% of approved budget.
 - ◆ Achieve 100% compliance with the safety scorecard.
-

Performance Measures

Summary	2012-13 Actual	2013-14 Projected	2014-15 Proposed	2015-16 Proposed	Justification
◆ Manage Budget	97%	96-100%	96-100%	96-100%	In-house standard
◆ Safety Scorecard Compliance	100%	100%	100%	100%	In-house standard

Facilities Support

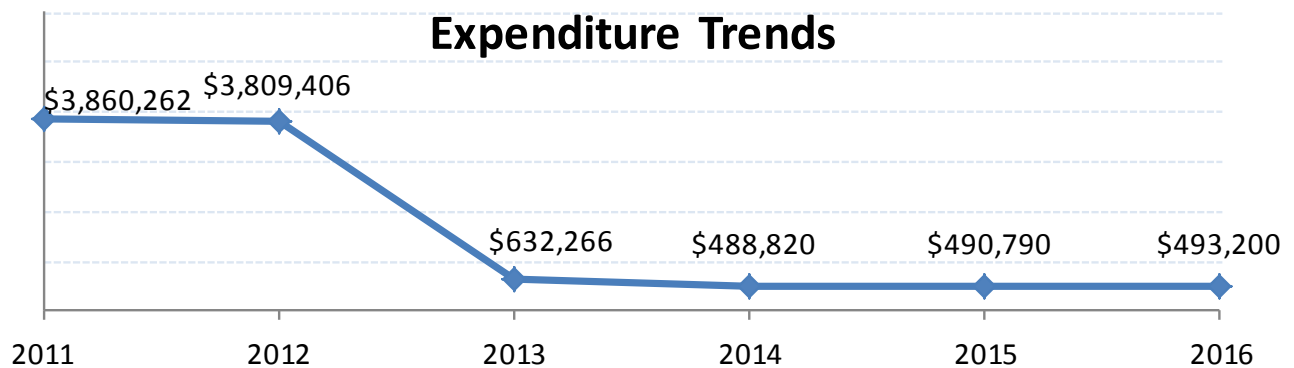
Budget Overview

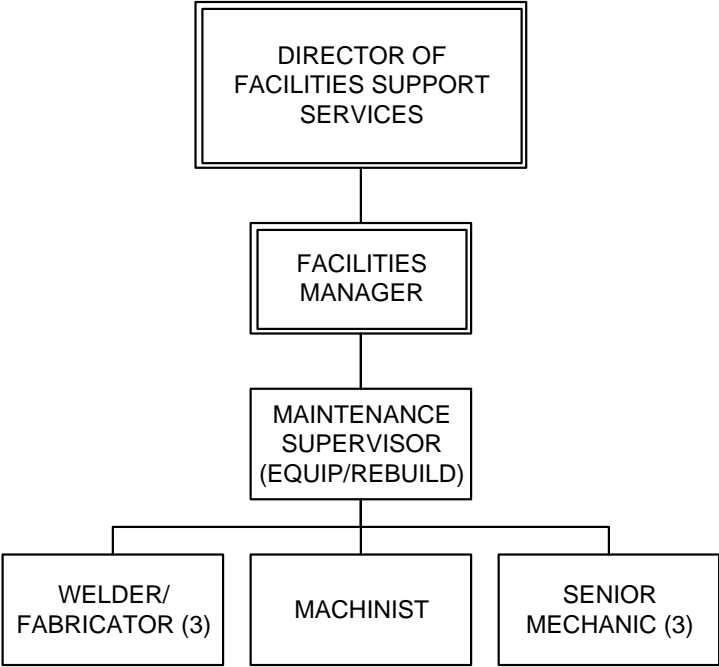
The FY 2014-15 & 2015-16 budgets for the Facilities Support Division reflect an increase of 0.4% and an increase of 0.5% over the prior year, respectively. These changes are primarily due to an increase in salary and benefits adjustments.

2013-14 Adjusted Budget - Total Operating Requirements	\$ 488,820
<i>Salaries for Position Changes:</i>	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
<i>Changes in Personnel Expenses:</i>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(6,000)
Change in OCERS retirement costs	20,600
Change in group insurance costs	(4,300)
Other benefit cost adjustments	(8,200)
<i>Other Cost Adjustments:</i>	
Decrease in meetings	(5,210)
Increase in training	5,930
Decrease in miscellaneous operating supplies	(1,060)
<i>Aggregate change in Other Categories:</i>	
Aggregate change in other materials, supplies, and services	210
2014-15 Proposed Budget - Total Operating Requirements	\$ 490,790
<i>Changes in Personnel Expenses:</i>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	-
Change in OCERS retirement costs	-
Change in group insurance costs	2,100
Other benefit cost adjustments	200
<i>Other Cost Adjustments:</i>	
No other significant cost changes	
<i>Aggregate change in Other Categories:</i>	
Aggregate change in other materials, supplies, and services	110
2015-16 Proposed Budget - Total Operating Requirements	\$ 493,200

2014-15 & 2015-16 Budget

Operating Expenses By Category	2012-13 Actual	2013-14 Revised Budget	2013-14 Projected	2014-15 Proposed	Budget % Change	2015-16 Proposed	Budget % Change
Personnel	\$ 471,717	\$ 476,900	\$ 480,400	\$ 479,000	0.44%	\$ 481,300	0.48%
Supplies	157,636	11,400	10,420	11,250	(1.32%)	11,340	0.80%
Professional & Contractual Services	-	-	-	-	-	-	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	1,940	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	973	520	500	540	3.85%	560	3.70%
Total	\$ 632,266	\$ 488,820	\$ 491,320	\$ 490,790	0.40%	\$ 493,200	0.49%



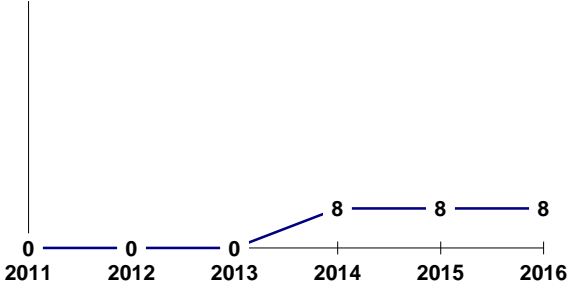


Staffing Trends

2014-15 & 2015-16 Authorized FTE Positions

Supervisors / Professionals	1.0
Operations & Maintenance	7.0

Total 8.0



2014-15 & 2015-16 Budget

Service Description

The mission of the Equipment Rebuild Division is to rebuild or replace mechanical equipment, weld, fabricate, machine, and repair systems in support of the daily needs of our customers in a timely and cost effective manner.

2013-14 Performance Objectives

- ◆ Manage expenditures to within 98 to 100% of the approved budget.
- ◆ Achieve 100% compliance with reporting shop inventory and use of products containing volatile organic compounds (VOCs), and plasma arc cutter daily/monthly usage logs.
- ◆ Achieve 100% compliance with the safety scorecard.

2013-14 Performance Results

- ◆ In compliance.
- ◆ In compliance.
- ◆ In compliance.

2014-15 & 2015-16 Performance Objectives

- ◆ Manage operating expenditures to within 96 to 100% of the approved budget.
- ◆ Maintain 100% compliance with reporting shop inventory and use of products containing VOCs, and plasma arc cutter daily/monthly usage logs.
- ◆ Equipment Rebuild in-house survey published with results achieving 80% at or above satisfaction ratings.
- ◆ Achieve 100% compliance with the safety scorecard.

Performance Measures

Summary	2012-13 Actual	2013-14 Projected	2014-15 Proposed	2015-16 Proposed	Justification
◆ Manage Budget	109%	96-100%	96-100%	96-100%	In-house standard
◆ VOC and Plasma Arc Usage Reporting Compliance	N/A	100%	100%	100%	In-house standard
◆ In-house Survey – Satisfaction Rating	82.1%	77.5%	≥ 80%	≥ 80%	In-house standard
◆ Safety Scorecard Compliance	100%	100%	100%	100%	In-house standard

Equipment Rebuild

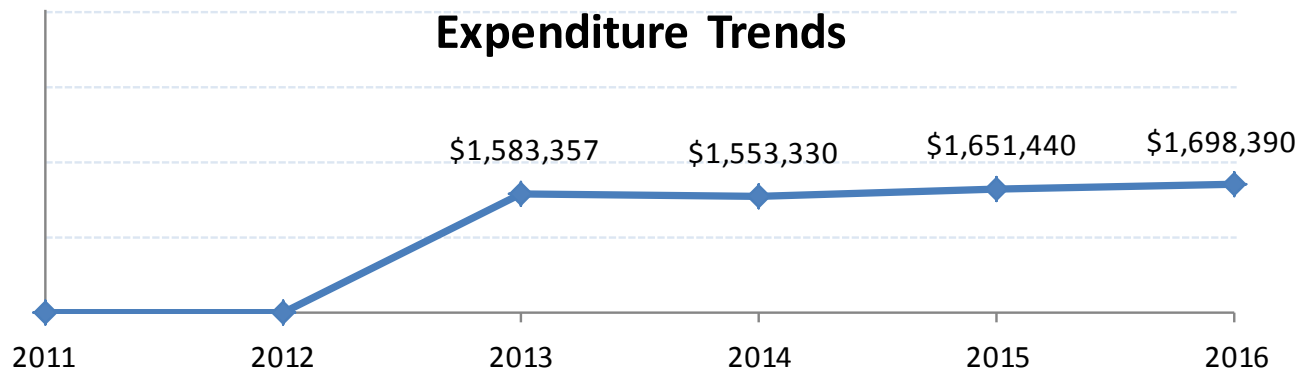
Budget Overview

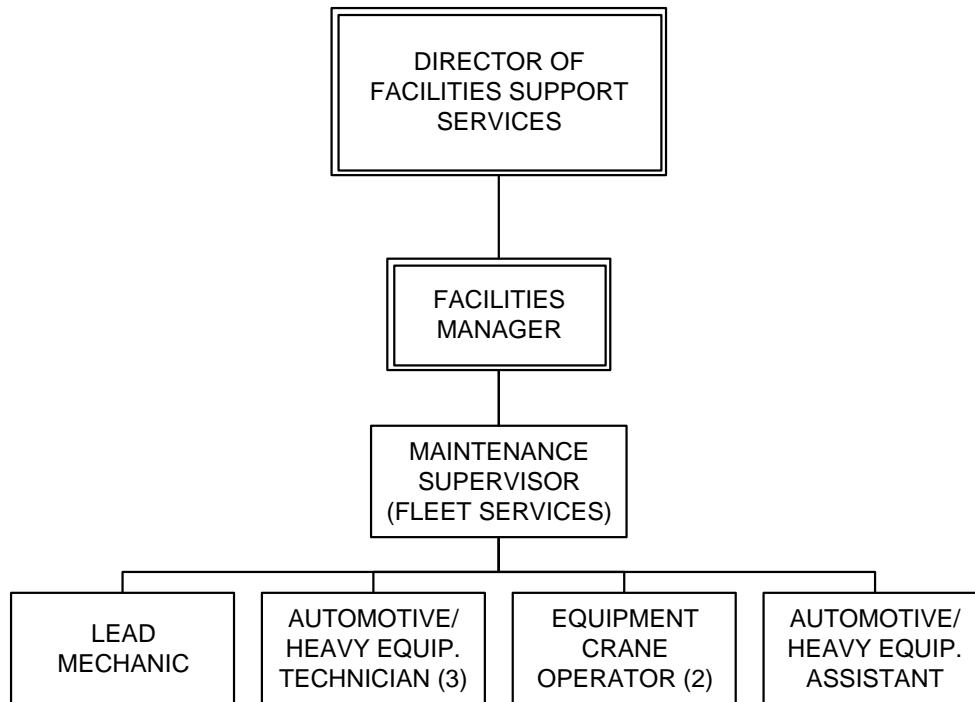
The FY 2014-15 & 2015-16 budgets for the Equipment Rebuild Division reflect an increase of 6% and 3% over the prior year, respectively. These increases are primarily due to increases in repairs and maintenance costs.

2013-14 Adjusted Budget - Total Operating Requirements	\$ 1,553,330
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(32,500)
Change in OCERS retirement costs	25,000
Change in group insurance costs	(11,800)
Other benefit cost adjustments	6,900
Other Cost Adjustments:	
Increase in minor furniture & fixtures	8,000
Decrease in tools	(12,110)
Increase in repairs and maintenance	115,760
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(1,140)
2014-15 Proposed Budget - Total Operating Requirements	\$ 1,651,440
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	13,400
Change in OCERS retirement costs	4,000
Change in group insurance costs	5,800
Other benefit cost adjustments	500
Other Cost Adjustments:	
Decrease in minor furniture & fixtures	(9,560)
Increase in repairs and maintenance	31,550
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	1,260
2015-16 Proposed Budget - Total Operating Requirements	\$ 1,698,390

2014-15 & 2015-16 Budget

Operating Expenses By Category	2012-13 Actual	2013-14 Revised Budget	2013-14 Projected	2014-15 Proposed	Budget % Change	2015-16 Proposed	Budget % Change
Personnel	\$ 1,061,881	\$ 1,096,900	\$ 1,012,200	\$ 1,084,500	(1.13%)	\$ 1,108,200	2.19%
Supplies	46,779	42,430	25,147	38,080	(10.25%)	29,680	(22.06%)
Professional & Contractual Services	-	620	620	660	6.45%	700	6.06%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	473,416	410,000	496,000	525,760	28.23%	557,310	6.00%
Utilities	-	-	-	-	-	-	-
Other	1,281	3,380	2,300	2,440	(27.81%)	2,500	2.46%
Total	\$ 1,583,357	\$ 1,553,330	\$ 1,536,267	\$ 1,651,440	6.32%	\$ 1,698,390	2.84%



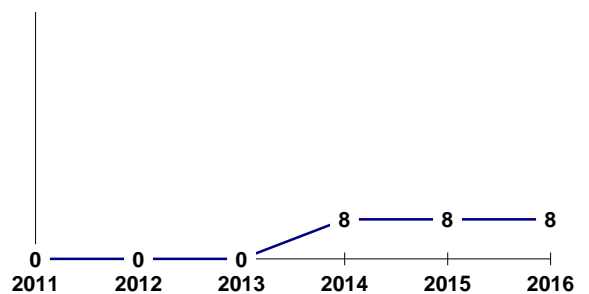


Staffing Trends

2014-15 & 2015-16 Authorized FTE Positions

Supervisors / Professionals 1.0
 Operations & Maintenance 7.0

Total 8.0



2014-15 & 2015-16 Budget

Service Description

The mission of the Fleet Services Division is to provide our customers with high quality, dependable, cost effective and efficient services.

2013-14 Performance Objectives

- ◆ Manage expenditures to within 98 to 100% of the approved budget.
- ◆ Achieve 100% compliance with state emissions regulations on all mobile vehicle and equipment.
- ◆ Achieve 100% compliance with the safety scorecard.

2013-14 Performance Results

- ◆ Estimated to be at 98-100%.
- ◆ In compliance.
- ◆ In compliance.

2014-15 & 2015-16 Performance Objectives

- ◆ Manage operating expenditures to within 96 to 100% of the approved budget.
- ◆ Achieve 100% compliance with state emissions regulations on all mobile vehicle and equipment.
- ◆ Fleet Services in-house survey published with results achieving 80% at or above satisfaction ratings.
- ◆ Achieve 100% compliance with the safety scorecard.

Performance Measures

Summary	2012-13 Actual	2013-14 Projected	2014-15 Proposed	2015-16 Proposed	Justification
◆ Manage Budget	108%	96-100%	96-100%	96-100%	In-house standard
◆ Vehicle & Equipment Compliance	100%	100%	100%	100%	In-house standard
◆ In-house Survey	90%	95%	≥ 80%	≥ 80%	In-house standard
◆ Safety Scorecard Compliance	96.6%	100%	100%	100%	In-house standard

Fleet Services

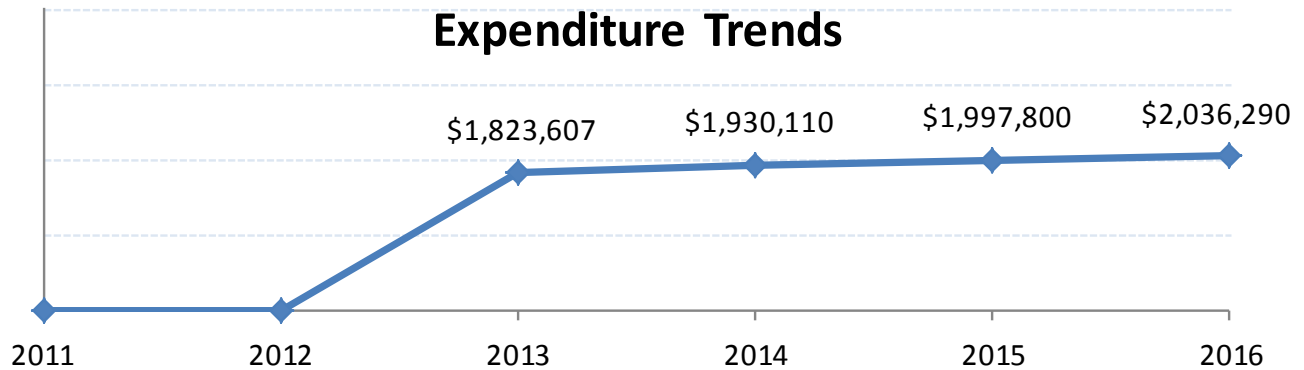
Budget Overview

The FY 2014-15 & 2015-16 budgets for the Fleet Services Division reflect an increase of 4% and 2% over the prior year, respectively. These changes are primarily due to an increase in salary and benefits adjustments.

2013-14 Adjusted Budget - Total Operating Requirements	\$ 1,930,110
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(4,000)
Change in OCERS retirement costs	52,400
Change in group insurance costs	(11,400)
Other benefit cost adjustments	2,900
Other Cost Adjustments:	
Decrease in meetings	(3,180)
Increase in vehicle fuel & lubricants	6,000
Increase in oil & grease	900
Increase in compressed natural gas	6,340
Increase in tools	17,920
Decrease in solvents, paint & janitorial supplies	(2,880)
Increase in repairs and maintenance	1,580
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	1,110
2014-15 Proposed Budget - Total Operating Requirements	\$ 1,997,800
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	3,000
Change in OCERS retirement costs	1,100
Change in group insurance costs	5,600
Other benefit cost adjustments	500
Other Cost Adjustments:	
Increase in vehicle fuel and lubricants	19,080
Increase in oil and grease	960
Increase in compressed natural gas	6,720
Decrease in tools	(21,920)
Increase in repairs and maintenance	20,920
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	2,530
2015-16 Proposed Budget - Total Operating Requirements	\$ 2,036,290

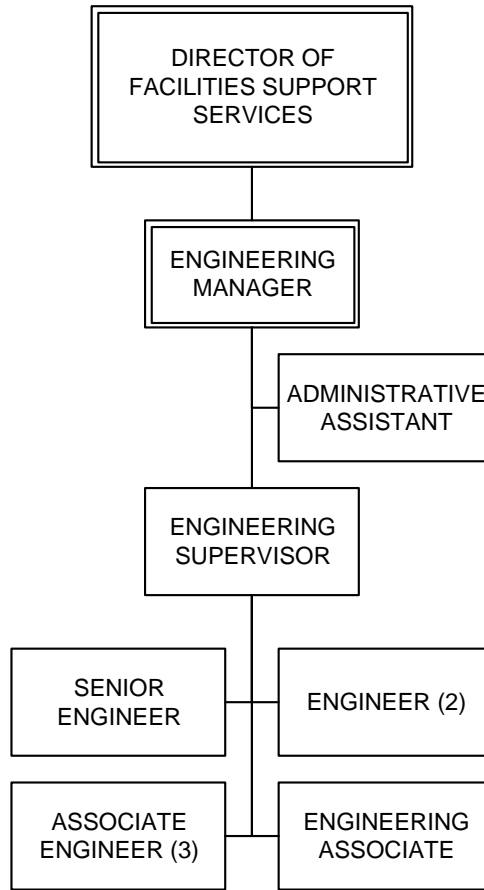
2014-15 & 2015-16 Budget

Operating Expenses By Category	2012-13 Actual	2013-14 Revised Budget	2013-14 Projected	2014-15 Proposed	Budget % Change	2015-16 Proposed	Budget % Change
Personnel	\$ 1,065,049	\$ 1,070,800	\$ 1,112,200	\$ 1,110,700	3.73%	\$ 1,120,900	0.92%
Supplies	341,809	493,410	467,220	518,550	5.10%	524,850	1.21%
Professional & Contractual Services	-	620	620	660	6.45%	700	6.06%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	387,816	359,200	349,200	361,510	0.64%	383,210	6.00%
Utilities	-	-	-	-	-	-	-
Other	28,933	6,080	8,300	6,380	4.93%	6,630	3.92%
Total	\$ 1,823,607	\$ 1,930,110	\$ 1,937,540	\$ 1,997,800	3.51%	\$ 2,036,290	1.93%



Facilities Engineering & Repair Services

330

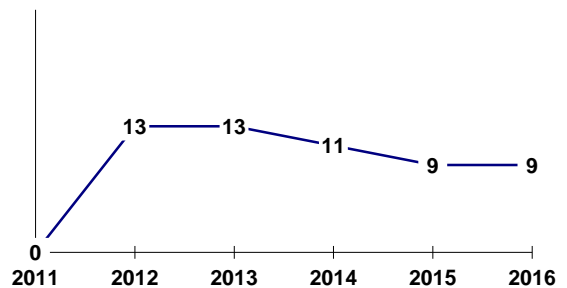


2014-15 & 2015-16 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	6.0
Engineering Insp. / Asst.	1.0
Administrative / Clerical	1.0

Total 9.0

Staffing Trends



2014-15 & 2015-16 Budget

Service Description

The mission of the Facilities Engineering and Repair Services Division is to provide high quality engineering, technical, and contract management support for various customer needs. The division provides timely delivery of facility repair projects and other assigned projects and service agreement contracts through staff and outsourced consultants and service providers.

2013-14 Performance Objectives

- ◆ Manage expenditures to within 98 to 100% of approved budget.
- ◆ Develop eight new division Standard Operating Procedures (SOPs).
- ◆ Complete a minimum of 35 facility repair projects.
- ◆ Achieve 100% compliance with the safety scorecard.

2013-14 Performance Results

- ◆ Projected at 85%.
- ◆ 8 SOPs.
- ◆ Project 39 facility repair projects complete.
- ◆ In compliance.

2014-15 & 2015-16 Performance Objectives

- ◆ Manage operating expenditures to within 96 to 100% of approved budget.
- ◆ Develop six new division SOPs each year.
- ◆ Complete 36 facility repair projects over the 2-year budget cycle.
- ◆ Achieve 100% compliance with the safety scorecard.

Performance Measures

Summary	2012-13 Actual	2013-14 Projected	2014-15 Proposed	2015-16 Proposed	Justification
◆ Manage Budget	93%	85%	96-100%	96-100%	In house standard
◆ Develop SOPs	1	7	6	6	In house standard
◆ Complete Facility Repair Projects	14	25	18	18	In house standard
◆ Safety Scorecard Compliance	100%	100%	100%	100%	In house standard

Facilities Engineering & Repair Services

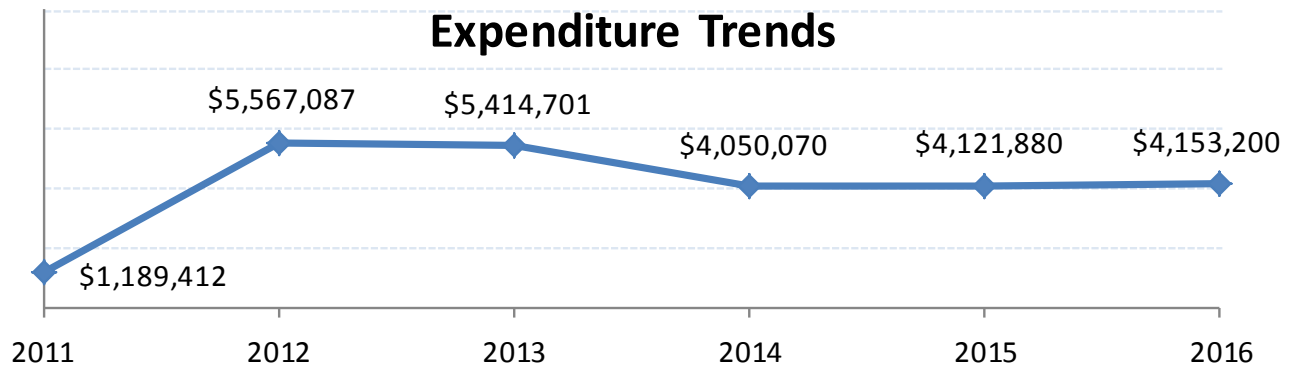
Budget Overview

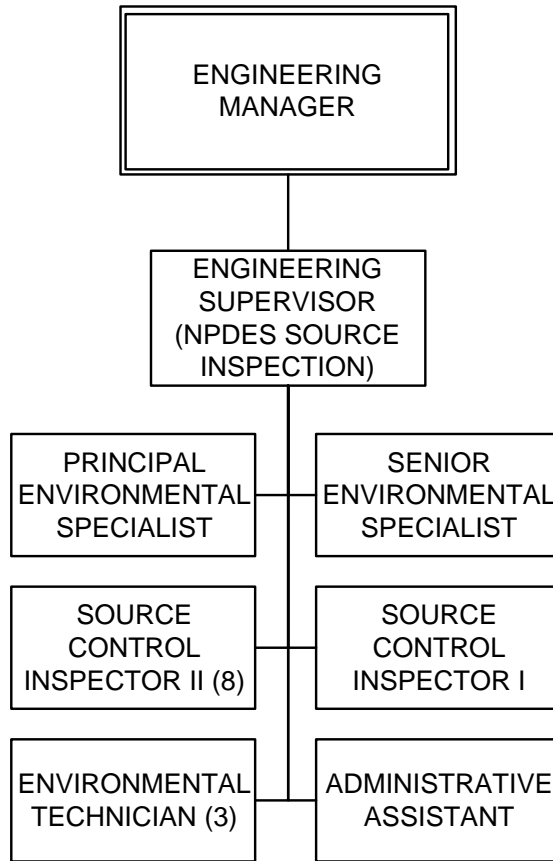
The FY 2014-15 & 2015-16 budgets for the Facilities Engineering and Repair Services Division reflect increases of 2% and 1% over the prior year, respectively. The increase is primarily due to increases in repairs and maintenance, and engineering and other contractual services for FY 2014-15. These increases are partially offset by decreases due to the transfer of 2 FTE positions and reductions in service maintenance agreement costs.

2013-14 Adjusted Budget - Total Operating Requirements	\$ 4,050,070
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	(208,500)
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(49,700)
Change in OCERS retirement costs	(19,300)
Change in group insurance costs	(32,500)
Other benefit cost adjustments	13,900
Other Cost Adjustments:	
Decrease in in-house reproduction services	(3,160)
Decrease in meetings	(2,250)
Decrease in training	(5,650)
Decrease in temporary services	(41,255)
Increase in other contractual services	182,000
Increase in engineering services	161,000
Increase in repairs and maintenance	179,995
Decrease in service maintenance agreements	(100,000)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(2,770)
2014-15 Proposed Budget - Total Operating Requirements	\$ 4,121,880
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	13,800
Change in OCERS retirement costs	4,600
Change in group insurance costs	7,900
Other benefit cost adjustments	700
Other Cost Adjustments:	
Increase in minor furniture & fixtures	5,500
Decrease in training	(1,200)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	20
2015-16 Proposed Budget - Total Operating Requirements	\$ 4,153,200

2014-15 & 2015-16 Budget

Operating Expenses By Category	2012-13 Actual	2013-14 Revised Budget	2013-14 Projected	2014-15 Proposed	Budget % Change	2015-16 Proposed	Budget % Change
Personnel	\$ 1,919,598	\$ 1,923,000	\$ 1,361,500	\$ 1,626,900	(15.40%)	\$ 1,653,900	1.66%
Supplies	12,607	43,500	8,194	29,500	(32.18%)	33,800	14.58%
Professional & Contractual Services	2,022,732	1,593,255	1,659,326	1,895,000	18.94%	1,895,000	0.00%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	1,459,464	490,005	426,250	570,000	16.33%	570,000	0.00%
Utilities	-	-	-	-	-	-	-
Other	300	310	480	480	54.84%	500	4.17%
Total	\$ 5,414,701	\$ 4,050,070	\$ 3,455,750	\$ 4,121,880	1.77%	\$ 4,153,200	0.76%



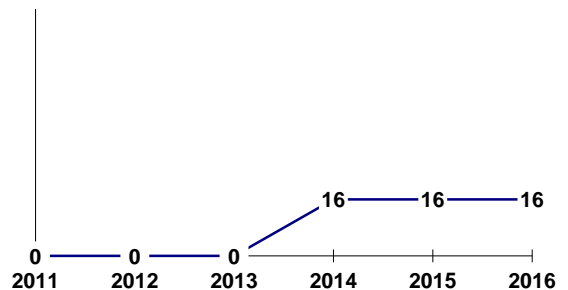


Staffing Trends

2014-15 & 2015-16 Authorized FTE Positions

Supervisors / Professionals	3.0
Technical Staff	12.0
Administrative / Clerical	1.0

Total 16.0



2014-15 & 2015-16 Budget

Service Description

The mission of the NPDES Source Inspection Division is to administer and enforce the District's Wastewater Discharge Regulations Ordinance in compliance with the Federal Clean Water Act and General Pretreatment Regulations. The division is responsible for the inspection and sampling of all industries that discharge or have the potential to discharge liquid waste into District facilities, as well as other assigned projects.

2013-14 Performance Objectives

- ◆ Achieve levels of service for 95 to 100% of pretreatment monitoring tasks.
- ◆ Achieve levels of service for response to collections system odor complaints within one working day.
- ◆ Manage expenditures to within 98 to 100% of the approved budget.
- ◆ Achieve 100% compliance with the safety scorecard.

2013-14 Performance Results

- ◆ Projected to complete 97%.
 - ◆ In compliance.
 - ◆ Projected at 128% of approved budget.
 - ◆ In compliance.
-

2014-15 & 2015-16 Performance Objectives

- ◆ Achieve levels of service for 95 to 100% of pretreatment monitoring tasks.
 - ◆ Achieve levels of service for response to collections system odor complaints within one working day.
 - ◆ Manage operating expenditures to within 96 to 100% of the approved budget.
 - ◆ Achieve 100% compliance with the safety scorecard.
-

Performance Measures

Summary	2012-13 Actual	2013-14 Projected	2014-15 Proposed	2015-16 Proposed	Justification
◆ Industrial Pretreatment Monitoring Compliance	99.2%	97.%	95-100%	95-100%	Level of Service
◆ Odor Response Compliance	100%	100%	100%	100%	Level of Service
◆ Manage Budget	106%	128%	96-100%	96-100%	In house standard
◆ Safety Scorecard Compliance	100%	100%	100%	100%	In house standard

NPDES Source Inspection

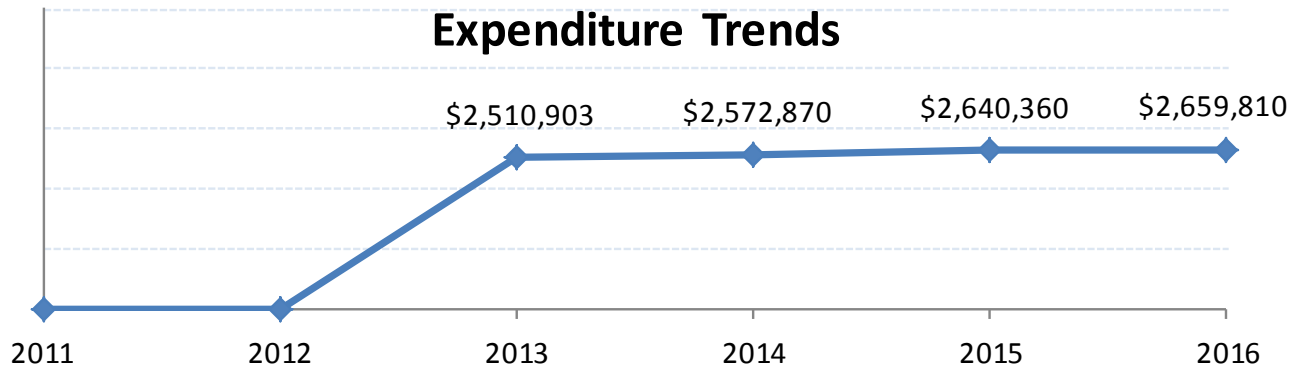
Budget Overview

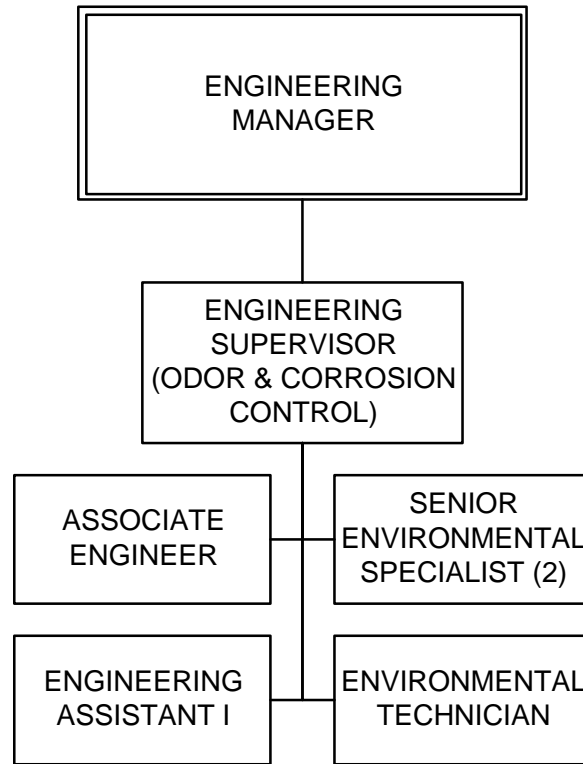
The FY 2014-15 & 2015-16 budgets for the NPDES Source Inspection Division reflect an increase of 2% and 1% over the prior year, respectively. The increase is primarily due to an increase in salary and benefits adjustments.

2013-14 Adjusted Budget - Total Operating Requirements	\$ 2,572,870
<i>Salaries for Position Changes:</i>	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
<i>Changes in Personnel Expenses:</i>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	19,100
Change in OCERS retirement costs	95,300
Change in group insurance costs	(22,700)
Other benefit cost adjustments	(40,800)
<i>Other Cost Adjustments:</i>	
Decrease in office supplies	(1,100)
Decrease in training	(7,120)
Increase in tools	20,500
Increase in lab chemicals and supplies	1,500
Increase in miscellaneous operating expense	2,000
<i>Aggregate change in Other Categories:</i>	
Aggregate change in other materials, supplies, and services	810
2014-15 Proposed Budget - Total Operating Requirements	\$ 2,640,360
<i>Changes in Personnel Expenses:</i>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	4,300
Change in OCERS retirement costs	1,100
Change in group insurance costs	11,200
Other benefit cost adjustments	1,000
<i>Other Cost Adjustments:</i>	
Increase in training	1,850
<i>Aggregate change in Other Categories:</i>	
Aggregate change in other materials, supplies, and services	-
2015-16 Proposed Budget - Total Operating Requirements	\$ 2,659,810

2014-15 & 2015-16 Budget

Operating Expenses By Category	2012-13 Actual	2013-14 Revised Budget	2013-14 Projected	2014-15 Proposed	Budget % Change	2015-16 Proposed	Budget % Change
Personnel	\$ 2,455,178	\$ 2,497,800	\$ 2,505,700	\$ 2,548,700	2.04%	\$ 2,566,300	0.69%
Supplies	46,802	63,770	66,960	80,300	25.92%	82,150	2.30%
Professional & Contractual Services	-	-	-	-	-	-	-
Research & Monitoring	28	-	-	-	-	-	-
Repairs & Maintenance	8,187	10,000	27,500	10,000	0.00%	10,000	0.00%
Utilities	-	-	-	-	-	-	-
Other	708	1,300	1,300	1,360	4.62%	1,360	0.00%
Total	\$ 2,510,903	\$ 2,572,870	\$ 2,601,460	\$ 2,640,360	2.62%	\$ 2,659,810	0.74%



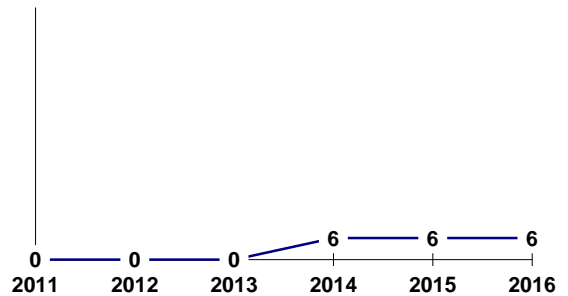


Staffing Trends

2014-15 & 2015-16 Authorized FTE Positions

Supervisors / Professionals	4.0
Technical Staff	1.0
Administrative / Clerical	1.0

Total **6.0**



2014-15 & 2015-16 Budget

Service Description

The Odor and Corrosion Control Division assesses and minimizes the impact of odors and corrosion throughout the collection system. The division is responsible for implementing corrosion and odor control in the collection system through chemical dosing, biofiltration, and other means as needed. The division also monitors vapor and liquid phase sulfides providing feedback control for chemical dosing. The division assesses odors for in-house clients through operation of an olfactometry laboratory, and conducts in-depth odor investigations for complex odor complaint cases.

2013-14 Performance Objectives

- ◆ Achieve levels of service for less than 34 collection system odor complaints per year.
- ◆ Achieve levels of service (vapor H₂S < 25 ppm) at least 87% of time.
- ◆ Manage expenditures to within 98 to 100% of the approved budget.
- ◆ Achieve 100% compliance with the safety scorecard.

2013-14 Performance Results

- ◆ 4 projected.
- ◆ 87%.
- ◆ 97%.
- ◆ In compliance.

2014-15 & 2015-16 Performance Objectives

- ◆ Achieve levels of service for less than 12 collection system odor complaints per year.
- ◆ Achieve level of service (vapor H₂S < 25 ppm) at least 87% of time.
- ◆ Manage operating expenditures to within 96 to 100% of the approved budget.
- ◆ Achieve 100% compliance with the safety scorecard.

Performance Measures

Summary	2012-13 Actual	2013-14 Projected	2014-15 Proposed	2015-16 Proposed	Justification
◆ Collection System Odor Complaints	6	4	< 12	< 12	Levels of Service
◆ Level of Service (Vapor H ₂ S) Compliance	79%	87%	87%	87%	Levels of Service
◆ Manage Budget	98%	97%	96-100%	96-100%	In-house standard
◆ Safety Scorecard Compliance	100%	100%	100%	100%	In-house standard

Odor and Corrosion Control

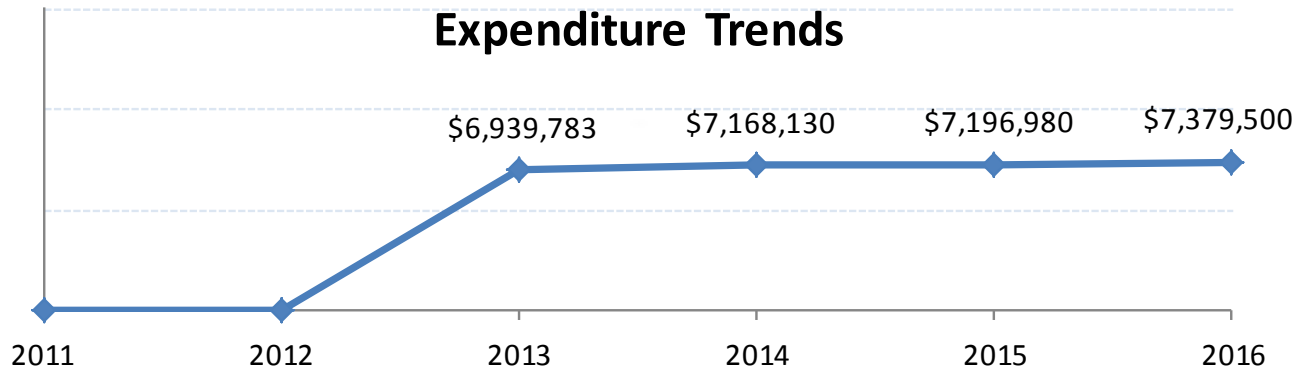
Budget Overview

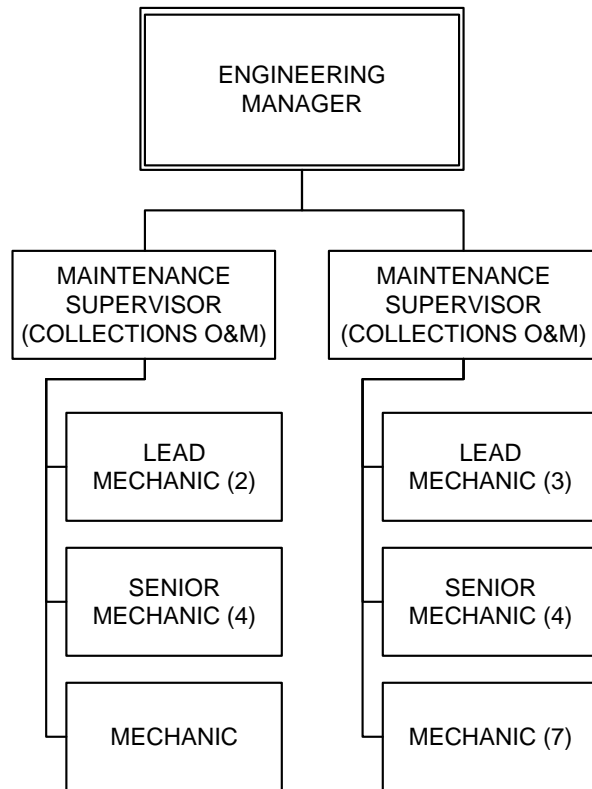
The FY 2014-15 & 2015-16 budgets for the Odor and Corrosion Control Division reflect an increase of 0.4% and 3% over the prior year, respectively. The budget for FY 2014-15 reflects minimal changes. The increase in FY 2015-16 is primarily due to higher odor control chemical costs.

2013-14 Adjusted Budget - Total Operating Requirements	\$ 7,168,130
<i>Salaries for Position Changes:</i>	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
<i>Changes in Personnel Expenses:</i>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(11,800)
Change in OCERS retirement costs	46,200
Change in group insurance costs	(8,500)
Other benefit cost adjustments	6,100
<i>Other Cost Adjustments:</i>	
Increase in minor furniture & fixtures	3,480
Increase in training	3,020
Increase in odor control chemicals	21,000
Decrease in tools	(67,620)
Decrease in outside laboratory services	(2,520)
Increase in temporary services	70,790
Decrease in other contractual services	(13,250)
Decrease in engineering services	(16,600)
<i>Aggregate change in Other Categories:</i>	
Aggregate change in other materials, supplies, and services	(1,450)
2014-15 Proposed Budget - Total Operating Requirements	\$ 7,196,980
<i>Changes in Personnel Expenses:</i>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	-
Change in OCERS retirement costs	-
Change in group insurance costs	4,300
Other benefit cost adjustments	300
<i>Other Cost Adjustments:</i>	
Increase in minor furniture & fixtures	2,000
Increase in odor control chemicals	172,000
Increase in engineering services	2,000
<i>Aggregate change in Other Categories:</i>	
Aggregate change in other materials, supplies, and services	1,920
2015-16 Proposed Budget - Total Operating Requirements	\$ 7,379,500

2014-15 & 2015-16 Budget

Operating Expenses By Category	2012-13 Actual	2013-14 Revised Budget	2013-14 Projected	2014-15 Proposed	Budget % Change	2015-16 Proposed	Budget % Change
Personnel	\$ 911,032	\$ 940,800	\$ 932,500	\$ 972,800	3.40%	\$ 977,400	0.47%
Supplies	5,834,789	5,968,950	5,823,567	5,925,520	(0.73%)	6,098,150	2.91%
Professional & Contractual Services	82,787	190,840	135,864	229,260	20.13%	232,900	1.59%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	75,902	27,920	27,440	27,920	0.00%	27,920	0.00%
Utilities	4,182	5,190	6,554	6,900	32.95%	7,400	7.25%
Other	31,091	34,430	33,170	34,580	0.44%	35,730	3.33%
Total	\$ 6,939,783	\$ 7,168,130	\$ 6,959,095	\$ 7,196,980	0.40%	\$ 7,379,500	2.54%



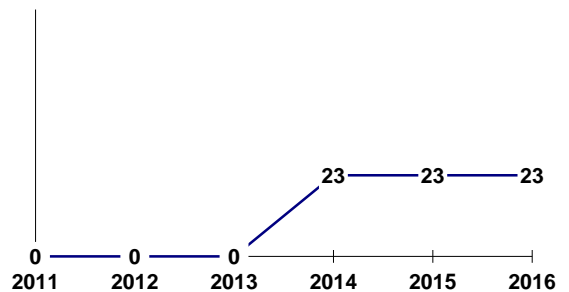


Staffing Trends

2014-15 & 2015-16 Authorized FTE Positions

Supervisors / Professionals 2.0
 Operations & Maintenance 21.0

Total 23.0



2014-15 & 2015-16 Budget

Service Description

The mission of the Collections Division is to provide support and services which preserve the integrity and reliability of the District's infrastructure. The Pipeline and Pump Station teams operate and maintain the sewer systems and auxiliary facilities, to protect public health and the environment and to achieve regulatory compliance.

2013-14 Performance Objectives

- ◆ Keep sewer spills to fewer than 13 per year.
- ◆ Achieve levels of service for response to sewer system spills within one hour and full containment within five hours.
- ◆ Manage expenditures to within 98 to 100% of the approved budget.
- ◆ Achieve 100% compliance with the safety scorecard.

2013-14 Performance Results

- ◆ In compliance.
- ◆ In compliance.
- ◆ In compliance.
- ◆ In compliance.

2014-15 & 2015-16 Performance Objectives

- ◆ Achieve levels of service for keeping the number of sewer spills less than 13 per year based on the industry average of 2.1 per 100 miles of sewer.
- ◆ Achieve levels of service response to sewer spills within one hour and full containment within five hours.
- ◆ Manage operating expenditures to within 96 to 100% of approved budget.
- ◆ Achieve 100% compliance with the safety scorecard.

Performance Measures

Summary	2012-13 Actual	2013-14 Projected	2014-15 Proposed	2015-16 Proposed	Justification
◆ Spill Compliance	100%	100%	100%	100%	Levels of Service
◆ Response and Containment Compliance	100%	100%	100%	100%	Levels of Service
◆ Manage Budget	90%	98%	96-100%	96-100%	In house standard
◆ Compliance with the Safety Scorecard	100%	100%	100%	100%	In house standard

Collections

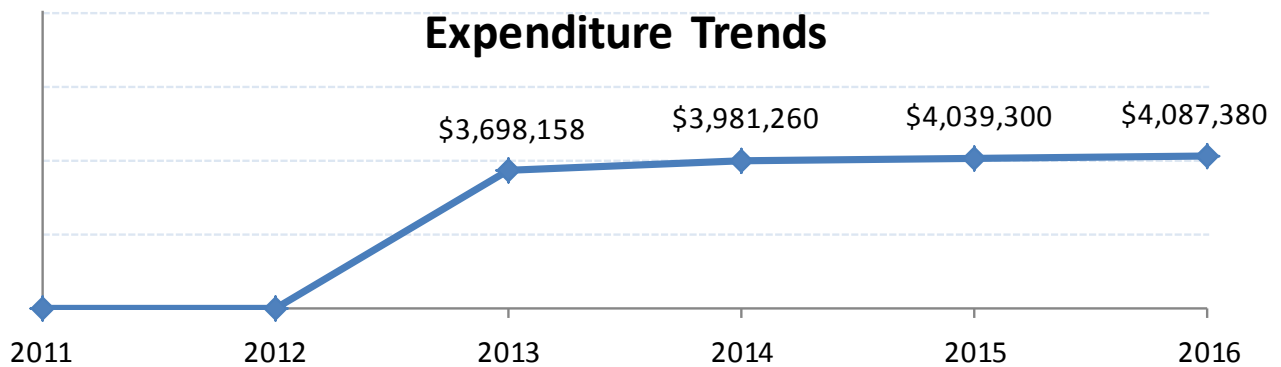
Budget Overview

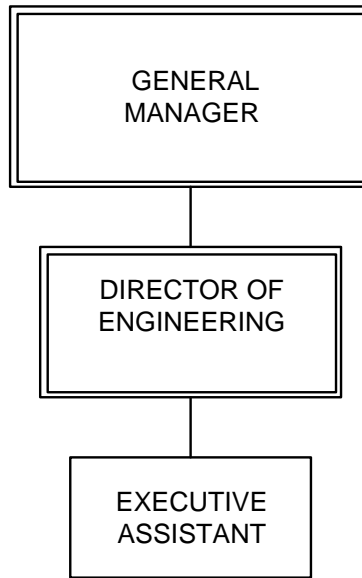
The FY 2014-15 & 2015-16 budgets for the Collections Division reflect an increase of 1% and 1% over the prior year, respectively. The increase is primarily due to salary and benefits adjustments and electricity costs. Audit and accounting services also increase in FY 2014-15 for a biannual regulatory audit.

2013-14 Adjusted Budget - Total Operating Requirements	\$ 3,981,260
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(56,200)
Change in OCERS retirement costs	129,100
Change in group insurance costs	(33,900)
Other benefit cost adjustments	(17,600)
Other Cost Adjustments:	
Decrease in printing and publication expense	(2,610)
Decrease in training	(6,460)
Decrease in oil and grease	(2,480)
Decrease in tools	(5,000)
Decrease in safety equipment and tools	(9,240)
Decrease in solvents, paint & janitorial supplies	(9,960)
Increase in miscellaneous operating supplies	2,260
Increase in other contractual services	15,000
Increase in audit & accounting services	30,000
Decrease in repairs and maintenance	(4,000)
Increase in electricity costs	26,000
Increase in water costs	5,160
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(2,030)
2014-15 Proposed Budget - Total Operating Requirements	\$ 4,039,300
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	22,500
Change in OCERS retirement costs	8,000
Change in group insurance costs	16,200
Other benefit cost adjustments	1,500
Other Cost Adjustments:	
Increase in memberships	1,800
Decrease in training	(3,800)
Increase in tools	1,100
Increase in safety equipment and tools	1,720
Increase in other contractual services	5,000
Decrease in audit & accounting services	(30,000)
Decrease in repairs and maintenance	(10,000)
Increase in electricity costs	30,000
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	4,060
2015-16 Proposed Budget - Total Operating Requirements	\$ 4,087,380

2014-15 & 2015-16 Budget

Operating Expenses By Category	2012-13 Actual	2013-14 Revised Budget	2013-14 Projected	2014-15 Proposed	Budget % Change	2015-16 Proposed	Budget % Change
Personnel	\$ 2,677,101	\$ 2,949,000	\$ 2,702,800	\$ 2,970,400	0.73%	\$ 3,018,600	1.62%
Supplies	106,735	147,860	105,700	112,980	(23.59%)	115,820	2.51%
Professional & Contractual Services	43,399	20,800	-	66,840	221.35%	42,930	(35.77%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	271,295	194,000	149,000	190,000	(2.06%)	180,000	(5.26%)
Utilities	598,033	666,480	672,800	697,640	4.68%	728,520	4.43%
Other	1,595	3,120	1,370	1,440	(53.85%)	1,510	4.86%
Total	\$ 3,698,158	\$ 3,981,260	\$ 3,631,670	\$ 4,039,300	1.46%	\$ 4,087,380	1.19%



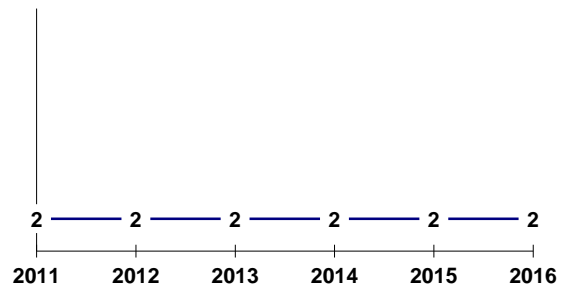


Staffing Trends

2014-15 & 2015-16 Authorized FTE Positions

Executive Manager	1.0
Administrative / Clerical	1.0

Total 2.0



2014-15 & 2015-16 Budget

Service Description

The mission of the Engineering Administration Division is to deliver world class engineered projects through skilled staff, technical excellence, proactive project planning, effective project delivery, effective communication, and critical thinking.

2013-14 Performance Objectives

- ◆ Expend 90 to 100% of project annual CIP cash flow.
- ◆ Ensure the department's expenditures are managed to less than < 100% of proposed budgets.
- ◆ Ensure that reporting divisions achieve 90% of performance measures.

2013-14 Performance Results

- ◆ Projected at 81%.
- ◆ Projected to be < 100%.
- ◆ Reporting divisions estimate achieving 90% of performance measures.

2014-15 & 2015-16 Performance Objectives

- ◆ Expend 90 to 100% of project annual CIP cash flow.
- ◆ Manage operating expenditures to within 96 to 100% of approved budget.
- ◆ Ensure that reporting divisions achieve 90% of individual performance objectives.
- ◆ Prepare and maintain a 20-year District-wide capital plan coordinating research, condition assessment, regulatory requirements, changing levels of service, and projected capacity requirements.
- ◆ Complete the Odor Control Master Plan by the end of Fiscal Year 2015-16.

Performance Measures

Summary	2012-13 Actual	2013-14 Projected	2014-15 Proposed	2015-16 Proposed	Justification
◆ Manage Project Annual Cash Flows (CIP), Min 90-100%	69%	81%	90%	90%	In-house standard
◆ Manage Budget	96%	< 100%	96-100%	96-100%	In-house standard
◆ Ensure Reporting Divisions Achieve Performance Measures, Min 90%	83%	90% min	90% min	90% min	In-house standard
◆ Prepare & Maintain 20-Year District-Wide Capital Plan	Yes	Yes	Yes	Yes	In-house standard
◆ Odor Control Master Plan	N/A	N/A	In Progress	Complete	In-house standard

Engineering Administration

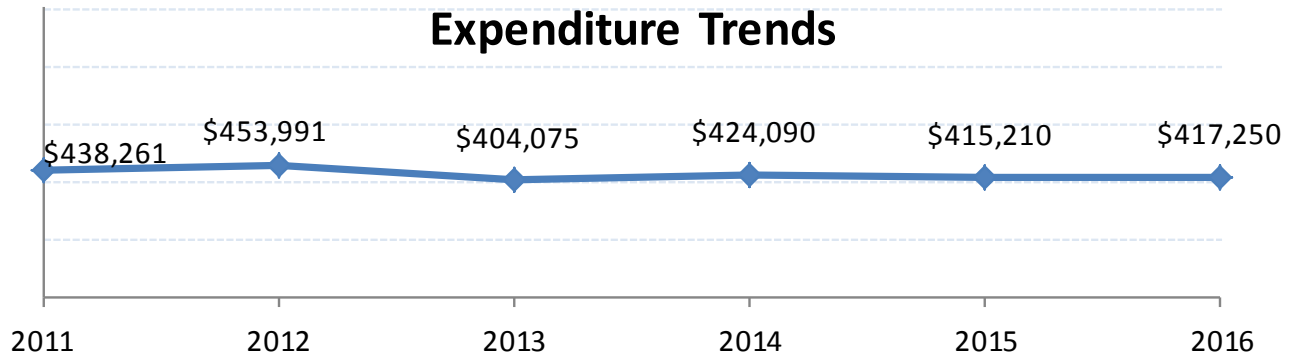
Budget Overview

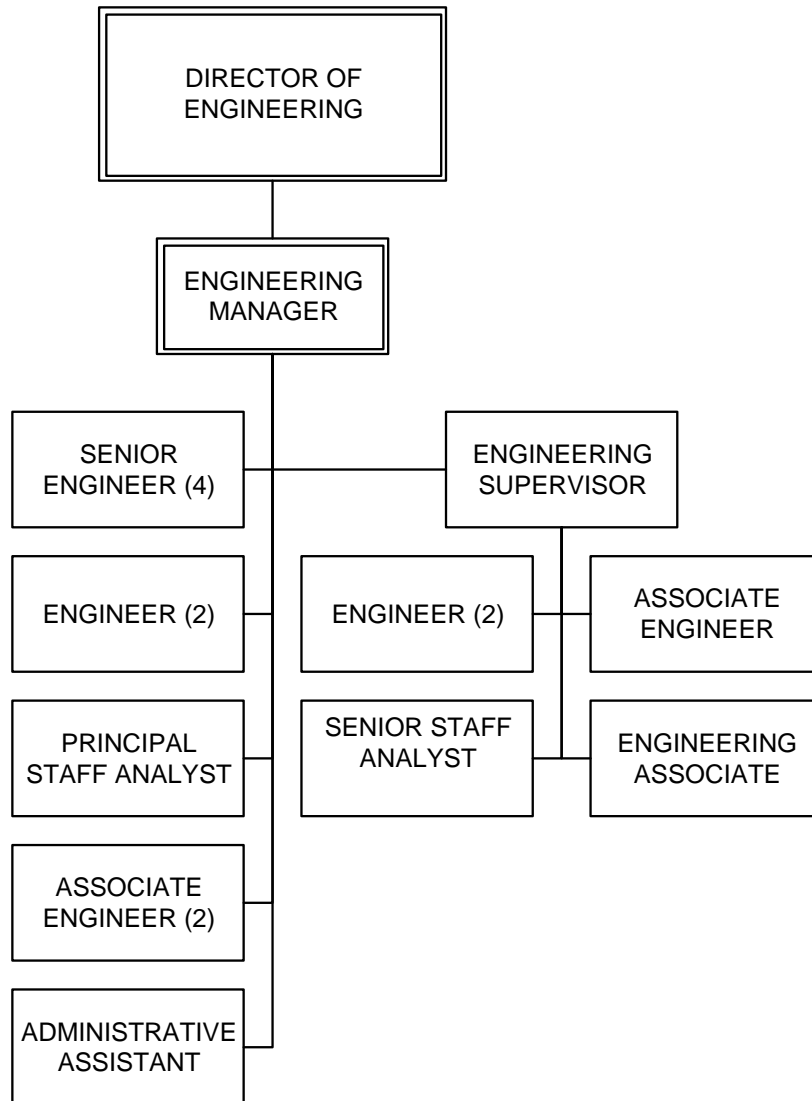
The FY 2014-15 & 2015-16 budgets for the Engineering Administration Division reflect a decrease of 2% and an increase of less than 1% over the prior year, respectively. There are no significant changes affecting the budget for this division.

2013-14 Adjusted Budget - Total Operating Requirements	\$ 424,090
<i>Salaries for Position Changes:</i>	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
<i>Changes in Personnel Expenses:</i>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(30,200)
Change in OCERS retirement costs	19,100
Change in group insurance costs	(3,200)
Other benefit cost adjustments	1,200
<i>Other Cost Adjustments:</i>	
Increase in training	3,500
<i>Aggregate change in Other Categories:</i>	
Aggregate change in other materials, supplies, and services	720
2014-15 Proposed Budget - Total Operating Requirements	\$ 415,210
<i>Changes in Personnel Expenses:</i>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	-
Change in OCERS retirement costs	-
Change in group insurance costs	1,400
Other benefit cost adjustments	100
<i>Other Cost Adjustments:</i>	
No other significant cost changes	
<i>Aggregate change in Other Categories:</i>	
Aggregate change in other materials, supplies, and services	540
2015-16 Proposed Budget - Total Operating Requirements	\$ 417,250

2014-15 & 2015-16 Budget

Operating Expenses By Category	2012-13 Actual	2013-14 Revised Budget	2013-14 Projected	2014-15 Proposed	Budget % Change	2015-16 Proposed	Budget % Change
Personnel	\$ 399,759	\$ 415,700	\$ 405,600	\$ 402,600	(3.15%)	\$ 404,100	0.37%
Supplies	2,120	3,190	1,541	7,110	122.88%	7,550	6.19%
Professional & Contractual Services	2,196	5,200	2,200	5,500	5.77%	5,600	1.82%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total	\$ 404,075	\$ 424,090	\$ 409,341	\$ 415,210	(2.09%)	\$ 417,250	0.49%



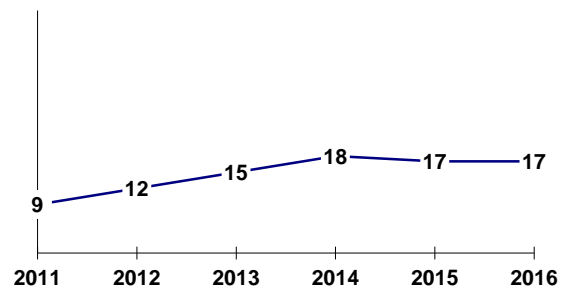


Staffing Trends

2014-15 & 2015-16 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	14.0
Administrative / Clerical	2.0

Total 17.0



2014-15 & 2015-16 Budget

Service Description

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

2013-14 Performance Objectives

- ◆ Ensure that expenditures are managed to within 96 to 100% of approved budget.
- ◆ Process 95% of connection permit applications within one day of complete application submittal.
- ◆ Facilitate the District-wide project clearinghouse.
- ◆ Prepare and maintain a 20-year District-wide capital plan coordinating research, condition assessment, regulatory requirements, changing levels of service, and projected capacity requirements.
- ◆ Respond to 100% of environmental correspondence within 45 days.

2013-14 Performance Results

- ◆ Projected to be <100%.
- ◆ Greater than 95% of connection permits were issued within one day.
- ◆ Clearinghouse meets biweekly to disposition all necessary capital & maintenance repair work.
- ◆ The research program & condition assessment is refocused to support future major projects. The CIP program has been filled in for eight years, building to 20 years.
- ◆ 100% of environmental correspondence was responded to within 45 days.

2014-15 & 2015-16 Performance Objectives

- ◆ Manage operating expenditures to within 96 to 100% of approved budget.
- ◆ Process 95% of connection permit applications within one day of complete application submittal.
- ◆ Facilitate the District-wide project clearinghouse to properly disposition maintenance, repair, replacement and capital expansion work into projects. Meet regularly and clearly assign tasks.
- ◆ Prepare and maintain a 20-year District-wide capital plan coordinating research, condition assessment, regulatory requirements, changing levels of service, and projected capacity requirements.
- ◆ Respond to 100% of environmental correspondence within 45 days.

Performance Measures

Summary	2012-13 Actual	2013-14 Projected	2014-15 Proposed	2015-16 Proposed	Justification
◆ Manage Budget	92%	< 100%	96-100%	96-100%	In-house standard
◆ Process Connection Permits Within One Day	100%	100%	100%	100%	In-house standard
◆ Facilitate Project Clearinghouse	Yes	Yes	Yes	Yes	In-house standard
◆ Prepare and Maintain a 20-Year District-Wide Capital Plan	Yes	Yes	Yes	Yes	In-house standard
◆ Environmental Correspondence	100%	100%	100%	100%	CEQA requirement

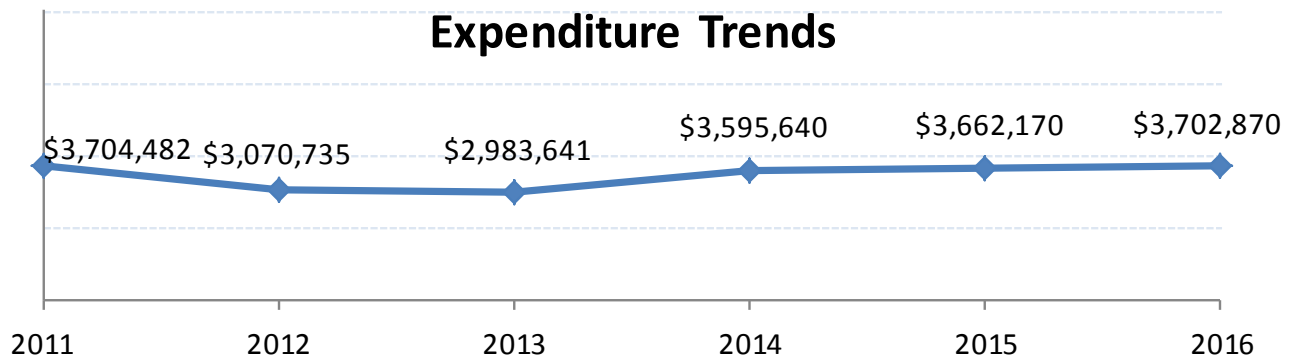
Budget Overview

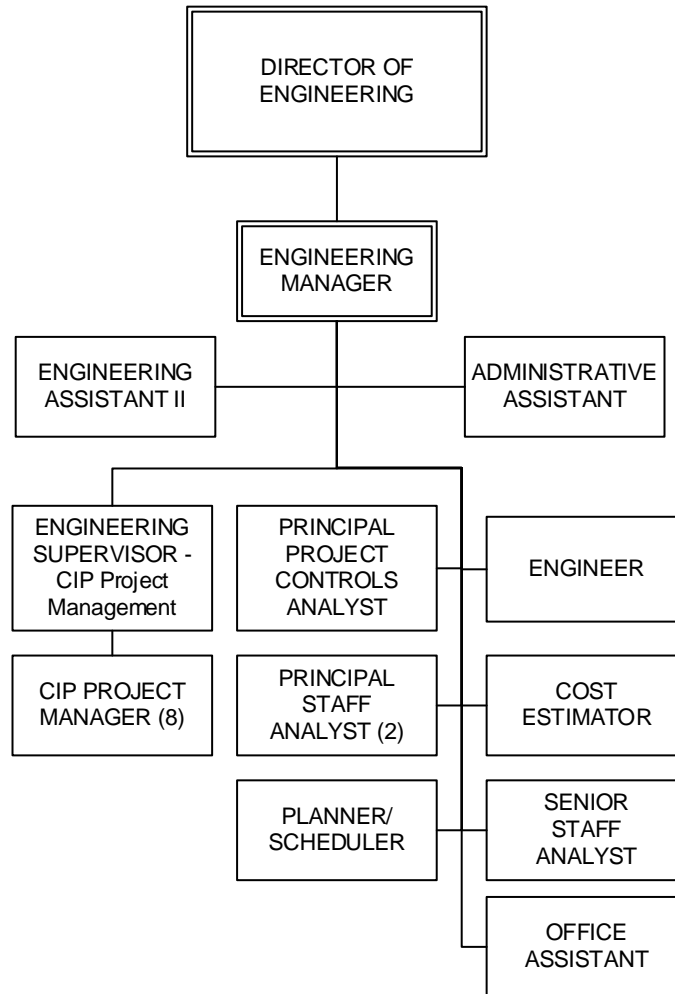
The FY 2014-15 & 2015-16 budgets for the Planning Division reflect an increase of 2% and 1% over the prior year, respectively. The increase is primarily due to salary and benefits adjustments and an increase in memberships.

2013-14 Adjusted Budget - Total Operating Requirements	\$ 3,595,640
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	(80,200)
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	18,000
Change in OCERS retirement costs	117,500
Change in group insurance costs	(26,700)
Other benefit cost adjustments	4,400
Other Cost Adjustments:	
Increase in memberships	34,290
Increase in training	2,140
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(2,900)
2014-15 Proposed Budget - Total Operating Requirements	\$ 3,662,170
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	17,300
Change in OCERS retirement costs	5,500
Change in group insurance costs	12,900
Other benefit cost adjustments	1,100
Other Cost Adjustments:	
Increase in training	2,400
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	1,500
2015-16 Proposed Budget - Total Operating Requirements	\$ 3,702,870

2014-15 & 2015-16 Budget

Operating Expenses By Category	2012-13 Actual	2013-14 Revised Budget	2013-14 Projected	2014-15 Proposed	Budget % Change	2015-16 Proposed	Budget % Change
Personnel	\$ 2,639,285	\$ 3,092,100	\$ 2,959,000	\$ 3,125,100	1.07%	\$ 3,161,900	1.18%
Supplies	245,352	322,440	307,720	356,810	10.66%	360,710	1.09%
Professional & Contractual Services	97,995	176,800	161,800	176,800	0.00%	176,800	0.00%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	7	1,560	500	1,000	(35.90%)	1,000	0.00%
Utilities	-	-	-	-	-	-	-
Other	1,002	2,740	1,460	2,460	(10.22%)	2,460	0.00%
Total	\$ 2,983,641	\$ 3,595,640	\$ 3,430,480	\$ 3,662,170	1.85%	\$ 3,702,870	1.11%



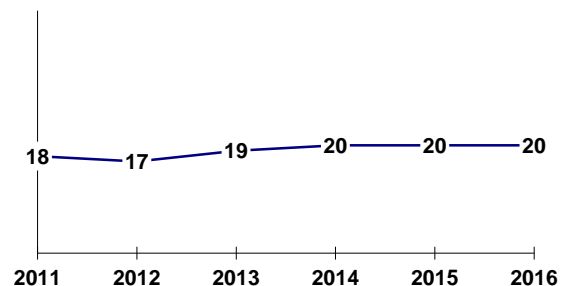


2014-15 & 2015-16 Authorized FTE Positions

Manager	1.00
Supervisors / Professionals	16.00
Engineering Insp. / Asst.	1.00
Administrative / Clerical	2.00

Total 20.00

Staffing Trends



2014-15 & 2015-16 Budget

Service Description

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

2013-14 Performance Objectives

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

2013-14 Performance Results

- ◆ Projected to be < 100%.
- ◆ Projected at 81%.
- ◆ Projected at 35%.
- ◆ Consultant work order tracking tool implemented. Consultant expenditure reporting integrated into budget process.
- ◆ 34.1% (projected).
- ◆ Two-step process developed and implemented. In addition, all single-step (RFP only) procurements were revised to be publicly advertised for proposal.

2014-15 & 2015-16 Performance Objectives

- ◆ Manage operating expenditures to within 96 to 100% of approved budget.
- ◆ Expend 90 to 100% of project annual CIP cash flow.
- ◆ Manage non-construction costs to less than 35% of construction cost.
- ◆ Develop Program Risk Register to improve risk tracking, consistency, and transparency.
- ◆ Review CIP performance and reporting metrics to align with program needs and goals.
- ◆ Develop plan for administration facility implementation.

Performance Measures

Summary	2012-13 Actual	2013-14 Projected	2014-15 Proposed	2015-16 Proposed	Justification
◆ Manage Budget	104%	< 100%	96-100%	96-100%	In-house standard
◆ Expend Minimum 90% of Budget (CIP)	69%	81%	90% min	90% min	In-house standard
◆ Non-Construction Costs	34.6%	< 35%	< 35%	< 35%	In-house standard
◆ Develop Program Risk Register	N/A	N/A	Develop program	Report schedule & cost control improvements	In-house standard
◆ CIP Performance and Reporting Metrics	N/A	N/A	Review performance	Review performance	In-house standard
◆ Develop Plan for Admin Facility	N/A	N/A	Develop plan	Complete	In-house standard

Project Management Office

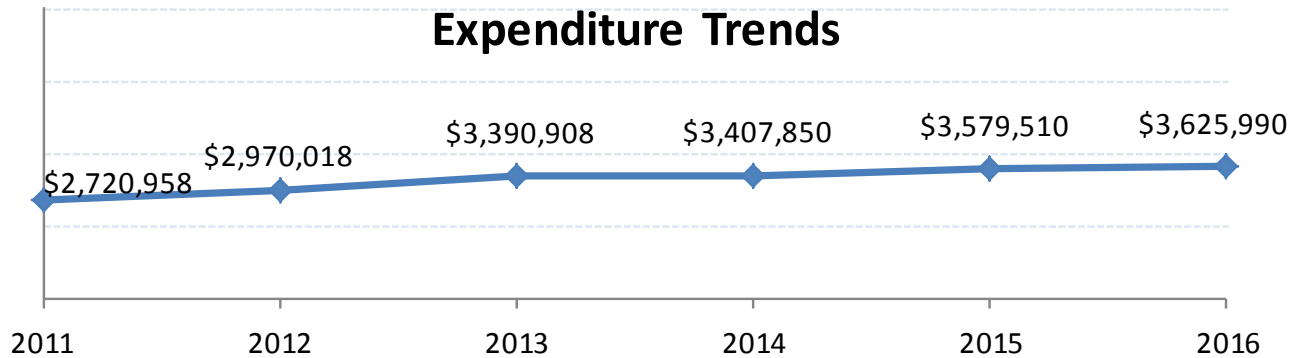
Budget Overview

The FY 2014-15 & 2015-16 budgets for the Project Management Office Division reflect increases of 5% and 1% over the prior year, respectively. The increase is primarily due to salary and benefits adjustments, including higher employer contribution rates for the Orange County Employees Retirement System.

2013-14 Adjusted Budget - Total Operating Requirements	\$ 3,407,850
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	19,400
Change in OCERS retirement costs	163,500
Change in group insurance costs	(14,400)
Other benefit cost adjustments	11,700
Other Cost Adjustments:	
Decrease in minor furniture & fixtures	(1,900)
Decrease in printing and publication expense	(2,240)
Decrease in meetings	(1,640)
Decrease in training	(2,940)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	180
2014-15 Proposed Budget - Total Operating Requirements	\$ 3,579,510
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	22,700
Change in OCERS retirement costs	7,500
Change in group insurance costs	14,200
Other benefit cost adjustments	1,300
Other Cost Adjustments:	
No other significant cost changes	
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	780
2015-16 Proposed Budget - Total Operating Requirements	\$ 3,625,990

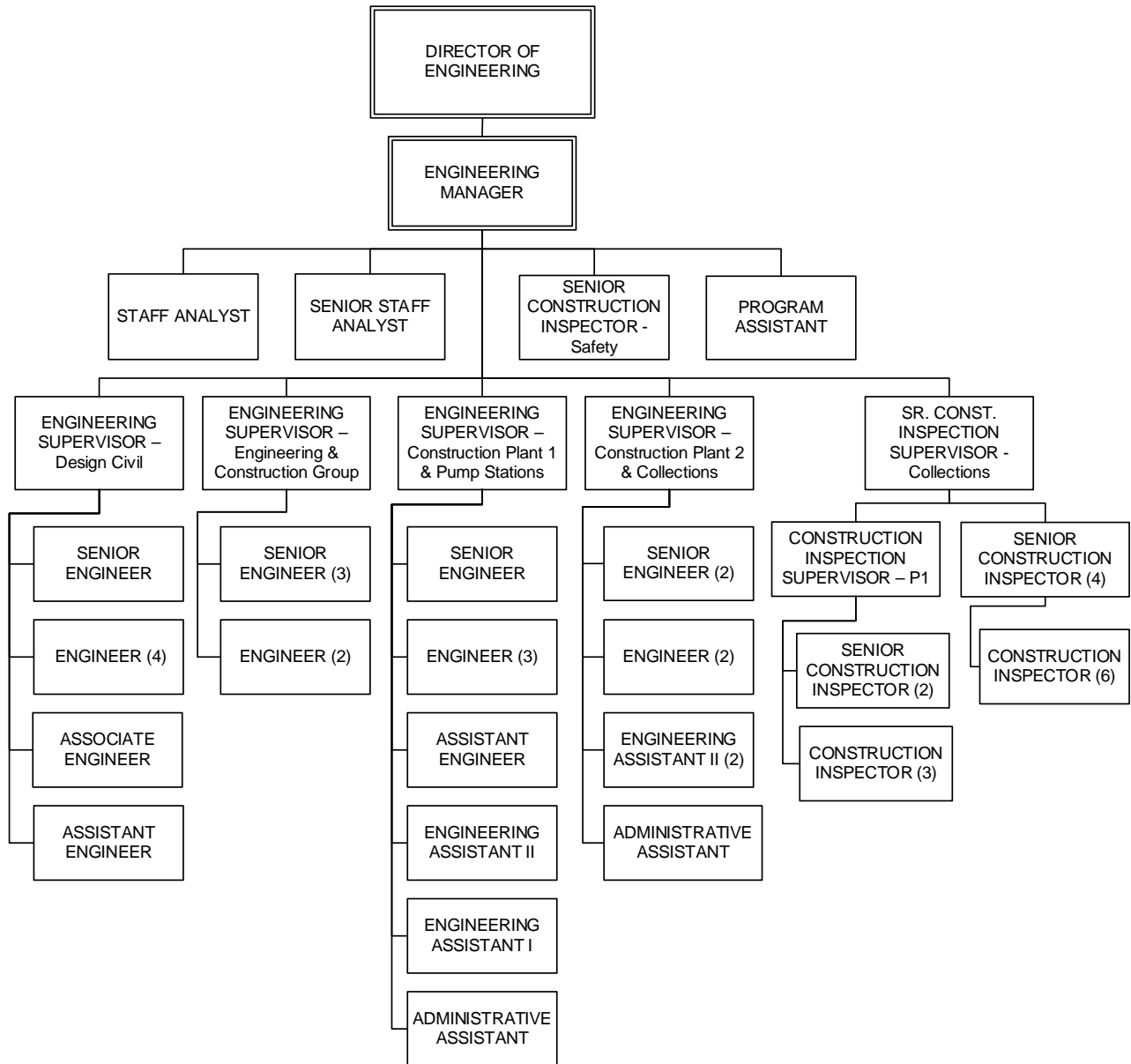
2014-15 & 2015-16 Budget

Operating Expenses By Category	2012-13 Actual	2013-14 Revised Budget	2013-14 Projected	2014-15 Proposed	Budget % Change	2015-16 Proposed	Budget % Change
Personnel	\$ 3,372,951	\$ 3,361,000	\$ 3,365,200	\$ 3,541,200	5.36%	\$ 3,586,900	1.29%
Supplies	17,377	46,320	19,310	37,740	(18.52%)	38,520	2.07%
Professional & Contractual Services	-	-	-	-	-	-	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	580	530	515	570	7.55%	570	0.00%
Total	\$ 3,390,908	\$ 3,407,850	\$ 3,385,025	\$ 3,579,510	5.04%	\$ 3,625,990	1.30%



Engineering and Construction

760

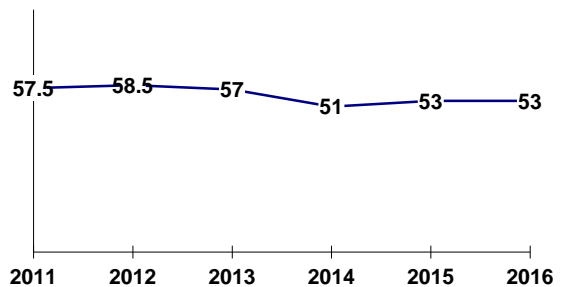


Staffing Trends

2014-15 & 2015-16 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	28.0
Engineering Insp. / Asst.	22.0
Administrative / Clerical	2.0

Total 53.0



2014-15 & 2015-16 Budget

Service Description

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

2013-14 Performance Objectives

- ◆ Ensure that the division's expenditures are managed to <100% of the proposed budget.
- ◆ Reduce change order performance towards Change Order Management Plan goal of 5%.
- ◆ Meet Full Secondary Consent Decree Dates.
- ◆ Support SARI project relocate by 2013.
- ◆ Implement CIP with no CalOSHA Reportable accidents.

2013-14 Performance Results

- ◆ Project to be < 100%.
- ◆ Projected at 3.48%.
- ◆ All dates met.
- ◆ Date extended to 2014.
- ◆ No CalOSHA Reportable accidents.

2014-15 & 2015-16 Performance Objectives

- ◆ Manage operating expenditures to within 96 to 100% of approved budget.
- ◆ Reduce program change order performance towards Change Order Management Plan goal of 5%.
- ◆ Design and Construction Quality: Complete eight significant updates to maintain Engineering Standards and policies and procedures.
- ◆ No sewer spills on CIP collections projects.
- ◆ Division injury incident rate a minimum of 20% below the current National Case Rate.
- ◆ Implement CIP with no CalOSHA Reportable Contractor accidents.

Performance Measures

Summary	2012-13 Actual	2013-14 Projected	2014-15 Proposed	2015-16 Proposed	Justification
◆ Manage Budget	91%	<100%	96-100%	96-100%	In-house standard
◆ Reduce Program Change Order	3.49%	3.48%	< 5%	< 5%	In-house standard
◆ Significant Updates to Engineering Standards & Policies & Procedures	N/A	N/A	8	8	In-house standard
◆ No Sewer Spills	Zero	Zero	Zero	Zero	In-house standard
◆ Injury Incident Rate	Zero	Zero	≤ 80% of National Case Rate	≤ 80% of National Case Rate	In-house standard
◆ Implement CIP With No "Reportable" Accidents	One Accident	Zero Accidents	Zero Accidents	Zero Accidents	In-house standard

Engineering and Construction

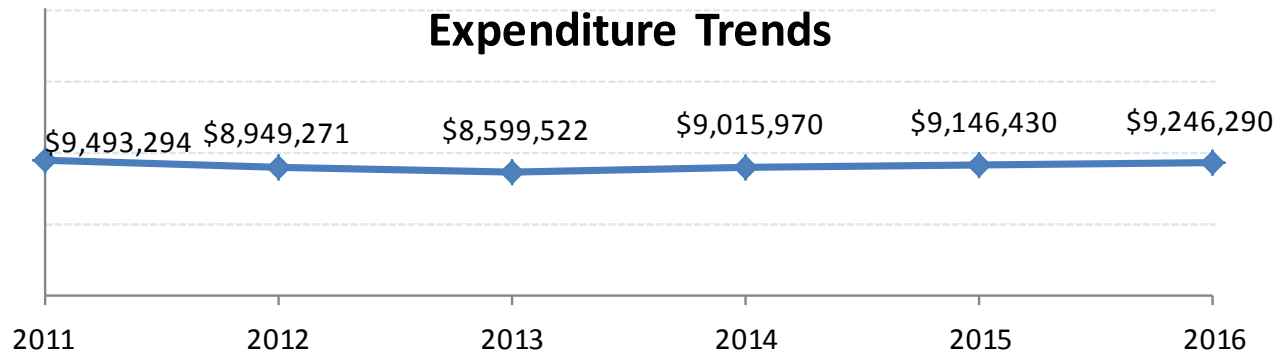
Budget Overview

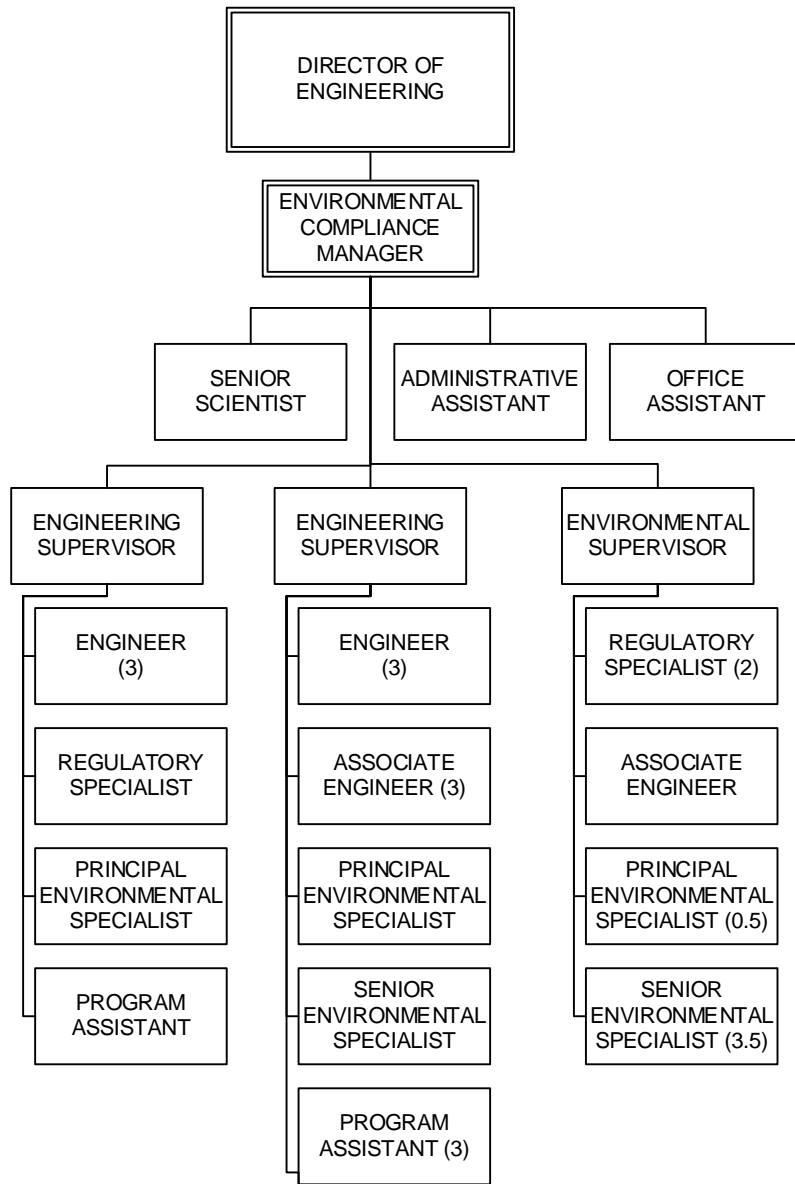
The FY 2014-15 & 2015-16 budgets for the Engineering and Construction Division reflect an increase of 1% and 1% over the prior year, respectively. The increase is primarily due to staffing reallocations and other salary and benefits adjustments.

2013-14 Adjusted Budget - Total Operating Requirements	\$ 9,015,970
<i>Salaries for Position Changes:</i>	
Transfer of Positions from/(to) Other Divisions	166,200
New or (decreased) FTE	-
<i>Changes in Personnel Expenses:</i>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(254,700)
Change in OCERS retirement costs	396,300
Change in group insurance costs	(117,000)
Other benefit cost adjustments	8,900
<i>Other Cost Adjustments:</i>	
Decrease in administrative expense	(7,770)
Decrease in in-house reproduction services	(6,520)
Decrease in training	(47,340)
Decrease in compressed natural gas	(3,700)
Decrease in safety equipment and tools	(2,440)
<i>Aggregate change in Other Categories:</i>	
Aggregate change in other materials, supplies, and services	(1,470)
2014-15 Proposed Budget - Total Operating Requirements	\$ 9,146,430
<i>Changes in Personnel Expenses:</i>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	44,300
Change in OCERS retirement costs	14,500
Change in group insurance costs	36,200
Other benefit cost adjustments	3,200
<i>Other Cost Adjustments:</i>	
Increase in training	2,340
Decrease in compressed natural gas	(1,500)
<i>Aggregate change in Other Categories:</i>	
Aggregate change in other materials, supplies, and services	820
2015-16 Proposed Budget - Total Operating Requirements	\$ 9,246,290

2014-15 & 2015-16 Budget

Operating Expenses By Category	2012-13 Actual	2013-14 Revised Budget	2013-14 Projected	2014-15 Proposed	Budget % Change	2015-16 Proposed	Budget % Change
Personnel	\$ 8,554,172	\$ 8,884,400	\$ 8,684,200	\$ 9,084,100	2.25%	\$ 9,182,300	1.08%
Supplies	42,935	128,030	55,450	59,410	(53.60%)	61,070	2.79%
Professional & Contractual Services	-	-	-	-	-	-	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	516	500	150	-	(100.00%)	-	-
Utilities	-	-	-	-	-	-	-
Other	1,899	3,040	1,600	2,920	(3.95%)	2,920	0.00%
Total	\$ 8,599,522	\$ 9,015,970	\$ 8,741,400	\$ 9,146,430	1.45%	\$ 9,246,290	1.09%



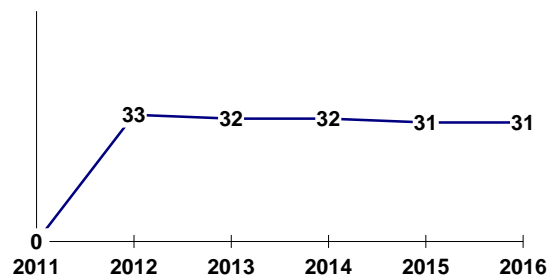


Staffing Trends

2014-15 & 2015-16 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	24.0
Administrative / Clerical	6.0

Total 31.0



2014-15 & 2015-16 Budget

Service Description

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

2013-14 Performance Objectives

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

2013-14 Performance Results

- ◆ To date 100% compliance.
- ◆ Completed.
- ◆ Completed.
- ◆ Successfully completed recertification via a 10-year audit of the program.
- ◆ Staff issued and renewed 100% of the industrial wastewater permits prior to the expiration dates.
- ◆ Staff implements the fats, oil & grease (FOG) control program in conformance with the Wastewater Discharged Requirements Order for local sewers only (Tustin, North Tustin).

2014-15 & 2015-16 Performance Objectives

- ◆ Manage operating expenditures to within 96 to 100% of approved budget.
- ◆ Meet 100% of regulatory deadlines for required compliance reports and permit applications.
- ◆ Maintain ECAP for all existing program areas. Report 100% past deadlines to Manager.
- ◆ Complete Local Limits development and amendments to the Wastewater Ordinance.
- ◆ Issue and renew 100% of the industrial wastewater permits prior to the expiration date.
- ◆ Continue to implement the fats, oil & grease (FOG) control program and strategies on a regional basis in conformance with the Wastewater Discharge Requirements Order.

Performance Measures

Summary	2012-13 Actual	2013-14 Projected	2014-15 Proposed	2015-16 Proposed	Justification
◆ Manage Budget	105	98-100%	96-100%	96-100%	In-house standard
◆ Meet 100% of Regulatory Deadlines (Permits)	N/A	100%	100%	100%	Permit Requirement
◆ ECAP Implementation	N/A	100%	100%	100%	Regulatory Requirement
◆ Complete Local Limits and Ordinance Update	N/A	N/A	Local Limits	Ordinance	Federal Pretreatment Requirement
◆ Industrial Permit Issuance/Renewal	100%	100%	100%	100%	Federal Rule and Permit Requirement
◆ Fats, Oil & Grease Program	100%	100%	100%	100%	Permit Requirement

Environmental Compliance

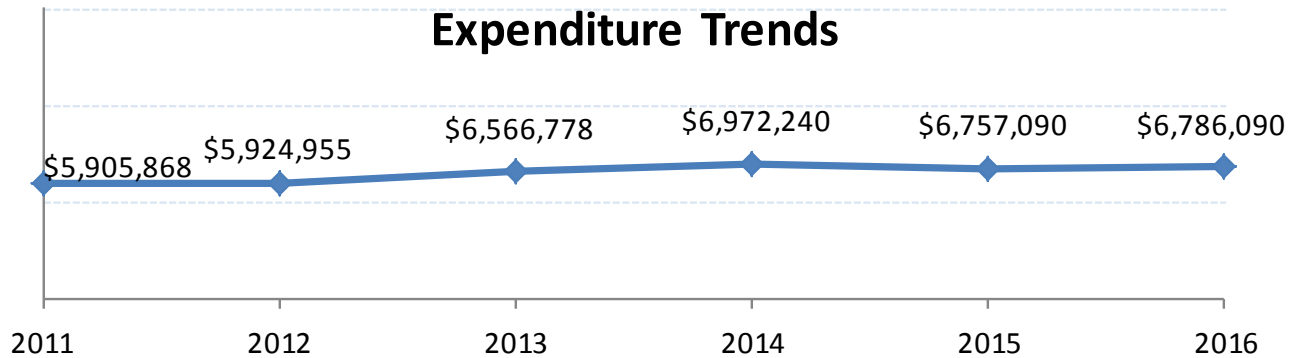
Budget Overview

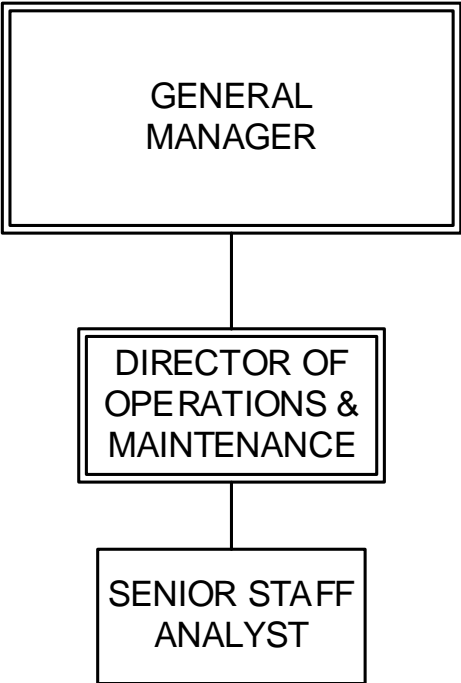
The fiscal year 2014-15 & 2015-16 budgets for the Environmental Compliance Division reflect a decrease of 3% and an increase of 0.4% over the prior year, respectively. The decrease is mainly due to staffing reallocations, as well as decreases in environmental scientific consulting services, and auditing and accounting services. These decreases are partially offset by increases in retirement costs and other professional services.

2013-14 Adjusted Budget - Total Operating Requirements	\$ 6,972,240
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	(117,500)
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(169,700)
Change in OCERS retirement costs	200,900
Change in group insurance costs	(50,000)
Other benefit cost adjustments	28,600
Other Cost Adjustments:	
Increase in training	4,360
Increase in outside lab services	3,000
Decrease in legal services	(15,000)
Decrease in auditing and accounting services	(106,000)
Decrease in enviro scientific consulting services	(115,000)
Increase in advocacy efforts	8,000
Increase in other professional services	145,000
Decrease in regulatory operating fees	(32,000)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	190
2014-15 Proposed Budget - Total Operating Requirements	\$ 6,757,090
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	5,400
Change in OCERS retirement costs	1,700
Change in group insurance costs	22,400
Other benefit cost adjustments	2,000
Other Cost Adjustments:	
Increase in training	1,400
Increase in auditing and accounting services	7,000
Decrease in other professional services	(30,000)
Increase in regulatory operating fees	20,000
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(900)
2015-16 Proposed Budget - Total Operating Requirements	\$ 6,786,090

2014-15 & 2015-16 Budget

Operating Expenses By Category	2012-13 Actual	2013-14 Revised Budget	2013-14 Projected	2014-15 Proposed	Budget % Change	2015-16 Proposed	Budget % Change
Personnel	\$ 5,287,077	\$ 5,401,100	\$ 5,280,100	\$ 5,293,400	(1.99%)	\$ 5,324,900	0.60%
Supplies	44,373	58,040	58,210	62,600	7.86%	63,100	0.80%
Professional & Contractual Services	486,832	720,000	517,000	640,000	(11.11%)	617,000	(3.59%)
Research & Monitoring	91,718	85,000	85,000	85,000	0.00%	85,000	0.00%
Repairs & Maintenance	-	100	100	-	(100.00%)	-	-
Utilities	-	-	-	-	-	-	-
Other	656,778	708,000	708,268	676,090	(4.51%)	696,090	2.96%
Total	\$ 6,566,778	\$ 6,972,240	\$ 6,648,678	\$ 6,757,090	(3.09%)	\$ 6,786,090	0.43%



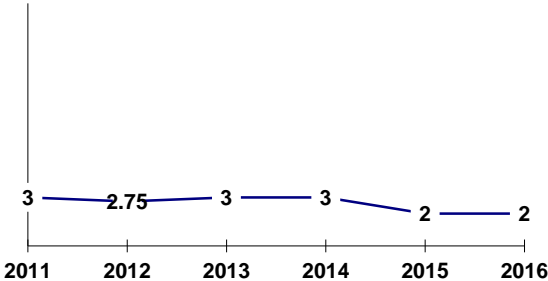


Staffing Trends

2014-15 & 2015-16 Authorized FTE Positions

Executive Manager	1.00
Supervisors / Professionals	1.00

Total	2.00
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2014-15 & 2015-16 Budget

Service Description

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

2013-14 Performance Objectives

- ◆ Achieve 100% compliance with water, solids, air, and energy permits.
- ◆ Achieve a compliance level of 90 to 100% of the levels of service targets consistent with resource availability.
- ◆ Manage operating expenditures to within 95 to 100% of approved budget.

2013-14 Performance Results

- ◆ In compliance at 100% through March 2014.
- ◆ At 82% through December 2013.
- ◆ Project 95% to 100 % of budget will be expended.

2014-15 & 2015-16 Performance Objectives

- ◆ Achieve 100% compliance with water, solids, air, and energy permits.
- ◆ Manage operating expenditures to within 96 to 100% of approved budget.
- ◆ Achieve a compliance level of 90 to 100% of the levels of service targets consistent with resource availability.
- ◆ Complete an implementation plan with a recommendation to the Board of Directors by the end of Fiscal Year 2014-15 regarding ceasing the ocean outfall disinfection program.

Performance Measures

Summary	2012-13 Actual	2013-14 Projected	2014-15 Proposed	2015-16 Proposed	Justification
◆ Compliance with Permits	99%	100%	100%	100%	In-house standard
◆ Manage Budget	105%	95-100%	96-100%	96-100%	In-house standard
◆ Levels of Service Compliance	93%	≥ 90%	≥ 90%	≥ 90%	In-house standard
◆ Recommendation to Cease Ocean Outfall Disinfection Program	N/A	In Progress	Complete	N/A	In-house standard

Operations & Maintenance Administration

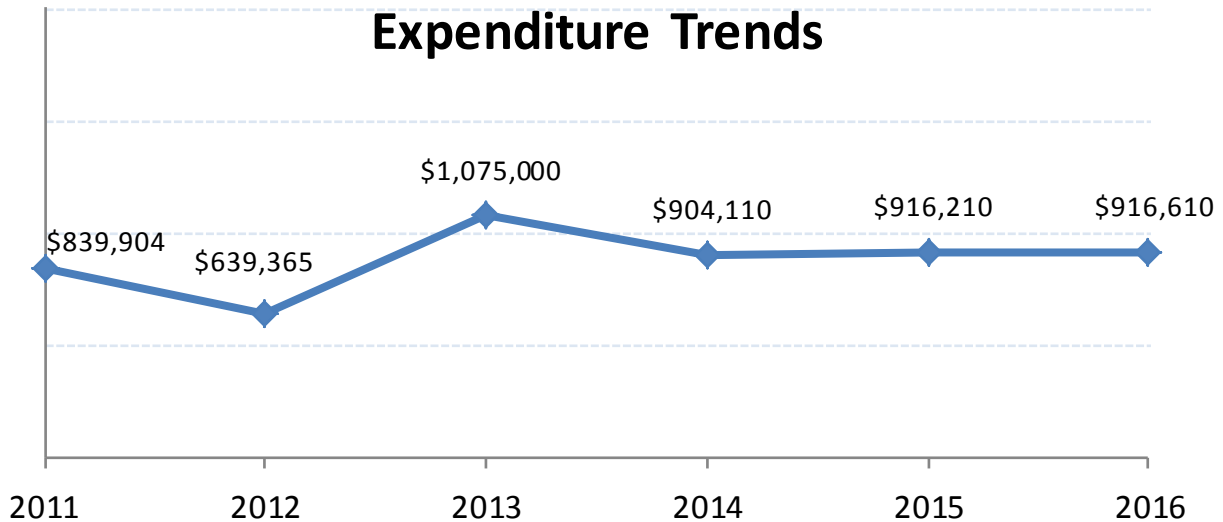
Budget Overview

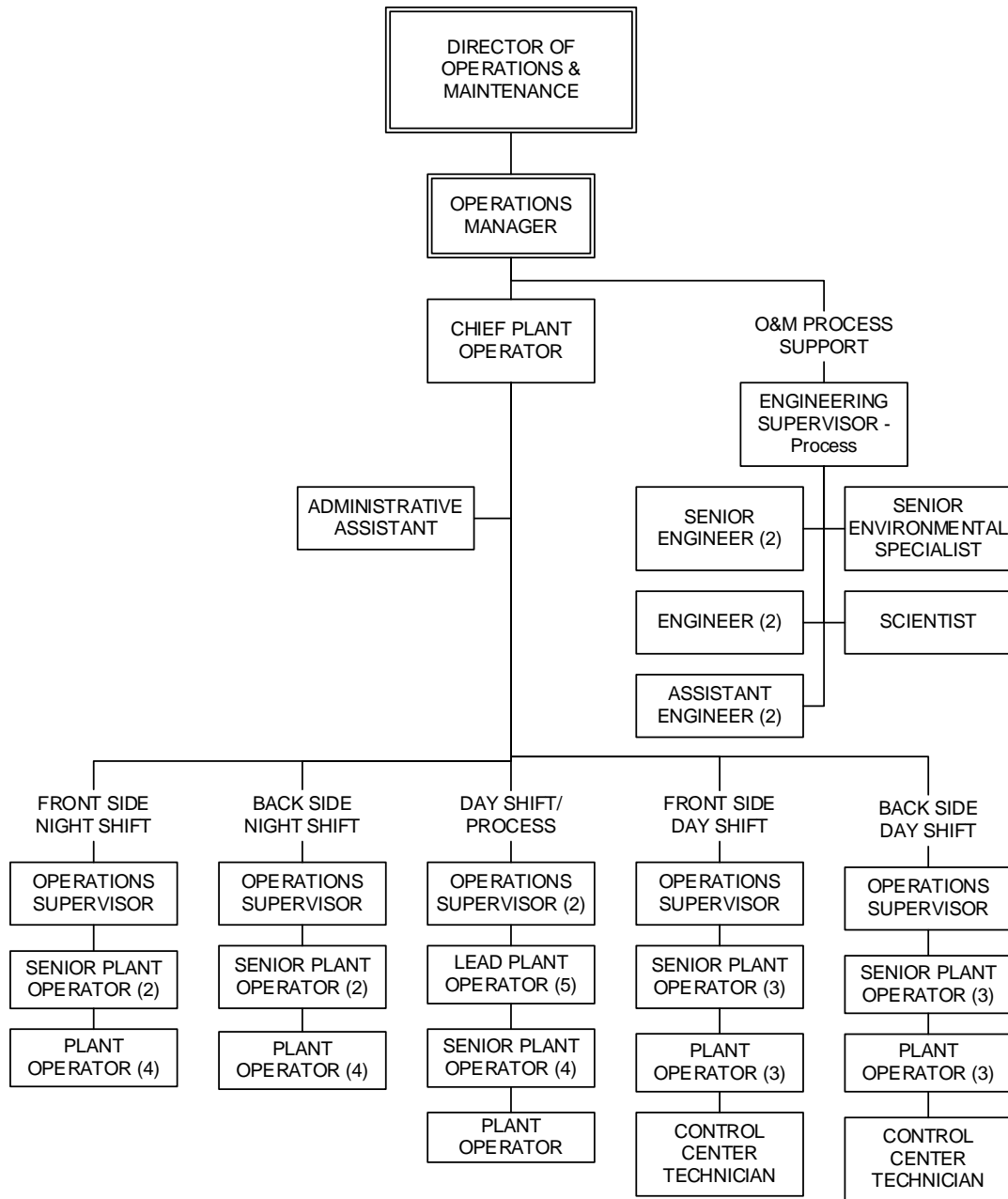
The FY 2014-15 & 2015-16 budgets for the Operations & Maintenance Administration Division reflect increases of 1% and 0.04% over the prior year, respectively. The increase is due to salary and benefits adjustments.

2013-14 Adjusted Budget - Total Operating Requirements	\$ 904,110
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	36,300
Change in OCERS retirement costs	17,400
Change in group insurance costs	(14,100)
Other benefit cost adjustments	(4,700)
Other Cost Adjustments:	
Increase in training	7,200
Decrease in research services	(30,000)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	-
2014-15 Proposed Budget - Total Operating Requirements	\$ 916,210
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	4,600
Change in OCERS retirement costs	1,500
Change in group insurance costs	1,400
Other benefit cost adjustments	100
Other Cost Adjustments:	
Decrease in training	(7,200)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	-
2015-16 Proposed Budget - Total Operating Requirements	\$ 916,610

2014-15 & 2015-16 Budget

Operating Expenses By Category	2012-13 Actual	2013-14 Revised Budget	2013-14 Projected	2014-15 Proposed	Budget % Change	2015-16 Proposed	Budget % Change
Personnel	\$ 452,159	\$ 463,200	\$ 412,900	\$ 498,100	7.53%	\$ 505,700	1.53%
Supplies	6,505	9,300	13,678	14,410	54.95%	7,210	(49.97%)
Professional & Contractual Services	455	500	500	500	0.00%	500	0.00%
Research & Monitoring	615,056	430,000	400,000	400,000	(6.98%)	400,000	0.00%
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	825	1,110	3,200	3,200	188.29%	3,200	0.00%
Total	\$ 1,075,000	\$ 904,110	\$ 830,278	\$ 916,210	1.34%	\$ 916,610	0.04%



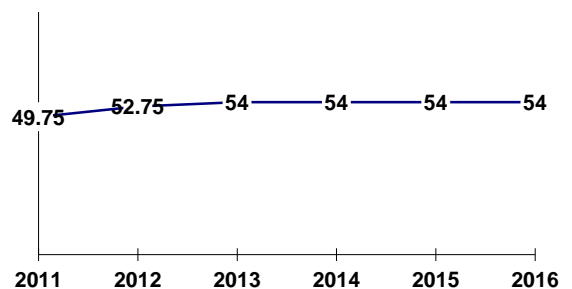


Staffing Trends

2014-15 & 2015-16 Authorized FTE Positions

Manager	1.00
Supervisors / Professionals	16.00
Operations & Maintenance	36.00
Administrative / Clerical	1.00

Total 54.00



2014-15 & 2015-16 Budget

Service Description

The mission of the Plant No. 1 Operations Division is to safely, reliably, and cost effectively operate the plant to meet all regulatory requirements for the land, air, and water environments of Orange County and the 2.5 million residents we serve.

2013-14 Performance Objectives

- ◆ Achieve 100% permit compliance.
- ◆ Maintain 30-day geometric mean for total coliforms at the final sampler at or below 250,000.
- ◆ Maintain overtime at less than 5% of total hours.
- ◆ Maintain a calendar year safety scorecard above 90%.
- ◆ Manage expenditures to within 95-100% of approved budget.

2013-14 Performance Results

- ◆ 100% NPDES compliance.
- ◆ 30-day geometric mean has consistently been maintained below 250,000 MPN at the final sampler.
- ◆ Overtime has consistently been held below 5% of total hours worked.
- ◆ The average scorecard value through December 2013 is 84%.
- ◆ Project 95-100% of budget will be expended.

2014-15 & 2015-16 Performance Objectives

- ◆ Achieve 100% permit compliance.
- ◆ Maintain 30-day geometric mean for total coliform at the final sampler at or below 250,000 MPN.
- ◆ Maintain overtime at less than 5% of the total hours worked.
- ◆ Maintain a safety scorecard above 90% for overall.
- ◆ Manage operating expenditures to within 96 to 100% of approved budget.

Performance Measures

Summary	2012-13 Actual	2013-14 Projected	2014-15 Proposed	2015-16 Proposed	Justification
◆ Permit Compliance	100%	100%	100%	100%	Permit Requirement
◆ 30-Day Geo Mean	≤ 250,000	≤ 250,000	≤ 250,000	≤ 250,000	In-house standard
◆ Overtime	2.83%	< 5%	< 5%	< 5%	In-house standard
◆ Safety Scorecard	94%	> 90%	> 90%	> 90%	In-house standard
◆ Manage Budget	95%	95-100%	96-100%	96-100%	In-house standard

Plant No. 1 Operations

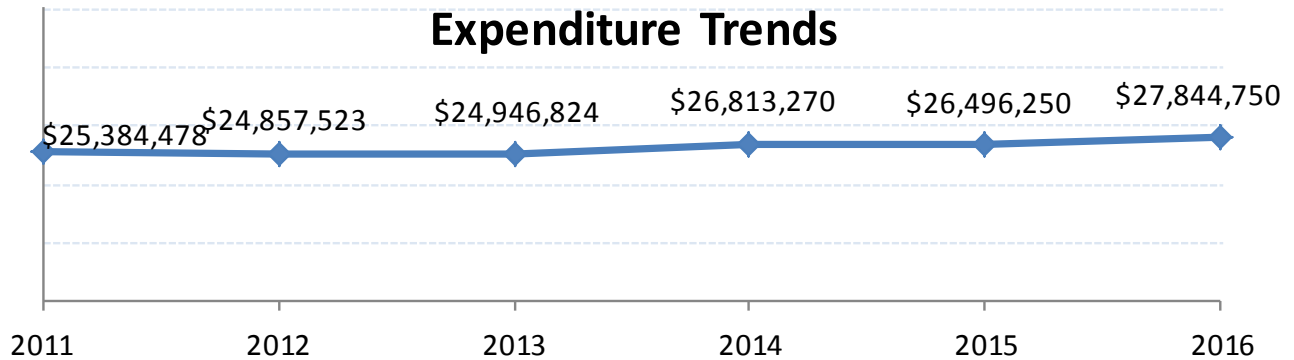
Budget Overview

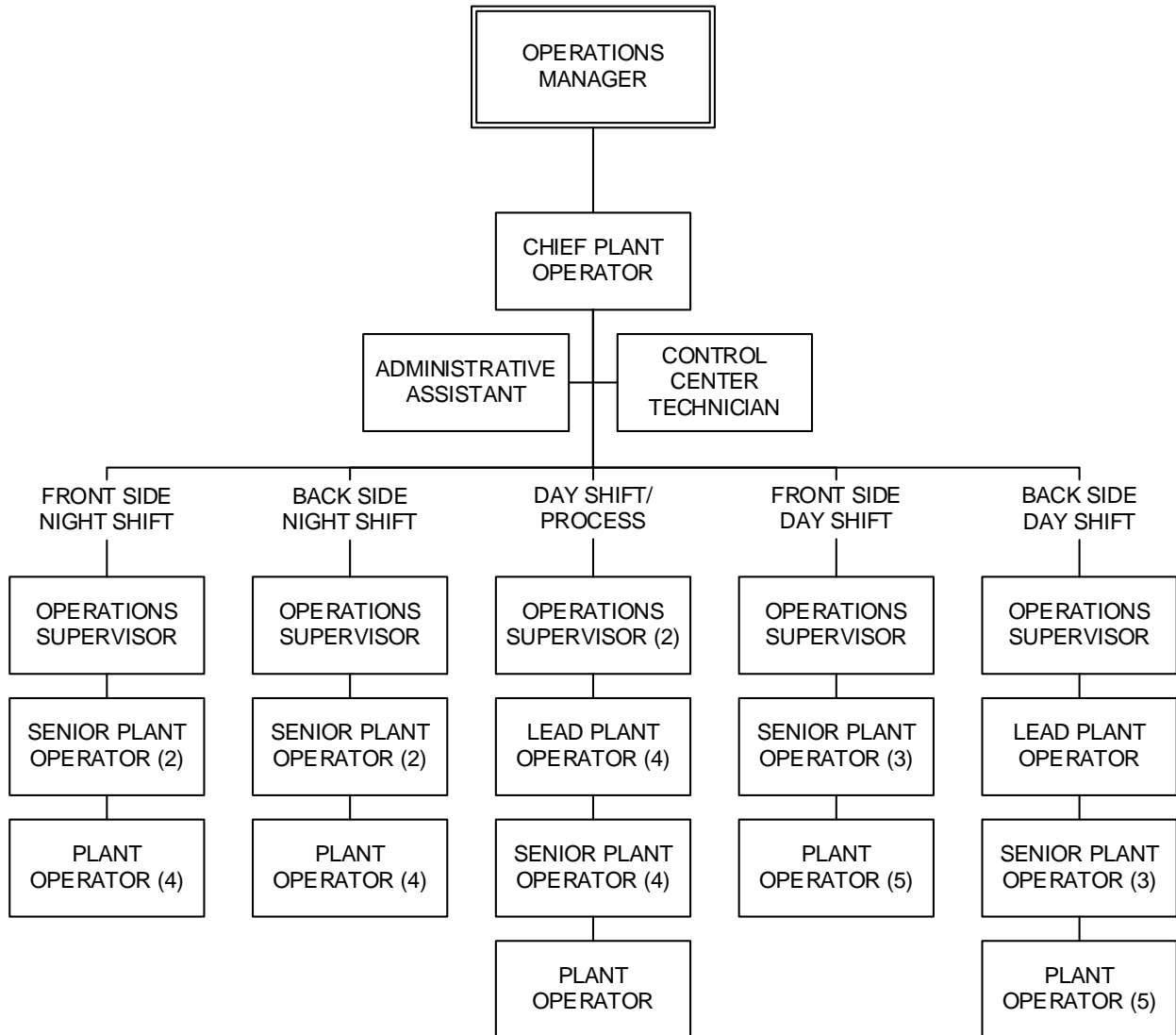
The FY 2014-15 & 2015-16 budgets for the Plant No. 1 Operations Division reflect a decrease of 1% and an increase of 5% over the prior year, respectively. The changes are mainly due to decreases of the costs in FY 2014-15 for chemical coagulants, and odor control chemicals, partially offset by increases in solids removal and electricity costs.

2013-14 Adjusted Budget - Total Operating Requirements	\$ 26,813,270
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	(14,300)
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(168,100)
Change in OCERS retirement costs	267,600
Change in group insurance costs	(94,400)
Other benefit cost adjustments	19,700
Other Cost Adjustments:	
Increase in minor furniture and fixtures	13,440
Decrease in chemical coagulants	(285,700)
Decrease in odor control chemicals	(443,800)
Increase in disinfection chemicals	50,000
Increase in solids removal costs	211,490
Decrease in other waste disposal costs	(61,000)
Increase in outside laboratory services	39,150
Increase in engineering services	14,200
Decrease in service maintenance agreements	(80,000)
Decrease in natural gas costs	(23,000)
Increase in electricity costs	201,000
Increase in water costs	41,500
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(4,800)
2014-15 Proposed Budget - Total Operating Requirements	\$ 26,496,250
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	97,900
Change in OCERS retirement costs	31,600
Change in group insurance costs	39,200
Other benefit cost adjustments	3,400
Other Cost Adjustments:	
Decrease in minor furniture and fixtures	(13,440)
Increase in chemical coagulants	848,000
Increase in odor control chemicals	49,470
Decrease in disinfection chemicals	(40,000)
Increase in solids removal costs	152,210
Increase in other waste disposal costs	40,000
Increase in outside laboratory services	2,200
Increase in natural gas costs	2,000
Increase in electricity costs	116,000
Increase in water costs	13,500
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	6,460
2015-16 Proposed Budget - Total Operating Requirements	\$ 27,844,750

2014-15 & 2015-16 Budget

Operating Expenses By Category	2012-13 Actual	2013-14 Revised Budget	2013-14 Projected	2014-15 Proposed	Budget % Change	2015-16 Proposed	Budget % Change
Personnel	\$ 7,639,869	\$ 8,366,700	\$ 7,873,000	\$ 8,377,200	0.13%	\$ 8,549,300	2.05%
Supplies	4,827,918	5,032,890	4,337,170	4,363,270	(13.30%)	5,213,350	19.48%
Professional & Contractual Services	10,012,972	10,387,650	10,073,830	10,591,490	1.96%	10,785,900	1.84%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	16,592	96,640	23,700	15,010	(84.47%)	15,270	1.73%
Utilities	2,445,648	2,925,000	2,744,500	3,144,500	7.50%	3,276,000	4.18%
Other	3,825	4,390	4,190	4,780	8.88%	4,930	3.14%
Total	\$ 24,946,824	\$ 26,813,270	\$ 25,056,390	\$ 26,496,250	(1.18%)	\$ 27,844,750	5.09%



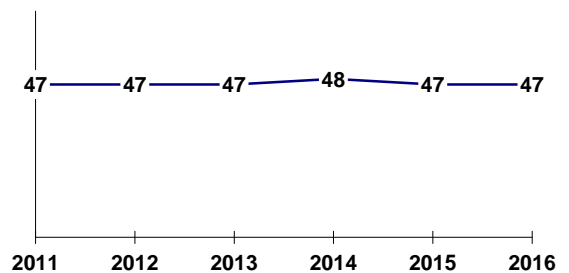


Staffing Trends

2014-15 & 2015-16 Authorized FTE Positions

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

Total 47.0



2014-15 & 2015-16 Budget

Service Description

The mission of the Plant No. 2 Operations Division is to safely, reliably, and cost effectively operate the plant to meet all regulatory requirements for the land, air, and water environments of Orange County and the 2.5 million residents we serve.

2013-14 Performance Objectives

- ◆ Achieve 100% permit compliance.
- ◆ Maintain 30-day geometric mean for total coliform at the final sampler at or below 250,000 MPN.
- ◆ Maintain overtime at less than 5% of total hours worked.
- ◆ Maintain a calendar year safety scorecard rating over 90%.
- ◆ Manage expenditures to within 95 to 100% of approved budget.

2013-14 Performance Results

- ◆ 100% NPDES compliance.
- ◆ 30-day geometric mean has consistently been maintained below 250,000 MPN at the final sampler.
- ◆ Overtime has consistently been held below 5% of total hours worked.
- ◆ The average scorecard value through December 2013 is 98%.
- ◆ Project 95% to 100% of budget will be expended.

2014-15 & 2015-16 Performance Objectives

- ◆ Achieve 100% permit compliance.
- ◆ Maintain 30-day geometric mean for total coliform at the final sampler at or below 250,000 MPN.
- ◆ Maintain overtime at less than 5% of the total hours worked.
- ◆ Maintain a safety scorecard above 90%.
- ◆ Manage operating expenditures to within 96 to 100% of approved budget.

Performance Measures

Summary	2012-13 Actual	2013-14 Projected	2014-15 Proposed	2015-16 Proposed	Justification
◆ Permit Compliance	100%	100%	100%	100%	Permit Requirement
◆ 30-Day Geo Mean	< 250,000	< 250,000	≤ 250,000	≤ 250,000	In-house standard
◆ Overtime	0.87%	< 5%	< 5%	< 5%	In-house standard
◆ Safety Scorecard	N/A	> 90%	> 90%	> 90%	In-house standard
◆ Manage Budget	90%	95-100%	96-100%	96-100%	In-house standard

Plant No. 2 Operations

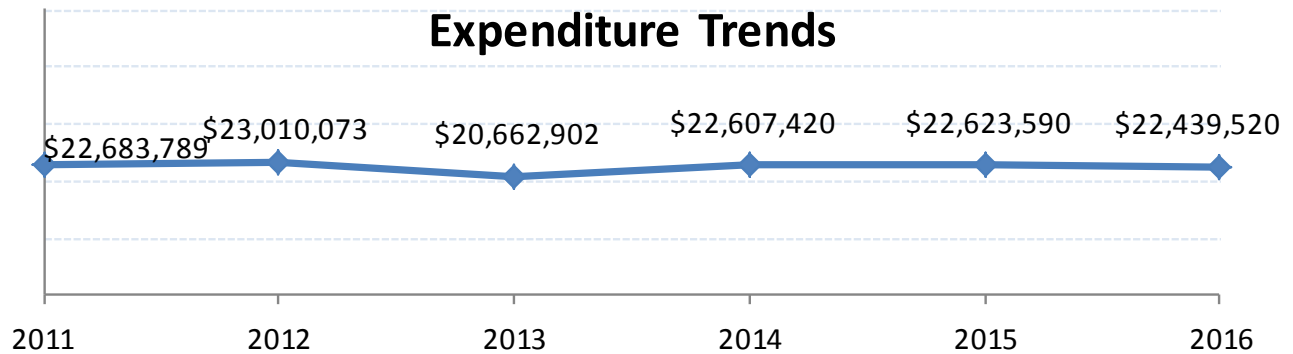
Budget Overview

The FY 2014-15 & 2015-16 budgets for the Plant No. 2 Operations Division reflect an increase of 0.1% and a decrease of 1% over the prior year, respectively. The minimal increase is primarily due to increases in FY 2014-15 for solids removal, oxygen plant operations, and retirement costs, offset by decreases in chemical coagulants, disinfection chemicals and other salary and benefits adjustments.

2013-14 Adjusted Budget - Total Operating Requirements	\$ 22,607,420
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	(59,800)
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(71,700)
Change in OCERS retirement costs	295,500
Change in group insurance costs	(56,600)
Other benefit cost adjustments	4,400
Other Cost Adjustments:	
Decrease in chemical coagulants	(203,000)
Decrease in odor control chemicals	(37,320)
Decrease in disinfection chemicals	(76,000)
Decrease in tools expense	(5,200)
Decrease in lab chemicals and supplies expense	(6,390)
Increase in solids removal costs	170,360
Decrease in other waste disposal	(52,000)
Increase in oxygen plant operations	146,200
Increase in engineering services	15,200
Increase in repairs and maintenance	47,800
Decrease in natural gas costs	(28,000)
Decrease in electricity costs	(50,000)
Decrease in water costs	(15,000)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(2,280)
2014-15 Proposed Budget - Total Operating Requirements	\$ 22,623,590
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	59,800
Change in OCERS retirement costs	20,000
Change in group insurance costs	34,300
Other benefit cost adjustments	3,000
Other Cost Adjustments:	
Decrease in chemical coagulants	(529,000)
Increase in odor control chemicals	7,500
Increase in disinfection chemicals	10,000
Increase in solids removal costs	122,620
Increase in other waste disposal	5,000
Decrease in oxygen plant operations	(45,100)
Increase in repairs and maintenance services	31,300
Increase in electricity costs	90,000
Increase in water costs	7,000
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(490)
2015-16 Proposed Budget - Total Operating Requirements	\$ 22,439,520

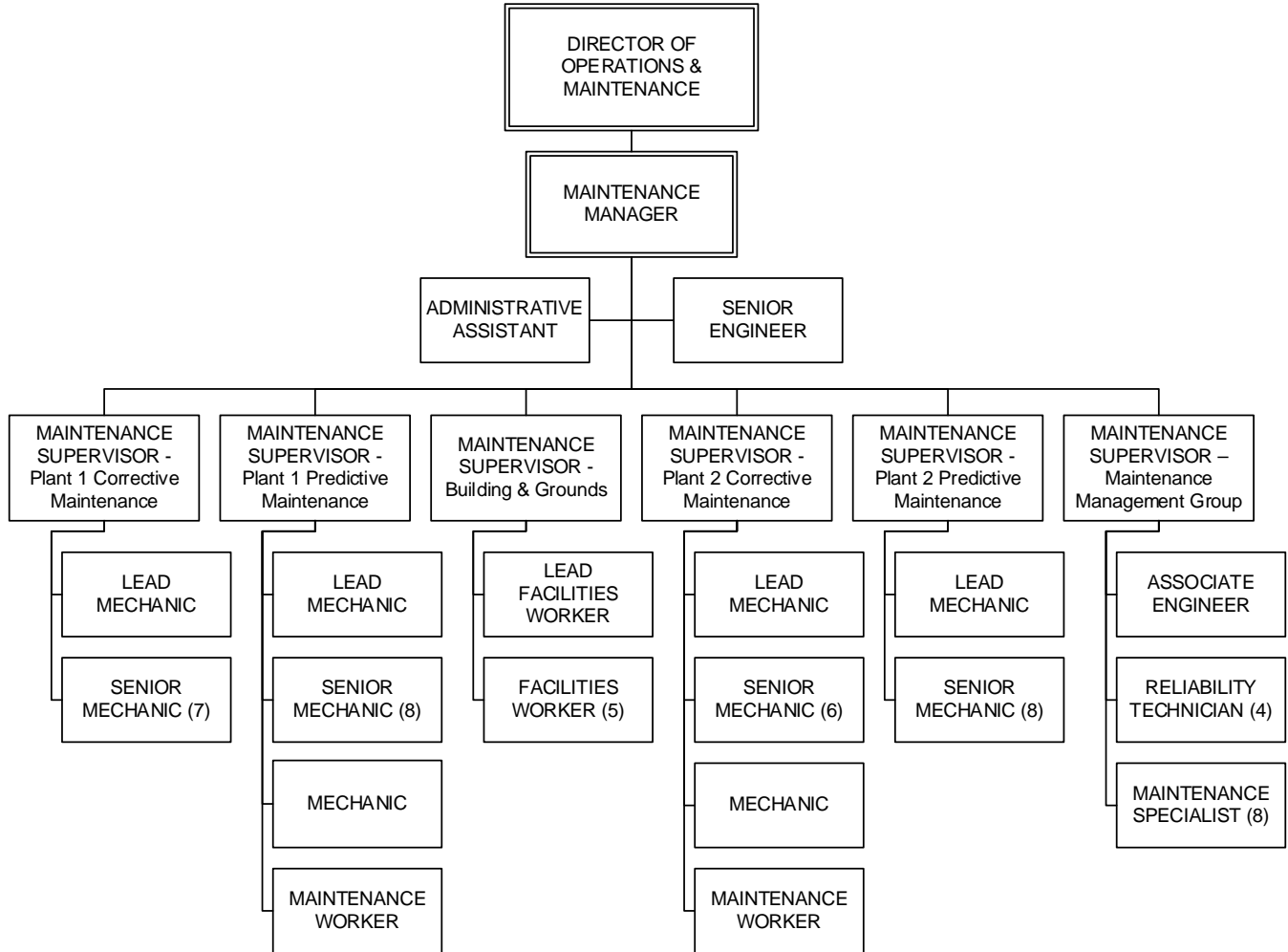
2014-15 & 2015-16 Budget

Operating Expenses By Category	2012-13 Actual	2013-14 Revised Budget	2013-14 Projected	2014-15 Proposed	Budget % Change	2015-16 Proposed	Budget % Change
Personnel	\$ 6,345,931	\$ 6,900,000	\$ 6,723,400	\$ 7,011,800	1.62%	\$ 7,128,900	1.67%
Supplies	3,724,189	3,658,600	3,314,793	3,328,640	(9.02%)	2,815,420	(15.42%)
Professional & Contractual Services	8,503,257	8,918,600	8,902,300	9,198,360	3.14%	9,280,880	0.90%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	91,867	742,480	530,200	790,110	6.41%	821,490	3.97%
Utilities	1,995,484	2,384,000	2,104,110	2,291,000	(3.90%)	2,389,000	4.28%
Other	2,174	3,740	3,480	3,680	(1.60%)	3,830	4.08%
Total	\$ 20,662,902	\$ 22,607,420	\$ 21,578,283	\$ 22,623,590	0.07%	\$ 22,439,520	(0.81%)



Building, Grounds, and Mechanical Maintenance

850

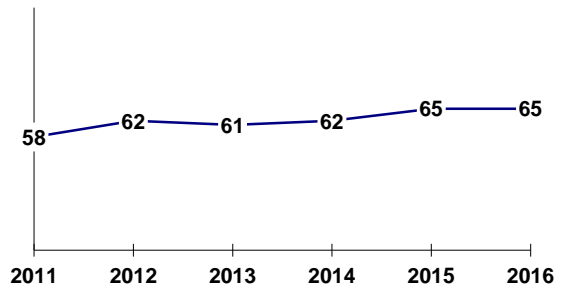


2014-15 & 2015-16 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	15.0
Operations & Maintenance	48.0
Administrative / Clerical	1.0

Total 65.0

Staffing Trends



2014-15 & 2015-16 Budget

Service Description

The mission of the Building, Grounds and Mechanical Maintenance Division is to provide appropriate maintenance support for buildings, grounds and wastewater treatment processes in a safe, efficient, and effective manner so that OCSD can meet all discharge requirements.

2013-14 Performance Objectives

- ◆ Maintain a total work order backlog of no greater than 6 weeks.
- ◆ Maintain overtime below 7% of total hours worked.
- ◆ Maintain a calendar year safety scorecard rating above 90%.
- ◆ Maintain 100% records compliance for Volatile Organic Compound (VOC's).
- ◆ Manage expenditures to within 95 to 100% of approved budget.

2013-14 Performance Results

- ◆ Backlog has been held below <4% through December 2013.
- ◆ Overtime has consistently been held below 1% through January 2014.
- ◆ The average scorecard value through December 2013 is 98%.
- ◆ In compliance at 100% through January 2014.
- ◆ Project 95% to 100% of budget will be expended.

2014-15 & 2015-16 Performance Objectives

- ◆ Maintain overtime at less than 5% of the total hours worked.
- ◆ Maintain a calendar yearly safety scorecard rating above 90%.
- ◆ Maintain 100% records compliance for Volatile Organic Compounds (VOC's).
- ◆ Manage operating expenditures to within 96 to 100% of approved budget.

Performance Measures

Summary	2012-13 Actual	2013-14 Projected	2014-15 Proposed	2015-16 Proposed	Justification
◆ Overtime	< 3%	< 2%	< 5%	< 5%	In-House Standard Based on Industry Standards
◆ Safety Scorecard	99%	> 90%	> 90%	> 90%	In-house Standard
◆ VOC Record Compliance	100%	100%	100%	100%	Industry Standard
◆ Manage Budget	99%	95-100%	96-100%	96-100%	In-house Standard

Building, Grounds, and Mechanical Maintenance

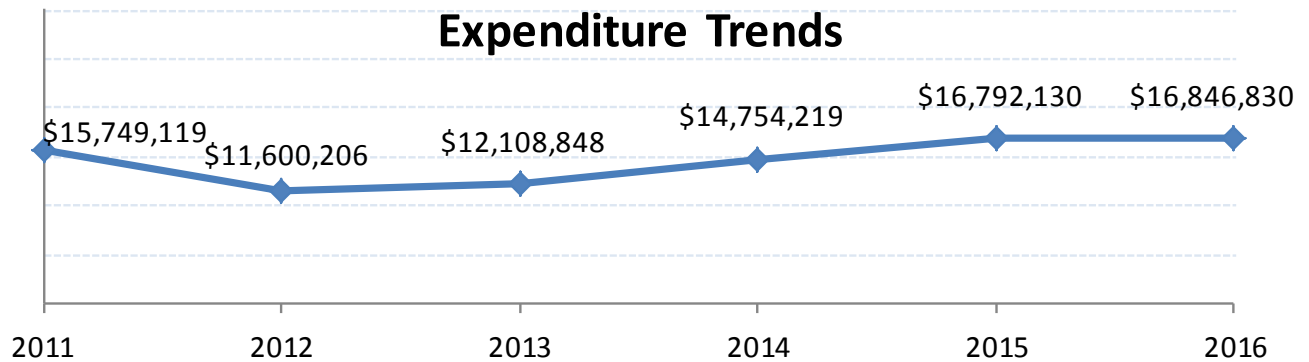
Budget Overview

The FY 2014-15 & 2015-16 budgets for the Building, Grounds, and Mechanical Maintenance Division reflect an increase of 14% and an increase of 0.3% from the prior year, respectively. The increase is primarily due to increases in repairs and maintenance costs and staffing reallocations.

2013-14 Adjusted Budget - Total Operating Requirements	\$ 14,754,219
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	298,100
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(264,900)
Change in OCERS retirement costs	443,700
Change in group insurance costs	(75,800)
Other benefit cost adjustments	35,400
Other Cost Adjustments:	
Increase in administrative expense	10,890
Decrease in meetings	(11,050)
Increase in gas, diesel, & oil	14,660
Increase in tools	65,370
Decrease in misc operating supplies expense	(10,400)
Increase in other waste disposal	7,130
Decrease in groundskeeping	(40,080)
Increase in janitorial services	19,940
Increase in other contractual services	53,000
Increase in other professional services	120,000
Increase in repairs and maintenance	1,378,895
Decrease in service maintenance agreements	(12,104)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	5,160
2014-15 Proposed Budget - Total Operating Requirements	\$ 16,792,130
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	81,500
Change in OCERS retirement costs	28,800
Change in group insurance costs	45,000
Other benefit cost adjustments	3,800
Other Cost Adjustments:	
Decrease in administrative expense	(5,620)
Increase in training	13,080
Increase in gas, diesel, & oil	6,620
Decrease in tools	(18,260)
Increase in safety equipment and tools	3,180
Increase in other waste disposal	3,090
Increase in groundskeeping	4,000
Increase in janitorial supplies expense	18,400
Decrease in other professional services	(120,000)
Decrease in repairs and maintenance	(20,320)
Increase in service maintenance agreements	7,090
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	4,340
2015-16 Proposed Budget - Total Operating Requirements	\$ 16,846,830

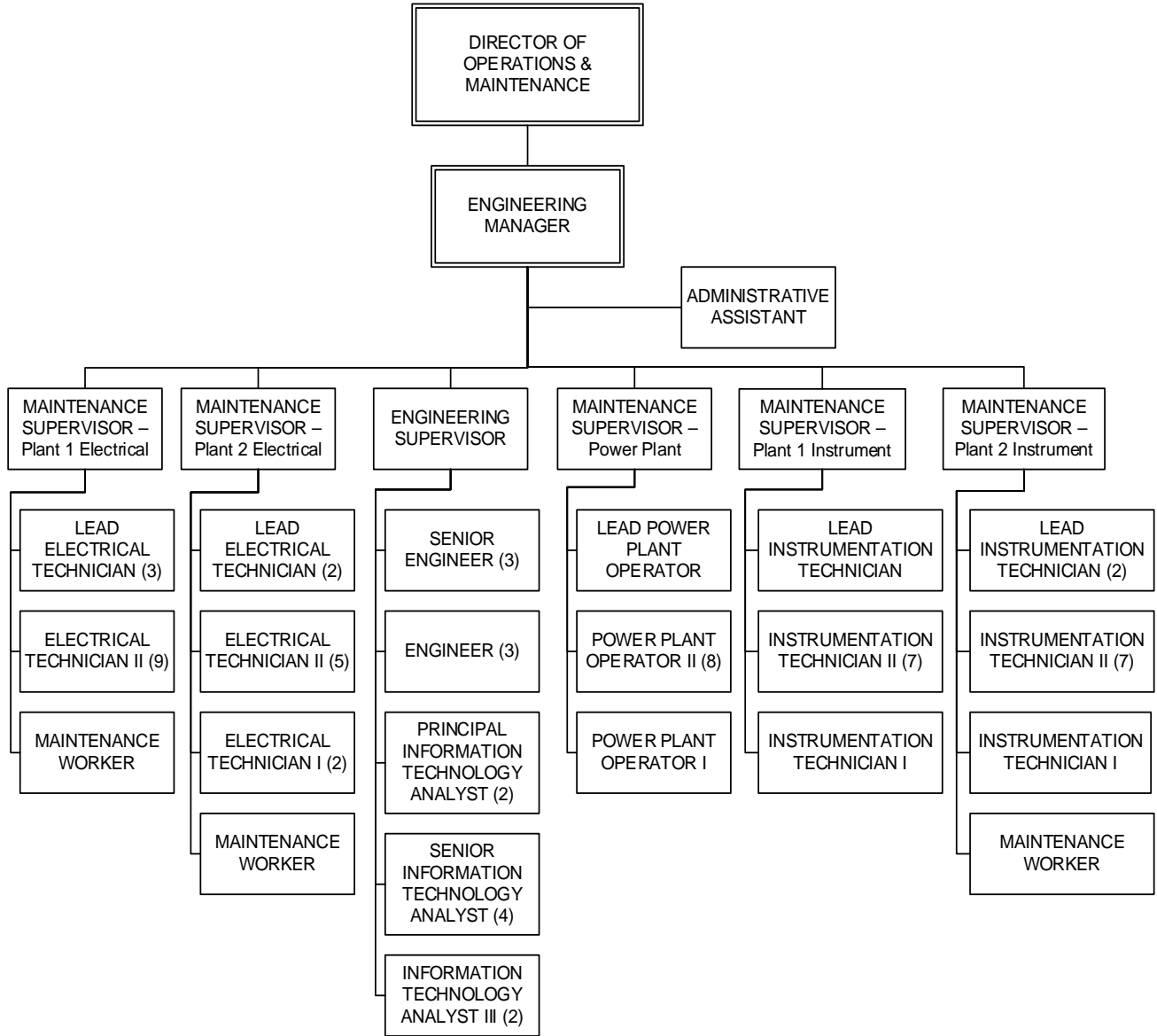
2014-15 & 2015-16 Budget

Operating Expenses By Category	2012-13 Actual	2013-14 Revised Budget	2013-14 Projected	2014-15 Proposed	Budget % Change	2015-16 Proposed	Budget % Change
Personnel	\$ 7,639,351	\$ 8,504,300	\$ 8,419,700	\$ 8,940,800	5.13%	\$ 9,099,900	1.78%
Supplies	382,135	418,750	373,635	488,880	16.75%	488,980	0.02%
Professional & Contractual Services	142,493	770,080	725,600	930,070	20.78%	837,680	(9.93%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	3,930,530	5,034,679	4,102,419	6,401,470	27.15%	6,388,240	(0.21%)
Utilities	10,448	20,000	22,000	23,230	16.15%	24,160	4.00%
Other	3,891	6,410	6,436	7,680	19.81%	7,870	2.47%
Total	\$ 12,108,848	\$ 14,754,219	\$ 13,649,790	\$ 16,792,130	13.81%	\$ 16,846,830	0.33%



Instrumentation & Electrical Maintenance

860

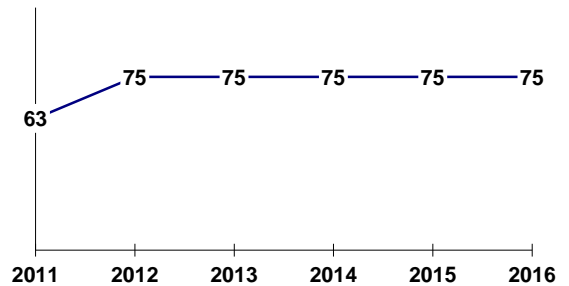


2014-15 & 2015-16 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	20.0
Operations & Maintenance	53.0
Administrative / Clerical	1.0

Total 75.0

Staffing Trends



2014-15 & 2015-16 Budget

Service Description

The mission of the Instrumentation and Electrical Maintenance Division is to protect public health and the environment by providing reliable power distribution, power generation, and electrical and instrument maintenance. The division's professional, highly skilled staff use best practices and technology to provide Collections, Plant Operations, and District staff with electrical power, control systems, and environmental controls that are safe, on line, and available for use.

2013-14 Performance Objectives

- ◆ Maintain electrical power availability at the distribution level greater than 99.9% (8 hr/yr of unplanned outage).
- ◆ Maintain all three supervisory control and data acquisition (SCADA) system servers above 99.9% (8 hr/yr of unplanned downtime).
- ◆ Maintain a calendar year safety scorecard above 90%.
- ◆ Restrict the wasting of digester gas by flaring to less than 2%.
- ◆ Maintain overtime below 5% of total hours worked.
- ◆ Manage expenditures to within 95% to 100% of approved budget.

2013-14 Performance Results

- ◆ Electrical power availability maintained at 100% distribution level.
- ◆ All three supervisory control and data acquisition system servers maintained at 100%.
- ◆ Safety scorecard maintained at 97%.
- ◆ Digester gas flaring maintained at 0%.
- ◆ Overtime maintained at 4.91% through January.
- ◆ Project 95% to 100% of budget will be expended.

2014-15 & 2015-16 Performance Objectives

- ◆ Maintain electrical power availability at the distribution level greater than 99.9% (8 hr/yr of unplanned outage).
- ◆ Maintain all three supervisory control and data acquisition system servers above 99.9% (8 hr/yr of unplanned downtime).
- ◆ Maintain a calendar year safety scorecard above 90%.
- ◆ Restrict the wasting of digester gas by flaring to less than 2%.
- ◆ Maintain overtime at less than 5% of the total hours worked.
- ◆ Manage operating expenditures to within 96 to 100% of approved budget.

Performance Measures

Summary	2012-13 Actual	2013-14 Projected	2014-15 Proposed	2015-16 Proposed	Justification
◆ Power Availability	100%	100%	100%	100%	In-house standard
◆ SCADA Availability	100%	100%	100%	100%	In-house standard
◆ Safety Scorecard	98%	> 90%	> 90%	> 90%	In-house standard
◆ Di-gas Waste	2%	< 2%	< 2%	< 2%	In-house standard
◆ Overtime	5%	< 5%	< 5%	< 5%	In-house standard
◆ Manage Budget	92%	95-100%	96-100%	96-100%	In-house standard

Instrumentation & Electrical Maintenance

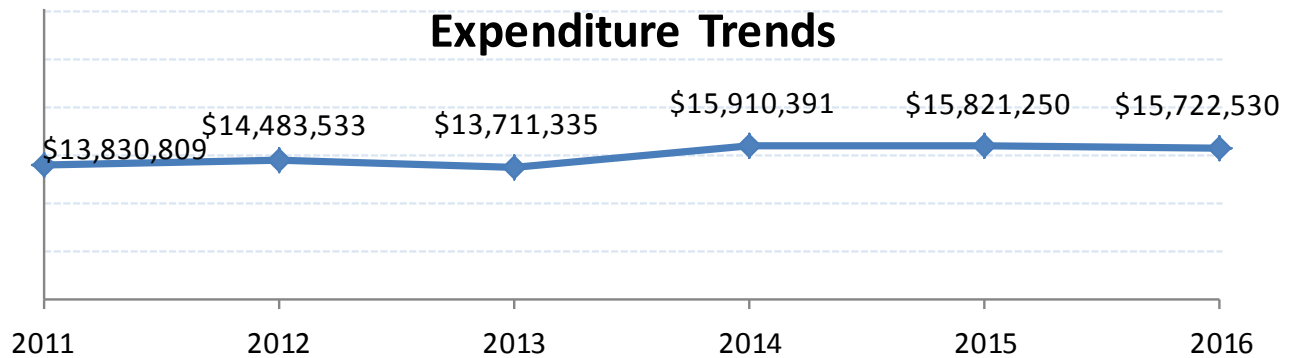
Budget Overview

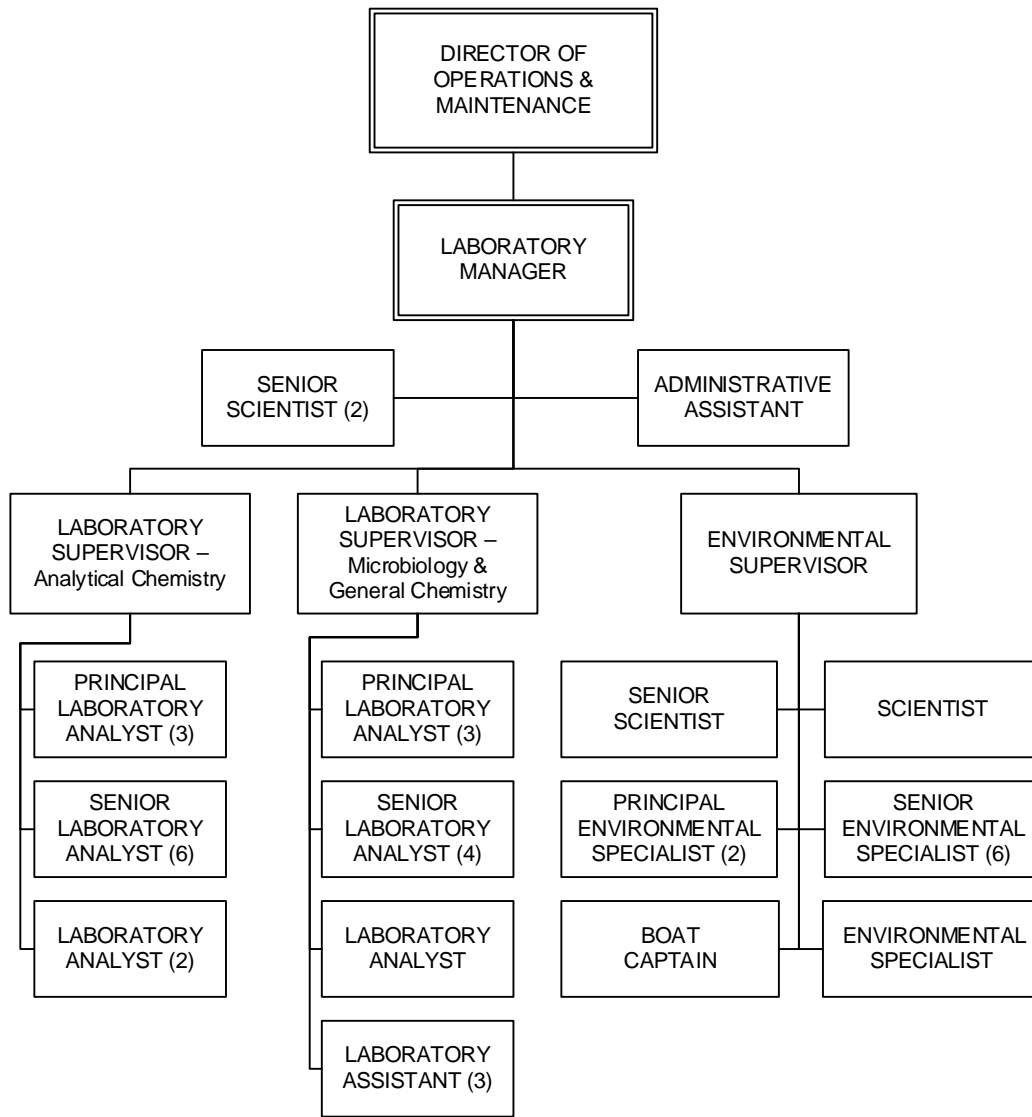
The FY 2014-15 & 2015-16 budgets for the Instrumentation and Electrical Maintenance Division reflect a decrease of 0.6% and 0.6% over the prior year, respectively. The minimal decrease is primarily due to salary and benefits adjustments and decreases in water costs, offset by increases in repairs and maintenance and engineering services.

2013-14 Adjusted Budget - Total Operating Requirements	\$ 15,910,391
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	(67,400)
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(376,500)
Change in OCERS retirement costs	438,500
Change in group insurance costs	(114,300)
Other benefit cost adjustments	23,700
Other Cost Adjustments:	
Decrease in administrative expense	(9,000)
Decrease in training	(16,530)
Decrease in tools	(10,970)
Increase in misc operating supplies expense	21,480
Decrease in temporary services	(19,385)
Increase in engineering services	150,000
Increase in software program consulting services	50,000
Increase in repairs and maintenance	304,570
Increase in service maintenance agreements	11,664
Increase in natural gas costs	11,500
Decrease in water costs	(481,800)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(4,670)
2014-15 Proposed Budget - Total Operating Requirements	\$ 15,821,250
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	89,900
Change in OCERS retirement costs	29,100
Change in group insurance costs	53,600
Other benefit cost adjustments	4,600
Other Cost Adjustments:	
Decrease in training	(26,700)
Increase in tools	(20,650)
Increase in safety equipment and tools	3,000
Decrease in misc operating supplies expense	2,570
Increase in repairs and maintenance	(252,130)
Increase in service maintenance agreements	3,000
Increase in natural gas costs	12,500
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	2,490
2015-16 Proposed Budget - Total Operating Requirements	\$ 15,722,530

2014-15 & 2015-16 Budget

Operating Expenses By Category	2012-13 Actual	2013-14 Revised Budget	2013-14 Projected	2014-15 Proposed	Budget % Change	2015-16 Proposed	Budget % Change
Personnel	\$ 10,775,119	\$ 12,015,800	\$ 11,200,300	\$ 11,919,800	(0.80%)	\$ 12,097,000	1.49%
Supplies	279,621	496,110	385,002	479,390	(3.37%)	440,050	(8.21%)
Professional & Contractual Services	109,296	89,385	41,626	270,000	202.06%	270,000	0.00%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	1,791,007	2,362,036	2,061,137	2,678,270	13.39%	2,429,140	(9.30%)
Utilities	751,158	936,800	754,890	466,500	(50.20%)	479,000	2.68%
Other	5,134	10,260	6,734	7,290	(28.95%)	7,340	0.69%
Total	\$ 13,711,335	\$ 15,910,391	\$ 14,449,689	\$ 15,821,250	(0.56%)	\$ 15,722,530	(0.62%)

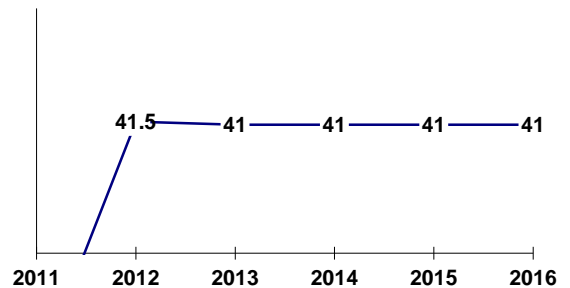




Staffing Trends

2014-15 & 2015-16 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	36.0
Technical Staff	3.0
Administrative / Clerical	1.0
<hr/>	
Total	<u>41.0</u>



2014-15 & 2015-16 Budget

Service Description

The mission of the Environmental Laboratory and Ocean Monitoring Division is to perform analytical procedures, monitoring, method development, data analysis and reporting for a broad range of programs and sample types, including wastewater treatment systems, industrial discharges, offshore and nearshore receiving waters, final effluent and air to determine the effectiveness of wastewater treatment processes, the industrial source control program, compliance with water and air regulations in order to protect and preserve the environment and public health.

2013-14 Performance Objectives

- ◆ Continue benchmarking to ensure the division is meeting or surpassing all industry performance standards.
- ◆ Pass monthly performance test standards 100% correctly in no more than two attempts and achieve no less than 95% correct results on the first attempt.
- ◆ Manage operating budget to within 98% to 102% of projection.
- ◆ Complete all NPDES Permit compliance monitoring within established reporting timelines and support GWRS and special projects as defined by established project goals.
- ◆ Submit complete and accurate Ocean Monitoring Annual Report by March 15th deadline.

2013-14 Performance Results

- ◆ Established internal benchmarks for all major areas of laboratory analyses for comparison to available industry standards.
- ◆ Passed monthly performance test standards 100% correctly on first attempt.
- ◆ Monitored budget expenditures monthly to ensure they are in line with projections.
- ◆ All compliance monitoring completed on or ahead of established timelines, as defined by Permit conditions and established project goals.
- ◆ All samples collected and analyzed on schedule.

2014-15 & 2015-16 Performance Objectives

- ◆ Continued efficiency improvement as measured by internal standards and benchmarking with other laboratories.
- ◆ Successful performance on proficiency test standards 100% correctly in no more than two attempts and achieve no less than 95% correct results on the first attempt.
- ◆ Manage operating expenditures to within 96 to 100% of approved budget.
- ◆ Support of GWRS, special projects and routine monitoring requirements.
- ◆ Meet all NPDES Permit compliance standards, strategic initiatives and strategic process studies to advance OCSD's Mission.

Summary	Performance Measures				Justification
	2012-13 Actual	2013-14 Projected	2014-15 Proposed	2015-16 Proposed	
◆ Laboratory Productivity	100%	100%	100%	100%	Internal and external benchmark comparison
◆ Laboratory Standards	100%	100%	100%	100%	Blind check standards
◆ Manage Budget	96%	97%	96-100%	96-100%	In-house standard
◆ Support GWRS	100%	100%	100%	100%	Percent of requested work completed
◆ Permit Compliance	100%	100%	100%	100%	Compliance measure

Environmental Laboratory and Ocean Monitoring

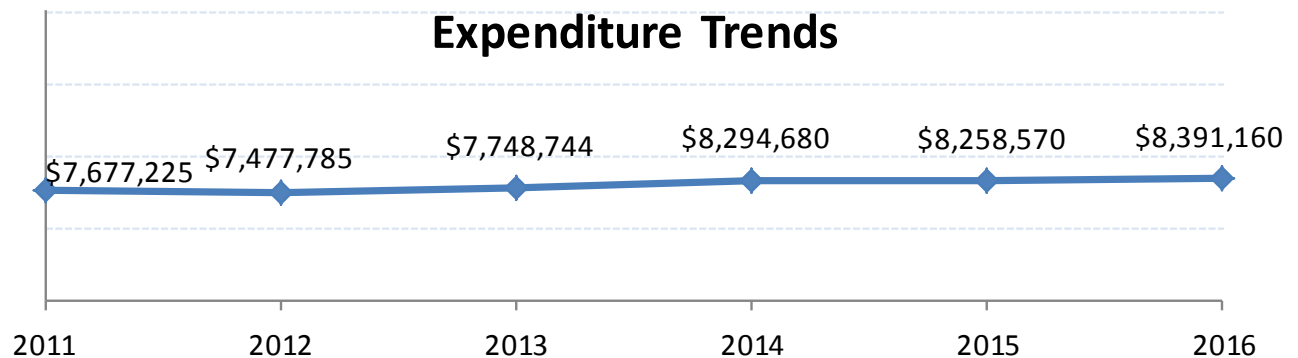
Budget Overview

The FY 2014-15 & 2015-16 budgets for the Environmental Laboratory and Ocean Monitoring Division reflect a decrease of 0.4% and an increase of 2% over the prior year, respectively. The decrease is primarily due to reductions in temporary services, service maintenance agreements, repairs and maintenance and environmental monitoring costs, partially offset by increases in lab chemicals and supplies, and electricity costs.

2013-14 Adjusted Budget - Total Operating Requirements	\$ 8,294,680
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(208,800)
Change in OCERS retirement costs	233,700
Change in group insurance costs	(60,900)
Other benefit cost adjustments	29,300
Other Cost Adjustments:	
Decrease in training	(8,350)
Increase in lab chemicals and supplies	30,520
Increase in outside lab services	9,360
Decrease in temporary services	(45,000)
Decrease in environmental monitoring costs	(12,000)
Decrease in repairs and maintenance	(14,420)
Decrease in service maintenance agreements	(15,000)
Increase in electricity costs	29,000
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(3,520)
2014-15 Proposed Budget - Total Operating Requirements	\$ 8,258,570
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	53,200
Change in OCERS retirement costs	18,300
Change in group insurance costs	29,400
Other benefit cost adjustments	2,600
Other Cost Adjustments:	
Increase in gas, diesel, & oil	2,500
Increase in lab chemicals and supplies	15,000
Increase in environmental monitoring costs	10,000
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	1,590
2015-16 Proposed Budget - Total Operating Requirements	\$ 8,391,160

2014-15 & 2015-16 Budget

Operating Expenses By Category	2012-13 Actual	2013-14 Revised Budget	2013-14 Projected	2014-15 Proposed	Budget % Change	2015-16 Proposed	Budget % Change
Personnel	\$ 6,015,633	\$ 6,398,200	\$ 6,043,600	\$ 6,391,500	(0.10%)	\$ 6,495,000	1.62%
Supplies	635,765	714,210	693,060	735,570	2.99%	754,310	2.55%
Professional & Contractual Services	212,308	220,840	185,000	182,500	(17.36%)	182,500	0.00%
Research & Monitoring	346,474	352,000	317,000	340,000	(3.41%)	350,000	2.94%
Repairs & Maintenance	194,646	214,420	178,000	185,000	(13.72%)	185,000	0.00%
Utilities	277,461	331,000	360,000	360,000	8.76%	360,000	0.00%
Other	66,457	64,010	58,002	64,000	(0.02%)	64,350	0.55%
Total	\$ 7,748,744	\$ 8,294,680	\$ 7,834,662	\$ 8,258,570	(0.44%)	\$ 8,391,160	1.61%



**SELF-INS.PROGRAM
SECTION 7**

**SELF-INSURANCE
PROGRAM SECTION 7**

Self-Insurance Program Overview

SELF-FUNDED INSURANCE PLANS

The District is partially self-insured for general liability and workers' compensation. The General Liability and Property program and the Workers' Compensation program have been in existence since 1979. The annual in-lieu premiums and charges to the Revenue Areas or Operating Divisions are the revenue sources within these programs. Expenses primarily consist of claim settlements, legal fees and excess loss insurance premiums. Ending Reserve Balances are projected at \$57,893,300 in FY 2014-15 and \$57,000,000 in FY 2015-16.

General Liability and Property

- The District's current outside excess general liability insurance coverage is \$30 million with a self-insured retention of \$250,000.
- The District's current property insurance coverage is \$1 billion for perils of fire and \$300 million for perils of flood, subject to a self-insured retention of \$250,000. The District is completely self-insured for earthquake. The District also increased its sublimit for builder's risk under the property insurance program from \$25 million to \$50 million to ensure upcoming construction projects are adequately covered.
- In order to maintain a reserve balance of \$55.9 million for FY 2014-15 and \$55.0 million for FY 2015-16 for the Property and General Liability program, appropriations for in-lieu premiums charged to the Revenue Areas are recommended at \$500,000 and \$689,700 for FY 2014-15 and FY 2015-16, respectively.

Workers' Compensation

- The District's current outside excess workers' compensation coverage is subject to statutory limits (currently unlimited) with a self-insured retention of \$750,000 per occurrence.
- In order to maintain the reserve balance of \$2 million for the Workers' Compensation program, appropriations for in-lieu premiums charged to operating divisions are recommended at \$755,000 and \$794,100 for FY 2014-15 and FY 2015-16, respectively.

2014-15 & 2015-16 Budget

Total of the Self-Insurance Programs

DESCRIPTION OR ACCOUNT TITLE	2012-13 Actuals	2013-14 Budget	2013-14 Projected	2014-15 Proposed	2015-16 Proposed
Beginning Reserves	\$ 58,014,117	\$ 57,765,140	\$ 59,143,443	\$ 58,815,400	\$ 57,893,300
Revenues					
In-Lieu Premiums	1,705,000	1,363,800	1,364,000	1,255,000	1,483,800
Miscellaneous Other Revenue	811,179	-	259,600	-	-
Claims Reimbursement from Other Funds	-	-	-	-	-
Transfer In	-	-	-	-	-
Service Department Allocation	17,496	24,100	17,500	24,100	24,100
Total Revenues	2,533,675	1,387,900	1,641,100	1,279,100	1,507,900
Expenses					
Benefits/Claims	166,931	420,000	627,310	520,000	550,000
Contractual Services	10,789	26,200	1,200	1,200	1,200
Legal Services	79,786	150,000	105,900	175,000	195,000
Professional Services	42,050	45,000	46,430	55,000	55,000
Transfer Out	-	-	-	-	-
Subtotal	299,556	641,200	780,840	751,200	801,200
Policy Premium Expense	1,104,793	1,511,000	1,188,320	1,450,000	1,600,000
Total Expenses	1,404,349	2,152,200	1,969,160	2,201,200	2,401,200
Excess Revenue (Expenses)	1,129,326	(764,300)	(328,060)	(922,100)	(893,300)
Ending Reserves	\$ 59,143,443	\$ 57,000,840	\$ 58,815,383	\$ 57,893,300	\$ 57,000,000

Self-Insurance Program

General Liability and Property Self-Insurance Program

DESCRIPTION OR ACCOUNT TITLE	2012-13 Actuals	2013-14 Budget	2013-14 Projected	2014-15 Proposed	2015-16 Proposed
Beginning Reserves	\$ 56,141,274	\$ 55,579,300	\$ 56,904,863	\$ 56,874,500	\$ 55,897,400
<u>Revenues</u>					
In-Lieu Premiums	909,000	908,800	909,000	500,000	689,700
Miscellaneous Other Revenue	802,153	-	259,600	-	-
Claims Reimbursement from Other Funds	-	-	-	-	-
Transfer In	-	-	-	-	-
Service Department Allocation	17,496	24,100	17,500	24,100	24,100
Total Revenues	1,728,649	932,900	1,186,100	524,100	713,800
<u>Expenses</u>					
Benefits/Claims	5,702	100,000	110,790	120,000	100,000
Contractual Services	1,200	1,200	1,200	1,200	1,200
Legal Services	20,657	75,000	15,120	75,000	75,000
Professional Services	-	5,000	-	5,000	5,000
Transfer Out	-	-	-	-	-
Subtotal	27,559	181,200	127,110	201,200	181,200
Policy Premium Expense	937,501	1,331,000	1,089,390	1,300,000	1,430,000
Total Expenses	965,060	1,512,200	1,216,500	1,501,200	1,611,200
Excess Revenue (Expenses)	763,589	(579,300)	(30,400)	(977,100)	(897,400)
Ending Reserves	\$ 56,904,863	\$ 55,000,000	\$ 56,874,463	\$ 55,897,400	\$ 55,000,000

2014-15 & 2015-16 Budget

Workers' Compensation Self-Insurance Program

DESCRIPTION OR ACCOUNT TITLE	2012-13 Actuals	2013-14 Budget	2013-14 Projected	2014-15 Proposed	2015-16 Proposed
Beginning Reserves	\$ 1,872,843	\$ 2,185,840	\$ 2,238,580	\$ 1,940,900	\$ 1,995,900
Revenues					
In-Lieu Premiums	796,000	455,000	455,000	755,000	794,100
Miscellaneous Other Revenue	9,026	-	-	-	-
Transfer In	-	-	-	-	-
Service Department Allocation	-	-	-	-	-
Total Revenues	805,026	455,000	455,000	755,000	794,100
Expenses					
Benefits/Claims	161,229	320,000	516,520	400,000	450,000
Contractual Services	9,589	25,000	-	-	-
Legal Services	59,129	75,000	90,780	100,000	120,000
Professional Services	42,050	40,000	46,430	50,000	50,000
Transfer Out	-	-	-	-	-
Subtotal	271,997	460,000	653,730	550,000	620,000
Policy Premium Expense	167,292	180,000	98,930	150,000	170,000
Total Expenses	439,289	640,000	752,660	700,000	790,000
Excess Revenue (Expenses)	365,737	(185,000)	(297,660)	55,000	4,100
Ending Reserves	\$ 2,238,580	\$ 2,000,840	\$ 1,940,920	\$ 1,995,900	\$ 2,000,000

**CAPITAL IMPROVEMENTS
SECTION 8**

Capital Improvement Program Overview

CIP BUDGET REQUEST SUMMARY

Each year, the Board of Directors, through their committee process, reviews and approves the Capital Improvement Program (CIP) prepared by staff for both sewage collection system projects (collections) and the joint works treatment and disposal system projects.

Many of the District's projects take several years to complete the planning, design and construction cycle. The budget for a construction project covers the life of the project. This budget is reevaluated each year for the purpose of managing annual cash flows. Thus, many of the projects in the CIP Budget for 2014-16 are continuing projects that were approved in prior years.

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

Three new projects are proposed for addition to the 2014-2016 budget to rehabilitate the Main Street Pumpstation, rehabilitate the Slater Avenue Pumpstation and make improvements to the Plant No. 1 perimeter security and storm water system. These CIP projects increase the amount of the CIP by \$75.8 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 conjunction with preparation for the 2014-16 Budget, District staff have developed and reviewed with the Board of Directors a capital program to deliver the levels of service included in the District's Five-year Strategic Plan.

District staff has also validated the active CIP projects currently being executed to ensure that the active project scopes of work and cost estimates were accurate. The validated CIP includes 77 large capital projects and 38 special projects with a 20- year expenditure of \$1.9 billion. This total represents a \$120.6 million increase from the 2013-14 CIP estimate. This increase is mostly attributed to improvements made to project scopes of work and cost estimates.

The proposed 2014-15 CIP budget is organized by treatment process. The funds requested for the current cash flow budget total \$169.2 million, an increase of 19.8 percent from last year's cash flow request of \$141.3 million. The current year cash flow is part of an overall total cost of \$2.8 billion for active projects.

Following is a chart of the 2014-15 Proposed CIP Cash Flows and the total Project Costs for all proposed projects, by project phase, in millions:

<u>Current Status</u>	<u>2014-15 Cash Flow</u>	<u>Total Project Cost</u>
Future	\$0.0	\$1,059.2
Planning	8.5	80.7
Design	6.7	147.4
Construction	152.0	1,474.5
Capital Equipment	2.0	16.0
Total	<u>\$169.2</u>	<u>\$2,777.8</u>

There are currently 36 projects in the Planning Phase with proposed capital outlay spending in 2014-15. Two of the larger 2014-15 cash flow projects in the Planning Phase are the Collection System Master Planning and the Odor Control Master Plan with current year projected expenditures of \$700 thousand and \$695.1 thousand respectively.

There are currently 34 projects in the Design Phase with proposed capital outlay spending in 2014-15. The two largest projects in the Design Phase are the Trunk Line Odor Control Improvements at Plant No. 1 and the Sludge Dewatering and Odor Control at Plant No. 2 with projected current year expenditures of \$373.7 thousand and \$322 thousand respectively.

2014-15 & 2015-16 Budget

There are currently 37 projects in the Construction Phase with proposed capital outlay spending in 2014-15. The two most significant projects in the construction phase are the Sludge Dewatering and Odor Control at Plant No. 1 and the Newport Force Main Rehabilitation with projected FY 2014-15 expenditures of \$61.1 million and \$20.4 million respectively.

Standard contingency factors have been applied to improve cost estimates. The rates of 20, 20, and 10 percent have been applied respectively to the estimates made during the project development, design, and construction project phases. This reflects standard practice for estimating construction project costs.

Following within this section are individual capital improvement project detail sheets that have been provided as a brief overview of each project, the budget for the next five years, and the budget for the total project.

Each project went through an extensive validation and prioritization process. Projects have been prioritized based on risk exposure. Projects that would present a higher risk or disproportionately higher future cost if they were delayed are given a higher priority.

The Treatment Process:

The Treatment Process Diagram (Section 8-Page 3) illustrates the stages of wastewater treatment in relation to the flow of wastewater through the treatment process. The icons in the legend are shown as graphics in the individual CIP Detail Sheets to give the reader insight about where a project correlates to the treatment process.

Wastewater is collected from 15 off-site pump stations or gravity sewers in outlying areas that total 479 square miles. Influent wastewater undergoes Preliminary Treatment upon entry to the treatment plants where it is filtered through bar screens and grit chambers. It then goes to Primary Treatment, which consists of large clarifying basins where solids are settled out, enhanced by the addition of chemicals, and sent to Solids Processing. The treated wastewater is then pumped to Secondary Treatment, which is a biological process using either trickling filters or activated sludge plants. The additional solids settled in Secondary Treatment are also sent to Solids Processing.

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

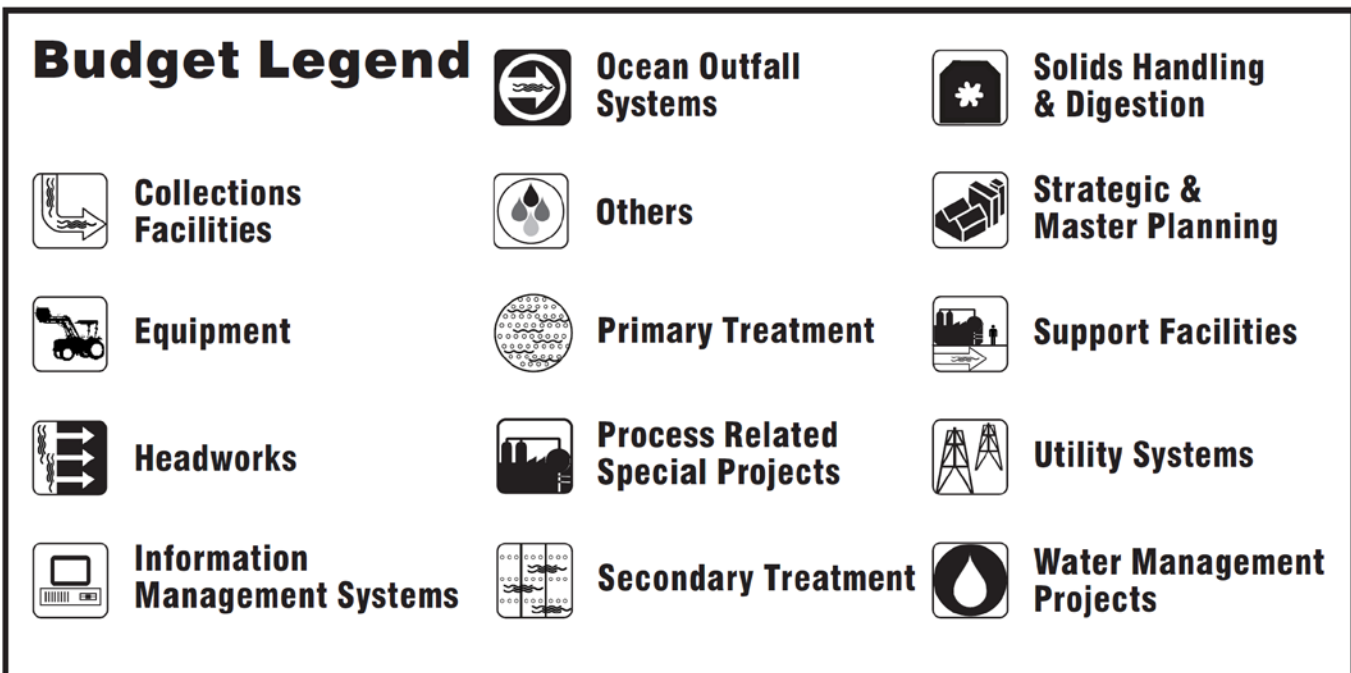
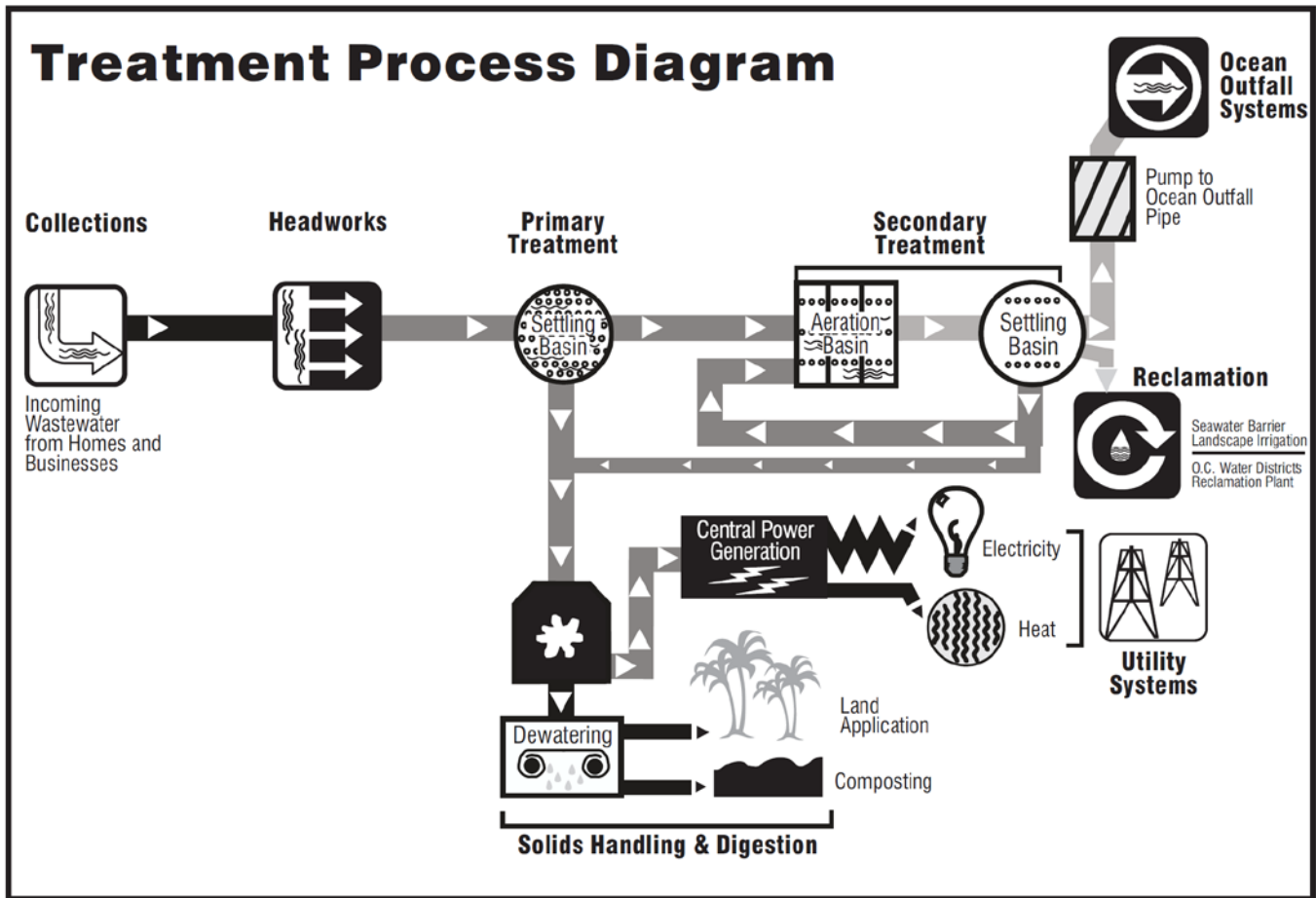
Solids are dewatered to a 20 percent solids consistency, called biosolids, and recycled for direct land application, composting or landfill.

Approximately 90 million gallons per day of secondary effluent from Reclamation Plant No. 1 is sent to Orange County Water District (OCWD) for reclamation in its two treatment and distribution systems.

The first is OCWD's Groundwater Replenishment System (GWRS). The GWRS is the largest water purification project of its kind in the world and its construction was funded jointly by OCWD and OCSD. At 70 million gallons per day, the GWRS generates enough pure water to meet the needs of 500,000 people.

The second is OCWD's Green Acres Project (GAP) which is a water recycling effort that provides reclaimed water for landscape irrigation at parks, schools and golf courses as well as for industrial uses, such as carpet dying. The total annual demand for GAP water is about 7.5 million gallons per day.

Capital Improvement Program Overview

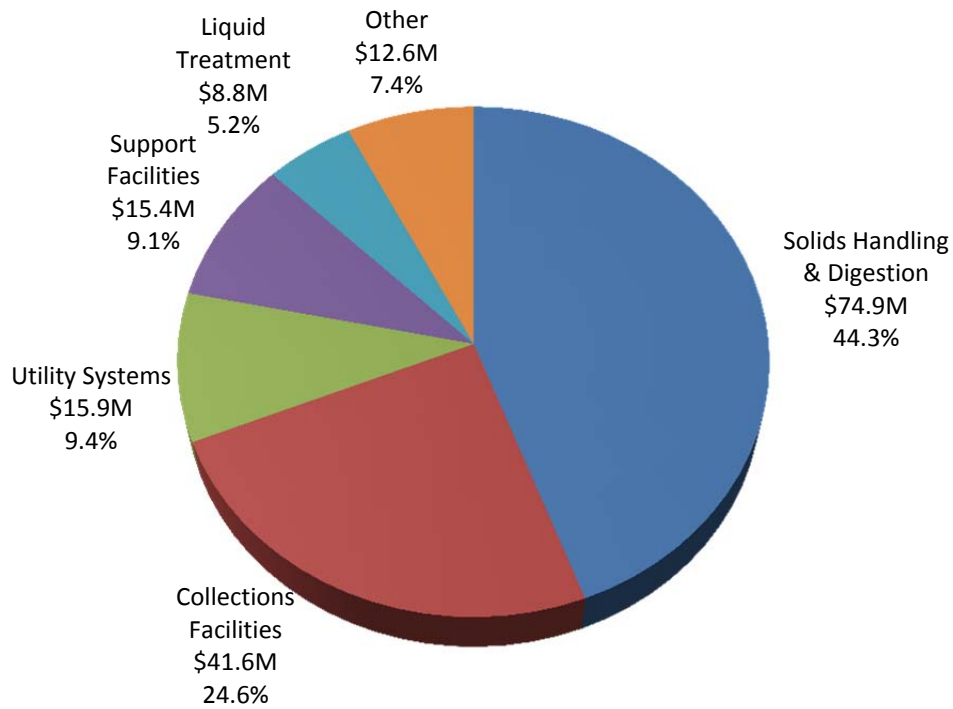


2014-15 & 2015-16 Budget

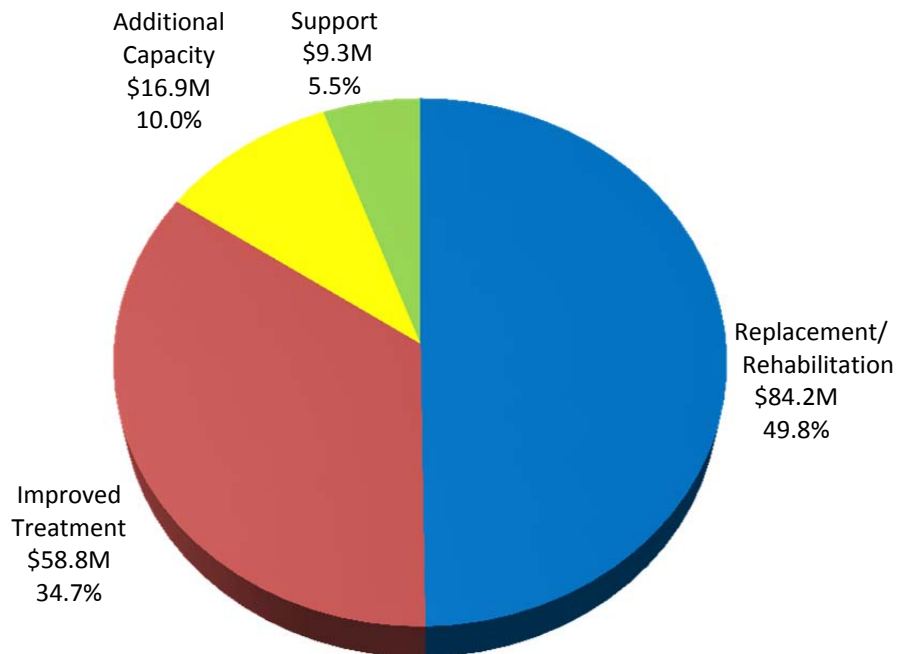
Project Summary FY 2014-15

Item	Replacement/ Rehabilitation	Improved Treatment	Additional Capacity	Support	Total Budget
Solids Handling & Digestion	\$ 17,494,803	\$ 48,005,357	\$ 9,387,529	\$ -	\$ 74,887,689
Collections Facilities	35,465,271	490,031	5,485,929	129,604	41,570,836
Utility Systems	8,013,514	6,988,246	473,813	393,160	15,868,732
Support Facilities	8,399,538	565,677	-	6,471,171	15,436,386
Liquid Treatment:					
Primary Treatment	4,006,327	5,219	-	-	4,011,546
Secondary Treatment	2,288,143	93,237	45,922	-	2,427,302
Ocean Outfall Systems	1,254,392	-	-	-	1,254,392
Headworks	787,784	310,636	-	-	1,098,419
Liquid Treatment Total	8,336,646	409,091	45,922	-	8,791,659
Other:					
Information Management Systems	3,582,861	-	254,887	1,680,597	5,518,345
Process Related Special Projects	2,051,202	741,412	-	-	2,792,614
Equipment	519,650	519,650	519,650	519,650	2,078,600
Others	25,000	525,190	525,190	25,000	1,100,380
Strategic & Master Planning	351,834	-	168,726	93,730	614,289
Water Management Projects	-	575,919	-	-	575,919
Other Total	6,530,547	2,362,171	1,468,453	2,318,976	12,680,147
Grand Total	\$ 84,240,318	\$ 58,820,574	\$ 16,861,647	\$ 9,312,911	\$ 169,235,449

Summary of Capital Requirements



Total FY 2014-15 Capital Improvement Expenditure by Process - \$169.2 Million



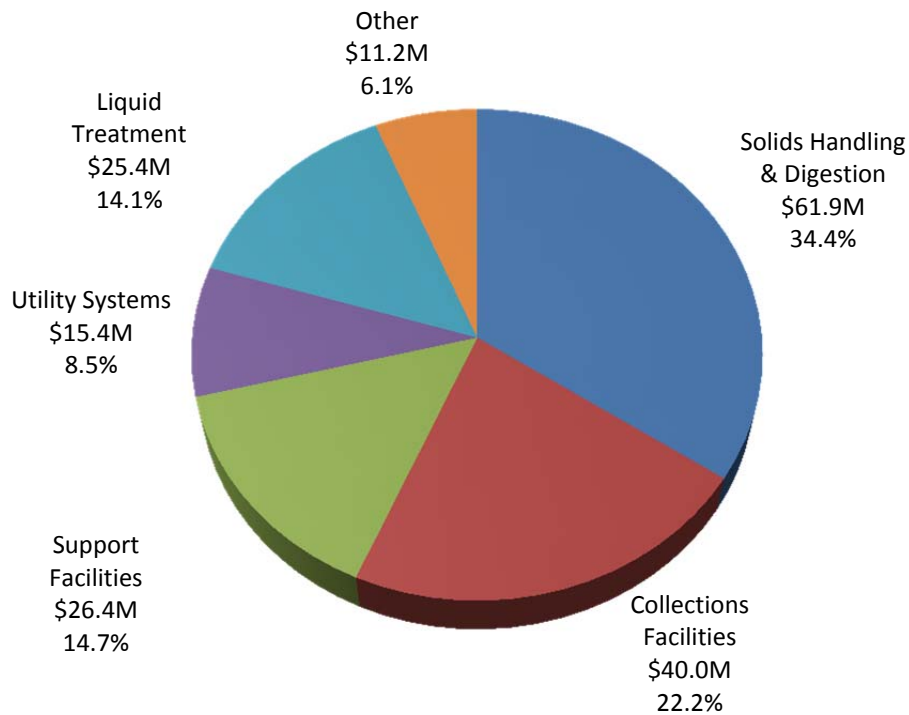
Total FY 2014-15 Capital Improvement Expenditure by Type - \$169.2 Million

2014-15 & 2015-16 Budget

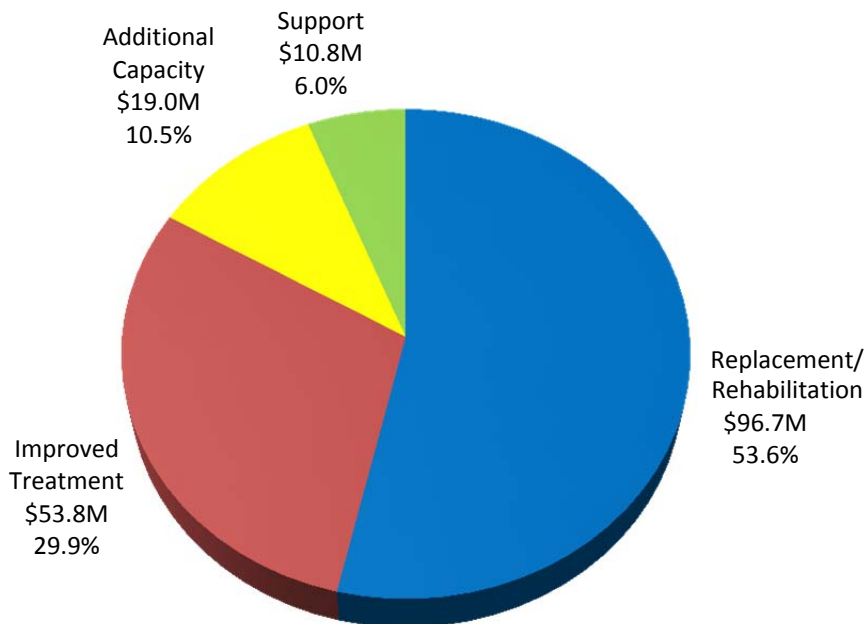
Project Summary FY 2015-16

Item	Replacement/ Rehabilitation	Improved Treatment	Additional Capacity	Support	Total Budget
Solids Handling & Digestion	\$ 17,218,010	\$ 34,242,549	\$ 10,423,654	\$ -	\$ 61,884,212
Collections Facilities	30,061,264	2,611,365	7,022,759	338,293	40,033,680
Support Facilities	15,988,278	1,634,475	-	8,794,098	26,416,851
Utility Systems	4,279,433	10,736,677	346,598	4,744	15,367,452
Liquid Treatment:					
Ocean Outfall Systems	10,338,057	-	-	-	10,338,057
Headworks	5,389,401	2,772,198	-	-	8,161,599
Primary Treatment	5,289,549	53,861	-	-	5,343,410
Secondary Treatment	1,567,018	-	-	-	1,567,018
Liquid Treatment Total	22,584,025	2,826,059	-	-	25,410,084
Other:					
Information Management Systems	3,436,984	-	312,032	1,120,012	4,869,029
Process Related Special Projects	2,008,432	177,524	-	-	2,185,956
Strategic & Master Planning	774,138	100,000	131,274	241,361	1,246,772
Equipment	299,150	299,150	299,150	299,150	1,196,600
Others	25,000	527,107	527,107	25,000	1,104,214
Water Management Projects	-	622,530	-	-	622,530
Other Total	6,543,704	1,726,311	1,269,564	1,685,523	11,225,101
Total:	\$ 96,674,713	\$ 53,777,435	\$ 19,062,574	\$ 10,822,657	\$ 180,337,380

Summary of Capital Requirements



Total FY 2015-16 Capital Improvement Expenditure by Process - \$180.3 Million



Total FY 2015-16 Capital Improvement Expenditure by Type - \$180.3 Million

2014-15 & 2015-16 Budget

Summary of Capital Requirement - Collection System Improvement Projects

	Project Number	Project Phase 7/1/14	Total Project Budget	Est. Cost to Date 6/30/14	2014-15 Cashflow Budget	2015-16 Cashflow Budget	Future Budget	Page No.
Collections Facilities								
Raitt & Bristol Street Sewer Extension	1-101	Planning	\$ 10,722,000	\$ 259,058			\$ 10,462,942	14
Santa Ana Trunk Sewer Rehab	1-17	Design	7,676,000	3,153,384	3,359,755	896,123	266,738	15
Edinger Bolsa Chica Trunk Impr.	11-25	Planning	6,030,000				6,030,000	16
Edinger Pumping Station Upgrade & Rehab	11-33	Planning	13,629,000				13,629,000	17
Slater Avenue Pump Station Rehab	11-34	Planning	13,781,000				13,781,000	18
SARI Re-Alignment	2-41	Const./Impl.	11,404,000	10,509,694	405,332	488,974		19
SARI Rock Stabilizers Removal	2-41-8	Design	3,092,000	116,626	211,746	140,143	2,623,485	20
Taft Branch Impr.	2-49	Planning	3,143,000	12,075			3,130,925	21
Newhope - Placentia Trunk Grade Separation Repl.	2-65	Const./Impl.	5,966,000	529,507	3,396,918	470,076	1,569,499	22
Newhope-Placentia Trunk Repl.	2-72	Design	104,890,000	212,045	385,216	2,140,377	102,152,362	23
Yorba Linda Pump Station Abandonment	2-73	Planning	4,694,000				4,694,000	24
Coyote Hills Golf Course Odor Control Station	2-74	Planning	8,365,000				8,365,000	25
Lakeview Grade Separation Project	2-75	Planning	330,000	42,126	283,853	4,021		26
Tustin Rose OCTA Grade Separation	2-76	Const./Impl.	586,000	123,334	452,914	9,752		27
Orangethorpe OCTA Grade Separation	2-77	Const./Impl.	3,900,000	3,180,448	719,552			28
Rehab of Magnolia Trunk Sewer	3-58	Const./Impl.	19,812,000	19,812,000				29
Miller-Holder Trunk Sewer Relief	3-59	Planning	17,324,000				17,324,000	30
Beach Trunk/Knott Interceptor Sewer Relief	3-60	Planning	27,599,000			448,420	27,150,580	31
Seal Beach Pump Station Rehab	3-62	Planning	62,041,000		663,829	727,215	60,649,956	32
Rehab of Western Regional Sewers	3-64	Planning	112,222,000			440,644	111,781,356	33
Rehab of Balboa Trunk Sewer	5-47	Const./Impl.	8,122,000	5,570,450	2,551,550			34
Bitter Point Force Main Rehab	5-58	Const./Impl.	45,619,000	45,201,535	417,465			35
Newport Force Main Rehab	5-60	Design	52,216,000	5,397,639	20,464,123	19,592,241	6,761,997	36
Dover Drive Trunk Sewer Relief	5-63	Const./Impl.	14,327,000	9,542,652	4,639,536	144,812		37
Crystal Cove Pumping Station Upgrade & Rehab	5-66	Planning	7,817,000				7,817,000	38
Bay Bridge Pump Station Reconstruction	5-67	Planning	74,431,000			634,041	73,796,959	39
District 6 Trunk Sewer Relief	6-17	Design	7,047,000	741,943	720,854	4,546,145	1,038,058	40
Southwest Costa Mesa Trunk	6-19	Design	14,993,000	1,621,025	436,125	1,133,403	11,802,447	41
Gisler - Red Hill Trunk Impr. - Reach B	7-37	Design	23,073,000	3,416,205	216,393	5,811,623	13,628,779	42
Browning Subtrunk Sewer Relief	7-60	Planning	13,439,000			87,303	13,351,697	43
Von Karman Trunk Sewer Relief	7-62	Planning	433,000				433,000	44

Summary of Capital Requirements

Summary of Capital Requirement - Collection System Improvement Projects

	Project Number	Project Phase 7/1/14	Total Project Budget	Est. Cost to Date 6/30/14	2014-15 Cashflow Budget	2015-16 Cashflow Budget	Future Budget	Page No.
Collections Facilities								
MacArthur Pump Station Rehab	7-63	Planning	7,445,000			63,082	7,381,918	45
Main Street Pump Station Rehab	7-64	Planning	40,747,000				40,747,000	46
Master Facilities Engineering Projects - Collections	M-FE-COLLECT	Const./Impl.	12,192,000	398,465	864,029	2,255,285	8,674,221	47
Bay Bridge Pumpstation & Force Mains Rehab Study	SP-178	Planning	400,000	18,354	381,646			48
Collection System Master Planning	SP-180	Planning	1,000,000		1,000,000			49
Collection System Odor Control Systems Study	SP-189	Planning	700,000				700,000	50
Collections Facilities Total Budget			761,207,000	109,858,565	41,570,836	40,033,680	569,743,919	

2014-15 & 2015-16 Budget

Summary of Capital Requirement - Treatment System Improvement Projects

	Project Number	Project Phase 7/1/14	Total Project Budget	Est. Cost to Date 6/30/14	2014-15 Cashflow Budget	2015-16 Cashflow Budget	Future Budget	Page No.
Headworks								
Headworks Rehab & Expansion at P1	P1-105	Design	76,476,000	93,220	429,107	1,641,471	74,312,202	51
Headworks Expansion	P1-120	Planning	222,804,000				222,804,000	52
Trunk Line Odor Control Impr.	P1-123	Design	10,826,000	1,035,502	669,312	6,520,128	2,601,058	53
Headworks at P2	P2-66	Const./Impl.	258,724,000	258,724,000				54
Headworks Total			568,830,000	259,852,722	1,098,419	8,161,599	299,717,260	
Primary Treatment								
Joint GWRS Microfiltration Backwash Redirection	J-36-1	Const./Impl.	387,000	381,781	5,219			55
Primary Scrubber Rehab Project at P1	P1-114	Planning	50,708,000				50,708,000	56
Primary Effluent Pipeline Joint Repairs	P1-118	Planning	3,246,000			17,752	3,228,248	57
P1 Primary Treatment Upgrades	P1-124	Design	11,535,000	984,038	3,427,951	5,056,355	2,066,656	58
P2 Primary Treatment System Rehab	P2-98	Planning	43,210,000			269,303	42,940,697	59
Primary Treatment Area Rehab Study	SP-137	Design	848,000	269,624	578,376			60
Primary Treatment Total			109,934,000	1,635,443	4,011,546	5,343,410	98,943,601	
Secondary Treatment								
New Secondary Treatment System at P1	P1-102	Const./Impl.	255,771,000	255,631,841	139,159			61
Oxygen Plant Demolition at P2	SP-129	Design	4,051,000	488,258	1,829,561	1,230,617	502,564	62
P1 Secondary P1 Asset Mgmt. Plan	SP-183	Planning	400,000	5,017	365,015	29,968		63
P2 Secondary Oxygen Plant Asset Mgmt. Plan	SP-185	Planning	400,000		93,567	306,433		64
Secondary Treatment Total			260,622,000	256,125,116	2,427,302	1,567,018	502,564	
Solids Handling & Digestion								
Digester Rehab at P1	P1-100	Const./Impl.	60,547,000	44,394,057	5,443,017	5,174,055	5,535,871	65
Sludge Dewatering & Odor Control at P1	P1-101	Const./Impl.	171,978,000	50,332,379	61,050,918	39,865,919	20,728,784	66
Digester Ferric Chloride System Rehab	P2-105	Const./Impl.	4,449,000	3,824,955	320,044	304,001		67
P2 Solids Storage Addition	P2-114	Planning	37,604,000				37,604,000	68
Solids Thickening & Processing Upgrades	P2-89	Const./Impl.	48,346,000	26,588,955	6,315,445	6,430,821	9,010,779	69
P2 Digester Facilities Rehab	P2-91-1	Planning	47,600,000	152,338		91,565	47,356,097	70
Sludge Dewatering & Odor Control at P2	P2-92	Design	87,000,000	9,195,695	1,402,322	9,625,086	66,776,897	71
P2 Digesters/Boilers Plant Asset Mgmt. Plan	SP-186	Design	800,000	51,292	355,943	392,765		72
Solids Handling & Digestion Total			458,324,000	134,539,671	74,887,689	61,884,212	187,012,428	
Ocean Outfall Systems								
Final Effluent Sampler & Building Area Upgrades	J-110	Design	14,064,000	2,767,279	488,290	7,874,652	2,933,779	73
Outfall Land Section & OOBS Piping Rehab	J-112	Const./Impl.	20,466,000	19,620,625	52,879	792,496		74
66-inch Interplant Effluent Pipeline Rehab	J-116	Planning	72,517,000				72,517,000	75

Summary of Capital Requirements

Summary of Capital Requirement - Treatment System Improvement Projects

	Project Number	Project Phase 7/1/14	Total Project Budget	Est. Cost to Date 6/30/14	2014-15 Cashflow Budget	2015-16 Cashflow Budget	Future Budget	Page No.
Ocean Outfall Systems								
Ocean Outfall System Rehab	J-117	Planning	48,194,000	84,622	713,223	1,670,909	45,725,246	76
Ocean Outfall Systems Total			155,241,000	22,472,526	1,254,392	10,338,057	121,176,025	
Utility Systems								
Cengen Cooling Water System Repl. Project	J-109	Const./Impl.	11,337,000	11,052,751	284,249			77
Cengen Emissions Control Project	J-111	Design	24,950,000	3,207,806	6,988,246	10,736,677	4,017,271	78
UPS System Upgrades	J-121	Planning	3,817,000			76,422	3,740,578	79
Digester Gas Facilities Rehab	J-124	Planning	58,755,000				58,755,000	80
Power Monitoring & Control Systems	J-33-3	Const./Impl.	10,918,000	10,133,513	286,319	9,488	488,680	81
Electrical Power Distribution System Impr.	J-98	Planning	12,791,000				12,791,000	82
Plant Water System Rehab at P1	P1-112	Const./Impl.	8,000,000	2,311,454	2,501,914	2,041,464	1,145,168	83
Plant Water System Rehab at P2	P2-101	Const./Impl.	5,070,000	1,353,747	2,323,394	634,510	758,349	84
Boiler System Rehab & Scrubbers H & I Demolition at P2	P2-106	Const./Impl.	3,095,000	1,007,642	1,744,766	342,592		85
Consolidated Demolition & Utility Impr. at P2	P2-110	Design	43,974,000	175,613	227,821	1,102,040	42,468,526	86
SCE Feed Reliability Impr.	P2-111	Planning	22,490,000				22,490,000	87
Secondary Area Cable Tray Upgrades	P2-116	Planning	2,154,000				2,154,000	88
Headworks Cable Tray Upgrades	P2-117	Planning	3,015,000			11,632	3,003,368	89
Digester Gas Facilities Study for P1 & P2	SP-141	Design	750,000	435,603	314,397			90
Utility Water Systems Study	SP-146	Design	800,000		800,000			91
Plant Air System Master Plan	SP-148	Planning	340,000	23,539	147,626	162,627	6,208	92
Electrical System Base Map	SP-149	Planning	250,000		250,000			93
Sidestream Pumping System & Water Characterization Study	SP-155	Design	250,000			250,000		94
Utility Systems Total			212,756,000	29,701,668	15,868,732	15,367,452	151,818,148	
Process Related Special Projects								
Fall Protection Impr. at P1 & P2	J-123	Const./Impl.	2,687,000	2,636,564	50,436			95
Odor Control Master Plan	SP-166	Design	1,600,000	681,064	741,412	177,524		96
Corrosion Mgmt.	SP-68-1	Design	28,500,000	8,287,344	2,000,766	2,008,432	16,203,458	97
Process Related Special Projects Total			32,787,000	11,604,972	2,792,614	2,185,956	16,203,458	
Information Management Systems								
Process SCADA Repl.	J-120	Planning	24,680,000				24,680,000	98
Programmable Control Panel Upgrades	J-125	Design	3,477,000	58,983	1,689,364	1,218,526	510,127	99
SCADA System & Network Upgrades	P2-107	Planning	27,839,000			159,718	27,679,282	100
Strategic Information Architecture	SP-03	Const./Impl.	1,995,000	1,244,778	750,222			101

2014-15 & 2015-16 Budget

Summary of Capital Requirement - Treatment System Improvement Projects

	Project Number	Project Phase 7/1/14	Total Project Budget	Est. Cost to Date 6/30/14	2014-15 Cashflow Budget	2015-16 Cashflow Budget	Future Budget	Page No.
Information Management Systems								
Internet/Intranet Development	SP-09	Const./Impl.	650,000	211,996	173,372	174,035	90,597	102
EAM Software & Process Implementation	SP-100	Const./Impl.	6,500,000	3,517,475	833,913	1,033,763	1,114,849	103
PDS2D Software Repl.	SP-103	Const./Impl.	525,000	264,158	126,655	134,187		104
Software & Computer Equipment Repl. Project	SP-135	Const./Impl.	5,050,000	1,227,311	746,895	772,635	2,303,159	105
Geographic Information System	SP-15	Const./Impl.	4,047,000	1,493,019	365,026	499,812	1,689,143	106
Process SCADA Link to Pump Stations	SP-157	Design	271,000			5,240	265,760	107
Information Technology Master Plan	SP-192	Planning	500,000		232,042	267,958		108
Information Technology Equipment Upgrade	SP-89	Const./Impl.	4,148,000	2,844,338	600,856	603,155	99,651	109
Information Management Systems Total			79,682,000	10,862,058	5,518,345	4,869,029	58,432,568	
Strategic & Master Planning								
Facility-Wide Safety Assessment	SP-145-1	Design	930,000	688,519	241,481			110
Landscape & Security Master Plan	SP-145-4	Planning	150,000		111,423	38,577		111
Climate Change Impact Study	SP-152	Planning	100,000			100,000		112
Stormwater Master Plan	SP-167	Design	300,000		38,018	222,072	39,910	113
Treatment Plant Hydraulic Assessment	SP-168	Planning	300,000		168,726	131,274		114
Settlement & Liquefaction Study	SP-177	Planning	700,000			700,000		115
Asset Mgmt.	SP-68-2	Design	4,800,000	2,804,735	54,641	54,849	1,885,775	116
Strategic & Master Planning Total			7,280,000	3,493,254	614,289	1,246,772	1,925,685	
Water Management Projects								
Effluent Reuse Study	SP-173	Planning	2,800,000	58,732	575,919	622,530	1,542,819	117
Water Management Projects Total			2,800,000	58,732	575,919	622,530	1,542,819	
Support Facilities								
Operations Center Entrance/Building Repairs	J-122	Design	2,648,000	526,210	35,247	893,484	1,193,059	118
Master Facilities Engineering Projects - Plant	M-FE-PLANT	Const./Impl.	35,228,000	2,860,544	3,771,179	10,896,499	17,699,778	119
Master Small Capital Repl. /Rehab	M-FR-PLT	Const./Impl.	18,295,000		4,220,002	5,596,858	8,478,140	120
Title 24 Access Compliance & Building Rehab Project	P1-115	Design	17,437,000	4,684,835	4,846,207	5,536,705	2,369,253	121
South Perimeter Security & Storm Water Impr. at P1	P1-125	Planning	3,005,000		40,938	434,361	2,529,701	122
Site & Security Impr. at P2	P2-96	Design	1,455,000	276,805	264,806	690,993	222,396	123
Public Address System Study	SP-188	Planning	100,000		100,000			124
Tunnels Systems Asset Mgmt. Plan	SP-191	Planning	200,000		118,842	81,158		125
P2 Administrative Building Master Plan	SP-193	Planning	300,000	30,573	192,545	76,882		126
Administrative Facilities Implementation Planning	SP-194	Design	800,000	137,038	662,962			127
Ongoing Small Capital Repl./Rehab	SP-34	Const./Impl.	22,088,000	15,111,494	1,183,658	2,209,911	3,582,937	128

Summary of Capital Requirements

Summary of Capital Requirement - Treatment System Improvement Projects

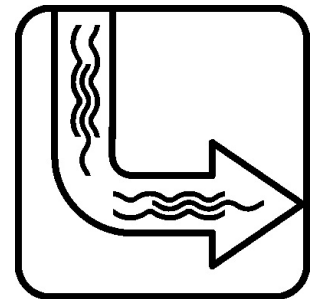
	Project Number	Project Phase 7/1/14	Total Project Budget	Est. Cost to Date 6/30/14	2014-15 Cashflow Budget	2015-16 Cashflow Budget	Future Budget	Page No.
Support Facilities Total			101,556,000	23,627,499	15,436,386	26,416,851	36,075,264	
Others								
Future Research Line Item	SP-125	Design	10,440,000	150,199	1,000,381	1,004,215	8,285,205	129
Capital Improvement Program Mgmt. Services	SP-195	Planning	300,000		99,999	99,999	100,002	130
Others Total			10,740,000	150,199	1,100,380	1,104,214	8,385,207	
Total Treatment and Disposal Projects			2,000,552,000	754,123,860	125,586,013	139,107,100	981,735,027	
Total Collections Facilities			761,207,000	109,858,565	41,570,836	40,033,680	569,743,919	
Capital Equipment Purchases			16,000,000	1,400,000	2,078,600	1,196,600	11,324,800	
Total Capital Improvement Program Budget			\$ 2,777,759,000	\$865,382,425	\$169,235,449	\$180,337,380	\$1,562,803,746	

2014-15 & 2015-16 Budget

Project Name & Number	Raitt and Bristol Street Sewer Extension - 1-101		
Project Category	Collections Facilities	Project Status:	Future

Description

This project will replace 2,360 linear feet of 21-inch City of Santa Ana sewer with a 24-inch Sanitation District's sewer line and a parallel 8-inch City of Santa Ana sewer line to allow for redirecting all house lateral connections. The sewer line is located along Myrtle street, between Raitt and Bristol Streets in the City of Santa Ana.



**Collections
Facilities**

Justification

The Sanitation District's strategic plan update conducted in 2006 indicated that the Raitt & Bristol Streets Sewer will surcharge under the 2010 wet weather flow conditions, therefore, the existing sewer pipes need to be upsized to eliminate bottlenecks and avoid a potential spill. In addition to the capacity deficiency, this project will transfer ownership of the newly constructed pipeline to the Sanitation District.

The project budget has been increased from \$9,903,035 to \$10,722,000. The project's construction cost is \$6,100,000. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	255,145							255,145
Prelim Design					111,820	170,833	22,535	305,188
Design	3,610						1,098,099	1,101,709
Construction	303						7,076,213	7,076,516
Commissioning							122,100	122,100
Close-out							30,602	30,602
Contingency							1,830,740	1,830,740
Total	259,058				111,820	170,833	10,180,289	10,722,000

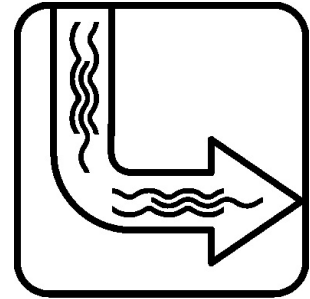
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Santa Ana Trunk Sewer Rehab - 1-17		
Project Category	Collections Facilities	Project Status:	Revised

Description

This project will assess the condition and rehabilitate the existing Santa Ana Trunk sewer from the Sanitation District's Reclamation Plant 1 to Bristol Street in the Cities of Fountain Valley, Costa Mesa and Santa Ana. The project reviewed the condition of 17,500 feet of 42 inch and 48 inch unlined concrete pipe and manholes. The condition assessment concluded only the most severely corroded manholes, 22 in total, need to be rehabilitated with a protective liner or replaced. Similar to the manholes, only the most corroded pipe reach, approximately 1,000 feet, will be relined at this time.



**Collections
Facilities**

Justification

The sewer was originally constructed in 1955, and the estimated life of this type of pipe is 40 to 50 years. During routine cleaning of the sewer, it has been noted that the manholes are deteriorating due to corrosive sewer gases. These manholes were not originally constructed with protective linings. The project will repair the most severely corroded manholes to minimize the risks from potential failures. During pipeline inspection, pipeline coring confirmed the rehabilitation of the pipeline can be deferred at least 10 years. Deferring the lining of the pipeline until it is needed will minimize the life cycle cost of maintaining the sewer.

The project budget has been increased from \$7,519,000 to \$7,676,000. The project's construction cost is \$3,126,312. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	180,066							180,066
Prelim Design	2,045,140							2,045,140
Design	758,656	47,292						805,948
Construction	169,206	3,312,463	413,821					3,895,490
Commissioning	274							274
Close-out	44		97,222	4,905				102,171
Contingency			385,080	261,833				646,913
Total	3,153,384	3,359,755	896,123	266,738				7,676,000

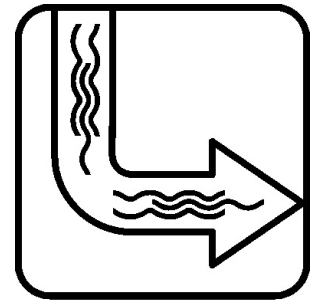
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	Edinger Bolsa Chica Trunk Improvements - 11-25		
Project Category	Collections Facilities	Project Status:	Future

Description

This project will increase the size of the Edinger/Bolsa Chica Trunk Sewer to provide additional capacity for future flows. The project will replace 3,125 feet of 15-inch diameter pipe with 18-inch and 24-inch diameter pipe along Edinger Avenue between the pumping station and Springdale Street in the City of Huntington Beach. This project will also replace approximately 3,215 ft. of existing 15-inch sewer pipe with 3,215 ft. of 18- and 24-inch sewer pipe along Edinger Avenue in the City of Huntington Beach.



**Collections
Facilities**

Justification

These sections of the Edinger and Bolsa Chica Trunk Sewer was originally built in the 1960s. These improvements will accommodate projected increase in flow from planned developments and growth and be designed to convey potential wet weather surcharges.

The project's construction cost is \$3,568,053. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev							39,424	39,424
Prelim Design							197,762	197,762
Design							623,404	623,404
Construction							4,318,046	4,318,046
Commissioning							67,072	67,072
Close-out							70,812	70,812
Contingency							713,480	713,480
Total							6,030,000	6,030,000

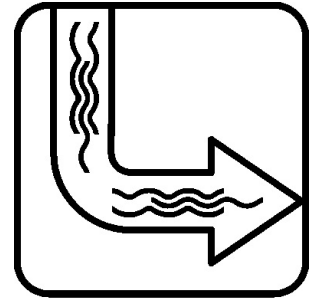
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Edinger Pumping Station Upgrade and Rehabilitation - 11-33		
Project Category	Collections Facilities	Project Status:	Future

Description

This project will rehabilitate the existing Edinger Pump Station to maintain compliance with electrical and safety codes, and to restore the condition of the aging facility.



**Collections
Facilities**

Justification

The Pump Station was originally constructed in 1968. Although the pumps have recently been replaced the control systems are rapidly becoming obsolete. Also, the existing pump station does not comply with current electrical and safety codes.

The project budget has been increased from \$11,447,414 to \$13,629,000. The project's construction cost is \$7,367,000. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev				147,391				147,391
Prelim Design				53,206	164,872	3,032		221,110
Design						888,152	806,243	1,694,395
Construction							9,061,290	9,061,290
Commissioning							147,314	147,314
Close-out							147,400	147,400
Contingency							2,210,100	2,210,100
Total				200,597	164,872	891,184	12,372,347	13,629,000

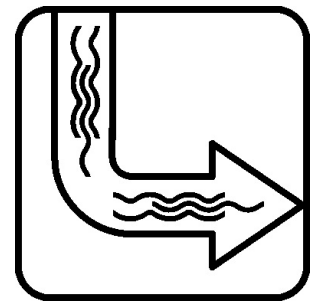
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	Slater Avenue Pump Station Rehabilitation - 11-34		
Project Category	Collections Facilities	Project Status:	New

Description

This project will rehabilitate the existing Slater Avenue Pump Station to meet current building, electrical and safety codes, and OCSD design standards. The pump station will also need to be seismically retrofitted, improve odor control, and have a roof replacement.



**Collections
Facilities**

Justification

Slater Avenue Pump Station was constructed in the late 1990's and needs moderate rehabilitation to maintain the pump station's reliability in the coming decades.

The project's construction cost is \$7,449,000. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev					148,991			148,991
Prelim Design					47,655	149,836	26,009	223,500
Design							1,713,300	1,713,300
Construction							9,162,209	9,162,209
Commissioning							148,897	148,897
Close-out							149,003	149,003
Contingency							2,235,100	2,235,100
Total					196,646	149,836	13,434,518	13,781,000

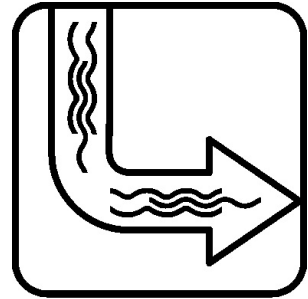
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	SARI Re-Alignment - 2-41		
Project Category	Collections Facilities	Project Status:	Continuing

Description

This project provides for the protection and relocation of the Santa Ana River Interceptor (SARI), currently located within the floodplain of the Santa Ana River between Weir Canyon Road and the County line. This project is intended to protect approximately 4 miles of pipeline and manholes from failure due to high storm water releases from Prado Dam in major flood events. The most recent United States Army Corps of Engineers (USACE) study of the project was completed in October 2005. The current budget only reflects funds necessary for OCSD support of the project.



**Collections
Facilities**

Justification

The existing pipeline has been subjected to continued scour of overlying soil and sediments since it was constructed in the mid 1970's. Hydraulic analyses of the river after the Prado Dam improvements indicated that the pipeline could be washed away during dam releases above 5,000 cubic feet per second. The Prado Dam improvements will allow for releases of up to 30,000 cubic feet per second. If this pipeline reach from Weir Canyon Road to the Orange/San Bernardino County line is not relocated or protected prior to the completion of the Prado Dam improvements, then the line could fail during a flood event.

The design of this project has been completed. The relocated pipeline is currently under construction and scheduled to be completed in 2014.

This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	183,657							183,657
Prelim Design	2,326,837							2,326,837
Design	6,257,964							6,257,964
Construction	1,355,091	323,477						1,678,568
Commissioning	383,360							383,360
Close-out	2,785	81,855	5,503					90,143
Contingency			483,471					483,471
Total	10,509,694	405,332	488,974					11,404,000

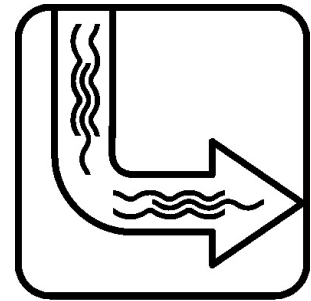
Reimbursable Costs: 4,913,000

2014-15 & 2015-16 Budget

Project Name & Number	SARI Rock Stabilizers Removal - 2-41-8		
Project Category	Collections Facilities	Project Status:	Continuing

Description

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



**Collections
Facilities**

Justification

This is a condition of the emergency permits issued by the US Army Corps of Engineers over the years for temporarily protecting the SARI line.

The project's construction cost is \$1,800,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	80,001	101,841						181,842
Prelim Design	12,327							12,327
Design	20,497	109,905	140,143					270,545
Construction	3,801			2,317,611				2,321,412
Commissioning								
Close-out				43,248	4,311			47,559
Contingency					258,315			258,315
Total	116,626	211,746	140,143	2,360,859	262,626			3,092,000

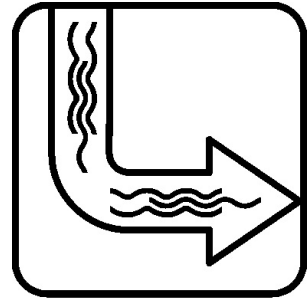
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Taft Branch Improvements - 2-49		
Project Category	Collections Facilities	Project Status:	Future

Description

This project will increase the size of this section of the Taft Branch sewer to provide additional capacity for future flows projected from the City of Orange from proposed developments like the East Orange Development. The project includes replacing approximately 9,500 feet of 12-inch to 18-inch pipe with 15-inch to 24-inch diameter pipe along both Taft and Meats Avenues in the City of Orange. The project starts at a manhole at the intersection of Taft Avenue & Glassell, runs east along Taft, north along Tustin Avenue, then east along Meats Avenue to Santiago.



**Collections
Facilities**

Justification

This section of the Taft Branch sewer was originally built in 1960. These improvements will accommodate projected increase in flow from planned developments and growth and be designed to convey potential wet weather surcharges.

The project's construction cost is \$1,860,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	9,378						20,557	29,935
Prelim Design							103,090	103,090
Design	2,697						322,279	324,976
Construction							2,250,965	2,250,965
Commissioning							34,970	34,970
Close-out							36,915	36,915
Contingency							362,149	362,149
Total	12,075						3,130,925	3,143,000

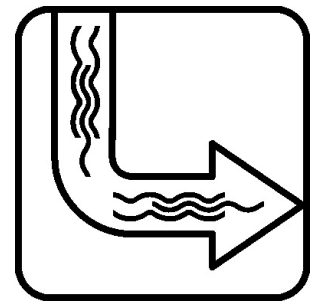
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	Newhope - Placentia Trunk Grade Separation Replacement - 2-65		
Project Category	Collections Facilities	Project Status:	Revised

Description

This project will replace a section of the OCSD's Newhope-Placentia Trunk and Wastewater Disposal Company Sewers in State College Boulevard between Orangethorpe and Commonwealth. The project is being done with the City of Fullerton as part of a railroad grade separation project.



**Collections
Facilities**

Justification

The existing sewers need to be relocated to accommodate the undergrounding of State College Boulevard below the railroad tracks at the intersection of Valencia Drive and State College Boulevard. These improvements will also accommodate the projected increases in flow for this section of sewer from planned developments and growth and be designed to convey potential wet weather surcharges. The project is anticipated to be constructed by the City of Fullerton's contractor performing the roadwork under the railroad. The original project and budget were to upsize a large stretch of sewer that will be hydraulically deficient. The remaining portion of the sewer upsizing was rebudgeted under a new CIP project.

The project budget has been decreased from \$6,685,000 to \$5,966,000. The project's construction cost is \$3,315,414. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	103,062							103,062
Prelim Design	64,933							64,933
Design	309,309							309,309
Construction	52,203	3,396,918	183,204					3,632,325
Commissioning								
Close-out			66,405	1,232				67,637
Contingency			220,467	1,568,267				1,788,734
Total	529,507	3,396,918	470,076	1,569,499				5,966,000

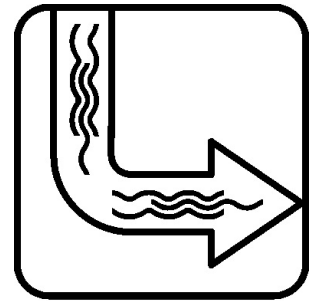
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Newhope-Placentia Trunk Replacement - 2-72		
Project Category	Collections Facilities	Project Status:	Revised

Description

This project will increase the size of approx. 35,000 feet of the Newhope-Placentia Trunk sewer from Yorba Linda Boulevard to Orangewood Avenue. The upsized sewer will accommodate flows from the newly abandoned Yorba Linda Pump Station and the newly interconnected Atwood Sub-trunk. The scope also includes upsizing approximately 3,500 feet of the Rolling Hill Subtrunk, and abandoning any remaining portion of the wastewater disposal company sewer alignment not used for the new pipeline.



**Collections
Facilities**

Justification

This section of the Newhope-Placentia Trunk Sewer was originally constructed in 1961. These improvements will accommodate the projected flow increases due to the abandonment of the aging Yorba Linda Pump Station, increase capacity in a short portion of the Rolling Hills Sub-trunk that is undersized when burdened by 2030 wet weather flows, and increase operational flexibility of the collection system.

The project budget has been increased from \$66,696,000 to \$104,890,000. The project's construction cost is \$66,726,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	212,045	81,551						293,596
Prelim Design		303,665	697,335					1,001,000
Design			1,443,042	6,531,014	1,367,551			9,341,607
Construction					3,711,922	45,259,315	27,763,660	76,734,897
Commissioning						245,868	421,330	667,198
Close-out							170,101	170,101
Contingency							16,681,601	16,681,601
Total	212,045	385,216	2,140,377	6,531,014	5,079,473	45,505,183	45,036,692	104,890,000

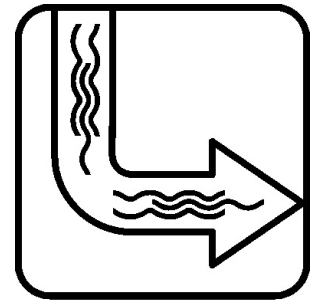
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	Yorba Linda Pump Station Abandonment - 2-73		
Project Category	Collections Facilities	Project Status:	Future

Description

This project will abandon the Yorba Linda Pump Station and downstream force main. The project will also construct a diversion structure at the intersection of the Atwood Sub-trunk and Carbon Canyon Interceptor allowing flow from the Atwood Sub-trunk to be conveyed to Reclamation Plant No. 1. Flows which are currently being pumped by the Yorba Linda Pump Station will be conveyed by gravity through the newly upsized Newhope-Placentia trunk (2-72).



**Collections
Facilities**

Justification

The Yorba Line Pump Station is beyond its useful life, requires upgrades to meet NFPA820, and would require costly rehabilitation in order to remain in service.

The project budget has been decreased from \$9,566,000 to \$4,694,000. The project's construction cost is \$2,737,000. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev					54,702			54,702
Prelim Design					17,865	64,238		82,103
Design						128,854	363,646	492,500
Construction							3,174,793	3,174,793
Commissioning							54,701	54,701
Close-out							13,600	13,600
Contingency							821,601	821,601
Total					72,567	193,092	4,428,341	4,694,000

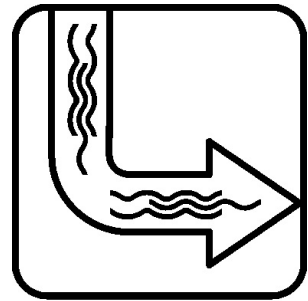
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Coyote Hills Golf Course Odor Control Station - 2-74		
Project Category	Collections Facilities	Project Status:	Future

Description

This project will install a continuous feed chemical system for control of sulfides and odors on the Fullerton-Brea Interceptor and the Fullerton-Brea Purchase trunk lines. This facility will consist of an above grade concrete pad, 6500-gallon chemical storage tank, chemical feed pumps, security fencing and service for utility water, potable water, power and communications.



**Collections
Facilities**

Justification

This project is justified by its ability to significantly reduce sulfides and associated odor generation and pipeline degradation within the sewer trunk lines. Furthermore, it is anticipated that injection of chemical within the trunk lines will reduce chemical usage at the downstream treatment plant.

The project's construction cost is \$4,949,750. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev							54,707	54,707
Prelim Design							274,324	274,324
Design							864,808	864,808
Construction							5,990,166	5,990,166
Commissioning							93,054	93,054
Close-out							98,236	98,236
Contingency							989,705	989,705
Total							8,365,000	8,365,000

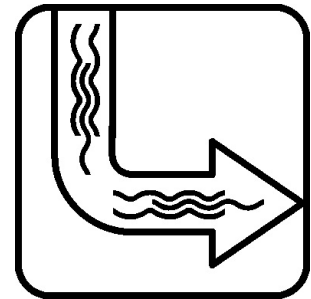
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	Lakeview Grade Separation Project - 2-75		
Project Category	Collections Facilities	Project Status:	Continuing

Description

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



**Collections
Facilities**

Justification

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

The project's construction cost is \$250,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design								
Construction	38,243	272,688						310,931
Commissioning	3,410							3,410
Close-out		6,014	2,956					8,970
Contingency	473	5,151	1,065					6,689
Total	42,126	283,853	4,021					330,000

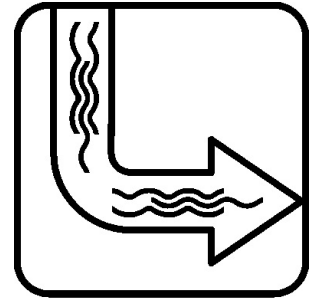
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Tustin Rose OCTA Grade Separation - 2-76		
Project Category	Collections Facilities	Project Status:	Revised

Description

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



**Collections
Facilities**

Justification

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

The project budget has been decreased from \$1,483,000 to \$586,000. The project's construction cost is \$300,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design								
Construction	73,784	301,404						375,188
Commissioning	870							870
Close-out		8,170	800					8,970
Contingency	48,680	143,340	8,952					200,972
Total	123,334	452,914	9,752					586,000

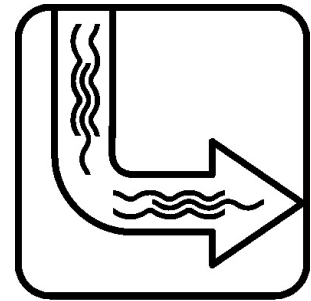
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	Orangethorpe OCTA Grade Separation - 2-77		
Project Category	Collections Facilities	Project Status:	Continuing

Description

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



**Collections
Facilities**

Justification

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

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

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	7,700							7,700
Prelim Design								
Design								
Construction	2,871,359	212,766						3,084,125
Commissioning								
Close-out	994	10,956						11,950
Contingency	300,395	495,830						796,225
Total	3,180,448	719,552						3,900,000

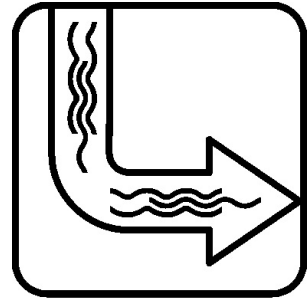
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Rehabilitation of Magnolia Trunk Sewer - 3-58		
Project Category	Collections Facilities	Project Status:	Continuing

Description

This project will complete the design and construction to rehabilitate a portion of the existing Magnolia Trunk Sewer, along Bushard and Magnolia Streets and between Ellis Avenue and Westminster Avenue, in the Cities of Fountain Valley, Westminster and Garden Grove. The entire twelve miles of trunk sewer were assessed and required improvements will be prioritized for design and construction. Based on the District's current understanding of existing conditions, it is anticipated that approximately 5 miles of sewer will require rehabilitation.



**Collections
Facilities**

Justification

The sewer was originally constructed in 1961; the estimated life of this type of pipe is 40 to 50 years. During routine cleaning of the sewer, it has been noted that the sewer liner had significant defects and the concrete pipe behind the liner was deteriorating due to corrosive sewer gases. The Magnolia Trunk Sewer was scheduled for rehabilitation under a previous project, Contract No. 03-35R. When repairs were started under this project, the damages to the liner and pipe concrete were found to be more extensive than anticipated, and the original project was cancelled. A new project was chartered and restarted under project 3-58 with a revised budget.

The project's construction cost is \$15,857,389. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	1,013,569							1,013,569
Prelim Design	1,097,009							1,097,009
Design	715,389							715,389
Construction	16,720,310							16,720,310
Commissioning	14,134							14,134
Close-out	72,075							72,075
Contingency	179,514							179,514
Total	19,812,000							19,812,000

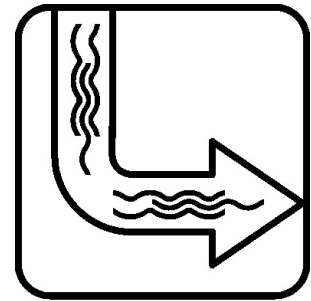
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	Miller-Holder Trunk Sewer Relief - 3-59		
Project Category	Collections Facilities	Project Status:	Future

Description

This project increases the capacity of the Miller-Holder Trunk sewer to provide for future flows. The existing 9,800 feet of 18-inch through 30-inch pipeline runs North along Knott Avenue from 8th Street to Artesia Boulevard, then East to Burlingame Avenue, in the City of Buena Park.



**Collections
Facilities**

Justification

The need for this project was identified in the 2006 Strategic Plan Update. These improvements will accommodate projected increase in flow from planned developments and growth and be designed to convey potential wet weather surcharges.

The project's construction cost is \$10,914,369. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev							95,621	95,621
Prelim Design							163,326	163,326
Design							1,320,457	1,320,457
Construction							13,062,254	13,062,254
Commissioning							276,739	276,739
Close-out							222,248	222,248
Contingency							2,183,355	2,183,355
Total							17,324,000	17,324,000

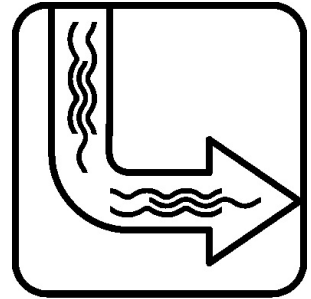
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Beach Trunk/Knott Interceptor Sewer Relief - 3-60		
Project Category	Collections Facilities	Project Status:	Revised

Description

This project increases the capacity of the Beach Relief Trunk and Knott Interceptor sewer to provide for future flows. The existing 11,100 feet of 39-inch through 45-inch pipeline runs North along Knott Avenue from Orangethorpe Avenue to Artesia Boulevard, East to Kingman, and North to Dobbs Avenue, in the City of Buena Park.



**Collections
Facilities**

Justification

The need for this project was identified in the January 2006 Draft Strategic Plan Update. These improvements will accommodate projected increase in flow from planned developments and growth and be designed to convey potential wet weather surcharges

The project budget has been increased from \$25,055,000 to \$27,599,000. The project's construction cost is \$16,576,000. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev			331,511					331,511
Prelim Design			116,909	365,423	14,966			497,298
Design					1,499,925	1,483,668		2,983,593
Construction						117,939	19,110,267	19,228,206
Commissioning							331,495	331,495
Close-out							82,798	82,798
Contingency							4,144,099	4,144,099
Total			448,420	365,423	1,514,891	1,601,607	23,668,659	27,599,000

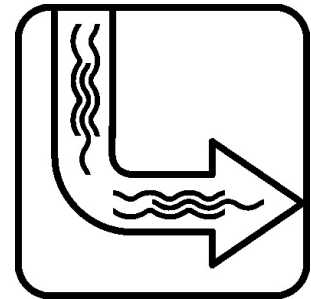
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	Seal Beach Pump Station Rehabilitation - 3-62		
Project Category	Collections Facilities	Project Status:	Revised

Description

This project will rehabilitate the existing Seal Beach Pump Station to meet current building, electrical and safety codes, and OCSD design standards. The existing facilities will either be restored or reconstructed and additional facilities will be constructed to contain on-site emergency power generation facilities.



**Collections
Facilities**

Justification

The Seal Beach Pump Station was originally constructed in 1972. The pumping systems are aging, regularly clog, and have control systems that are rapidly becoming obsolete, all require additional attention from maintenance staff. Also, the existing pumping station does not comply with current electrical and safety codes.

The project budget has been increased from \$26,356,000 to \$62,041,000. The project's construction cost is \$35,002,000. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev		490,006						490,006
Prelim Design		173,823	727,215	148,955				1,049,993
Design				2,461,467	4,293,438	140,492		6,895,397
Construction						6,309,331	37,145,572	43,454,903
Commissioning						125,973	574,028	700,001
Close-out							700,001	700,001
Contingency							8,750,699	8,750,699
Total		663,829	727,215	2,610,422	4,293,438	6,575,796	47,170,300	62,041,000

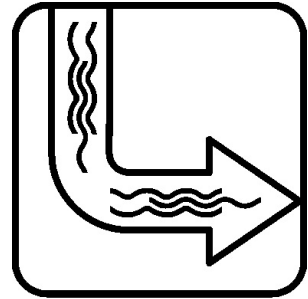
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Rehabilitation of Western Regional Sewers - 3-64		
Project Category	Collections Facilities	Project Status:	Revised

Description

The project will rehabilitate a significant portion of the sewers and manholes located in Revenue Area 3. The extent of the rehabilitation effort includes Orange Western Sub-Trunk; 3-6 (13,950 feet) , the Los Alamitos Sub-Trunk; 3-8 (34,250 feet), and the Westside Relief Interceptor pipeline; 3-21-1 (32,080 feet). Two of the sewers are located in the cities of Los Alamitos and Cypress in the public rights of way of Seal Beal Boulevard, Katella Avenue, Cerritos Avenue, Oak Street, Bloomfield Street, and Denni Street. The third sewer is located in the cities of Cypress, Anaheim, and Buena Park in the public rights of way of Orange and Western Avenues. The project also includes the upsizing of a portion of the Westside Relief Interceptor (approx. 8,600 feet of 36 and 39-inch pipe to 48 and 60-inch diameter pipe).



**Collections
Facilities**

Justification

Most of the sewers were originally constructed in late 1950's and early 1960's. The estimated life of this type of pipe is 40 to 50 years. During routine cleaning of the sewer, it has been noted that the sewer liner had significant defects and the joints are allowing significant amounts of groundwater into the sewers. The area has a high groundwater level that can contribute to the formation of sink holes if sediments are allowed to continue to be washed into the sewer through the failed joints cracks. Upsizing the Westside Relief Interceptor will provide capacity for future flows projected from redevelopment and infill in the City of Cypress.

The project budget has been increased from \$88,720,000 to \$112,222,000. The project's construction cost is \$71,390,000. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev			314,972					314,972
Prelim Design			125,672	915,369	29,863			1,070,904
Design					4,864,034	5,130,569		9,994,603
Construction						400,554	81,698,057	82,098,611
Commissioning							713,906	713,906
Close-out							182,003	182,003
Contingency							17,847,001	17,847,001
Total			440,644	915,369	4,893,897	5,531,123	100,440,967	112,222,000

Reimbursable Costs: N/A

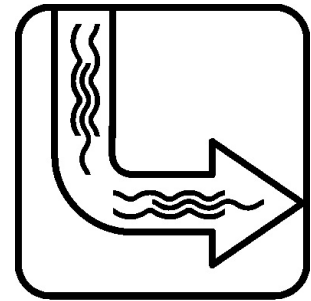
2014-15 & 2015-16 Budget

Project Name & Number	Rehabilitation of Balboa Trunk Sewer - 5-47		
Project Category	Collections Facilities	Project Status:	Revised

Description

This project will rehabilitate the existing Balboa Trunk Sewer along Newport and Balboa Boulevards between the A Street Pump Station and the Lido Pump Station in the City of Newport Beach. The scope of the project includes the installation of a new protective lining in approximately 12,000 feet of sewer pipeline by using the trenchless cured-in-place (CIPP) construction method.

This project will increase the life expectancy of the trunk sewer by 25-30 years. By rehabilitating the sewer rather than replacing the sewer, community disruption will be kept to a minimum and capital savings will be realized.



**Collections
Facilities**

Justification

The sewer was originally constructed in 1944, and the estimated life of this type of pipe is 40 to 50 years. Several efforts have been employed to limit the amount of I/I including joint repairs and manhole rehabilitations, but the sewer requires more extensive rehabilitation due to its age and current condition. Installing a liner in the pipes will restore the structural integrity of the pipe.

The project budget has been decreased from \$10,887,048 to \$8,122,000. The project's construction cost is \$3,674,044. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	144,694							144,694
Prelim Design	1,212,212							1,212,212
Design	387,719							387,719
Construction	3,702,085	1,235,711						4,937,796
Commissioning	101,650	8,350						110,000
Close-out	22,090	56,413						78,503
Contingency		1,251,076						1,251,076
Total	5,570,450	2,551,550						8,122,000

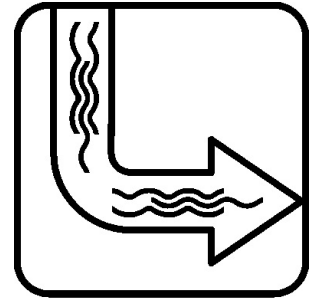
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Bitter Point Force Main Rehabilitation - 5-58		
Project Category	Collections Facilities	Project Status:	Revised

Description

The project constructed a new larger 6,500-foot long force main for the Bitter Point Pumping Station replacement project in the City of Newport Beach. This project replaced an existing force main that traversed across oilfields and under the Santa Ana River in the western portion of the City. The project included approximately 1,400 feet of microtunneling under the river with a 96-inch steel casing pipe to install two 36-inch carrier pipes. The project included construction of the force main pipeline in the existing force main corridor, from the new replacement pumping station site to the Sanitation District's Treatment Plant No. 2.



**Collections
Facilities**

Justification

The existing force main that was replaced had failed and conflicted with the Headworks Replacement Project, Job No. P2-66, at the Sanitation District's Treatment Plant No. 2 in Huntington Beach. This is one of a series of projects that will convert the two independent parallel pumping systems into two interconnected pumping systems that allow the string of coastal pumping stations to pump into either force main system during maintenance and repairs.

Following completion of the microtunneled 96-inch steel casing pipe soil subsidence developed along its alignment. Using a phased approach, this project is currently in its second phase conducting soil repairs on the Santa Ana River levees and within Plant No. 2.

The project budget has been decreased from \$46,219,000 to \$45,619,000. The project's construction cost is \$32,845,881. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	164,318							164,318
Prelim Design	804,804							804,804
Design	1,419,633							1,419,633
Construction	42,531,900	207,658						42,739,558
Commissioning	169,078							169,078
Close-out	111,801	15,621						127,422
Contingency		194,186						194,186
Total	45,201,535	417,465						45,619,000

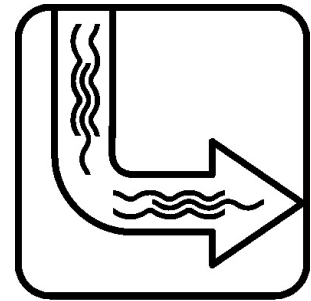
Reimbursable Costs: 13,000,000

2014-15 & 2015-16 Budget

Project Name & Number	Newport Force Main Rehabilitation - 5-60		
Project Category	Collections Facilities	Project Status:	Revised

Description

This project will rehabilitate approximately 28,000 feet of the Newport Force Main system located on Pacific Coast Highway in Newport Beach between the Bitter Point Pump Station and Dover Drive. The force main system consists of two parallel, interconnected pipelines, varying in size from 22 to 36 inches. More than half of the force main system will be rehabilitated rather than replaced to minimize impacts to the community, businesses, tourism and the environment.



**Collections
Facilities**

Justification

The force main system has reached the end of its useful life. Rehabilitation and replacement is necessary because the force main system is more than 50 years old and has experienced multiple structural failures due to corrosion since 1984.

The project budget has been increased from \$45,788,000 to \$52,216,000. The project's construction cost is \$36,715,665. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	1,224,529							1,224,529
Prelim Design	2,369,291							2,369,291
Design	1,529,814							1,529,814
Construction	261,083	20,422,391	19,546,895	2,043,502				42,273,871
Commissioning	12,922	41,732	45,346					100,000
Close-out				485,910				485,910
Contingency				4,232,585				4,232,585
Total	5,397,639	20,464,123	19,592,241	6,761,997				52,216,000

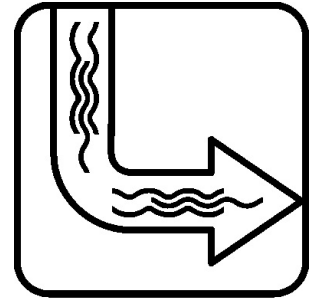
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Dover Drive Trunk Sewer Relief - 5-63		
Project Category	Collections Facilities	Project Status:	Revised

Description

This project consists of conducting a feasibility study to increase the hydraulic capacity for 7,300 lineal feet of existing 15-inch through 18-inch sewer line located along Dover Drive between Irvine Avenue and Pacific Coast Highway in the City of Newport Beach. This project allows for the design and construction of a major trunk sewer within a heavily used city street located in a highly residential/commercial area of the city.



**Collections
Facilities**

Justification

The Sanitation District's strategic plan update conducted in 2006 indicated that the Dover Drive Trunk Sewer will surcharge under the 2010 wet weather flow conditions, therefore, the existing sewer pipes need to be upsized to avoid a potential spill. In addition to the capacity deficiency, Sanitation District staff conducted a CCTV inspection and determined that portions of the existing sewer line have deteriorated and may need to be rehabilitated or replaced.

The project budget has been increased from \$13,751,000 to \$14,327,000. The project's construction cost is \$7,459,027. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	326,793							326,793
Prelim Design	577,672							577,672
Design	1,246,769							1,246,769
Construction	6,879,880	2,268,495						9,148,375
Commissioning	97,633	2,367						100,000
Close-out		129,865	1,157					131,022
Contingency	413,906	2,238,809	143,655					2,796,370
Total	9,542,652	4,639,536	144,812					14,327,000

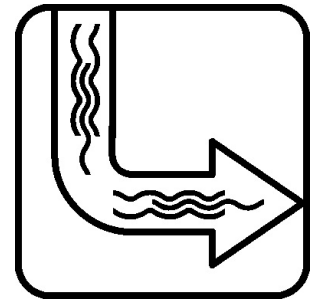
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	Crystal Cove Pumping Station Upgrade and Rehabilitation - 5-66		
Project Category	Collections Facilities	Project Status:	Future

Description

This project will rehabilitate the existing Crystal Cove Pump Station to maintain compliance with electrical and safety codes, and to restore the condition of the aging facility.



**Collections
Facilities**

Justification

The Pump Station was originally constructed in 1995. The pumping station does not comply with current electrical and safety codes. It is estimated that the equipment will be at the end of its useful life in 2015.

The project budget has been increased from \$7,379,000 to \$7,817,000. The project's construction cost is \$4,366,396. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev				48,262				48,262
Prelim Design				33,407	208,596			242,003
Design					34,168	607,805	120,908	762,881
Construction							5,284,198	5,284,198
Commissioning							82,080	82,080
Close-out							86,659	86,659
Contingency							1,310,917	1,310,917
Total				81,669	242,764	607,805	6,884,762	7,817,000

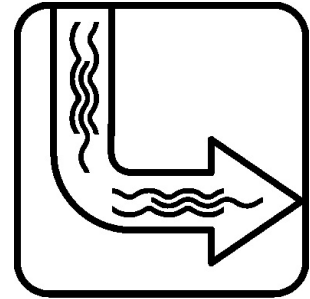
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Bay Bridge Pump Station Reconstruction - 5-67		
Project Category	Collections Facilities	Project Status:	Revised

Description

This project will reconstruct the existing Bay Bridge Pump Station to meet current building, electrical, and safety codes and OCSD design standards. OCSD staff is working with the project team for the adjacent property (Back Bay Landing development) to site the new or expanded location for the reconstructed pump station.



**Collections
Facilities**

Justification

The Pump Station was originally constructed in 1966. The pumping systems are aging, and have control systems that are rapidly becoming obsolete, all require additional attention from maintenance staff. Also, the existing pumping station does not comply with current electrical and safety codes.

The project budget has been increased from \$46,852,000 to \$74,431,000. The project's construction cost is \$41,500,000. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev			415,006					415,006
Prelim Design			219,035	702,687	613,876			1,535,598
Design					674,694	2,910,917	3,739,292	7,324,903
Construction							51,045,104	51,045,104
Commissioning							830,089	830,089
Close-out							830,101	830,101
Contingency							12,450,199	12,450,199
Total			634,041	702,687	1,288,570	2,910,917	68,894,785	74,431,000

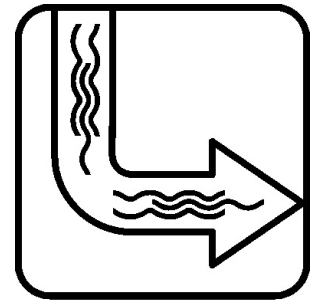
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

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

Description

This project is to increase the capacity of the District 6 Trunk sewer to provide for future flows. The existing 3,700 feet of 12-inch through 18-inch pipeline runs west of Pomona, southerly to 16th Street, to Newport Boulevard, and southerly along Newport Boulevard towards Coast Highway in the Cities of Costa Mesa and Newport Beach.



**Collections
Facilities**

Justification

The need for this project was identified in the January 2006 Draft Strategic Plan Update. Based on current flow projections and hydraulic modeling, this project is needed to reduce the potential for surcharging and sewer spills due to projected increase in flow from planned developments and growth.

The project budget has been increased from \$5,638,000 to \$7,047,000. The project's construction cost is \$3,800,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	70,429							70,429
Prelim Design	421,703							421,703
Design	249,389	290,472						539,861
Construction	252	417,529	4,492,400					4,910,181
Commissioning	169	12,853	27,145					40,167
Close-out			26,600	46,684				73,284
Contingency				733,161	258,213			991,374
Total	741,943	720,854	4,546,145	779,845	258,213			7,047,000

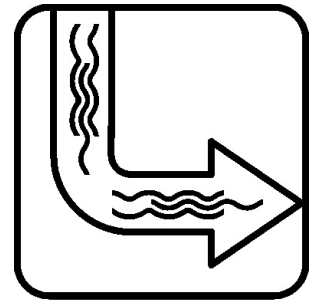
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Southwest Costa Mesa Trunk - 6-19		
Project Category	Collections Facilities	Project Status:	Continuing

Description

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



**Collections
Facilities**

Justification

This project dates back to the 1980's when Costa Mesa Sanitary District originally requested a new regional sewer. Costa Mesa Sanitary District and the City of Newport Beach have been interested in abandoning 9 pumping stations in this area. The pumping stations in the area needed to either be completely replaced or abandoned. Constructing this project may allow for the local agencies to abandon those stations and OCSD to eliminate the previously planned Fairview Road Trunk Sewer Relief project

The project's construction cost is \$8,913,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	1,467,464							1,467,464
Prelim Design	145,519	436,125	22,291					603,935
Design	7,873		1,111,112	216,938				1,335,923
Construction				1,137,439	8,033,613	855,272		10,026,324
Commissioning	169				31,122	125,426		156,717
Close-out						149,720	4,385	154,105
Contingency						312,088	936,444	1,248,532
Total	1,621,025	436,125	1,133,403	1,354,377	8,064,735	1,442,506	940,829	14,993,000

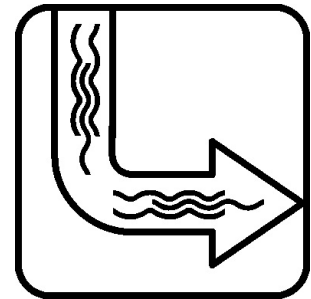
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	Gisler - Red Hill Trunk Improvements - Reach B - 7-37		
Project Category	Collections Facilities	Project Status:	Revised

Description

This project will replace a section of the existing sewer and rehabilitate other reaches in the Gisler-Redhill System. This will include installing larger diameter pipelines, providing interties, new diversion settings, sliplining and relining manholes. The project includes repairs of up to 13,200 feet along Redhill Avenue in the Cities of Santa Ana, Tustin and Irvine.



**Collections
Facilities**

Justification

This section of the Gisler-Redhill System was originally built in the 1960's. Based on hydraulic analysis and condition assessments of the pipes, a new replacement section of pipeline and rehabilitation of other sections are needed. To accommodate near-term future flows the project will also reset several diversions to accommodate new flows.

The project budget has been increased from \$11,814,000 to \$23,073,000. The project's construction cost is \$15,375,966. This project will decrease operational budgets by \$32,000 annually.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	15,006							15,006
Prelim Design	293,284							293,284
Design	2,208,715	216,393	35,708					2,460,816
Construction	898,994		5,775,915	10,991,758				17,666,667
Commissioning	207							207
Close-out				6,652	38,827			45,479
Contingency					2,591,542			2,591,542
Total	3,416,205	216,393	5,811,623	10,998,410	2,630,369			23,073,000

Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number | **Browning Subtrunk Sewer Relief - 7-60**

Project Category | **Collections Facilities**

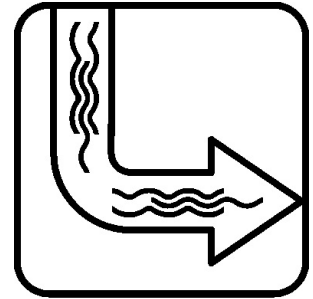
Project Status:

Revised

Description

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

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



**Collections
Facilities**

Justification

This need for this project was identified in the 2006 Strategic Plan Update. These improvements will accommodate projected increase in flow from planned developments and growth and be designed to convey potential wet weather surcharges.

The project budget has been increased from \$12,663,000 to \$13,439,000. The project's construction cost is \$7,750,575. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev			36,605					36,605
Prelim Design			38,498	250,910	38,786			328,194
Design			12,200		493,768	434,931		940,899
Construction						300,609	9,167,870	9,468,479
Commissioning							207,198	207,198
Close-out							131,200	131,200
Contingency							2,326,425	2,326,425
Total			87,303	250,910	532,554	735,540	11,832,693	13,439,000

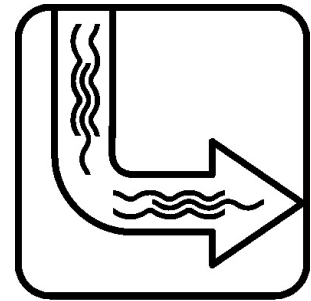
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	Von Karman Trunk Sewer Relief - 7-62		
Project Category	Collections Facilities	Project Status:	Future

Description

This project increases the capacity of the Von Karman Trunk sewer to provide for future flows. The existing 700 feet of 12-inch pipeline runs along Campus Drive West from Martin to Airport Way, on the border between Irvine and Newport Beach.



**Collections
Facilities**

Justification

This need for this project was identified in the 2006 Draft Strategic Plan Update. These improvements will accommodate projected increase in flow from planned developments and growth and be designed to convey potential wet weather surcharges.

The project's construction cost is \$251,167. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev						3,279		3,279
Prelim Design						3,961	9,532	13,493
Design							62,521	62,521
Construction						12,232	281,072	293,304
Commissioning							6,837	6,837
Close-out							3,245	3,245
Contingency							50,321	50,321
Total						19,472	413,528	433,000

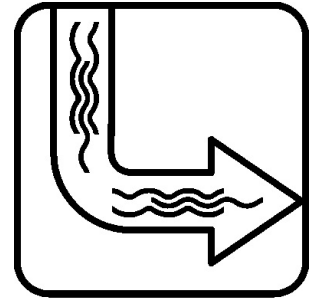
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	MacArthur Pump Station Rehabilitation - 7-63		
Project Category	Collections Facilities	Project Status:	Revised

Description

This project will rehabilitate the existing MacArthur Pump Station. The existing station is located in the vicinity of John Wayne Airport in the City of Newport Beach. The work includes bringing the pumping station into compliance with the latest applicable electrical and safety codes and replacing maintenance intensive pumps.



**Collections
Facilities**

Justification

The MacArthur Pump Station was originally built in 1960. The pumping system is aging and regularly clogs, requiring attention from Sanitation District staff. Also, the existing pumping station does not comply with current electrical and safety codes. The pumping station needs to be upgraded to reliably serve the Cities of Irvine and Newport Beach.

The project budget has been increased from \$7,028,000 to \$7,445,000. The project's construction cost is \$4,158,582. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev			45,972					45,972
Prelim Design			17,110	47,190	166,179			230,479
Design					199,085	438,648	88,838	726,571
Construction							5,032,698	5,032,698
Commissioning							78,176	78,176
Close-out							82,532	82,532
Contingency							1,248,572	1,248,572
Total			63,082	47,190	365,264	438,648	6,530,816	7,445,000

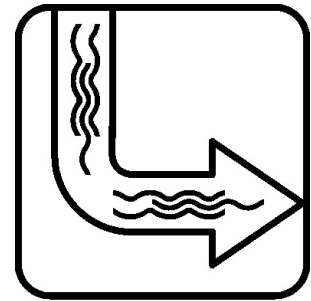
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	Main Street Pump Station Rehabilitation - 7-64		
Project Category	Collections Facilities	Project Status:	New

Description

This project will rehabilitate the existing Main Street Pump Station to meet current building, electrical and safety codes, and OCSD design standards. The pump station will also need to be seismically retrofitted, improve the odor control facilities, and have a roof replacement.



**Collections
Facilities**

Justification

Main Street pump station was constructed in 1987 and needs rehabilitation to maintain the pump station's reliability in the coming decades.

The project's construction cost is \$22,242,000. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev				444,890				444,890
Prelim Design				78,369	214,595	374,237		667,201
Design				55,600		9,825	4,371,881	4,437,306
Construction							27,635,608	27,635,608
Commissioning							444,793	444,793
Close-out							444,800	444,800
Contingency							6,672,401	6,672,401
Total				578,859	214,595	384,062	39,569,483	40,746,999

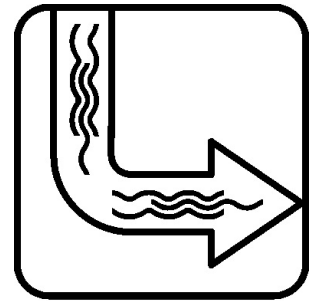
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Master Facilities Engineering Projects - Collections - M-FE-COLLECT		
Project Category	Collections Facilities	Project Status:	Revised

Description

This budget provides funds for miscellaneous collection facilities small capital projects. A small capital project is defined as a miscellaneous capital improvement related to safety, reliability, or improvements where the professional design consulting services are less than \$100,000. This project is an annual budget for numerous small collection facilities projects. This system results in a stream-lined process for the procurement and execution of engineering and contractor services for smaller, but vital projects.



**Collections
Facilities**

Justification

The Collection Facilities Engineering project allows smaller capital projects to extend the life of the existing assets and extend the time between major rehabilitations. These smaller, high priority projects are individually tracked within the larger budget for procurement of engineering and contractor services as needed to maintain reliable operations.

The project budget has been increased from \$8,250,000 to \$12,192,000. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design	313,417	489,095	625,409	521,141	519,756	221,379		2,690,197
Construction	54,193	340,883	1,433,454	1,940,353	1,624,481	1,602,009	889,702	7,885,075
Commissioning								
Close-out								
Contingency	30,855	34,051	196,422	365,845	344,816	318,274	326,465	1,616,728
Total	398,465	864,029	2,255,285	2,827,339	2,489,053	2,141,662	1,216,167	12,192,000

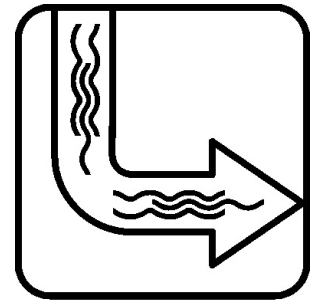
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	Bay Bridge Pumpstation and Force Mains Rehabilitation Study - SP-178		
Project Category	Collections Facilities	Project Status:	Revised

Description

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



**Collections
Facilities**

Justification

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

The project budget has been increased from \$150,000 to \$400,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev		300,000						300,000
Prelim Design								
Design								
Construction								
Commissioning								
Close-out								
Contingency	18,354	81,646						100,000
Total	18,354	381,646						400,000

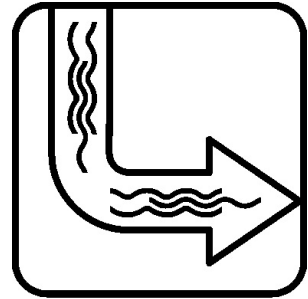
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Collection System Master Planning - SP-180		
Project Category	Collections Facilities	Project Status:	Revised

Description

This project will develop an asset management plan for Revenue Area 3. The asset management plan will incorporate updated model and condition assessment information. The condition assessment information will include cctv data and manhole assessments performed with Panoramo SI Camera. If available, local development trends and resulting needs will also be incorporated into the report. Utilizing the information to scope the rehabilitation of the Los Alamitos Subtrunk, Western Relief Interceptor, and Orange Western Subtrunk (CIP project 3-64) is a priority; however, exploring possible alternatives to planned CIP project 3-60, Beach Trunk/Knott Interceptor Sewer Relief Project, is also an objective.



**Collections
Facilities**

Justification

Recent inspections of OCSD trunklines of Revenue Area 3 have revealed issues which need to be addressed. Flows in Revenue Area 3 have not been monitored since 2005. A comprehensive plan for rehabilitating, replacing, or upgrading these trunklines is needed to plan and scope the approximately \$115 million in future design and construction projects in Revenue Area 3.

The project budget has been increased from \$400,000 to \$1,000,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev		700,000						700,000
Prelim Design								
Design								
Construction								
Commissioning								
Close-out								
Contingency		300,000						300,000
Total		1,000,000						1,000,000

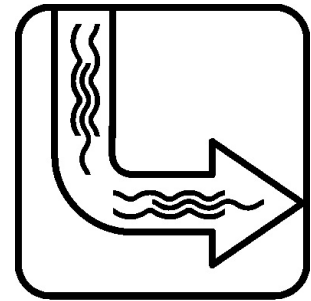
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	Collection System Odor Control Systems Study - SP-189		
Project Category	Collections Facilities	Project Status:	Future

Description

This project will develop a comprehensive odor control plan for the collection system. This effort will update and expand the work completed in the 2002 Odor Control Master Plan. The project will review and collect data from the collection system and determine the best programmatic approach to minimize odor complaints in the collection system. This effort will include the review of the potential technologies, determination of beneficial locations, and implementation of already identified projects that will best serve the function of controlling odors.



**Collections
Facilities**

Justification

Staff have been collecting data and implementing programs that spawned from 2002 Odor Control Master Plan. After ten years, the comprehensive plan needs to be updated to analyze existing data, document the changes in the collection system, determine impacts the program has had on the downstream treatment plants, study application of current odor control systems on other parts of the collection system, evaluate possible new technology alternatives, and support future design and construction projects for the odor control systems in the collections area.

The project budget has been increased from \$500,000 to \$700,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev				438,396	136,606			575,002
Prelim Design								
Design								
Construction								
Commissioning								
Close-out								
Contingency				87,609	37,389			124,998
Total				526,005	173,995			700,000

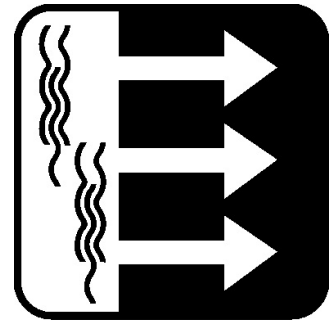
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Headworks Rehabilitation and Expansion at Plant 1 - P1-105		
Project Category	Headworks	Project Status:	Revised

Description

This project will address several unit processes at Plant 1 headworks that require assessment, refurbishment, rehabilitation, and/or new structures. The processes and systems affected include wastehauler station, metering and diversion, trunkline odor control system (addressed by P1-123), Steve Anderson Lift Station (SALS), Sunflower pump station, barscreens and rag management, main sewage pumps, grit system and grit management, splitter boxes and outgoing channels, rag and grit bins building, headworks odor control system, primary influent flowmeters, primary influent distribution box, the electrical systems based on J-25-4 studies, utility systems, and Headworks No. 1.



Headworks

Justification

The purpose of the work is to rehabilitate the Plant 1 headworks area in order to increase the life of critical assets, improve services of other areas in the plant, and meet level of service goals. The headworks No. 2 was originally constructed in 1987.

The project budget has been increased from \$72,058,000 to \$76,476,000. The project's construction cost is \$44,181,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	93,220	78,857						172,077
Prelim Design		350,250	1,379,561					1,729,811
Design			261,910	2,545,376	1,988,357	461,359		5,257,002
Construction						1,913,720	50,921,282	52,835,002
Commissioning							2,699,407	2,699,407
Close-out							528,200	528,200
Contingency							13,254,501	13,254,501
Total	93,220	429,107	1,641,471	2,545,376	1,988,357	2,375,079	67,403,390	76,476,000

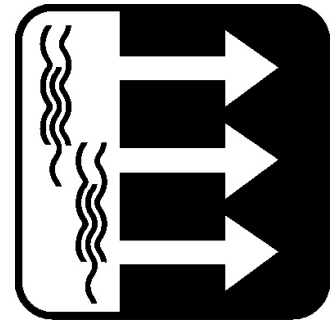
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	Headworks Expansion - P1-120		
Project Category	Headworks	Project Status:	Future

Description

This project will expand the existing Plant No. 1 Headworks facility to accommodate future capacity needs. The project may include other items to meet rehabilitation needs, future regulatory requirements and level of service standards, and demolition of the existing Headworks No. 1.



Headworks

Justification

As identified in the Master Plan flow projections, future additional influent pumping capacity and grit removal capacity will be needed at the Plant No. 1 Headworks facility.

The project's construction cost is \$154,589,225. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev							131,845	131,845
Prelim Design							3,295,835	3,295,835
Design							9,900,550	9,900,550
Construction							173,666,930	173,666,930
Commissioning							4,314,781	4,314,781
Close-out							575,921	575,921
Contingency							30,918,138	30,918,138
Total							222,804,000	222,804,000

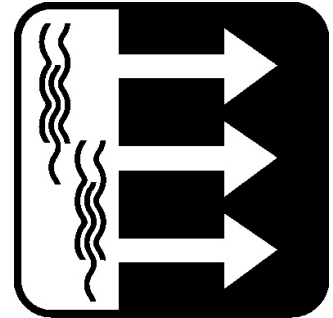
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Trunk Line Odor Control Improvements - P1-123		
Project Category	Headworks	Project Status:	Revised

Description

Scrubbers 9 and 10, which are part of Plant No. 1 Headworks odor control system, will be replaced with new biological scrubbers. The new scrubbers will treat air from Steve Anderson Lift Station (SALS), Waste Hauler Station, Sunflower Pump Station and M&D Structure. The treated air will then continue to existing Chemical Scrubbers 1 through 4 for further treatment. The second part of the scope of work is to eliminate odors upstream of the three siphons along the Baker-Gisler Interceptor and Santa Ana Trunk sewers by implementing air jumper improvements.



Headworks

Justification

The concept evaluation study for Project J-71-8 indicated an imbalance of airflow between existing Scrubbers 9 and 10 causing poor performance of the scrubbers. The carbon units of the SALS odor control system and the packaged biofilter at the Waste Hauler Station have both been operating inefficiently. Replacing the existing Scrubbers 9 and 10 will improve the overall efficiency of the Headworks facilities' odor control system.

The project budget has been increased from \$10,016,000 to \$10,826,000. The project's construction cost is \$6,400,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev								
Prelim Design	556,146							556,146
Design	479,356	373,696						853,052
Construction		295,616	6,520,128	1,193,940				8,009,684
Commissioning				129,833				129,833
Close-out				93,146	9,700			102,846
Contingency					1,174,439			1,174,439
Total	1,035,502	669,312	6,520,128	1,416,919	1,184,139			10,826,000

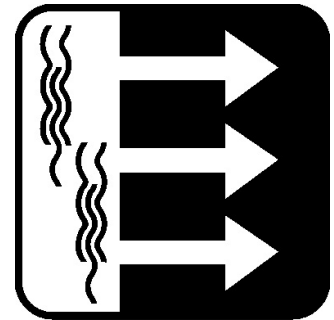
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	Headworks at Plant 2 - P2-66		
Project Category	Headworks	Project Status:	Revised

Description

This project will replace the existing headworks at Plant No. 2 and will include the following components: influent diversion and metering structure, bar screens, influent pump station, vortex grit chambers, primary influent splitter and metering structure, ferric chloride feed facilities, headworks and trunk line odor control facilities, screenings handling building including Hycor washer/compactors, grit handling building including cyclone classifiers, electrical building and standby power.



Headworks

Justification

Key components of Plant No. 2 headworks are old and are in need of replacement. The bar screens, gates, and grit chambers are inefficient, resulting in grit screenings passing into the downstream processes causing increased O&M costs. A metering and diversion structure is needed to allow calibration and maintenance of flow meters. Space within the existing headworks facility is limited and rehabilitation would be infeasible.

The project budget has been decreased from \$259,124,000 to \$258,724,000. The project's construction cost is \$199,276,776. This project will increase operational budgets by \$500,000 annually. However, the overall operational cost will be offset by eliminating the operation of existing headworks and reducing maintenance costs to clean digesters because the new headworks is more effective in removing grit from the influent and prevents grit accumulation in digesters.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	64,397							64,397
Prelim Design	3,904,643							3,904,643
Design	14,992,713							14,992,713
Construction	233,496,129							233,496,129
Commissioning	5,334,369							5,334,369
Close-out	441,378							441,378
Contingency	490,372							490,372
Total	258,724,000							258,724,000

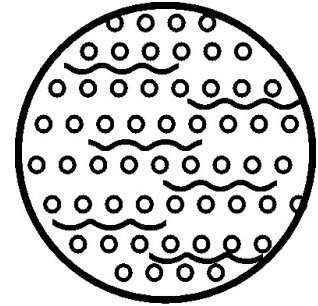
Reimbursable Costs: N/A

CIP Project Detail Sheets

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

Description

The microfiltration waste backwash flows from the GWRs were treated at OCSD Plant No. 1 and were processed through its primary treatment process. By implementing some minor piping changes, this flow can be diverted directly to the secondary treatment process, resulting in annual operation cost savings. Pumps were added to allow the microfiltration waste backwash flows to be stored in the primary clarifiers during high flow and pumped out during low flow to keep the GWRs operating near capacity - OCWD paid for this construction cost. Modifications and repairs were made to the Primary Influent Splitter Box (PISB) launders- OCSD paid for this construction cost.



Primary Treatment

Justification

This project reduced the current shortfall in water production from the GWRs and reduced OCSD operational costs. By storing waste backwash from the GWRs in unused primary treatment basins during the day and draining them at night, OCWD will increase production from GWRs. The amended Joint Exercise Agreement states that the OCSD and OCWD will meet in the event there is a shortfall in production from GWRs. Additionally, repairs were needed when a primary influent splitter box influent launder failed.

The project budget has been decreased from \$522,000 to \$387,000. The project's construction cost is \$81,785. This project will decrease operational budgets by \$50,000 annually.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design	83,604							83,604
Construction	271,786							271,786
Commissioning								
Close-out	26,391	5,110						31,501
Contingency		109						109
Total	381,781	5,219						387,000

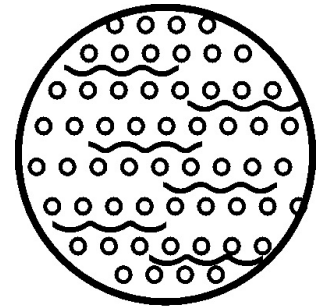
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	Primary Scrubber Rehabilitation Project at Plant 1 - P1-114		
Project Category	Primary Treatment	Project Status:	Future

Description

This project will provide odor control modifications necessary to meet the Board required level of service, as determined by the 2014 Odor Control Master Plan (SP-166 outcomes), for the Plant No. 1 Primary Basins and the Trickling Filters. This includes replacement of the air scrubbing system and related equipment. This project will also rehabilitate electrical cable tray systems and bring them into compliance with code requirements, to improve safety and operational reliability



Primary Treatment

Justification

The current odor control facilities are at the end of their useful life and cannot meet the Board approved level of service for odors. Also, the cable trays were installed prior to 1987 and do not comply with the current National Electrical Code.

The project budget has been decreased from \$50,708,300 to \$50,708,000. The project's construction cost is \$31,090,769. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev				121,086				121,086
Prelim Design				112,845	821,987	282,567		1,217,399
Design						1,280,716	2,418,685	3,699,401
Construction							37,180,675	37,180,675
Commissioning							1,899,707	1,899,707
Close-out							371,800	371,800
Contingency							6,217,932	6,217,932
Total				233,931	821,987	1,563,283	48,088,799	50,708,000

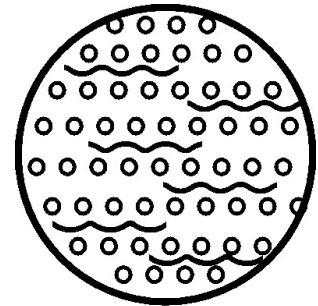
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Primary Effluent Pipeline Joint Repairs - P1-118		
Project Category	Primary Treatment	Project Status:	Continuing

Description

This project will repair or replace the failed protective coating on the joints of the Primary Effluent pipelines at Reclamation Plant No. 1. These repairs consist of heat welding PVC strips at the failed liner joints to protect the pipe joints from corrosive liquids and gases. Once the repairs are complete, a CCTV inspection to document the condition of the repairs and ensure the procedure was successful will be performed.



Primary Treatment

Justification

Internal inspections of the primary effluent pipelines, ranging in size from 66-inch to 108-inch, built under Project P1-33 show that the joint strips protecting the pipe from internal corrosion are damaged, and in many cases are completely removed. The pipelines included in this proposed project are internally lined with a PVC material called T-Lock, which is in good condition. The interior concrete surfaces of the pipe where the joint strips are damaged are exposed to wastewater and corrosive gasses, therefore subject to internal corrosion.

The project's construction cost is \$1,914,422. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev			17,752	3,421				21,173
Prelim Design				21,274	87,872			109,146
Design					13,596	155,692	167,190	336,478
Construction							2,318,455	2,318,455
Commissioning							36,972	36,972
Close-out							41,079	41,079
Contingency							382,697	382,697
Total			17,752	24,695	101,468	155,692	2,946,393	3,246,000

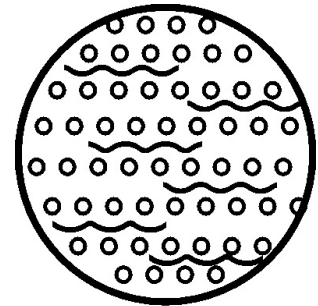
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	Plant 1 Primary Treatment Upgrades - P1-124		
Project Category	Primary Treatment	Project Status:	Continuing

Description

This project will upgrade the sludge pumping system for Primary Clarifiers (PC) 16-31 at Reclamation Plant No. 1, and will resolve various operation, maintenance, corrosion, and safety issues throughout this facility.



Primary Treatment

Justification

This project will allow the rectangular primary clarifiers to handle increase in solids loading to Plant No. 1, and future flows through the plant to support the future expansion of GWRS. Also, recent investigations uncovered corrosion, safety, operational, and maintenance issues which need to be addressed at the rectangular primary clarifiers.

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

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	16,506							16,506
Prelim Design	269,877							269,877
Design	697,655	39,214						736,869
Construction		3,388,737	4,856,350	579,891				8,824,978
Commissioning			200,005	31,487				231,492
Close-out				94,294	4,297			98,591
Contingency					1,356,687			1,356,687
Total	984,038	3,427,951	5,056,355	705,672	1,360,984			11,535,000

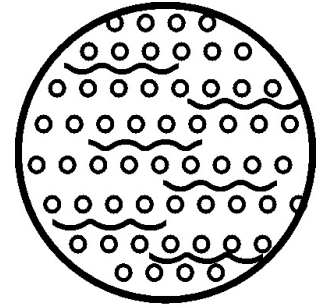
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Plant No. 2 Primary Treatment System Rehabilitation - P2-98		
Project Category	Primary Treatment	Project Status:	Revised

Description

This project will implement the recommendations of SP-137 and rehabilitate the primary basins (structure, components, and covers), the influent and effluent pipes, construct a new main primary effluent pipe, and rehabilitate and upgrade the odor control systems in the North and South Scrubber Complexes to meet the Board's level of service for odors.



Primary Treatment

Justification

Many components of the Primary Basins are at the end of their useful life and there are serious deterioration of basin's cover support systems and conveyance pipes. Odor control systems do not meet the Board's approved level of service for odors.

The project budget has been increased from \$35,486,147 to \$43,210,000. The project's construction cost is \$24,541,658. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev			269,303	24,894				294,197
Prelim Design				790,712	1,417,493			2,208,205
Design					223,119	1,693,296	1,617,686	3,534,101
Construction							31,326,457	31,326,457
Commissioning							636,243	636,243
Close-out							302,801	302,801
Contingency							4,907,996	4,907,996
Total			269,303	815,606	1,640,612	1,693,296	38,791,183	43,210,000

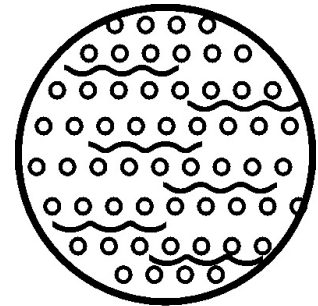
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

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

Description

This project will provide a comprehensive condition assessment of the Primary Treatment area of Plant Nos. 1 and 2. The results of the study will be used to identify and plan future rehabilitation efforts.



Primary Treatment

Justification

The Primary clarifiers at both plants are in need of rehabilitation. A comprehensive assessment is needed to understand the true rehabilitation needs.

This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	195,720	207,852						403,572
Prelim Design	73,904	176,095						249,999
Design								
Construction								
Commissioning								
Close-out								
Contingency		194,429						194,429
Total	269,624	578,376						848,000

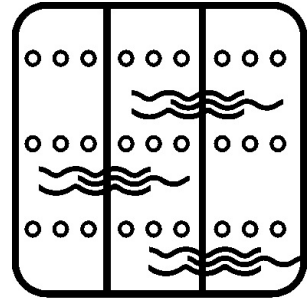
Reimbursable Costs: N/A

CIP Project Detail Sheets

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

Description

This project expands secondary treatment facilities at Reclamation Plant No. 1 to meet secondary treatment standards. This project includes construction of aeration basins, clarifiers, a blower building, and return/waste sludge pumping stations for additional secondary treatment capacity of 60 MGD at Plant No. 1. This project is part of the Secondary Treatment Standards Program. The activated sludge process was chosen as the most cost effective process to achieve secondary standards and allow future reclamation activities at Plant No. 1.



Secondary Treatment

Justification

This project is necessary to support the Sanitation District's July 17, 2002 decision to meet secondary treatment standards. This project will enable Plant No. 1 to meet secondary standards by increasing secondary treatment capacity by 60 MGD. Two Secondary Expansion Consent Decree dates for the project have been established in 2006 and 2012 with penalties of up to \$27,000 per day if the deadlines are not met.

The project budget has been increased from \$255,471,000 to \$255,771,000. The project's construction cost is \$208,371,448. This project will increase operational budgets by \$350,000 annually.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	140,254							140,254
Prelim Design	5,256,600							5,256,600
Design	13,085,337							13,085,337
Construction	231,726,172							231,726,172
Commissioning	3,941,501							3,941,501
Close-out	1,289,359	82,066						1,371,425
Contingency	192,619	57,093						249,712
Total	255,631,841	139,159						255,771,000

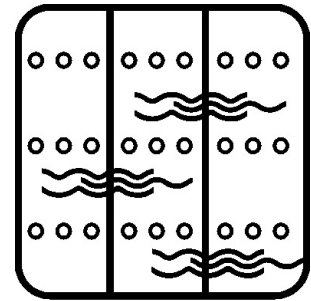
Reimbursable Costs: 98,000

2014-15 & 2015-16 Budget

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

Description

This project removes the existing abandoned cryogenic facility, compressors and associated equipment which, prior to decommissioning in October 2012 was operated and maintained by Air Products and Chemicals. The assets are owned by OCSD.



Secondary Treatment

Justification

As a cost savings measure, Operations now purchases liquid oxygen rather than using the aging cryogenic facility to generate high purity oxygen.

The project budget has been increased from \$2,300,000 to \$4,051,000. The project's construction cost is \$2,340,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	16,776							16,776
Prelim Design	131,356							131,356
Design	333,028	26,316						359,344
Construction	1,536	1,803,245	1,183,440					2,988,221
Commissioning	3,513							3,513
Close-out	2,049		47,177	42,963				92,189
Contingency				459,601				459,601
Total	488,258	1,829,561	1,230,617	502,564				4,051,000

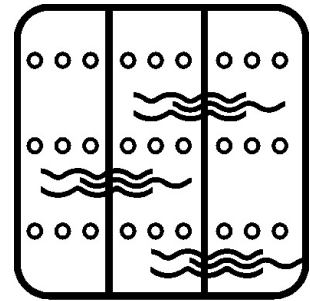
Reimbursable Costs: N/A

CIP Project Detail Sheets

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

Description

This study will clarify rehabilitation needs at the Plant No. 1 Secondary Treatment facilities. This includes piping from PEPS to secondary effluent piping, as well as return activated sludge systems for AS Plant No.1. The study will review recent condition assessment data, area studies, code compliance, and operation and maintenance issues. The study will perform additional condition assessments, calculations, and provide an rehabilitation plan for Plant No.1's Secondary Treatment facilities.



Secondary Treatment

Justification

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

The project budget has been increased from \$200,000 to \$400,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev		274,913	25,087					300,000
Prelim Design								
Design								
Construction								
Commissioning								
Close-out								
Contingency	5,017	90,102	4,881					100,000
Total	5,017	365,015	29,968					400,000

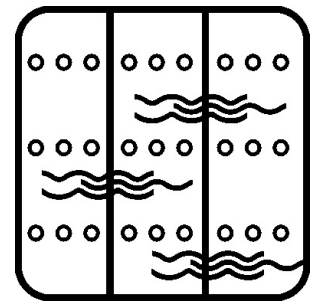
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

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

Description

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



Secondary Treatment

Justification

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

The project budget has been increased from \$350,000 to \$400,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev		55,262	244,738					300,000
Prelim Design								
Design								
Construction								
Commissioning								
Close-out								
Contingency		38,305	61,695					100,000
Total		93,567	306,433					400,000

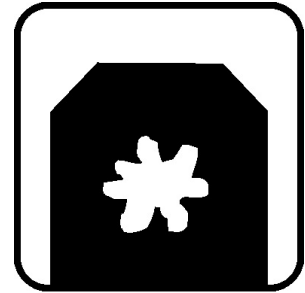
Reimbursable Costs: N/A

CIP Project Detail Sheets

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

Description

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



**Solids Handling
& Digestion**

Justification

This project is being built in conjunction with Project P1-101 to treat increased solids due to secondary expansion at Plant No. 1, efficiently use existing digesters' capacity, increase reliability, and improve quality of sludge production. Scope of work includes removal of sludge accumulated in digesters, replacing aging mechanical/electrical equipment, and structural rehabilitation of digesters 5-16 that were built during the years of 1959-1993.

The project budget has been increased from \$57,641,000 to \$60,547,000. The project's construction cost is \$36,657,543. This project will increase operational budgets by \$200,000 annually. However, this cost will be offset by production of drier cake, lower biosolids management costs, and savings in capital costs by eliminating construction of additional digesters.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	217,569							217,569
Prelim Design	3,082,231							3,082,231
Design	3,603,031							3,603,031
Construction	36,122,754	5,137,971	4,866,611	999,155				47,126,491
Commissioning	1,332,854	305,046	307,444	102,090				2,047,434
Close-out	35,619			296,144	16,177			347,940
Contingency				501,589	3,620,716			4,122,305
Total	44,394,057	5,443,017	5,174,055	1,898,978	3,636,893			60,547,000

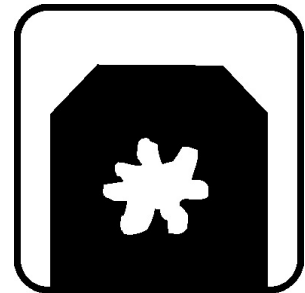
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

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

Description

This project constructs primary sludge thickening facilities to improve solids handling capacity, replace sludge dewatering facilities with aging equipment and reduce biosolids handling and disposal, rehabilitate solids handling odor control equipment for aging equipment, and temporarily expand sludge dewatering facilities to accommodate temporary construction needs.



**Solids Handling
& Digestion**

Justification

This project is necessary to support the need for more capacity to thicken and dewater sludge due to conversion of Plant No. 1 to full secondary treatment and increased flows to support expansion of the GWRs. The existing sludge dewatering facilities that were built in the late 1970's have reached the end of useful life and are in need of replacement. This project will increase cake dryness which will reduce biosolids management costs; improve sludge thickening to optimize use of existing digesters while eliminating construction of new digesters and improve site constraints at Plant No. 1 by building compact solids treatment facilities and facilitate future expansion.

The project's construction cost is \$123,567,883. This project will decrease operational budgets by \$3,600,000 annually. The net decrease is due to increased efficiency of solids treatment by producing drier cake, lowering transportation costs, and capital cost savings by eliminating construction of new digesters.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	329,977							329,977
Prelim Design	6,894,055							6,894,055
Design	11,392,442							11,392,442
Construction	31,714,496	61,050,918	39,138,487	6,571,117				138,475,018
Commissioning			727,432	1,075,010				1,802,442
Close-out	1,409			872,067	6,773			880,249
Contingency				7,606,170	4,597,647			12,203,817
Total	50,332,379	61,050,918	39,865,919	16,124,364	4,604,420			171,978,000

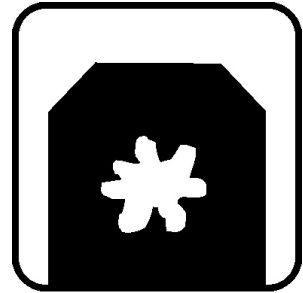
Reimbursable Costs: N/A

CIP Project Detail Sheets

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

Description

This project will replace the deteriorating ferric chloride station and associated pipe lines that serve the digester system at Plant No. 2. This includes replacing chemical piping and installing a new concrete containment structure to contain chemical leaks. The project will also include upgrades to the instrumentation and controls systems that are currently operated manually.



**Solids Handling
& Digestion**

Justification

The existing facility is approximately 20 years old. The chemicals used are corrosive and equipment is at the end of its useful life. Also, recent optimization efforts of the chemical dosing systems at Plant No. 2 have shown that it is more economical to directly control hydrogen sulfides in the digesters compared to increased dosing of primary influent that carries over into the digesters. This is because the system can optimize the ferric usage based on a continual monitoring of hydrogen sulfides in the digester gas.

The project budget has been increased from \$4,178,001 to \$4,449,000. The project's construction cost is \$1,752,342. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	123,193							123,193
Prelim Design	157,027							157,027
Design	751,628							751,628
Construction	2,609,083	246,929						2,856,012
Commissioning	184,023							184,023
Close-out		73,115	597					73,712
Contingency			303,404					303,404
Total	3,824,955	320,044	304,001					4,449,000

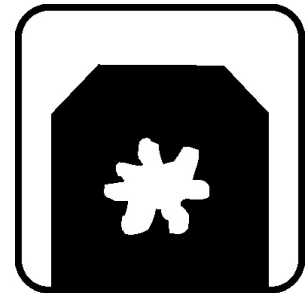
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	Plant No. 2 Solids Storage Addition - P2-114		
Project Category	Solids Handling & Digestion	Project Status:	Future

Description

The project provides additional solids storage capacity at Plant No.2. This additional capacity is required to provide adequate flexibility to accommodate operational or transportation issues that may arise.



**Solids Handling
& Digestion**

Justification

The existing truck loading bins provide about 1 to 2 days of dry cake storage. Four days of solids storage will provide necessary operational flexibility. This dry cake storage is needed during extreme storm periods or other emergencies that limit the ability of the Biosolids haulers to remove materials from the treatment plant.

The project's construction cost is \$23,000,091. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev						373,989		373,989
Prelim Design						449,093	1,060,191	1,509,284
Design							2,685,924	2,685,924
Construction							27,743,727	27,743,727
Commissioning							399,462	399,462
Close-out							291,532	291,532
Contingency							4,600,082	4,600,082
Total						823,082	36,780,918	37,604,000

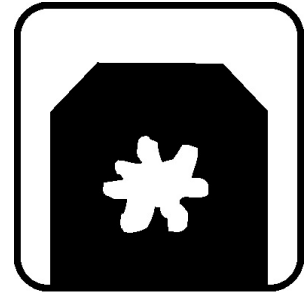
Reimbursable Costs: N/A

CIP Project Detail Sheets

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

Description

This project will rehabilitate and upgrade the four existing Dissolved Air Flotation Thickeners (DAFTs) to treat the Activated Sludge Plant solids and the solids from the Trickling Filter/Solids Contactor (TF/SC) process. This project will also convert two holding digesters into working digesters to accommodate the increased production of sludge coming from the new secondary TF/SC process.



Solids Handling & Digestion

Justification

This project is required to rehabilitate aging sludge thickening equipment, and to improve thickening capacity reliability related to the solids generated by the Trickling Filter/Solids Contact facility.

The project budget has been increased from \$48,146,000 to \$48,346,000. The project's construction cost is \$27,684,935. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	181,770							181,770
Prelim Design	3,460,820							3,460,820
Design	5,749,618							5,749,618
Construction	17,108,693	6,121,316	6,168,549	5,584,819	96,538			35,079,915
Commissioning	44,627	194,129	262,272	149,022				650,050
Close-out	43,428			223,663	157,105			424,196
Contingency					2,799,632			2,799,632
Total	26,588,955	6,315,445	6,430,821	5,957,504	3,053,275			48,346,000

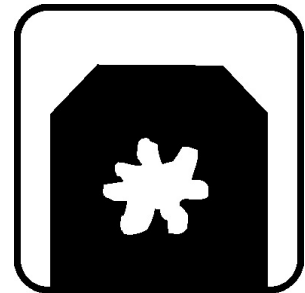
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

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

Description

This project rehabilitates digester facilities at Plant No. 2 to replace aging equipment, increase operational flexibility, and restore solids handling capacity. This includes Digesters C, D, E, F, G, H, K, L, M, N, O and/or P, Q, R, S and T. The scope includes the following: digester cleaning; lining of the digester walls, steam system, hot water system, view ports, access covers, and flame arresters; and addition of digester feed flow meters, digester feed piping, in-line grinder pumps, and automated controls. The extent of the components to be rehabilitated, however, will be based on the results of the condition assessment and asset management evaluation completed as part of the P2-91 project and SP-186.



**Solids Handling
& Digestion**

Justification

This project is needed in order to handle the additional solids produced by the Trickling Filters at Plant No. 2, Job No. P2-90, which is necessary to support the Orange County Sanitation District's July 17, 2002 decision to meet secondary treatment standards. Job No. P2-90 has two Secondary Expansion Consent Decree dates established that could result in penalties and fines of up to \$27,000 per day. Thus, this project is considered a vital component of the Sanitation District's Capital Improvement Program. Additional solids handling capacity will be needed at Plant No. 2 to accommodate the increased sludge volumes from expanded secondary treatment operations.

The project's construction cost is \$29,104,000. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	149,707		91,565	21,835				263,107
Prelim Design				561,759	548,741			1,110,500
Design	2,358				204,075	1,977,518	1,290,088	3,474,039
Construction	273						34,804,802	34,805,075
Commissioning							1,778,400	1,778,400
Close-out							348,001	348,001
Contingency							5,820,878	5,820,878
Total	152,338		91,565	583,594	752,816	1,977,518	44,042,169	47,600,000

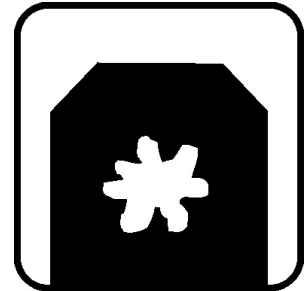
Reimbursable Costs: N/A

CIP Project Detail Sheets

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

Description

This project constructs facilities to reduce biosolids handling and disposal costs, replace aging sludge dewatering facilities, and provide associated odor control facilities. The project will also demolish the existing Belt Press Dewatering Building, and two unused sludge cake storage silos.



Solids Handling & Digestion

Justification

This project will replace the dewatering facilities that have reached the end of their service life. Based on the Long Range Biosolids Master Plan, a newer dewatering technology, centrifuges, will be utilized to reduce the amount of water in the biosolids hauled offsite to reduce biosolids management disposal costs. The reduced sludge hauling costs will more than offset increases in power and polymer costs.

The project budget has been increased from \$71,860,000 to \$87,000,000. The project's construction cost is \$58,300,000. This project will decrease operational budgets by \$1,300,000 annually.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	587,514							587,514
Prelim Design	2,661,217							2,661,217
Design	5,860,767	322,001						6,182,768
Construction	86,197	1,080,321	9,625,086	28,599,070	24,027,240	7,109,608	425,981	70,953,503
Commissioning					389,385	602,440	74,171	1,065,996
Close-out							716,049	716,049
Contingency							4,832,953	4,832,953
Total	9,195,695	1,402,322	9,625,086	28,599,070	24,416,625	7,712,048	6,049,154	87,000,000

Reimbursable Costs: N/A

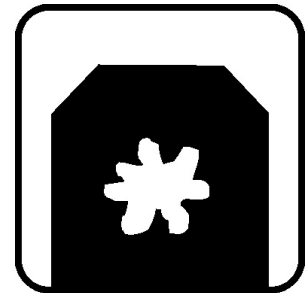
2014-15 & 2015-16 Budget

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

Description

The first phase of the seismic study will quantify the vulnerability of Plant No. 2 digesters, digester pump rooms, and tunnels. The study will assess code compliance and identify retrofits that may be necessary to improve the resiliency and continued operation of those facilities after a seismic event.

The second phase study will provide recommendations for process improvements and direction to optimize future planned rehabilitation efforts for the Plant No. 2 Digesters and Boilers. The process study will review recent condition assessment data, area studies, and operation and maintenance issues. The study will also perform additional condition assessments as necessary, calculations, and provide recommendations to provide an overall plan for the Plant No. 2 Digesters and Boilers.



**Solids Handling
& Digestion**

Justification

Staff have become aware of condition related problems with the digester domes and geotechnical vulnerabilities at Plant No. 2 digester complex. In addition, process technology advancements and recent condition assessments have revealed the opportunity for rehabilitation and process improvements in the Plant No. 2 Digesters and Boilers. A comprehensive plan is needed to support future design and construction projects in the Plant No. 2 Digesters and Boilers area

The project budget has been increased from \$200,000 to \$800,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	49,991	351,392	388,931					790,314
Prelim Design								
Design								
Construction								
Commissioning								
Close-out								
Contingency	1,301	4,551	3,834					9,686
Total	51,292	355,943	392,765					800,000

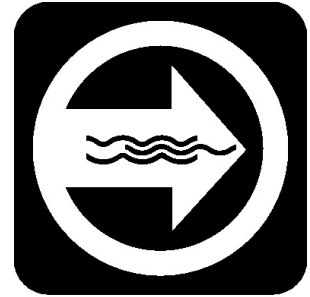
Reimbursable Costs: N/A

CIP Project Detail Sheets

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

Description

This project will renovate, replace, or demolish facilities surrounding the final effluent sampler trailer. These facilities need significant renovations due to age and exposure to ocean air. This includes replacement of the final effluent sampler pumping and sampling systems and sampling trailer with a new building, the removal of the adjacent unused buildings, removal and replacement of gas lines, rehabilitation of the short ocean outfall system, and landscaping and drainage improvements near the new building.



Ocean Outfall Systems

Justification

Several repairs and upgrades have been attempted to correct deficient sampling equipment. Similarly, a number of repairs have been made to existing structures. Those past projects have extended the life of the equipment and structures, however, those past repairs are also at the end of their useful lives. Thus, the buildings, gas lines, and equipment need large-scale renovations and replacement.

The project's construction cost is \$7,929,165. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	101,240							101,240
Prelim Design	1,422,084							1,422,084
Design	1,244,102	102,586						1,346,688
Construction		385,704	7,874,652	1,298,708				9,559,064
Commissioning	(153)			196,791				196,638
Close-out	6			221,143				221,149
Contingency				189,928	1,027,209			1,217,137
Total	2,767,279	488,290	7,874,652	1,906,570	1,027,209			14,064,000

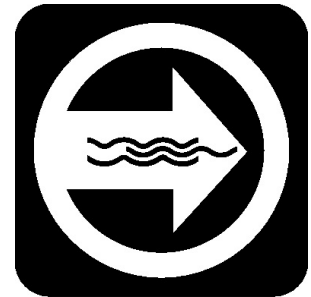
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

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

Description

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



**Ocean Outfall
Systems**

Justification

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

The project budget has been decreased from \$20,879,000 to \$20,466,000. The project's construction cost is \$10,565,820. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	82,564							82,564
Prelim Design	3,510,136							3,510,136
Design	1,703,544							1,703,544
Construction	14,109,691							14,109,691
Commissioning	93,332							93,332
Close-out	121,358	34,859						156,217
Contingency		18,020	792,496					810,516
Total	19,620,625	52,879	792,496					20,466,000

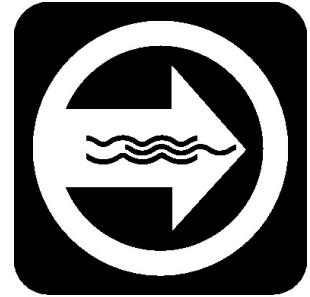
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	66-inch Interplant Effluent Pipeline Rehabilitation - J-116		
Project Category	Ocean Outfall Systems	Project Status:	Future

Description

This project will repair the 66-inch unlined reinforced concrete interplant pipeline that transmits treated effluent from Reclamation Plant No.1 to Treatment Plant No.2 for ocean discharge. These repairs consist of lining the entire pipeline with a methodology that requires a minimal amount of excavation. The new liner will protect the pipe from corrosive liquids and gases and ensure that the integrity of the pipe is maintained. Once the repairs are complete, a CCTV inspection to document the condition of the repairs and ensure the procedure was successful.



Ocean Outfall Systems

Justification

Corrosion has been observed in the 66-inch unlined reinforced concrete interplant pipeline. Approximately 12,000 feet, of the total 20,000 feet, was surveyed using closed circuit television (CCTV) in 2006. Steel reinforcing bar (re-bar) corrosion and associated concrete degradation/staining was observed in each of the 2,000 foot pipe spans (manhole-to-manhole) surveyed. Thus, the repair is needed to ensure the structural integrity of the pipeline and mitigate the potential for future corrosion due to exposure to wastewater liquids and gases.

The project's construction cost is \$48,754,000. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev							86,774	86,774
Prelim Design							753,628	753,628
Design							3,707,796	3,707,796
Construction							56,836,334	56,836,334
Commissioning							883,451	883,451
Close-out							498,548	498,548
Contingency							9,750,469	9,750,469
Total							72,517,000	72,517,000

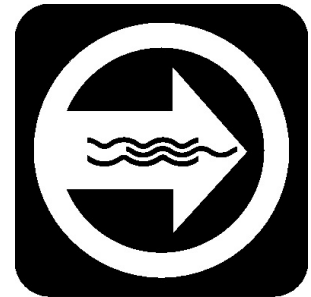
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

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

Description

This project will rehabilitate the mechanical, electrical, and civil systems at the Ocean Outfall Booster Station at Plant 2 which is the primary pumping station for the discharge of secondary effluent to the ocean outfall system. This project also includes replacement of portions of the Ocean Outfall Booster Station pumping systems with a low flow pump station to more efficiently pump dry weather flow. Related facilities between Plant 1 and Plant 2 are also included in this project including rehabilitation of the 102" and 84" pipelines and replacement of the fiber optic cable.



**Ocean Outfall
Systems**

Justification

The existing Ocean Outfall Booster Station facility is over 20 years old. A consultant was hired to perform an extensive evaluation of the existing mechanical and electrical equipment at the Ocean Outfall Booster Station as well as a hydraulic analysis of the projected dry weather daily flows. The conclusions were that the mechanical and electrical equipment are nearing the end of their useful lives and in need of replacement or rehabilitation and modifications to the pumping system were required to more efficiently pump dry weather flows. In addition, the pipelines between Plant 1 and Plant 2 were evaluated by the Engineering Department's corrosion staff and were determined to be in need of rehabilitation.

The project budget has been increased from \$15,402,000 to \$48,194,000. The project's construction cost is \$25,913,000. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	84,622	441,362						525,984
Prelim Design		271,861	1,670,909	42,126				1,984,896
Design				1,894,042	1,514,402	177,262		3,585,706
Construction						3,343,677	30,211,931	33,555,608
Commissioning						18,323	534,682	553,005
Close-out							214,701	214,701
Contingency							7,774,100	7,774,100
Total	84,622	713,223	1,670,909	1,936,168	1,514,402	3,539,262	38,735,414	48,194,000

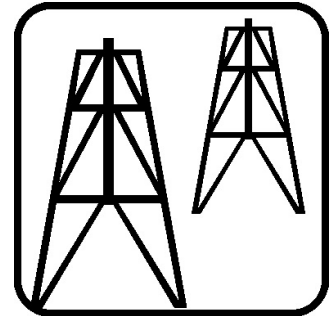
Reimbursable Costs: N/A

CIP Project Detail Sheets

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

Description

This project will improve the efficiency of existing cooling system equipment at both plants. It will improve heat recovery from the Central Generation Engines and reduce water consumption by replacing the existing once-through cooling systems with a more efficient system



Utility Systems

Justification

This project will substantially reduce the amount of water consumed by process equipment/systems, resulting in an estimated savings of \$500,000 annually. The District currently buys OCWD reclaimed water to cool mechanical equipment. This water is expensive and contains chemicals that damage equipment. The contract is set to expire in 2012. This project will eliminate the need to purchase reclaimed water due to use of a closed loop system with cooling towers.

The project's construction cost is \$5,989,470. This project will decrease operational budgets by \$500,000 annually.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	119,348							119,348
Prelim Design	1,130,934							1,130,934
Design	1,375,302							1,375,302
Construction	8,150,627							8,150,627
Commissioning	151,993							151,993
Close-out	124,548	4,086						128,634
Contingency		280,163						280,163
Total	11,052,751	284,249						11,337,000

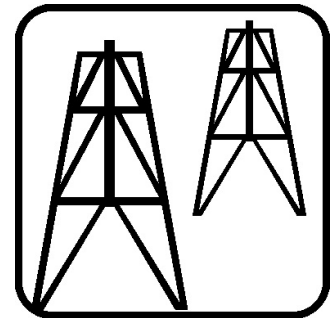
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

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

Description

This project will install equipment at each plant to control the Central Generation emissions and comply with existing and proposed regulatory limits. The Central Generation System (CGS) engines provide both electricity and heat to our treatment plants and are permitted to operate by the South Coast Air Quality Management District (SCAQMD). The project will also automate the operation of two steam absorption chillers and provide a steam converter at Plant 2 to reduce natural gas consumption required for digester heating.



Utility Systems

Justification

The SCAQMD has amended an existing Rule 1110.2 which requires significant reductions in common pollutants that have national ambient air quality standards. Also, OCSD is subject to an existing SCAQMD air toxic rule (Rule 1402) that requires significant reductions in emissions associated with health risks. This project will bring OCSD in compliance with the proposed and existing Rules for air emissions based on the results of the pilot testing conducted under Project No. J-79. The project will also allow OCSD to operate engines using natural gas, which will be used during peak power rate periods to reduce electrical costs.

The project budget has been decreased from \$29,100,000 to \$24,950,000. The project's construction cost is \$14,895,000. This project will increase operational budgets by \$300,000 annually. However, the ability to operate engines using natural gas during peak electric rate periods may offset some of this cost.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	221,077							221,077
Prelim Design	1,002,041							1,002,041
Design	1,819,377							1,819,377
Construction	165,310	6,909,370	10,401,960	447,471				17,924,111
Commissioning		78,876	334,717	40,898				454,491
Close-out				187,322	1,561			188,883
Contingency				1,835,144	1,504,875			3,340,019
Total	3,207,806	6,988,246	10,736,677	2,510,835	1,506,436			24,950,000

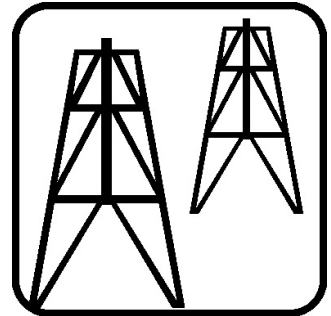
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	UPS System Upgrades - J-121		
Project Category	Utility Systems	Project Status:	Revised

Description

This project will upgrade the Plant No. 1 and Plant No. 2 UPS (Uninterruptible Power Systems) system, replacing the smaller UPS units with larger regional units. This was originally described in the Energy Master Plan which proposed replacing all existing UPS units with a limited number of larger units. A subsequent study, SP-150, UPS Study, provided a more detailed layout of the future UPS system.



Utility Systems

Justification

The existing UPS system does not provide an ideal level of reliability or cost effective operation. It includes units of various sizes, configurations, and capabilities. The following issues result from this system: Units fail without warning; Units do provide redundancy; Units are in locations where they are difficult to maintain; Maintaining numerous smaller units is more expensive than fewer large units; and some UPS units may not be supported by diesel standby generators.

The project budget has been decreased from \$13,012,000 to \$3,817,000. The project's construction cost is \$1,881,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev			46,480					46,480
Prelim Design			29,942	30,840	42,825			103,607
Design					71,655	254,973	157,674	484,302
Construction							2,509,809	2,509,809
Commissioning							71,001	71,001
Close-out							37,801	37,801
Contingency							564,000	564,000
Total			76,422	30,840	114,480	254,973	3,340,285	3,817,000

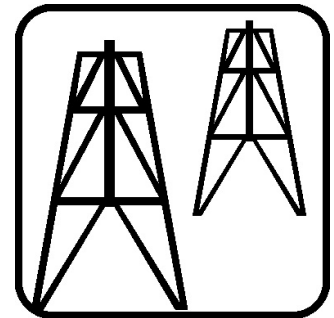
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	Digester Gas Facilities Rehabilitation - J-124		
Project Category	Utility Systems	Project Status:	Future

Description

Comprehensive improvements of the digester gas facilities at Plants No. 1 and 2. The facilities consist of low-pressure digester gas (LPDG) distribution piping from anaerobic sludge digesters, gas compressor buildings with gas compressors and associated dehumidification equipment, high-pressure digester gas (HPDG) piping to the Central Generation (CenGen) Buildings and HPDG interplant line, HPDG flares, activated carbon canisters and vessels, and a low-pressure digester gas holders.



Utility Systems

Justification

The facilities were built during the 1980s and completed in the early 1990s and are in need of upgrading and optimization to meet current and future needs. Project P2-79 was chartered in 2002 to address the facilities operational issues, however recent changes in Air Quality Management District (AQMD) and National Fire Protection Association (NFPA) regulations and additional operational issues were not specifically addressed. In addition equipment obsolescence and equipment at the end of useful life must be addressed.

The project budget has been increased from \$55,385,000 to \$58,755,000. The project's construction cost is \$33,709,795. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev				131,278				131,278
Prelim Design				132,996	475,519	1,115,789		1,724,304
Design				9,000		1,467,917	2,534,286	4,011,203
Construction							40,312,703	40,312,703
Commissioning							2,059,706	2,059,706
Close-out							403,000	403,000
Contingency							10,112,806	10,112,806
Total				273,274	475,519	2,583,706	55,422,501	58,755,000

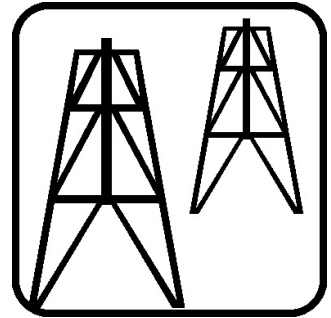
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Power Monitoring and Control Systems - J-33-3		
Project Category	Utility Systems	Project Status:	Revised

Description

This project installs electrical power monitoring and control equipment at Plant No. 1 to protect the plant from power outage problems and reduce the recovery time when problems do occur. The control system will allow operators to remotely adjust the electrical system to prevent power variations and outages from causing process failures. In the event of a power failure, the new system will allow the operation of critical electrical equipment from a single location in the plant. When the SCE power supply has stabilized, non-critical equipment can be reconnected to the SCE supply from one central location, rather than at each process area.



Utility Systems

Justification

The Southern California Edison Company (SCE) supplies electricity to Plant No. 1 at 66,000 volts and is synchronized with Central Generation to ensure plant power demands are met. With future expansion, the plants will be more dependent on SCE and more vulnerable to power variations and outages than previously encountered. The new power monitoring system will allow better management of power demands through automation and greatly improve response time by allowing staff to use automated and remote controls to respond to problems. Staff will be further protected by features in the new system that will allow staff to operate high voltage electrical equipment remotely without being in close proximity to it.

The project budget has been decreased from \$12,327,000 to \$10,918,000. The project's construction cost is \$4,667,479. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	193,571							193,571
Prelim Design	594,166							594,166
Design	2,451,590							2,451,590
Construction	6,681,983	119,986						6,801,969
Commissioning	212,203	34,647						246,850
Close-out		131,686	9,488	3,680				144,854
Contingency				485,000				485,000
Total	10,133,513	286,319	9,488	488,680				10,918,000

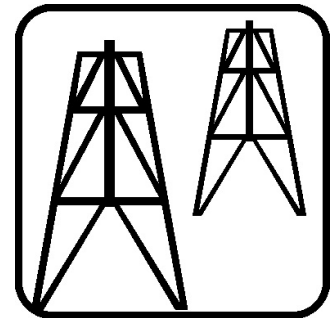
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

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

Description

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



Utility Systems

Justification

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

The project's construction cost is \$6,354,466. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev				256,096				256,096
Prelim Design				75,054	469,513	90,731		635,298
Design						727,746	857,752	1,585,498
Construction							8,735,672	8,735,672
Commissioning							145,300	145,300
Close-out							162,301	162,301
Contingency							1,270,835	1,270,835
Total				331,150	469,513	818,477	11,171,860	12,791,000

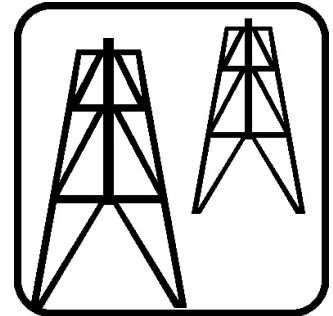
Reimbursable Costs: N/A

CIP Project Detail Sheets

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

Description

This project will rehabilitate or replace deteriorating plant water pipe that is in need of replacement due to corrosion. This includes the valves that have become unserviceable or have exceeded their useful lives. The project will need to install temporary measures to ensure that the treatment plant maintains continuous operations during the repairs.



Utility Systems

Justification

O&M recently prepared an evaluation of the plant water systems for each plant in response to an increasing number of emergency repairs to the plant water systems. The resulting report identified the scope and magnitude of the needed repairs. These repairs were packaged into the projects for each plant.

The project budget has been decreased from \$9,094,000 to \$8,000,000. The project's construction cost is \$3,743,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	135,760							135,760
Prelim Design	415,400							415,400
Design	898,547							898,547
Construction	861,748	2,501,914	1,935,621					5,299,282
Commissioning								
Close-out			105,843	18,860				124,703
Contingency				1,126,308				1,126,308
Total	2,311,454	2,501,914	2,041,464	1,145,168				8,000,000

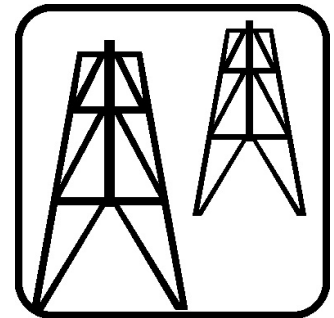
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	Plant Water System Rehabilitation at Plant 2 - P2-101		
Project Category	Utility Systems	Project Status:	Revised

Description

This project will rehabilitate or replace deteriorating plant water pipe that is in need of replacement due to corrosion. This includes the valves that have become unserviceable or have exceeded their useful lives. The project will need to install temporary measures to ensure that the treatment plant maintains continuous operations during the repairs.



Utility Systems

Justification

O&M recently prepared an evaluation of the plant water systems for each plant in response to an increasing number of emergency repairs to the plant water systems. The resulting report identified the scope and magnitude of the needed repairs. These repairs were packaged into the projects for each plant

The project budget has been increased from \$4,484,000 to \$5,070,000. The project's construction cost is \$2,295,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	121,403							121,403
Prelim Design	374,535							374,535
Design	459,603							459,603
Construction	398,205	2,323,394	535,429					3,257,028
Commissioning								
Close-out			99,081					99,081
Contingency				758,349				758,349
Total	1,353,747	2,323,394	634,510	758,349				5,070,000

Reimbursable Costs: N/A

CIP Project Detail Sheets

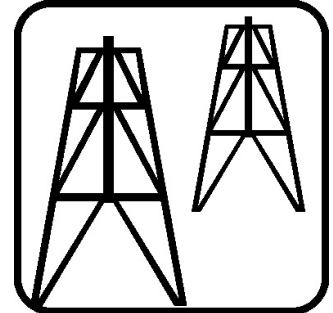
Project Name & Number | **Boiler System Rehabilitation and Scrubbers H & I Demolition at Plant 2 - P2-106**

Project Category | **Utility Systems**

Project Status: **Revised**

Description

This project will replace the burners and controls for the two existing boilers at Plant No. 2 and replace the boiler feedwater system including the tank, pumps, supports, and piping. This project will also demolish the existing scrubbers H and I and related ductwork and piping.



Utility Systems

Justification

The boiler burners need to be replaced in order to meet more stringent air quality regulations that will become effective in 2015. Replacing the burners will extend the useful life of the boilers. The boiler feedwater system has reached the end of its useful life and needs to be replaced. The boiler system is critical in several plant systems including digester heating and sludge piping cleaning. Scrubbers H and I are no longer in service with the new Headworks facility placed in full operation. The scrubbers need to be demolished.

The project budget has been increased from \$2,906,000 to \$3,095,000. The project's construction cost is \$1,472,993. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design	454,766							454,766
Construction	552,876	1,627,186						2,180,062
Commissioning		78,595						78,595
Close-out		38,985	28,850					67,835
Contingency			313,742					313,742
Total	1,007,642	1,744,766	342,592					3,095,000

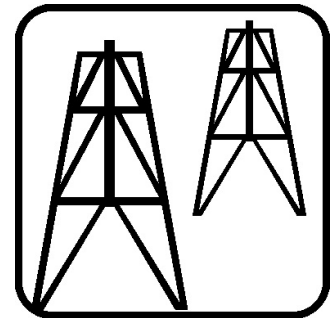
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	Consolidated Demolition and Utility Improvements at Plant 2 - P2-110		
Project Category	Utility Systems	Project Status:	Revised

Description

This project will provide demolition design for Digesters A and B, Primary Basins A, B and C, Standby Generator building as well as other miscellaneous utilities, facilities and tunnels. In addition, other structures and utilities in existing tunnels will be analyzed and evaluated for rehabilitation or re-routing. A utilities building will be sited and designed to house relocated and new air compressors for plant air, a new centralized UPS, fiber optic communications, and relocated programmable logic controllers.



Utility Systems

Justification

The Plant No. 2 Digesters A and B have not been operable for a considerable period of time. A November 2006 consultant report determined that efforts to return the digesters to service was cost prohibitive. The digesters should be demolished to eliminate potential future safety hazards.

The project budget has been increased from \$29,408,100 to \$43,974,000. The project's construction cost is \$26,343,000. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	63,011							63,011
Prelim Design	112,602	227,821	1,099,423	74,841				1,514,687
Design			2,617	2,678,753	675,232			3,356,602
Construction					514,755	12,627,847	17,088,889	30,231,491
Commissioning						489,823	1,391,786	1,881,609
Close-out							340,500	340,500
Contingency							6,586,100	6,586,100
Total	175,613	227,821	1,102,040	2,753,594	1,189,987	13,117,670	25,407,275	43,974,000

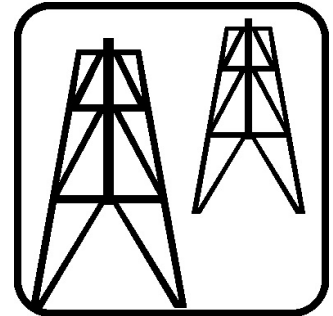
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	SCE Feed Reliability Improvements - P2-111		
Project Category	Utility Systems	Project Status:	Future

Description

This project will provide a second 66kV power supply feed from SCE at Plant No. 2.



Utility Systems

Justification

The reliability of the existing Plant No. 2 single-feed 66 kV SCE feed is estimated to be 2.1 outages per year. As predicted using information available from IEEE for redundant power services, having two independent 66kV SCE feeds would increase reliability to a predicted combined average of 0.3 outages per year.

The failure of one SCE feed will cause the switchgear to automatically transfer to the other SCE feed, resulting in only a momentary loss of power. If Cengen was operating at the time of the SCE failure, it may still trip off line. However, power will quickly be restored from the other SCE feed, and disruptions in plant operation will be minimized. With this configuration, Plant No. 2 would have more protection from local power outages, and would only be subjected to those extended SCE outages which were regional in nature.

The project's construction cost is \$14,151,200. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev							123,981	123,981
Prelim Design							218,640	218,640
Design							1,733,616	1,733,616
Construction							16,936,073	16,936,073
Commissioning							358,805	358,805
Close-out							288,158	288,158
Contingency							2,830,727	2,830,727
Total							22,490,000	22,490,000

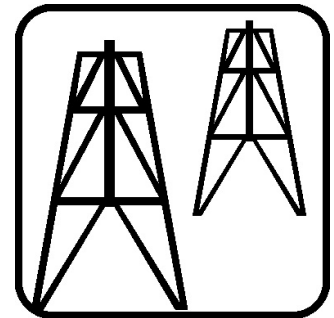
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	Secondary Area Cable Tray Upgrades - P2-116		
Project Category	Utility Systems	Project Status:	Future

Description

This project will rehabilitate electrical cable and cable tray systems in the secondary treatment area of Plant No. 2. This includes bringing the cable tray systems, which are in urgent need of upgrade, into compliance with code requirements and will improve the operational safety and reliability of these systems. The project will also document power and control cables in the cable trays.



Utility Systems

Justification

Treatment Plant Nos. 1 and 2 cable trays installed prior to 1987 do not comply with the current National Electrical Code (NEC). The Sanitation District did not require compliance with the NEC prior to 1987. This project will upgrade the older cable tray systems to comply with both current NEC and OSHA codes. These older cable trays are overloaded and contain wiring that is not designed for cable tray use and, as a result, are at risk for overheating and deteriorating due to environmental conditions. Overloaded trays do not allow heat to properly dissipate representing a fire hazard.

The project's construction cost is \$1,274,487. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev							14,064	14,064
Prelim Design							70,607	70,607
Design							222,671	222,671
Construction							1,542,382	1,542,382
Commissioning							23,875	23,875
Close-out							25,294	25,294
Contingency							255,107	255,107
Total							2,154,000	2,154,000

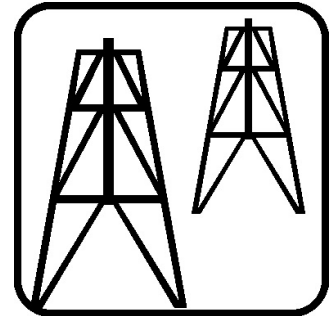
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Headworks Cable Tray Upgrades - P2-117		
Project Category	Utility Systems	Project Status:	Continuing

Description

This project will rehabilitate electrical cable and cable tray systems in the Headworks area of Plant No. 2. This includes bringing the cable tray systems, which are in urgent need of upgrade, into compliance with code requirements and will improve the operational safety and reliability of these systems. The project will also document power and control cables in the cable trays.



Utility Systems

Justification

Treatment Plant Nos. 1 and 2 cable trays installed prior to 1987 do not comply with the current National Electrical Code (NEC). The Sanitation District did not require compliance with the NEC prior to 1987. This project will upgrade the older cable tray systems to comply with both current NEC and OSHA codes. These older cable trays are overloaded and contain wiring that is not designed for cable tray use and, as a result, are at risk for overheating and deteriorating due to environmental conditions. Overloaded trays do not allow heat to properly dissipate representing a fire hazard.

The project's construction cost is \$1,784,280. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev			11,632	8,052				19,684
Prelim Design				45,555	53,296			98,851
Design					148,322	163,422		311,744
Construction						48,963	2,110,369	2,159,332
Commissioning							33,541	33,541
Close-out							35,413	35,413
Contingency							356,435	356,435
Total			11,632	53,607	201,618	212,385	2,535,758	3,015,000

Reimbursable Costs: N/A

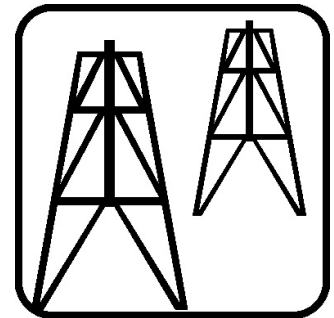
2014-15 & 2015-16 Budget

Project Name & Number	Digester Gas Facilities Study for Plants 1 & 2 - SP-141		
Project Category	Utility Systems	Project Status:	Revised

Description

Conduct a comprehensive study of the digester gas facilities at Plants No. 1 and 2. The facilities consist of low-pressure digester gas (LPDG) distribution piping from anaerobic sludge digesters, gas compressor buildings with gas compressors and associated dehumidification equipment, high-pressure digester gas (HPDG) piping to the Central Generation (CenGen) Buildings and HPDG interplant line, HPDG flares, activated carbon canisters and vessels, and a low-pressure digester gas holder.

The purpose of this study is to address these needs by providing a condition assessment, capacity and needs study, regulation evaluation, and evaluation of alternatives with recommendations and budget estimates. The results of this study will be used to identify and plan future rehabilitation efforts for the digester gas facilities. The Consultant shall provide a site layout recommendation and a process control system overview.



Utility Systems

Justification

There are several major issues with the Digester Gas handling system that are interrelated. An overall plan is needed to clarify and resolve those issues.

The facilities were built during the 1980s and completed in the early 1990s and are in need of upgrading and optimization to meet current and future needs. Project P2-79 was chartered in 2002 to address the facilities operational issues, however recent changes in Air Quality Management District (AQMD) and National Fire Protection Association (NFPA) regulations and additional operational issues were not specifically addressed. These requirements need to be evaluated and incorporated into a long-term plan for the Plant 1 and Plant 2 facilities. In addition equipment obsolescence and equipment at the end of useful life must be addressed.

The project budget has been increased from \$700,000 to \$750,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	395,685	292,692						688,377
Prelim Design								
Design	1,093							1,093
Construction								
Commissioning	988							988
Close-out								
Contingency	37,837	21,705						59,542
Total	435,603	314,397						750,000

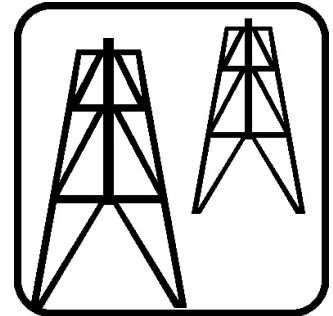
Reimbursable Costs: N/A

CIP Project Detail Sheets

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

Description

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



Utility Systems

Justification

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

This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev		499,999						499,999
Prelim Design								
Design								
Construction								
Commissioning								
Close-out								
Contingency		300,001						300,001
Total		800,000						800,000

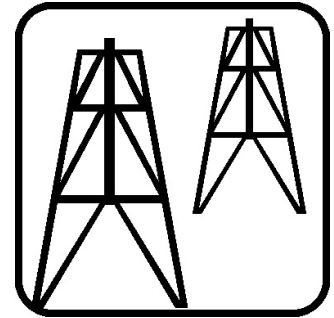
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	Plant Air System Master Plan - SP-148		
Project Category	Utility Systems	Project Status:	Continuing

Description

This project will evaluate the Plant No. 1 and 2 Plant Air Systems for ultimate demands and capacity and include whether it is more reliable to operate as various islands or as a plant wide system served by a single location. This study will evaluate the condition of the air compressor equipment and piping, determine air demands, provide system modeling, evaluate alternatives and provide recommendations to provide reliable operations.



Utility Systems

Justification

Many changes have occurred due to the declining condition of the existing systems and new demands from recent projects. Low air pressures and condensate have been noted at both plants. The condition and suitability of the existing air compressor equipment needs to be evaluated to ensure reliable operations of the treatment works.

This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	14,810	126,543	129,699	4,951				276,003
Prelim Design								
Design								
Construction								
Commissioning								
Close-out								
Contingency	8,729	21,083	32,928	1,257				63,997
Total	23,539	147,626	162,627	6,208				340,000

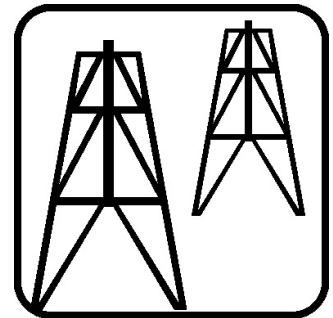
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Electrical System Base Map - SP-149		
Project Category	Utility Systems	Project Status:	Continuing

Description

This project will create a facility atlas database for the plant electrical facilities.



Utility Systems

Justification

The OCSD GIS system (Facility Atlas) maintains mapping for the major plant facilities (buildings, pipeline, etc.) in a single database. This provides a reference of the most up-to date information available on these facilities. That work has not been completed for the Plant electrical facilities (conduits, manholes, conductors). Consequently, each new project has to provide research of as-built drawings, potholing, etc.

This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev		210,000						210,000
Prelim Design								
Design								
Construction								
Commissioning								
Close-out								
Contingency		40,000						40,000
Total		250,000						250,000

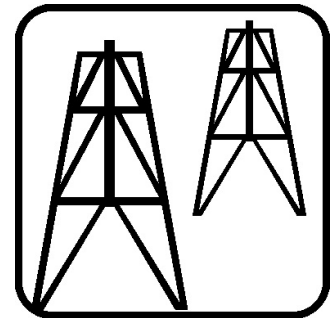
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

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

Description

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



Utility Systems

Justification

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

The project budget has been increased from \$246,000 to \$250,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design								
Construction								
Commissioning								
Close-out								
Contingency			250,000					250,000
Total			250,000					250,000

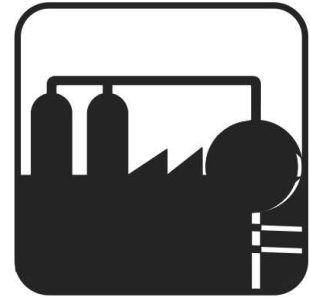
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Fall Protection Improvements at Plant Nos. 1 and 2 - J-123		
Project Category	Process Related Special Projects	Project Status:	Revised

Description

This project will install active fall protection systems at various locations in the process areas of Plant Nos. 1 and 2. Primary work elements include the installation of guard rail, fixed point anchor and cable systems, gates, ladders, and other improvements as needed to enhance the fall protection systems.



**Process Related
Special Projects**

Justification

Several locations in the process areas of Plant Nos. 1 and 2 require the fall protection systems to be improved to enhance worker safety. In some cases, no fall protection exists and needs to be installed to minimize exposure to potential fall hazards. Staff implements appropriate precautions to ensure worker safety when working in these areas; however, the installation of the active fall protection systems would greatly enhance worker safety, reduce staff costs, and bring the areas into compliance with OSHA standards.

This project will consolidate several smaller Facilities Engineering (FE) projects and will allow for improved efficiency in managing this work as one project instead of several smaller projects.

The project budget has been decreased from \$2,967,000 to \$2,687,000. The project's construction cost is \$1,965,073. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design	29,164							29,164
Construction	2,549,068							2,549,068
Commissioning								
Close-out	58,332	9,466						67,798
Contingency		40,970						40,970
Total	2,636,564	50,436						2,687,000

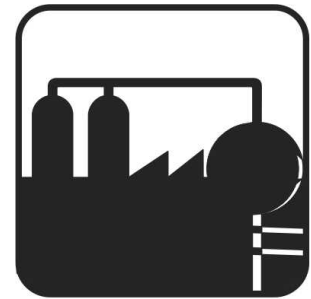
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	Odor Control Master Plan - SP-166		
Project Category	Process Related Special Projects	Project Status:	Revised

Description

This project is a strategic initiative on odor impacts at both plants. Phase I will repetitively collect the odor data from the different treatment processes and analyze them by chemical and sensory methods to determine the target odorants. Phase II will model the target odorants, determine the maximum allowed concentrations, and recommend foul air treatment systems and associated costs to meet a certain level of service. The Board will use the Odor Control Master Plan to decide on a particular level of service for odors.



**Process Related
Special Projects**

Justification

The 2005 odor model was based on sensory analyses which provides insufficient information to achieve effective foul air treatment at the sources. This study aims at providing sufficient information about the chemical compounds (odorants) causing odors at the different treatment processes in order to design treatment systems that meet an achievable level of service target for odors.

The project budget has been increased from \$1,200,000 to \$1,600,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	664,544	695,081	168,596					1,528,221
Prelim Design								
Design								
Construction								
Commissioning								
Close-out								
Contingency	16,520	46,331	8,928					71,779
Total	681,064	741,412	177,524					1,600,000

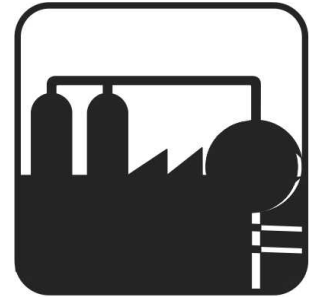
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Corrosion Management - SP-68-1		
Project Category	Process Related Special Projects	Project Status:	Revised

Description

The Corrosion Management project consists of a corrosion assessment study of the District's two treatment plants, interplant pipelines, collections systems, and the establishment of the requirements for implementation of a comprehensive Corrosion Management Program.



**Process Related
Special Projects**

Justification

The proposed work is being conducted in order to determine the most cost effective approach for managing the life cycle of the District's facilities while minimizing failures due to corrosion and to develop a plan to implement this new program.

The project budget has been decreased from \$37,603,000 to \$28,500,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	318,458							318,458
Prelim Design	7,160,222							7,160,222
Design	221,992	2,000,766	2,008,432	2,000,766	1,993,100	1,993,100	10,003,830	20,221,986
Construction	501,499							501,499
Commissioning	16,753							16,753
Close-out	68,420							68,420
Contingency							212,662	212,662
Total	8,287,344	2,000,766	2,008,432	2,000,766	1,993,100	1,993,100	10,216,492	28,500,000

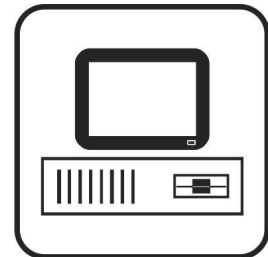
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	Process SCADA Replacement - J-120		
Project Category	Information Management Systems	Project Status:	Future

Description

This project will provide a Process Data Network at Plant No. 2 which is independent and isolated from the Office Data and Security systems. These improvements will provide greater security, increase SCADA system capacity, and provide the network needed for the Load Management and Load Shedding System projects.



Information Management Systems

Justification

The project will address three issues associated with the existing SCADA system. The first is that the existing system is obsolete, parts to expand the current system are not available, and future planned projects will exceed the number of available SCADA addresses. The second issue is that the Process Ethernet data network must also be isolated from the Office Data System. Currently, the Process Ethernet network is shared by the Office Data System and the Process SCADA System. The Office Data System requires less restrictions to allow exchange of information with consultants, vendors, and the public for general District business. A much more restrictive system is appropriate for the Process SCADA system. The third issue is that new infrastructure is needed to support a Load Management and Load Shedding systems to reduce energy costs and increase reliability.

The project's construction cost is \$15,500,000. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev							80,012	80,012
Prelim Design							1,010,998	1,010,998
Design							1,745,993	1,745,993
Construction							18,294,993	18,294,993
Commissioning							278,004	278,004
Close-out							170,000	170,000
Contingency							3,100,000	3,100,000
Total							24,680,000	24,680,000

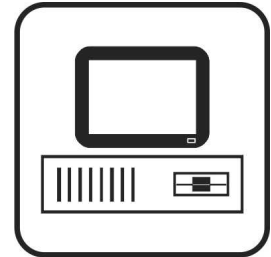
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Programmable Control Panel Upgrades - J-125		
Project Category	Information Management Systems	Project Status:	Revised

Description

The project will upgrade programmable logic control (PLC) panels at both plants to be functional with new Industrial Control System (ICS) Network being installed by the Information Technology Department. The project will install ten (10) new PLC panels (5 at Plant No.1 and 5 Plant No. 2), add equipment to existing panels at both Plants No. 1 &2, and installation of miscellaneous network components.



Information Management Systems

Justification

ICS Network Installation and Supervisory Control and Data Acquisition System (SCADA) Security Upgrade Project (IT Project) is being completed by IT and requires these PLC upgrades for the PLCs to communicate through the ICS Network. This project will eliminate the dependency on the old Modbus Plus Network, and will increase level of security and reliability in SCADA communications.

The project budget has been increased from \$2,941,500 to \$3,477,000. The project's construction cost is \$1,900,000. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	4							4
Prelim Design								
Design								
Construction	58,979	1,689,364	1,144,530					2,892,873
Commissioning								
Close-out			73,996	9,333				83,329
Contingency				500,794				500,794
Total	58,983	1,689,364	1,218,526	510,127				3,477,000

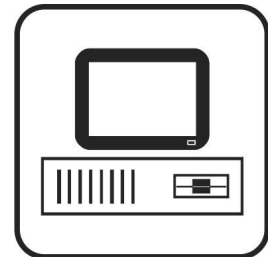
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	SCADA System and Network Upgrades - P2-107		
Project Category	Information Management Systems	Project Status:	Continuing

Description

This project will provide a Process Data Network at Plant No. 2 which is independent and isolated from the Office Data and Security systems. These improvements will provide greater security, increase SCADA system capacity, and provide the network needed for the Load Management and Load Shedding System. Load Management and Load Shedding items will be provided under this project.



Information Management Systems

Justification

The project will address three issues associated with the existing SCADA system:

- 1) Obsolescence - Parts to expand the current system are not available. Projects P2-66, P2-90, and future planned projects will exceed the number of available SCADA addresses.
- 2) Isolation - The data network must be isolated from the Office Data System to ensure security and integrity of the system. The Office Data System requires less restrictions than are necessary for the treatment plant.
- 3) Infrastructure upgrades - improvements are needed to support planned Load Management systems to reduce energy costs and increase reliability.

The project's construction cost is \$15,803,235. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev			159,718	29,794				189,512
Prelim Design				639,072	808,024			1,447,096
Design					700,564	1,491,641	83,394	2,275,599
Construction							20,172,321	20,172,321
Commissioning							398,905	398,905
Close-out							195,001	195,001
Contingency							3,160,566	3,160,566
Total			159,718	668,866	1,508,588	1,491,641	24,010,187	27,839,000

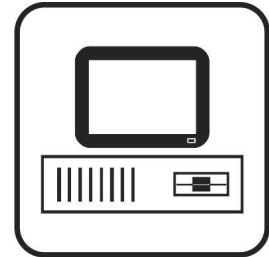
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Strategic Information Architecture - SP-03		
Project Category	Information Management Systems	Project Status:	Continuing

Description

The Strategic Information Architecture (SIA) is the bridge between the District's strategic goals and levels of service, the IT Strategic Information Plan (ITSIP) and the implementation of Information Technology initiatives. The SIA supports the data, process and application architecture changes needed to support the business plan, IT governance, and the needs of the business units.



Information Management Systems

Justification

Each Department leverages information technology to accomplish its mission. This project supports the alignment of information technology resources with the business.

This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	172,110							172,110
Prelim Design	12,644							12,644
Design	63,463							63,463
Construction	992,030	607,965						1,599,995
Commissioning	4,530							4,530
Close-out								
Contingency		142,257						142,257
Total	1,244,778	750,222						1,995,000

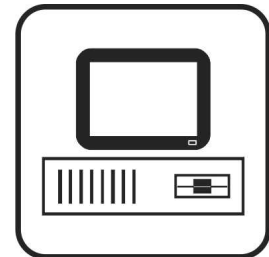
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	Internet/Intranet Development - SP-09		
Project Category	Information Management Systems	Project Status:	Continuing

Description

This project makes improvements to both the District's public-facing Internet site and the internally used Intranet site.



Information Management Systems

Justification

The Internet continues to grow in importance as a preferred communications tool. As such, it is essential that OCSD continue to reexamine our existing efforts, design, and content. It is essential that our sites be available in the most user-friendly alignment with the needs of our audiences.

The District's website is used to provide information to a variety of people and organizations. These include Orange County residents, Board Members, companies seeking to do business with the District, students and other agencies. Furthermore, our waiver requires that certain information be made available and periodically updated through this medium. Additionally, via the intranet, staff will access information on employee benefits, and internal job announcements.

This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	8,319							8,319
Prelim Design	13,418							13,418
Design	38,805							38,805
Construction	144,281	112,373	112,802	55,540				424,996
Commissioning	6,960							6,960
Close-out	214							214
Contingency		60,999	61,233	35,057				157,289
Total	211,996	173,372	174,035	90,597				650,000

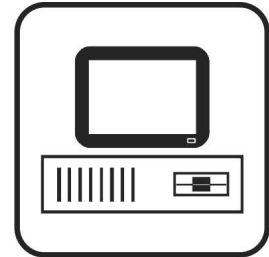
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	EAM Software and Process Implementation - SP-100		
Project Category	Information Management Systems	Project Status:	Continuing

Description

This project will implement the IBM Maximo System in support of the Enterprise Asset Management program. The system will replace the current Computerized Maintenance Management System. The system will manage asset data and asset activities throughout the asset lifecycle.



Information Management Systems

Justification

The IBM Maximo System will provide the means to manage asset to achieve the highest return at low risk by improving asset usage and reducing cost. The system will also manage asset lifecycle, provide visibility into asset performance, streamline process by eliminating paper work order, and reduce maintenance cost. The system will be integrated with other District system (i.e. FIS, GIS, and Timecard).

The project's construction cost is \$210,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	1,303,337							1,303,337
Prelim Design	412,837	20,392	20,472	20,314				474,015
Design	1,127,532	586,873	682,607	769,991				3,167,003
Construction	425,631	226,648	330,684	225,514				1,208,477
Commissioning	212,292							212,292
Close-out	35,846							35,846
Contingency				99,030				99,030
Total	3,517,475	833,913	1,033,763	1,114,849				6,500,000

Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	PDS2D Software Replacement - SP-103		
Project Category	Information Management Systems	Project Status:	Continuing

Description

This project provides a replacement to the Process and Instrumentation Diagram (P&ID) software used at the Sanitation District, which will not be supported by the vendor, and will eventually become inoperable. The software provides for the electronic storage and updating of diagrams which document the configuration of critical processes and equipment at the Sanitation District. The scope includes finding the replacement software, implementing the new software, and converting data to the new software.



**Information
Management
Systems**

Justification

This software maintains the drawings which document the configuration of critical treatment processes and equipment. These drawings are needed for plant expansion, and are required by the EPA for plant maintenance. An electronic system of this nature is the only feasible system for this purpose. The software will eventually become obsolete and inoperable. A replacement is needed because no update to this software will be provided. The data must be converted to the new software format before the software becomes inoperable.

This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design	264,158	117,921	117,921					500,000
Construction								
Commissioning								
Close-out								
Contingency		8,734	16,266					25,000
Total	264,158	126,655	134,187					525,000

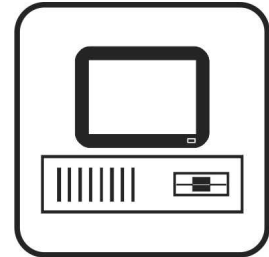
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Software and Computer Equipment Replacement Project - SP-135		
Project Category	Information Management Systems	Project Status:	Continuing

Description

This project will provide for the replacement of various pieces of computer software and equipment that meet the criteria for capital replacement. The criteria for an equipment replacement to be eligible for capitalization are a value in excess of \$5,000 and a useful life of five (5) or more years.



Information Management Systems

Justification

These funds are needed to replace obsolete software and computer equipment that is beyond its useful life. They will also be used to replace equipment when parts or services needed for repair can no longer be purchased.

This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design								
Construction	1,175,342	574,410	576,611	574,410	572,209	572,208		4,045,190
Commissioning								
Close-out								
Contingency	51,969	172,485	196,024	195,276	194,528	194,528		1,004,810
Total	1,227,311	746,895	772,635	769,686	766,737	766,736		5,050,000

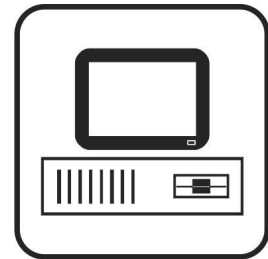
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	Geographic Information System - SP-15		
Project Category	Information Management Systems	Project Status:	Continuing

Description

Geographic Information Systems (GIS) can be utilized at the District for any works project such as collections, ocean monitoring, flow studies, rate structure studies, and construction. The GIS can be a planning tool for Asset Management, and a reporting tool for Permits and Sewer Shed Modeling. Other regional programs that would utilize the GIS are Bacteria Investigations, Air Quality, Special Purpose Discharge Permits, Connection Permits, and Source Control Permits. A goal of the project is to enable Internet access to the District's GIS and Electronic Data Management System (EDMS) by consultants to collect data for projects and to check out and check in drawings. The public would also benefit through Internet access to reports and news about District's projects.



Information Management Systems

Justification

There is a need and an opportunity for cost savings, spatial data control, and a reporting tool that can graphically display the District's data on maps via the Internet to reporting agencies, the public, and across the organization.

The project's construction cost is \$25,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	801,868							801,868
Prelim Design	121,040							121,040
Design	130,611	109,388						239,999
Construction	412,932	203,903	248,652	530,275	282,545	49,793		1,728,100
Commissioning	2,091	22,909						25,000
Close-out	24,476							24,476
Contingency		28,826	251,160	565,912	235,069	25,549		1,106,516
Total	1,493,019	365,026	499,812	1,096,187	517,614	75,342		4,047,000

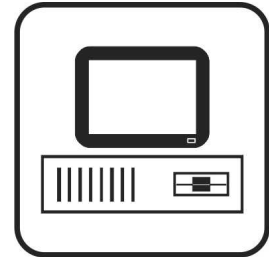
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Process SCADA Link to Pump Stations - SP-157		
Project Category	Information Management Systems	Project Status:	Continuing

Description

This project will replace the existing leased land line communications between the Plants and the Pump Stations. The goal is to have a solution for voice, video, and data



Information Management Systems

Justification

Communication between the pump stations and the Plants is currently done through leased land lines. These lines are not highly reliable, and the phone company is planning to phase these out in the future due to the high maintenance costs associated with them. At some time in the future, the land lines either become significantly more expensive, or may not be available at all.

The project's construction cost is \$210,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design			5,240	4,759				9,999
Construction				1,723	46,837	125,623	35,818	210,001
Commissioning								
Close-out								
Contingency							51,000	51,000
Total			5,240	6,482	46,837	125,623	86,818	271,000

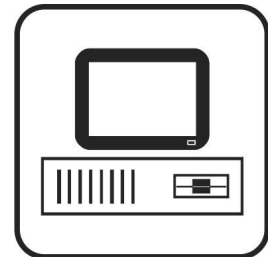
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	Information Technology Master Plan - SP-192		
Project Category	Information Management Systems	Project Status:	Continuing

Description

This project will develop a master plan for the information technology infrastructure spanning the next 10 years. This will include identifying power, cooling, and space needs for expanding server systems; incorporating newer server technologies (packaged data centers); network infrastructure needs (wire, fiber optics, switches, and wireless networks); identified Emergency Operation Center infrastructure needs for business continuity after a disaster, pump station communication, and internet "pipe" conductivity future needs.



Information Management Systems

Justification

A plan is needed to lay out how best to sustain OCS D information technology infrastructure for both current and future functionality. The current information technology infrastructure in place are nearing the end-of their useful lives, many existing equipment locations are nearing space capacities and prohibiting necessary expansions. The project will also support maintaining business continuity after a disaster.

This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev		93,039	206,961					300,000
Prelim Design								
Design								
Construction								
Commissioning								
Close-out								
Contingency		139,003	60,997					200,000
Total		232,042	267,958					500,000

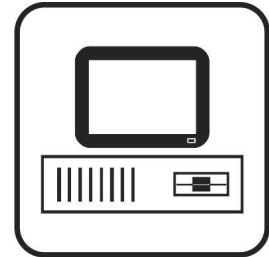
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Information Technology Equipment Upgrade - SP-89		
Project Category	Information Management Systems	Project Status:	Revised

Description

This project involves implementing the Sanitation District's Ethernet standards for computer network backbone equipment. This includes the plan, design and upgrade of the computer network equipment. This will ensure that the district network infrastructure is built and maintained according to industry standards for design, security, and investment protection.



Information Management Systems

Justification

To further expand and automate the network, the strategy is to incorporate OCSD's Ethernet standard and the ability to proactively manage all devices. This project seeks to produce and document a Network Infrastructure Design that best meets these requirements.

Proposed design goals include:

- A fully redundant and fault tolerant system that can guarantee 100% uptime.
- The ability to expand and meet the future size and feature requirements.
- Utilization of technologies based on a stable industry-leading manufacturer with a proven record of accomplishment.
- Utilization of technologies requiring skill sets readily available in the marketplace.
- Maintenance and upgrades to be performed without downtime.

The project budget has been increased from \$1,417,947 to \$4,148,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	2,928							2,928
Prelim Design	1,730							1,730
Design	70,430							70,430
Construction	2,763,864	399,236	400,764					3,563,864
Commissioning	5,387							5,387
Close-out								
Contingency		201,620	202,391	99,651				503,662
Total	2,844,338	600,856	603,155	99,651				4,148,000

Reimbursable Costs: N/A

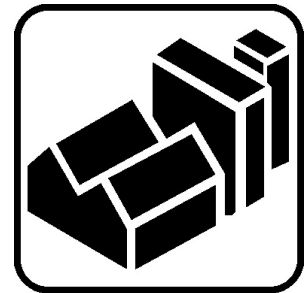
2014-15 & 2015-16 Budget

Project Name & Number	Facility-Wide Safety Assessment - SP-145-1		
Project Category	Strategic & Master Planning	Project Status:	Continuing

Description

This study will provide a facility-wide assessment of the significant structural safety issues (ladders, handrail, hatches, etc.) potentially affecting the CIP program. The significance is determined by the potential for: worker injury, OCSD liability, or high mitigation cost.

This study is not intended to address non-structural safety issues such as training, Personal Protective Equipment (PPE), or operational plans.



Strategic & Master Planning

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.

This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	687,821	108,423						796,244
Prelim Design								
Design	698							698
Construction								
Commissioning								
Close-out								
Contingency		133,058						133,058
Total	688,519	241,481						930,000

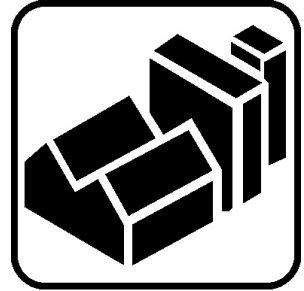
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Landscape and Security Master Plan - SP-145-4		
Project Category	Strategic & Master Planning	Project Status:	Continuing

Description

This study will provide a Landscape and Security Master Plan for Plant No. 1 and Plant No. 2. Items to be addressed include the perimeter walls (height inconsistencies) and gates (Plant 1-southern boundary), perimeter security (motion detectors/cameras), and miscellaneous landscaped areas throughout the plants (prioritize and evaluate areas to be improved or eliminated).



Strategic & Master Planning

Justification

The OCSD facilities do not have a cohesive landscape and security plan.

This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev		49,240	25,760					75,000
Prelim Design								
Design								
Construction								
Commissioning								
Close-out								
Contingency		62,183	12,817					75,000
Total		111,423	38,577					150,000

Reimbursable Costs: N/A

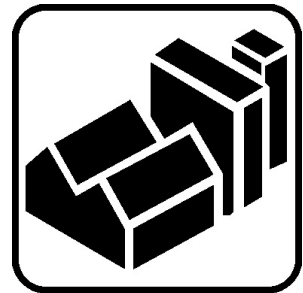
2014-15 & 2015-16 Budget

Project Name & Number	Climate Change Impact Study - SP-152		
Project Category	Strategic & Master Planning	Project Status:	Continuing

Description

This study provides a site specific vulnerability analysis of potential impacts to OCSD facilities from global climate change in response to the Governor's Executive Order (EO) S-13-08.

Environmental Compliance is actively pursuing a climate change strategy through its Environmental Footprint Strategic Initiative efforts and is working in conjunction with UCI to create a detailed carbon footprint study. The next step and the subject of this study includes a site specific vulnerability analysis of potential climate change impacts to OCSD.



Strategic & Master Planning

Justification

Global warming is predicted to lead to thermal expansion of sea water, along with partial melting of land-based glaciers and sea-ice, resulting in a rise of sea level. On November 14, 2008, Governor Arnold Schwarzenegger issued an executive order directing state agencies to plan for sea level rise and climate impacts.

This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev			74,998					74,998
Prelim Design								
Design								
Construction								
Commissioning								
Close-out								
Contingency			25,002					25,002
Total			100,000					100,000

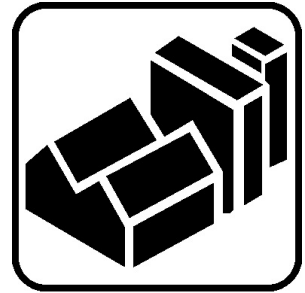
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Stormwater Master Plan - SP-167		
Project Category	Strategic & Master Planning	Project Status:	Continuing

Description

This study will provide an update to the June 2005 Peak Flow Management Stormwater Master Plan, Project No. J-67 (2005 SWMP), following the installation of 2012 facilities, analyze stormwater flow at Plant Nos. 1 and 2, evaluate drainage and collection facilities, and consider stormwater diversion and alternate disposal options for reducing onsite ponding and minimizing potential for off-site runoff. The study will also evaluate capital costs and policy and regulatory requirements.



Strategic & Master Planning

Justification

Onsite ponding during storm events can be a nuisance. There can also be some potential for treatment plant stormwater flows at either plant to leave the site during a storm event. When the June 2005 Peak Flow Management Stormwater Master Plan (2005 SWMP) was completed, assumptions were made regarding the 2012 plant configuration. When those improvements are completed, the change in configuration could invalidate the 2005 SWMP findings. It may be possible to reduce the demand on the 120-inch outfall during storm events by implementing the alternatives of the 2005 SWMP.

This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev		3,262	94,231	2,509				100,002
Prelim Design								
Design								
Construction								
Commissioning								
Close-out								
Contingency		34,756	127,841	37,401				199,998
Total		38,018	222,072	39,910				300,000

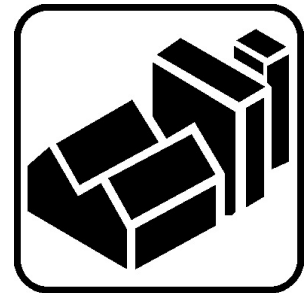
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	Treatment Plant Hydraulic Assessment - SP-168		
Project Category	Strategic & Master Planning	Project Status:	Continuing

Description

This project study will provide an updated hydraulic profile for each treatment plant.



Strategic & Master Planning

Justification

The new consolidated profile will be used as a baseline for future design efforts to reduce the need to recreate the profile for sections of the treatment works. The last hydraulic profile calculation (with profile) prepared for the entire plants was the 1999 Strategic Plan. Since that document was prepared, the configuration of each plant has changed considerably. Various projects in design since 1999 have evaluated only portions of the plant hydraulics as needed for their project designs.

This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev		72,547	77,453					150,000
Prelim Design								
Design								
Construction								
Commissioning								
Close-out								
Contingency		96,179	53,821					150,000
Total		168,726	131,274					300,000

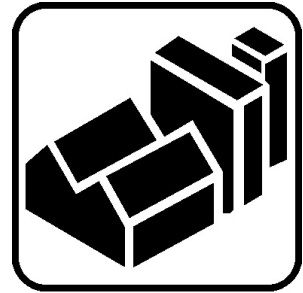
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Settlement and Liquefaction Study - SP-177		
Project Category	Strategic & Master Planning	Project Status:	Revised

Description

This study will investigate new technologies to mitigate settlement and potential liquefaction and settlement potential for older structures at Plant No. 2.



Strategic & Master Planning

Justification

The site is located over a major fault system. Although there is no surface expression of the fault, the fault could cause horizontal displacement of 3 to 6 feet. The other major hazard on the site is the potential for liquefaction and settlement. Previous reports, based on borings near the DAFTs, have estimated a potential settlement of 4 to 11-inches in some areas. Newer projects have mitigated liquefaction by using stone columns and other technologies. Previous projects have investigated this issue, but have been unsuccessful in fully mitigating the liquefaction and settlement potential.

The project budget has been increased from \$173,000 to \$700,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev			500,003					500,003
Prelim Design								
Design								
Construction								
Commissioning								
Close-out								
Contingency			199,997					199,997
Total			700,000					700,000

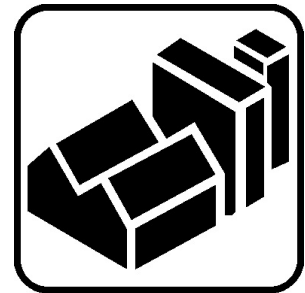
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	Asset Management - SP-68-2		
Project Category	Strategic & Master Planning	Project Status:	Continuing

Description

This project develops and implements an asset management program for OCSD. To date, this has resulted in the development of the program's goals and objectives, identification of major program components, existing practices charted, and development of proposed processes for each major program component and a strategic plan. The current phase of the project consists of implementing the tools developed to date, identifying business risk exposures for our Plants, modeling OCSD sustainability costs and identifying rehab and renewal for existing assets, and updating OCSD Asset Management Plan. The information generated from this effort provides management and staff additional information that allows them to make better decision. To date, over \$30 million in documented savings have been realized since the start of the program.



Strategic & Master Planning

Justification

The Asset Management Program will provide the District with a process to more effectively plan, create, operate, maintain, rehabilitate and/or replace and eventually dispose of capital assets. The program will also provide the procedures for establishing required level of service, performing asset life cycle cost analysis, assessing asset condition, assessing asset performance and analyzing risk-cost tradeoffs. Staff will continue the asset management effort to move the program forward and utilize consultant support only as needed.

This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	696,464							696,464
Prelim Design	402,145							402,145
Design	1,564,540	54,641	54,849	54,641	54,430	54,431		1,837,532
Construction	139,236							139,236
Commissioning	2,054							2,054
Close-out	297							297
Contingency							1,722,273	1,722,273
Total	2,804,735	54,641	54,849	54,641	54,430	54,431	1,722,273	4,800,000

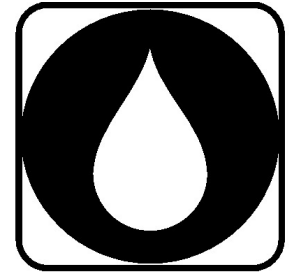
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Effluent Reuse Study - SP-173		
Project Category	Water Management Projects	Project Status:	Revised

Description

This study will identify opportunities for beneficial use of Plant No. 2 effluent currently discharged to the ocean.



**Water Management
Projects**

Justification

The OCSD Strategic Plan identifies increases in reclamation as a strategic goal. This primarily includes diversions from Plant No. 2 to Plant No.1. This project will investigate additional options for reclamation of flows remaining at Plant No. 2. The results of this study will be presented to the Board of Directors for consideration and potential incorporation into future strategic planning goals.

The project budget has been increased from \$60,000 to \$2,800,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev		457,089	488,805	486,939	485,073	82,089		1,999,995
Prelim Design								
Design								
Construction								
Commissioning								
Close-out								
Contingency	58,732	118,830	133,725	220,685	219,838	48,195		800,005
Total	58,732	575,919	622,530	707,624	704,911	130,284		2,800,000

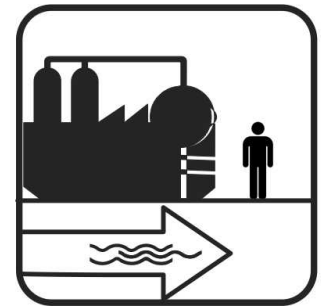
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	Operations Center Entrance/Building Repairs - J-122		
Project Category	Support Facilities	Project Status:	Continuing

Description

This project will repair the Operations Center entrance and patio area that was damaged from soil settlement. The work will also include accessibility upgrades for the upstairs restrooms, as required by the City of Huntington Beach as a condition for permit approval of the project.



Support Facilities

Justification

Recent inspection and surveying of the Plant 2 Operations Center building, approach steps, and entrance way have shown significant settlement. The building and approach area are settling at different rates. The west side of the building is above a portion of the 96-inch Interplant Line. However, recent CCTV indicates that there is no leakage of water or sediment into the interplant line under the Operations Building.

The project's construction cost is \$1,225,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	2,729							2,729
Prelim Design	274,848							274,848
Design	233,525	35,247	19,102					287,874
Construction	15,109		874,382	833,229				1,722,720
Commissioning								
Close-out				55,995	2,341			58,336
Contingency					301,494			301,494
Total	526,210	35,247	893,484	889,224	303,835			2,648,000

Reimbursable Costs: N/A

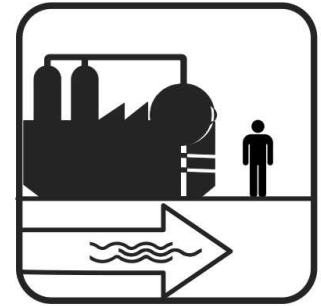
CIP Project Detail Sheets

Project Name & Number	Master Facilities Engineering Projects - Plant - M-FE-PLANT		
Project Category	Support Facilities	Project Status:	Revised

Description

This budget provides funds for miscellaneous Reclamation Plant No. 1 facilities small capital projects, Treatment Plant No. 2 facilities small capital projects and joint small capital projects. A small capital project is defined as a miscellaneous capital improvement related to plant safety, reliability, or improvements where the professional design consulting services are less than \$100,000. This project acts as an annual budget placeholder for numerous small joint facilities projects. This system results in a fast-track process for the procurement and execution of engineering and contractor services for smaller, but vital projects.

Note Project M-FE-Plant combines efforts previously identified in projects FE-P1, FE-P2, and FE-J.



Support Facilities

Justification

The Plant Facilities Engineering project allows smaller capital projects to extend the life of the existing treatment works and the time between major rehabilitations. These smaller, high priority projects are individually tracked within the larger budget for procurement of engineering and contractor services as needed to maintain reliable operations.

The project budget has been decreased from \$65,730,000 to \$35,228,000 . This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design	1,567,513	1,471,455	1,258,447	1,042,274	1,039,503	442,753		6,821,945
Construction	961,253	2,072,713	7,689,873	4,232,598	3,248,950	3,204,007	1,779,387	23,188,781
Commissioning								
Close-out								
Contingency	331,778	227,011	1,948,179	731,684	689,628	636,541	652,453	5,217,274
Total	2,860,544	3,771,179	10,896,499	6,006,556	4,978,081	4,283,301	2,431,840	35,228,000

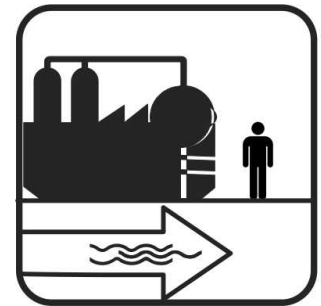
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	Master Small Capital Replacement /Rehabilitation - M-FR-PLT		
Project Category	Support Facilities	Project Status:	New

Description

This project will provide for the replacement and major repairs of various plant processes and collection facilities as well as the replacement/major repairs of facilities that meet the criteria for capital replaceme



Support Facilities

Justification

These funds are needed to replace/repair equipment that is beyond economical repair or is at the end of its useful life or repair of facilities that are not included in a capital improvement project. It is also used to replace equipment when parts or services needed for repair can no longer be purchased.

The project budget increases will reduce the future rehabilitation budget allocations by the same amount.

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

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design								
Construction		4,220,002	5,596,858	3,774,248	2,408,892			16,000,000
Commissioning								
Close-out								
Contingency					2,295,000			2,295,000
Total		4,220,002	5,596,858	3,774,248	4,703,892			18,295,000

Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Title 24 Access Compliance and Building Rehabilitation Project - P1-115		
Project Category	Support Facilities	Project Status:	Revised

Description

The project evaluated Title 24 (Americans with Disabilities Act) upgrades and retrofits, code compliance and asset condition at the existing office facilities and grounds at Plant No. 1. The buildings studied in the Preliminary Design Report include: Administration, Human Resources, Laboratory, Maintenance Facilities, Fleet Services, Purchasing, Warehouses, and office trailers. The grounds modifications include changes to the parking areas, asphalt repair, drainage improvements, and accessibility improvements.

The project costs developed for the Preliminary Design Report for the Laboratory, Administration Building, Human Resources Building, Fleet Services and supporting trailers were used for comparison to other options for housing the staff and laboratory including the construction of new facilities and/or repurposing the Laboratory. The options were considered in the Administrative Facilities Master Plan under this project budget.

This project scope is revised to only include the rehabilitation of the Warehouse and Maintenance Facilities, demolition of Building H and area improvements adjacent to these buildings.

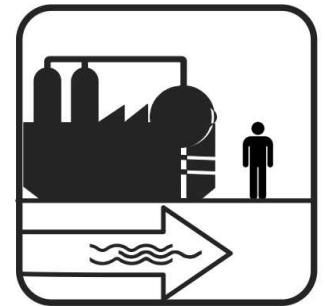
Justification

State and federal law requires that OCS D ensure that these facilities can be accessible to individuals with disabilities.

Roofing, lighting, some ventilation equipment, and other building features are at the end of their useful life and require replacement. Building H does not meet current building codes and needs to be demolished.

An implementation plan for the construction of new facilities for the Administration Building, Laboratory, Fleet Services, Purchasing, Human Resources and office trailers will now be conducted under Project No. SP-194.

The project budget has been decreased from \$31,982,778 to \$17,437,000. The project's construction cost is \$8,025,000. This project will not have an impact on operational budgets.



Support Facilities

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	86,853							86,853
Prelim Design	1,595,698							1,595,698
Design	2,302,284	147,254						2,449,538
Construction		4,698,953	5,536,705	84,773				10,320,431
Commissioning								
Close-out				319,569				319,569
Contingency	700,000			1,110,957	853,954			2,664,911
Total	4,684,835	4,846,207	5,536,705	1,515,299	853,954			17,437,000

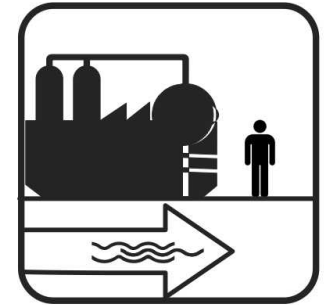
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	South Perimeter Security & Storm Water Improvements at Plant No. 1 - P1-125		
Project Category	Support Facilities	Project Status:	New

Description

This project shall demolish and construct a new south perimeter security boundary at Plant 1 and will also address all storm water issues in the southwest corner of Plant 1.



Support Facilities

Justification

OCSD retained a consultant to perform a security assessment of the plant facilities. This report identified the need for an increased security boundary on the south perimeter. In addition, the storm water in the south west portion of Plant 1 exists off site, which is in violation of an OCSD regulatory requirement. This project will ensure that all storm water captured on OCSD property will not leave the facility in order to meet regulatory compliance.

The project's construction cost is \$1,470,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev		3,098						3,098
Prelim Design		37,840	25,562					63,402
Design			408,799	106,002				514,801
Construction				177,185	1,712,315			1,889,500
Commissioning					39,399			39,399
Close-out					42,773	10,428		53,201
Contingency						441,599		441,599
Total		40,938	434,361	283,187	1,794,487	452,027		3,005,000

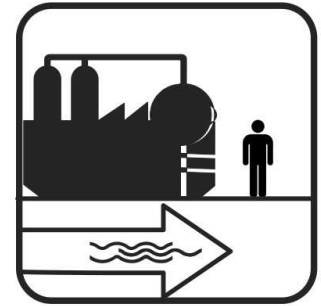
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Site and Security Improvements at Plant No. 2 - P2-96		
Project Category	Support Facilities	Project Status:	Revised

Description

This project will improve the beautification and visual screening of Plant No. 2 from areas east of the Santa Ana River in Newport Beach and Costa Mesa (includes new vegetation, irrigation, and fencing). This project will not include vegetation along the Santa Ana River levee due to Army Corp. of Engineer restrictions.



Support Facilities

Justification

The visual screening provided by this project is needed in order to mitigate the visual impacts of existing and future expansion at Plant No. 2.

The project budget has been decreased from \$2,073,400 to \$1,455,000. The project's construction cost is \$600,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	126,387							126,387
Prelim Design	46,486							46,486
Design	101,870	37,255						139,125
Construction	2,061	227,551	480,371					709,983
Commissioning								
Close-out			22,531	9,935				32,466
Contingency			188,091	212,461				400,552
Total	276,805	264,806	690,993	222,396				1,455,000

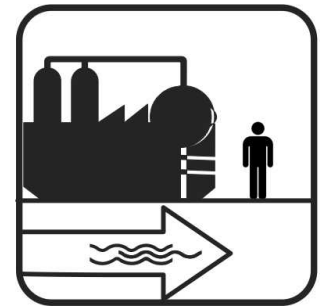
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	Public Address System Study - SP-188		
Project Category	Support Facilities	Project Status:	Revised

Description

This study will provide recommendations and direction to optimize future planned rehabilitation and expansion or replacement efforts for the Public Address System.



Support Facilities

Justification

Recent investigations have revealed the need for rehabilitation and expansion of the Public Address System. A comprehensive plan is needed to support future upgrades to the Public Address System.

The project budget has been increased from \$75,000 to \$100,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev		50,000						50,000
Prelim Design								
Design								
Construction								
Commissioning								
Close-out								
Contingency		50,000						50,000
Total		100,000						100,000

Reimbursable Costs: N/A

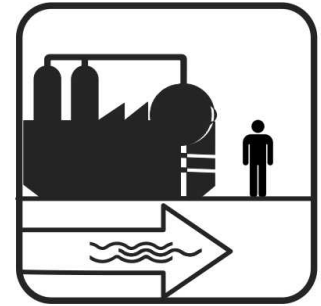
CIP Project Detail Sheets

Project Name & Number	Tunnels Systems Asset Management Plan - SP-191		
Project Category	Support Facilities	Project Status:	Continuing

Description

This study will provide recommendations and direction to optimize future planned rehabilitation efforts for the Tunnels Systems.

The study will review recent condition assessment data, area studies, and operation and maintenance issues. The study will also perform additional condition assessments, calculations, and provide recommendations to provide an overall plan for the Tunnels Systems at Plants No. 1 and 2.



Support Facilities

Justification

Recent condition assessments have revealed the need for rehabilitation in the Plant No.2 Tunnels Systems. A comprehensive plan is needed to support future design and construction projects in the tunnels areas at Plant No.1.

This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev		79,468	70,533					150,001
Prelim Design								
Design								
Construction								
Commissioning								
Close-out								
Contingency		39,374	10,625					49,999
Total		118,842	81,158					200,000

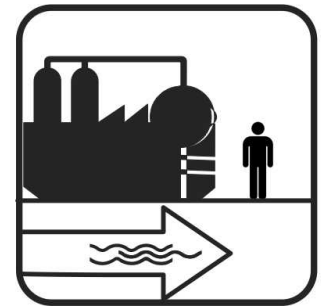
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	Plant No. 2 Administrative Building Master Plan - SP-193		
Project Category	Support Facilities	Project Status:	Continuing

Description

This study provides for an assessment of options for sustaining our office facilities and non-process related facilities at Plant No. 2 over the next 30 years, along with an office space optimization planning study.



Support Facilities

Justification

There are many problems associated with these facilities. This includes being constructed without a formal review process by the city building department; suspected ADA and compliance issues that will result in significant cost impacts when modifying existing facilities; and some of the facilities are nearing the end of their lives requiring either major rehabilitations and upgrades or replacement for continued functional use.

This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev		96,451	53,552					150,003
Prelim Design								
Design								
Construction								
Commissioning								
Close-out								
Contingency	30,573	96,094	23,330					149,997
Total	30,573	192,545	76,882					300,000

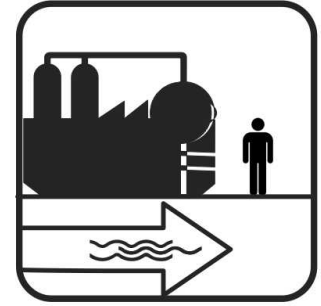
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Administrative Facilities Implementation Planning - SP-194		
Project Category	Support Facilities	Project Status:	Continuing

Description

This project will create an Administrative Facilities Implementation Plan (AFIP) for Plant No. 1 to evaluate options to replace administrative facilities and determine the most efficient and cost-effective plan. An estimated total of 138,000 square feet of new facility construction is planned. A siting evaluation, LEED certification analysis, concept design, phasing plan and schedule, contracting strategy, cost analysis with cash flow, space requirements and utilization, rule sets for work space configuration and size, site security and parking requirements, permit requirements, and demolition requirements for replaced structures shall be developed. Buildings included in this scope are the Administration Building, Human Resources, Laboratory, Purchasing, and multiple office trailers. Fleet Services facilities may be relocated to improve building siting and construction sequencing.



Support Facilities

Justification

Administrative Buildings and Trailers are aging, do not meet current codes including accessibility requirements, and are in need of major rehabilitation. Significant funds are required for rehabilitation to meet current codes and replacement is needed in the near term for many of the buildings. Seven alternatives for replacement versus rehabilitation were considered in the Administrative Facilities Master Plan. Replacement of buildings will provide a lower 30-year life cycle cost as compared to rehabilitation of the buildings. This project moves forward with an implementation plan for replacement of the buildings. This project will provide a modern work environment, replace aging buildings, improve work environment, meet current building codes and accessibility requirements, and co-locate staff closer together for better collaboration.

This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	119,152	608,747						727,899
Prelim Design								
Design								
Construction								
Commissioning								
Close-out								
Contingency	17,886	54,215						72,101
Total	137,038	662,962						800,000

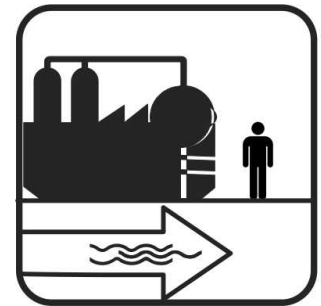
Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	Ongoing Small Capital Replacement/Rehabilitation - SP-34		
Project Category	Support Facilities	Project Status:	Revised

Description

This project will provide for the ongoing replacement and major repairs of various plant processes and collection facilities as well as the replacement/major repairs of facilities that meet the criteria for capital replacement. The criteria to be eligible for capitalization are a value in excess of \$5,000 and a useful life of five (5) or more years.



Support Facilities

Justification

These ongoing funds are needed to replace/repair equipment that is beyond economical repair or is at the end of its useful life or repair of facilities that are not included in a capital improvement project. It is also used to replace equipment when parts or services needed for repair can no longer be purchased. Any new efforts will be identified and included in the new project Master Small Capital Replacement /Rehabilitation Project.

The project budget has been decreased from \$37,200,000 to \$22,088,000. The project's construction cost is \$1,000,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	101,201							101,201
Prelim Design	20,060							20,060
Design	770,163							770,163
Construction	14,155,568	1,183,658	2,209,911	1,761,243	743,675			20,054,055
Commissioning	62,683							62,683
Close-out	1,819							1,819
Contingency					1,078,019			1,078,019
Total	15,111,494	1,183,658	2,209,911	1,761,243	1,821,694			22,088,000

Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Future Research Line Item - SP-125		
Project Category	Others	Project Status:	Continuing

Description

This is a fund for operational research projects that have not yet been identified. As directed by OCSD management, an annual allocation will be made to fund research projects. The Research Strategic Plan identified projects and topics for research. Specific projects will be identified and developed to be funded from this budget.



Others

Justification

These funds will be used for various research projects designed to improve operational efficiency, reduce costs, improve safety, or fill important information gaps. The results will support O&M and provide information needed by Engineering for future planning and design work. The projects will be individually budgeted and tracked within the overall line item allocation.

The project budget was increased by \$440,000 to consolidate the research project SP-121 into the SP-125 research line item.

This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev	50,936							50,936
Prelim Design								
Design	183							183
Construction	99,081	1,000,381	1,004,215	1,000,381	996,550	996,549	5,001,908	10,099,065
Commissioning								
Close-out								
Contingency							289,817	289,817
Total	150,199	1,000,381	1,004,215	1,000,381	996,550	996,549	5,291,725	10,440,000

Reimbursable Costs: N/A

2014-15 & 2015-16 Budget

Project Name & Number	Capital Improvement Program Management Services - SP-195		
Project Category	Others	Project Status:	New

Description

Program management consulting services for the Capital Improvement Program not related on any one specific project, but on the management of the projects as a whole. Includes consulting services related to best practices in project and program management including risk analysis, benchmarking, analysis of key performance indicators (KPI), program metrics, and data analysis. May also include review of project controls including project budgeting, cash flow analysis and project scheduling.



Others

Justification

Project facilitates continuous improvements to program management practices to maintain effectiveness in managing the Capital Improvement Program as business practices and the project makeup of the CIP evolves.

This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2014-2015	2015-16	2016-17	2017-18	2018-19	Thereafter	Total Project Budget
Proj Dev				2				2
Prelim Design								
Design		99,999	99,999					199,998
Construction								
Commissioning								
Close-out								
Contingency				100,000				100,000
Total		99,999	99,999	100,002				300,000

Reimbursable Costs: N/A

Summary of Revenue Program Category

Collection System Improvement Projects

Project Name	Total Project Budget	Percentage Allocation				Total Project Cost Budget			
		Repl./Rehab	Imp. Treatment	Additional Capacity	Support	Rehab./Replacement	Imp. Treatment	Additional Capacity	Support
Collections Facilities									
Raitt & Bristol Street Sewer Extension	\$ 10,722,000			100%		-	\$ 10,722,000		-
Santa Ana Trunk Sewer Rehab	7,676,000	100%				7,676,000	-		-
Edinger Bolsa Chica Trunk Impr.	6,030,000			100%		-		6,030,000	-
Edinger Pumping Station Upgrade & Rehab	13,629,000	100%				13,629,000	-		-
Slater Avenue Pump Station Rehab	13,781,000	100%				13,781,000	-		-
SARI Re-Alignment	11,404,000	100%				11,404,000	-		-
SARI Rock Stabilizers Removal	3,092,000	100%				3,092,000	-		-
Taft Branch Impr.	3,143,000			100%		-	-	3,143,000	-
Newhope - Placentia Trunk Grade Separation Repl.	5,966,000	50%		50%		2,983,000	-	2,983,000	-
Newhope-Placentia Trunk Repl.	104,890,000			100%		-	-	104,890,000	-
Yorba Linda Pump Station Abandonment	4,694,000	100%				4,694,000	-		-
Coyote Hills Golf Course Odor Control Station	8,365,000		100%			-	8,365,000		-
Lakeview Grade Separation Project	330,000	100%				330,000	-		-
Tustin Rose OCTA Grade Separation	586,000	100%				586,000	-		-
Orangethorpe OCTA Grade Separation	3,900,000	100%				3,900,000	-		-
Rehab of Magnolia Trunk Sewer	19,812,000	100%				19,812,000	-		-
Miller-Holder Trunk Sewer Relief	17,324,000			100%		-	-	17,324,000	-
Beach Trunk/Knott Interceptor Sewer Relief	27,599,000			100%		-	-	27,599,000	-
Seal Beach Pump Station Rehab	62,041,000	100%				62,041,000	-		-
Rehab of Western Regional Sewers	112,222,000	100%				112,222,000	-		-
Rehab of Balboa Trunk Sewer	8,122,000	100%				8,122,000	-		-
Bitter Point Force Main Rehab	45,619,000	100%				45,619,000	-		-
Newport Force Main Rehab	52,216,000	100%				52,216,000	-		-
Dover Drive Trunk Sewer Relief	14,327,000	50%		50%		7,163,500	-	7,163,500	-
Crystal Cove Pumping Station Upgrade & Rehab	7,817,000	50%		50%		3,908,500	-	3,908,500	-
Bay Bridge Pump Station Reconstruction	74,431,000	100%				74,431,000	-		-
District 6 Trunk Sewer Relief	7,047,000	50%	50%			3,523,500	3,523,500		-
Southwest Costa Mesa Trunk	14,993,000			100%		-	-	14,993,000	-
Gisler - Red Hill Trunk Impr. - Reach B	23,073,000	50%		50%		11,536,500	-	11,536,500	-
Browning Subtrunk Sewer Relief	13,439,000			100%		-	-	13,439,000	-
Von Karman Trunk Sewer Relief	433,000			100%		-	-	433,000	-
MacArthur Pump Station Rehab	7,445,000	100%				7,445,000	-		-
Main Street Pump Station Rehab	40,747,000	100%				40,747,000	-		-
Master Facilities Engineering Projects - Collections	12,192,000	70%	15%		15%	8,534,400	1,828,800		1,828,800
Bay Bridge Pumpstation & Force Mains Rehab Study	400,000	90%		10%		360,000	-	40,000	-
Collection System Master Planning	1,000,000	50%		50%		500,000	-	500,000	-

2014-15 & 2015-16 Budget

Collection System Improvement Projects

Project Name	Total Project Budget	Percentage Allocation				Total Project Cost Budget			
		Repl./Rehab	Imp. Treatment	Additional Capacity	Support	Rehab./Replacement	Imp. Treatment	Additional Capacity	Support
Collections Facilities									
Collection System Odor Control Systems Study	700,000	20%	80%			140,000	560,000	-	-
Collections Facilities Projects Total	761,207,000					520,396,400	14,277,300	224,704,500	1,828,800

Summary of Revenue Program Category

Treatment & Disposal Improvement Projects

Project Name	Total Project Budget	Percentage Allocation				Total Project Cost Budget			
		Repl/Rehab	Imp. Treatment	Additional Capacity	Support	Rehab./Replacement	Imp. Treatment	Additional Capacity	Support
Headworks									
Headworks Rehab & Expansion at P1	76,476,000	90%	10%			68,828,400	7,647,600	-	-
Headworks Expansion	222,804,000			100%		-	-	222,804,000	-
Trunk Line Odor Control Impr.	10,826,000	60%	40%			6,495,600	4,330,400	-	-
Headworks at P2	258,724,000	75%	25%			194,043,000	64,681,000	-	-
Headworks Projects Total	568,830,000					269,367,000	76,659,000	222,804,000	-
Primary Treatment									
P2 Primary Treatment System Rehab	43,210,000	80%	20%			34,568,000	8,642,000	-	-
Primary Treatment Area Rehab Study	848,000	100%				848,000	-	-	-
P1 Primary Treatment Upgrades	11,535,000	100%				11,535,000	-	-	-
Primary Effluent Pipeline Joint Repairs	3,246,000	100%				3,246,000	-	-	-
Primary Scrubber Rehab Project at P1	50,708,000	50%	50%			25,354,000	25,354,000	-	-
Joint GWRS Microfiltration Backwash Redirection	387,000			100%		-	387,000	-	-
Primary Treatment Projects Total	109,934,000					75,551,000	34,383,000	-	-
Secondary Treatment									
New Secondary Treatment System at P1	255,771,000		67%	33%		-	171,366,570	84,404,430	-
Oxygen Plant Demolition at P2	4,051,000	100%				4,051,000	-	-	-
P1 Secondary P1 Asset Mgmt. Plan	400,000	100%				400,000	-	-	-
P2 Secondary Oxygen Plant Asset Mgmt. Plan	400,000	100%				400,000	-	-	-
Secondary Treatment Projects Total	260,622,000					4,851,000	171,366,570	84,404,430	-
Solids Handling & Digestion									
P2 Digesters/Boilers Plant Asset Mgmt. Plan	800,000	100%				800,000	-	-	-
Solids Thickening & Processing Upgrades	48,346,000	50%	50%			24,173,000	24,173,000	-	-
P2 Digester Facilities Rehab	47,600,000	100%				47,600,000	-	-	-
Sludge Dewatering & Odor Control at P2	87,000,000	40%	20%	40%		34,800,000	17,400,000	34,800,000	-
P2 Solids Storage Addition	37,604,000			100%		-	-	37,604,000	-
Digester Rehab at P1	60,547,000	50%		50%		30,273,500	-	30,273,500	-
Sludge Dewatering & Odor Control at P1	171,978,000	17%	73%	10%		29,236,260	125,543,940	17,197,800	-
Digester Ferric Chloride System Rehab	4,449,000	100%				4,449,000	-	-	-
Solids Handling & Digestion Projects Total	458,324,000					171,331,760	167,116,940	119,875,300	-
Ocean Outfall Systems									
Outfall Land Section & OOBS Piping Rehab	20,466,000	100%				20,466,000	-	-	-
66-inch Interplant Effluent Pipeline Rehab	72,517,000	100%				72,517,000	-	-	-
Ocean Outfall System Rehab	48,194,000	100%				48,194,000	-	-	-

2014-15 & 2015-16 Budget

Treatment & Disposal Improvement Projects

Project Name	Total Project Budget	Percentage Allocation				Total Project Cost Budget			
		Repl./Rehab	Imp. Treatment	Additional Capacity	Support	Rehab./Replacement	Imp. Treatment	Additional Capacity	Support
Ocean Outfall Systems									
Final Effluent Sampler & Building Area Upgrades	14,064,000	100%				14,064,000	-	-	-
Ocean Outfall Systems Projects Total	155,241,000					155,241,000	-	-	-
Utility Systems									
Cengen Emissions Control Project	24,950,000	100%				-	24,950,000	-	-
UPS System Upgrades	3,817,000	80%		20%		3,053,600	-	763,400	-
Electrical Power Distribution System Impr.	12,791,000	100%				12,791,000	-	-	-
Cengen Cooling Water System Repl. Project	11,337,000	100%				11,337,000	-	-	-
Digester Gas Facilities Rehab	58,755,000	100%				58,755,000	-	-	-
Boiler System Rehab & Scrubbers H & I Demolition at P2	3,095,000	100%				3,095,000	-	-	-
Plant Water System Rehab at P2	5,070,000	100%				5,070,000	-	-	-
Power Monitoring & Control Systems	10,918,000	50%			50%	5,459,000	-	-	5,459,000
Plant Water System Rehab at P1	8,000,000	100%				8,000,000	-	-	-
Secondary Area Cable Tray Upgrades	2,154,000	100%				2,154,000	-	-	-
Headworks Cable Tray Upgrades	3,015,000	100%				3,015,000	-	-	-
Consolidated Demolition & Utility Impr. at P2	43,974,000	100%				43,974,000	-	-	-
SCE Feed Reliability Impr.	22,490,000	100%				-	22,490,000	-	-
Digester Gas Facilities Study for P1 & P2	750,000	100%				750,000	-	-	-
Sidestream Pumping System & Water Characterization Study	250,000			100%		-	-	250,000	-
Utility Water Systems Study	800,000	50%		50%		400,000	-	400,000	-
Plant Air System Master Plan	340,000	50%		50%		170,000	-	170,000	-
Electrical System Base Map	250,000				100%	-	-	-	250,000
Utility Systems Projects Total	212,756,000					158,023,600	47,440,000	1,583,400	5,709,000
Process Related Special Projects									
Odor Control Master Plan	1,600,000	100%				-	1,600,000	-	-
Fall Protection Impr. at P1 & P2	2,687,000	100%				2,687,000	-	-	-
Corrosion Mgmt.	28,500,000	100%				28,500,000	-	-	-
Process Related Special Projects Projects Total	32,787,000					31,187,000	1,600,000	-	-
Information Management Systems									
Information Technology Master Plan	500,000	80%		20%		400,000	-	100,000	-
Information Technology Equipment Upgrade	4,148,000	80%			20%	3,318,400	-	-	829,600
Programmable Control Panel Upgrades	3,477,000	100%				3,477,000	-	-	-
Process SCADA Repl.	24,680,000	100%				24,680,000	-	-	-

Summary of Revenue Program Category

Treatment & Disposal Improvement Projects

Project Name	Total Project Budget	Percentage Allocation				Total Project Cost Budget			
		Repl./Rehab	Imp. Treatment	Additional Capacity	Support	Rehab./Replacement	Imp. Treatment	Additional Capacity	Support
Information Management Systems									
SCADA System & Network Upgrades	27,839,000	100%				27,839,000	-	-	-
Geographic Information System	4,047,000				100%	-	-	-	4,047,000
Process SCADA Link to Pump Stations	271,000	100%				271,000	-	-	-
Software & Computer Equipment Repl. Project	5,050,000	100%				5,050,000	-	-	-
Strategic Information Architecture	1,995,000				100%	-	-	-	1,995,000
Internet/Intranet Development	650,000				100%	-	-	-	650,000
EAM Software & Process Implementation	6,500,000	50%		25%	25%	3,250,000	-	1,625,000	1,625,000
PDS2D Software Repl.	525,000	50%			50%	262,500	-	-	262,500
Information Management Systems Projects Total	79,682,000					68,547,900	-	1,725,000	9,409,100
Strategic & Master Planning									
Facility-Wide Safety Assessment	930,000	100%				930,000	-	-	-
Landscape & Security Master Plan	150,000	50%			50%	75,000	-	-	75,000
Climate Change Impact Study	100,000		100%			-	100,000	-	-
Stormwater Master Plan	300,000				100%	-	-	-	300,000
Treatment Plant Hydraulic Assessment	300,000			100%		-	-	300,000	-
Asset Mgmt.	4,800,000	100%				4,800,000	-	-	-
Settlement & Liquefaction Study	700,000	100%				700,000	-	-	-
Strategic & Master Planning Projects Total	7,280,000					6,505,000	100,000	300,000	375,000
Water Management Projects									
Effluent Reuse Study	2,800,000		100%			-	2,800,000	-	-
Water Management Projects Projects Total	2,800,000					-	2,800,000	-	-
Support Facilities									
Public Address System Study	100,000	100%				100,000	-	-	-
Tunnels Systems Asset Mgmt. Plan	200,000	100%				200,000	-	-	-
Site & Security Impr. at P2	1,455,000				100%	-	-	-	1,455,000
South Perimeter Security & Storm Water Impr. at P1	3,005,000	100%				3,005,000	-	-	-
Title 24 Access Compliance & Building Rehab Project	17,437,000				100%	-	-	-	17,437,000
Operations Center Entrance/Building Repairs	2,648,000				100%	-	-	-	2,648,000
Master Facilities Engineering Projects - Plant	35,228,000	70%	15%	15%		24,659,600	5,284,200	-	5,284,200
Master Small Capital Repl. /Rehab	18,295,000	100%				18,295,000	-	-	-
Ongoing Small Capital Repl./Rehab	22,088,000	100%				22,088,000	-	-	-
P2 Administrative Building Master Plan	300,000	50%			50%	150,000	-	-	150,000

2014-15 & 2015-16 Budget

Treatment & Disposal Improvement Projects

Project Name	Total Project Budget	Percentage Allocation				Total Project Cost Budget			
		Repl./Rehab	Imp. Treatment	Additional Capacity	Support	Rehab./Replacement	Imp. Treatment	Additional Capacity	Support
Support Facilities									
Administrative Facilities Implementation Planning	800,000				100%	-	-	-	800,000
Support Facilities Projects Total	101,556,000					68,497,600	5,284,200	-	27,774,200
Others									
Capital Improvement Program Mgmt. Services	300,000	25%	25%	25%	25%	75,000	75,000	75,000	75,000
Future Research Line Item	10,440,000		50%	50%		-	5,220,000	5,220,000	-
Others Projects Total	10,740,000					75,000	5,295,000	5,295,000	75,000
Total Treatment and Disposal Projects	2,000,552,000					1,009,177,860	512,044,710	435,987,130	43,342,300
Total Collections Facilities	761,207,000					520,396,400	14,277,300	224,704,500	1,828,800
Capital Equipment Purchases	16,000,000					4,000,000	4,000,000	4,000,000	4,000,000
Total Capital Improvement Program	\$2,777,759,000					\$1,533,574,260	\$530,322,010	\$664,691,630	\$49,171,100

Summary by Project Status

Collection System Improvement Projects - Budget by Project Status

Project Number	Title	Total Budget	New Project	Continuing Project	Revised Project	Future Project
Collections Facilities						
1-101	Raitt & Bristol Street Sewer Extension	\$ 10,722,000				\$ 10,722,000
1-17	Santa Ana Trunk Sewer Rehab	7,676,000			7,676,000	
11-25	Edinger Bolsa Chica Trunk Impr.	6,030,000				6,030,000
11-33	Edinger Pumping Station Upgrade & Rehab	13,629,000				13,629,000
11-34	Slater Avenue Pump Station Rehab	13,781,000	13,781,000			
2-41	SARI Re-Alignment	11,404,000		11,404,000		
2-41-8	SARI Rock Stabilizers Removal	3,092,000		3,092,000		
2-49	Taft Branch Impr.	3,143,000				3,143,000
2-65	Newhope - Placentia Trunk Grade Separation Repl.	5,966,000			5,966,000	
2-72	Newhope-Placentia Trunk Repl.	104,890,000			104,890,000	
2-73	Yorba Linda Pump Station Abandonment	4,694,000				4,694,000
2-74	Coyote Hills Golf Course Odor Control Station	8,365,000				8,365,000
2-75	Lakeview Grade Separation Project	330,000		330,000		
2-76	Tustin Rose OCTA Grade Separation	586,000			586,000	
2-77	Orangethorpe OCTA Grade Separation	3,900,000		3,900,000		
3-58	Rehab of Magnolia Trunk Sewer	19,812,000		19,812,000		
3-59	Miller-Holder Trunk Sewer Relief	17,324,000				17,324,000
3-60	Beach Trunk/Knott Interceptor Sewer Relief	27,599,000			27,599,000	
3-62	Seal Beach Pump Station Rehab	62,041,000			62,041,000	
3-64	Rehab of Western Regional Sewers	112,222,000			112,222,000	
5-47	Rehab of Balboa Trunk Sewer	8,122,000			8,122,000	
5-58	Bitter Point Force Main Rehab	45,619,000			45,619,000	
5-60	Newport Force Main Rehab	52,216,000			52,216,000	
5-63	Dover Drive Trunk Sewer Relief	14,327,000			14,327,000	
5-66	Crystal Cove Pumping Station Upgrade & Rehab	7,817,000				7,817,000
5-67	Bay Bridge Pump Station Reconstruction	74,431,000			74,431,000	
6-17	District 6 Trunk Sewer Relief	7,047,000			7,047,000	
6-19	Southwest Costa Mesa Trunk	14,993,000		14,993,000		
7-37	Gisler - Red Hill Trunk Impr. - Reach B	23,073,000			23,073,000	
7-60	Browning Subtrunk Sewer Relief	13,439,000			13,439,000	
7-62	Von Karman Trunk Sewer Relief	433,000				433,000

2014-15 & 2015-16 Budget

Collection System Improvement Projects - Budget by Project Status

Project Number	Title	Total Budget	New Project	Continuing Project	Revised Project	Future Project
Collections Facilities						
7-63	MacArthur Pump Station Rehab	7,445,000			7,445,000	
7-64	Main Street Pump Station Rehab	40,747,000	40,747,000			
M-FE-COLLECT	Master Facilities Engineering Projects - Collections	12,192,000			12,192,000	
SP-178	Bay Bridge Pumpstation & Force Mains Rehab Study	400,000			400,000	
SP-180	Collection System Master Planning	1,000,000			1,000,000	
SP-189	Collection System Odor Control Systems Study	700,000				700,000
Collections Facilities Total Budget		761,207,000	54,528,000	53,531,000	580,291,000	72,857,000

Summary by Project Status

Treatment & Disposal Projects - Budget by Project Status

Project Number	Title	Total Budget	New Project	Continuing Project	Revised Project	Future Project
Headworks						
P1-105	Headworks Rehab & Expansion at P1	76,476,000			76,476,000	
P1-120	Headworks Expansion	222,804,000				222,804,000
P1-123	Trunk Line Odor Control Impr.	10,826,000			10,826,000	
P2-66	Headworks at P2	258,724,000			258,724,000	
Headworks Total Budget		568,830,000			346,026,000	222,804,000
Primary Treatment						
P2-98	P2 Primary Treatment System Rehab	43,210,000			43,210,000	
SP-137	Primary Treatment Area Rehab Study	848,000		848,000		
P1-124	P1 Primary Treatment Upgrades	11,535,000		11,535,000		
P1-118	Primary Effluent Pipeline Joint Repairs	3,246,000		3,246,000		
P1-114	Primary Scrubber Rehab Project at P1	50,708,000				50,708,000
J-36-1	Joint GWRS Microfiltration Backwash Redirection	387,000			387,000	
Primary Treatment Total Budget		109,934,000		15,629,000	43,597,000	50,708,000
Secondary Treatment						
P1-102	New Secondary Treatment System at P1	255,771,000			255,771,000	
SP-129	Oxygen Plant Demolition at P2	4,051,000			4,051,000	
SP-183	P1 Secondary P1 Asset Mgmt. Plan	400,000			400,000	
SP-185	P2 Secondary Oxygen Plant Asset Mgmt. Plan	400,000			400,000	
Secondary Treatment Total Budget		260,622,000			260,622,000	
Solids Handling & Digestion						
SP-186	P2 Digesters/Boilers Plant Asset Mgmt. Plan	800,000			800,000	
P2-89	Solids Thickening & Processing Upgrades	48,346,000			48,346,000	
P2-91-1	P2 Digester Facilities Rehab	47,600,000		47,600,000		
P2-92	Sludge Dewatering & Odor Control at P2	87,000,000			87,000,000	
P2-114	P2 Solids Storage Addition	37,604,000				37,604,000
P1-100	Digester Rehab at P1	60,547,000			60,547,000	
P1-101	Sludge Dewatering & Odor Control at P1	171,978,000		171,978,000		
P2-105	Digester Ferric Chloride System Rehab	4,449,000			4,449,000	
Solids Handling & Digestion Total Budget		458,324,000		219,578,000	201,142,000	37,604,000
Ocean Outfall Systems						
J-112	Outfall Land Section & OOBs Piping Rehab	20,466,000			20,466,000	
J-116	66-inch Interplant Effluent Pipeline Rehab	72,517,000				72,517,000

2014-15 & 2015-16 Budget

Treatment & Disposal Projects - Budget by Project Status

Project Number	Title	Total Budget	New Project	Continuing Project	Revised Project	Future Project
Ocean Outfall Systems						
J-117	Ocean Outfall System Rehab	48,194,000			48,194,000	
J-110	Final Effluent Sampler & Building Area Upgrades	14,064,000		14,064,000		
Ocean Outfall Systems Total Budget		155,241,000		14,064,000	68,660,000	72,517,000
Utility Systems						
J-111	Cengen Emissions Control Project	24,950,000			24,950,000	
J-121	UPS System Upgrades	3,817,000			3,817,000	
J-98	Electrical Power Distribution System Impr.	12,791,000				12,791,000
J-109	Cengen Cooling Water System Repl. Project	11,337,000		11,337,000		
J-124	Digester Gas Facilities Rehab	58,755,000				58,755,000
P2-106	Boiler System Rehab & Scrubbers H & I Demolition at P2	3,095,000			3,095,000	
P2-101	Plant Water System Rehab at P2	5,070,000			5,070,000	
J-33-3	Power Monitoring & Control Systems	10,918,000			10,918,000	
P1-112	Plant Water System Rehab at P1	8,000,000			8,000,000	
P2-116	Secondary Area Cable Tray Upgrades	2,154,000				2,154,000
P2-117	Headworks Cable Tray Upgrades	3,015,000		3,015,000		
P2-110	Consolidated Demolition & Utility Impr. at P2	43,974,000			43,974,000	
P2-111	SCE Feed Reliability Impr.	22,490,000				22,490,000
SP-141	Digester Gas Facilities Study for P1 & P2	750,000			750,000	
SP-155	Sidestream Pumping System & Water Characterization Study	250,000			250,000	
SP-146	Utility Water Systems Study	800,000		800,000		
SP-148	Plant Air System Master Plan	340,000		340,000		
SP-149	Electrical System Base Map	250,000		250,000		
Utility Systems Total Budget		212,756,000		15,742,000	100,824,000	96,190,000
Process Related Special Projects						
SP-166	Odor Control Master Plan	1,600,000			1,600,000	
J-123	Fall Protection Impr. at P1 & P2	2,687,000			2,687,000	
SP-68-1	Corrosion Mgmt.	28,500,000			28,500,000	
Process Related Special Projects Total Budget		32,787,000			32,787,000	
Information Management Systems						
SP-192	Information Technology Master Plan	500,000		500,000		
SP-89	Information Technology Equipment Upgrade	4,148,000			4,148,000	
J-125	Programmable Control Panel Upgrades	3,477,000			3,477,000	

Summary by Project Status

Treatment & Disposal Projects - Budget by Project Status

Project Number	Title	Total Budget	New Project	Continuing Project	Revised Project	Future Project
Information Management Systems						
J-120	Process SCADA Repl.	24,680,000				24,680,000
P2-107	SCADA System & Network Upgrades	27,839,000		27,839,000		
SP-15	Geographic Information System	4,047,000		4,047,000		
SP-157	Process SCADA Link to Pump Stations	271,000		271,000		
SP-135	Software & Computer Equipment Repl. Project	5,050,000		5,050,000		
SP-03	Strategic Information Architecture	1,995,000		1,995,000		
SP-09	Internet/Intranet Development	650,000		650,000		
SP-100	EAM Software & Process Implementation	6,500,000		6,500,000		
SP-103	PDS2D Software Repl.	525,000		525,000		
Information Management Systems Total Budget		79,682,000		47,377,000	7,625,000	24,680,000
Strategic & Master Planning						
SP-145-1	Facility-Wide Safety Assessment	930,000		930,000		
SP-145-4	Landscape & Security Master Plan	150,000		150,000		
SP-152	Climate Change Impact Study	100,000		100,000		
SP-167	Stormwater Master Plan	300,000		300,000		
SP-168	Treatment Plant Hydraulic Assessment	300,000		300,000		
SP-68-2	Asset Mgmt.	4,800,000		4,800,000		
SP-177	Settlement & Liquefaction Study	700,000			700,000	
Strategic & Master Planning Total Budget		7,280,000		6,580,000	700,000	
Water Management Projects						
SP-173	Effluent Reuse Study	2,800,000			2,800,000	
Water Management Projects Total Budget		2,800,000			2,800,000	
Support Facilities						
SP-188	Public Address System Study	100,000			100,000	
SP-191	Tunnels Systems Asset Mgmt. Plan	200,000		200,000		
P2-96	Site & Security Impr. at P2	1,455,000			1,455,000	
P1-125	South Perimeter Security & Storm Water Impr. at P1	3,005,000	3,005,000			
P1-115	Title 24 Access Compliance & Building Rehab Project	17,437,000			17,437,000	
J-122	Operations Center Entrance/Building Repairs	2,648,000		2,648,000		
M-FE-PLANT	Master Facilities Engineering Projects - Plant	35,228,000			35,228,000	
M-FR-PLT	Master Small Capital Repl. /Rehab	18,295,000	18,295,000			
SP-34	Ongoing Small Capital Repl./Rehab	22,088,000			22,088,000	

2014-15 & 2015-16 Budget

Treatment & Disposal Projects - Budget by Project Status

Project Number	Title	Total Budget	New Project	Continuing Project	Revised Project	Future Project
Support Facilities						
SP-193	P2 Administrative Building Master Plan	300,000		300,000		
SP-194	Administrative Facilities Implementation Planning	800,000		800,000		
Support Facilities Total Budget		1,01,556,000	21,300,000	3,948,000	76,308,000	
Others						
SP-195	Capital Improvement Program Mgmt. Services	300,000	300,000			
SP-125	Future Research Line Item	10,440,000		10,440,000		
Others Total Budget		10,740,000	300,000	10,440,000		
Total Treatment and Disposal Projects		2,000,552,000	21,600,000	333,358,000	1,141,091,000	504,503,000
Total Collections Facilities		761,207,000	54,528,000	53,531,000	580,291,000	72,857,000
Capital Equipment Purchases		16,000,000		16,000,000		
Total Capital Improvement Program Budget		\$2,777,759,000	\$76,128,000	\$402,889,000	\$1,721,382,000	\$577,360,000

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2014-15 & 2015-16 Budget

Proposed Equipment Budget 2014-15

Department	Trucks & Vehicles 09410000	Other Mobile Eq 09410001	Machine Eq & Tools 09410002	Comm Equipment 09410003
Information Technology	\$ -	\$ -	\$ -	\$ -
Equipment / Rebuild	-	-	57,300	-
Fleet Services	469,800	182,200	-	-
Planning	-	-	-	-
Plant No. 1 Operations	-	-	15,000	-
Building, Grounds & Mechanical Maintenance	-	-	-	-
Instrumentation & Electrical Maintenance	-	-	-	-
Environmental Laboratory and Ocean Monitoring	-	-	-	-
Total Proposed Capital Equipment	\$ 469,800	\$ 182,200	\$ 72,300	\$ -

Proposed Equipment Budget Summary

Proposed Equipment Budget 2014-15

Department	Instr / Test Equipment 09410004	Safety & Traffic Eq 09410005	Office Fix & Eq 09410006	Computer Equipment 09410007	2014-15 Proposed Budget
Information Technology	\$ -	\$ -	\$ -	\$ 186,300	\$ 186,300
Equipment / Rebuild	-	-	-	-	57,300
Fleet Services	-	-	-	-	652,000
Planning	48,600	-	-	-	48,600
Plant No. 1 Operations	-	-	-	-	15,000
Building, Grounds & Mechanical Maintenance	70,000	-	-	-	70,000
Instrumentation & Electrical Maintenance	39,100	-	-	-	39,100
Environmental Laboratory and Ocean Monitoring	1,010,300	-	-	-	1,010,300
Total Proposed Capital Equipment	\$ 1,168,000	\$ -	\$ -	\$ 186,300	\$ 2,078,600

2014-15 & 2015-16 Budget

Proposed Equipment Budget Detail

Division	Equipment Type	Proposed Equip. Budget
<u>250 - Information Technology</u>		
	PlantBids Licenses for Div 230	\$ 12,000
	Folding and Inserting Equipment	8,400
	Plant 1 Electrical SCADA Proxy Servers and Licenses for Div 860	60,500
	Exceed Licenses for Process SCADA Workstations for Div 860	24,400
	ION Power Meter Licenses for Div 860	15,200
	SCADA Exceed Workstations for Div 860	65,800
	Total	<u>186,300</u>
<u>321 - Equipment / Rebuild</u>		
	Wet Abrasive Cutoff Machine	22,500
	Surface Grinder	34,800
	Total	<u>57,300</u>
<u>322 - Fleet Services</u>		
	Light Duty Service Truck - Replace V# 0395	35,600
	Light Duty Service Truck - Replace V# 0481 for Div 343	41,000
	Heavy Truck Chassis - Replace V# 0397 for Div 343	119,500
	Light Duty Service Truck - Replace V# 0460 for Div 760	38,400
	Light Duty Service Truck - Replace V# 0461 for Div 760	38,400
	Light Duty Service Truck - Replace V# 0462 for Div 760	38,400
	Light Duty Service Truck - Replace V# 0463 for Div 760	38,400
	Light Duty Service Truck - Replace V# 0380 for Div 790	38,400
	Small Service 4X4 Truck - Replace V# 0437 for Div 890	34,900
	Heavy Duty Service Truck - Replace V# 0453 for Div 890	46,800
	Electric Cart for Div 140	15,400
	Flatbed Trailer - Replace E# 0576 & 0853	15,700
	Towable Air Compressor - Replace E# 0707	20,300
	Personal Carrier Carts (3) - Replace C# 1022, 1090 & 1091 for Div 840	29,200
	Cargo Carts (6) - Replace C# 0919, 0933, 0945, 0947, 0975 & 0978 for Div 850	89,400
	Cargo Cart - Replace C# 1014 for Div 890	12,200
	Total	<u>652,000</u>
<u>740 - Planning</u>		
	High Definition Corrosion Inspection Camera	48,600
	Total	<u>48,600</u>
<u>830 - Plant No. 1 Operations</u>		
	Chemical Feed Pumps & Storage Tank	15,000
	Total	<u>15,000</u>
<u>850 - Building, Grounds & Mechanical Maintenance</u>		
	CSI Machinery Health Analyzer	40,000
	SDT270DU Static/Dynamic/UAS ATEX Kit	30,000
	Total	<u>70,000</u>

Proposed Equipment Budget Detail

Proposed Equipment Budget Detail

<u>Division</u>	<u>Equipment Type</u>	<u>Proposed Equip. Budget</u>
<u>860 - Instrumentation & Electrical Maintenance</u>		
	200 Amp Micro-Ohm Meter	\$ 7,600
	Electrical Cable Identifier	5,500
	First Trip Breaker Timing Tester	18,400
	Vacuum Bottle Tester	7,600
	Total	<u>39,100</u>
<u>890 - Environmental Laboratory and Ocean Monitoring</u>		
	Analytical Balance	12,000
	Discrete/Segmented Flow Analyzer	75,000
	Oil and Grease Extraction Instrument	50,000
	Electric Sediment Grinder	18,200
	Acoustic Release/Release Deck Box	30,400
	Acoustic Doppler Current Profiler (ADCP)	76,200
	Water Quality Sampler (Carousel/CTD Combination)	80,200
	Telemetry Oceanographic Mooring	156,200
	Hamilton Automated Solvent Diluter	15,400
	Liquid Chromatography/Mass Spectrometry (LCMS)	496,700
	Total	<u>1,010,300</u>
	Total Proposed 2014-15 CORF Equipment Budget	<u>\$ 2,078,600</u>

2014-15 & 2015-16 Budget

Proposed Equipment Budget 2015-16

Department	Trucks & Vehicles 09410000	Other Mobile Eq 09410001	Machine Eq & Tools 09410002	Comm Equipment 09410003
Fleet Services	\$ 804,400	\$ 20,300	\$ -	\$ -
Building, Grounds & Mechanical Maintenance	-	-	-	-
Instrumentation & Electrical Maintenance	-	-	-	-
Environmental Laboratory and Ocean Monitoring	-	-	-	-
Total Proposed Capital Equipment	<u>\$ 804,400</u>	<u>\$ 20,300</u>	<u>\$ -</u>	<u>\$ -</u>

Proposed Equipment Budget Summary

Proposed Equipment Budget 2015-16

Department	Instr / Test Equipment 09410004	Safety & Traffic Eq 09410005	Office Fix & Eq 09410006	Computer Equipment 09410007	2015-16 Proposed Budget
Fleet Services	\$ -	\$ -	\$ -	\$ -	\$ 824,700
Building, Grounds & Mechanical Maintenance	40,000	-	-	-	40,000
Instrumentation & Electrical Maintenance	152,400	-	-	-	152,400
Environmental Laboratory and Ocean Monitoring	179,500	-	-	-	179,500
Total Proposed Capital Equipment	\$ 371,900	\$ -	\$ -	\$ -	\$ 1,196,600

2014-15 & 2015-16 Budget

Proposed Equipment Budget Detail

<u>Division</u>	<u>Equipment Type</u>	<u>Proposed Equip. Budget</u>
<u>322 - Fleet Services</u>		
	Small Combo Unit Truck for Div 343 - Replace V# 0396	\$ 382,100
	Light Duty Service Truck (11) for various divisions - Replace V# 0479, 0480, 0482, 0485, 0486, 0487, 0488, 0489, 0490, 0491 & 0492	422,300
	Towable Air Compressor - Replace E# 0833	20,300
	Total	<u>824,700</u>
<u>850 - Building, Grounds & Mechanical Maintenance</u>		
	CSI Machinery Health Analyzer	40,000
	Total	<u>40,000</u>
<u>860 - Instrumentation & Electrical Maintenance</u>		
	Breaker Timing Tester	13,000
	Low Voltage Pickup/Excitation Field Simulator	12,000
	PLC Modules	109,000
	Transformer Ohm Meter	18,400
	Total	<u>152,400</u>
<u>890 - Environmental Laboratory and Ocean Monitoring</u>		
	Gas Chromatograph/Mass Spectrometry (GCMS)	85,400
	Total and Carbonaceous BOD Analyzer	60,000
	Hydrogen Generator	18,700
	Hamilton Automated Solvent Diluter	15,400
	Total	<u>179,500</u>
Total Proposed 2015-16 CORF Equipment Budget		\$ <u>1,196,600</u>

Debt Financing Program

CERTIFICATES OF PARTICIPATION DEBT FINANCING PROGRAM

A Ten-Year Financial Plan is maintained to establish financing parameters regarding the issuance of debt, the levying of user charges and the funding level for required reserves in accordance with the District's reserve policy. The Financial Plan is revised annually to reflect the most current cost and revenue figures resulting from capital program revisions and operating changes.

In December 2009, the District adopted a new Facilities Master Plan to define the District's engineering goals, responsibilities, and requirements over the next twenty years. It includes projections

through the assumed "build-out" of the District's service area to the year 2050. Critical factors such as population growth, new construction, the volume of wastewater delivered to the plants and viable water conservation and reclamation programs have been reevaluated.

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

Figure 1

<u>Summary of Certificates of Participation / Revenue Obligations and Notes</u>				
Series	2007A Series	2007B Series	2008B Series	2009A Series
Issue Name	Refunding COPs	COPs	Refunding COPs	COPs
Issue Date	05-22-2007	12-20-2007	09-04-2008	04-23-2009
Original Par	\$95,180,000	\$300,000,000	\$27,800,000	\$200,000,000
Outstanding Par	\$92,385,000	\$267,255,000	\$25,585,000	\$184,090,000
Payment Date	February 1	February 1	August 1	February 1
Use of Proceeds	Advance Refunding	Current/Future CIP	Advance Refunding	Current/Future CIP
Lien or Tier	Open Senior	Open Senior	Open Senior	Open Senior
Interest Rate Mode	Fixed	Fixed	Fixed	Fixed
Final Maturity Date	02-01-2030	02-01-2037	08-01-2016	02-01-2039
Series	2010A Series	2010C Series	2011A Series	2012A Series
Issue Name	Taxable BABs	Taxable BABs	Refunding Rev Oblig	Refunding Rev Oblig
Issue Date	05-18-10	11-29-10	10-03-11	03-22-12
Original Par	\$80,000,000	\$157,000,000	\$147,595,000	\$100,645,000
Outstanding Par	\$80,000,000	\$157,000,000	\$130,345,000	\$100,645,000
Payment Date	February 1	February 1	February & August 1	February 1
Use of Proceeds	Current/Future CIP	Current/Future CIP	Advance Refunding	Advance Refunding
Lien or Tier	Open Senior	Open Senior	Open Senior	Open Senior
Interest Rate Mode	Fixed	Fixed	Fixed	Fixed
Final Maturity Date	02-01-2040	02-01-2044	02-01-2026	02-01-2033
Series	2012B Series	2013A Series		
Issue Name	Refunding Rev Oblig	Refunding CANs		
Issue Date	08-16-12	10-16-13		
Original Par	\$66,395,000	\$129,625,000		
Outstanding Par	\$66,395,000	\$129,625,000		
Payment Date	February 1	October 16		
Use of Proceeds	Advance Refunding	Current Refunding		
Lien or Tier	Open Senior	Open Senior		
Interest Rate Mode	Fixed	Fixed		
Final Maturity Date	02-01-2026	10-16-2014		

2014-15 & 2015-16 Budget

In conjunction with preparation for the 2014-16 Budget, District staff has developed and reviewed with the Board of Directors a capital program to deliver the levels of service included in the District's 5-year Strategic Plan.

District staff has also validated the active CIP projects currently being executed to ensure that the active project scopes of work and cost estimates were accurate. The validated CIP includes 77 large capital projects and 38 special projects with a 20-year expenditure of \$1.9 billion. This total represents a \$120.6 million increase from the 2013-14 CIP estimate. This increase is mostly attributed to improvements made to project scopes of work and cost estimates.

The District embarked upon its Debt Financing and Management Program, and specifically its Variable and Fixed Rate Debt Program (the "Program"), in 1990 with the issuance of \$100 million in Certificates of Participation ("COP"), Capital Improvement Program, 1990 Series "A." The Program was established to:

- Finance assets with long useful lives with long-term debt;
- Achieve the lowest possible interest costs and highest investment returns, commensurate with the appropriate risk;
- Recoup reserve moneys that had previously been spent.

COPs are repayment obligations based on a lease or installment sale agreement. The COP structure was selected over other structures because COPs are not viewed as debt by the State of California, as the purchaser does not actually receive a "bond," but rather a share in an installment sale arrangement where the District serves as the purchaser. Accordingly, the District is not subject to the usual State restrictions surrounding the issuance of debt. COPs can be issued with fixed or variable interest rates.

As of July 1, 2014, the total outstanding COP indebtedness is \$1.2 billion.

Dedicated Funding Source

In 1992 and 2004 the Board of Directors formalized the dedication of certain funding sources. To assure the continuation of favorable credit ratings, revenues were dedicated to debt service in the following order:

1. Ad valorem property taxes
2. Sanitary sewer service charges
3. Other revenues

This apportionment of the ad valorem tax was consistent with and pursuant to the Revenue Program adopted in April 1979 to comply with regulations of the Environmental Protection Agency and the State Water Resources Control Board and in accordance with COP documents and Board policy.

Until FY 2003-04, property tax revenues alone had been sufficient to meet current debt service payments. However, since the \$280 million COP Series 2003 debt issuance, this revenue source now must be augmented by sewer service charges or user fees. Annual increases in these user fees to offset property tax revenue shortfalls, as well as to assist in the funding of the CIP expansion, are projected for the next several years.

Establishment of Debt Policy

In 2001, the District developed a written debt policy for the following underlying reasons:

- committing to long-term financial planning;
- promoting credit quality to rating agencies;
- rationalizing the decision making process;
- enhancing the quality of decisions; and
- promoting consistency and continuity.

This Board adopted policy serves as the agency's guide in the management of existing debt and in the issuance of future debt.

Debt Coverage Ratios

The only legal debt limits pertaining to the District are those that are provided within the existing COP indenture agreements requiring minimum coverage ratios of 1.25. The minimum coverage ratio is the ratio of net annual revenues available for debt service requirements to total annual debt service requirements for all senior lien COP debt. The coverage ratio for senior lien COP debt is proposed at 3.05 and 3.14 for FY 2014-15 and FY 2015-16, respectively.

Debt Financing Program

Build America Bonds Financings

The District issued the \$80.0 million Wastewater Revenue Obligation, Series 2010A in May 2010 and the \$157.0 million Wastewater Revenue Obligations, Series 2010C in November 2010 as “Build America Bonds” (BABs) fixed rate debt.

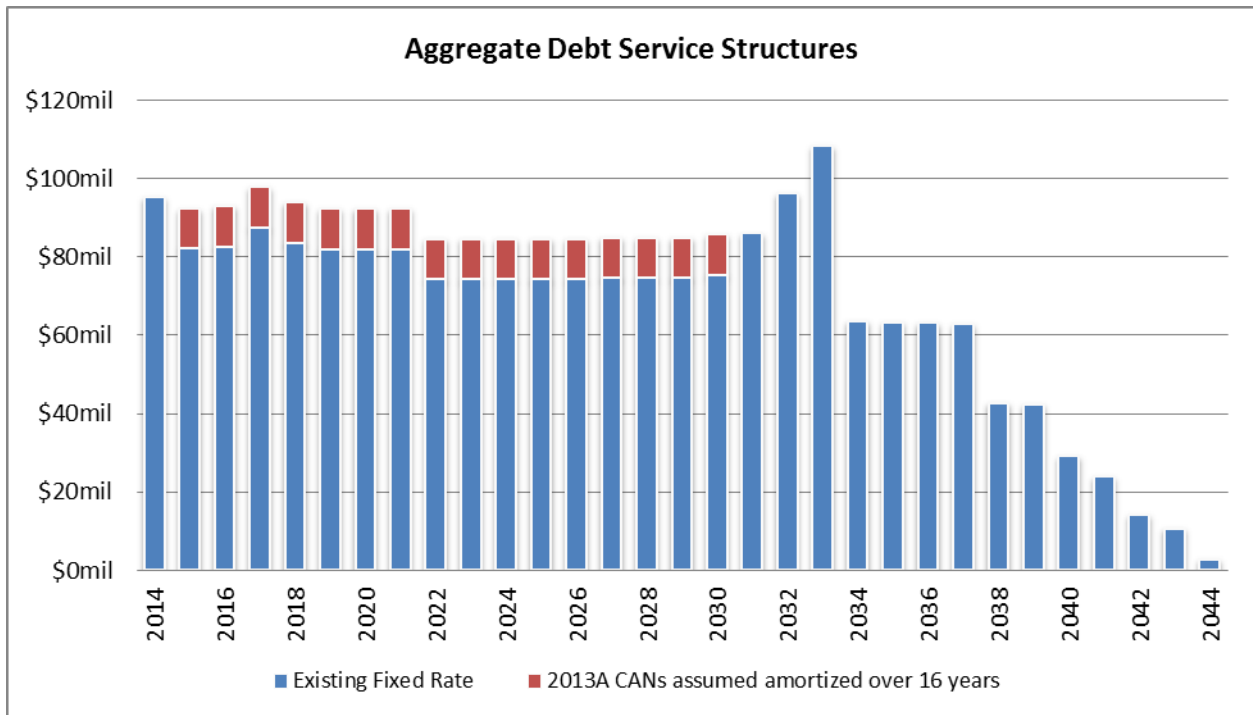
The American Recovery and Reinvestment Act of 2009 created a new financing product, BABs, for the municipal issuer. BABs are issued as higher interest taxable bonds; however, the U.S. Treasury provides a 35 percent subsidy on interest payments. The net cost, after accounting for the 35 percent subsidy payment, frequently results in lower net costs to the issuer, specifically in the maturity years beyond ten years.

On March 1, 2013, the federal government implemented certain automatic spending cuts known as the sequester. As a result of the sequester, federal subsidy payments on BABs were reduced by 8.7 percent and by 7.2 percent for the federal fiscal years ended September 30, 2013 and September 30, 2014, respectively.

Future Financings

As a result of having a prudent reserve policy, experienced management, and prudent planning, the District has been able to secure “AAA” credit ratings from both Fitch Ratings and Standard and Poors. The District’s long-range financing plan is designed to maintain these high ratings. Over the next 10 years, the District is projecting an additional \$2.3 billion in future treatment plant and collection system capital replacement, refurbishment, and rehabilitation improvements. In accordance with the District’s long-term debt fiscal policy, the District will confine long-term borrowing to capital improvements that cannot be financed from current revenue. Before any new debt is issued, the impact of debt service payments on total annual fixed costs will be analyzed.

The District’s cash flow forecast does not require any new money debt issuances over the next ten years as all capital improvements planned over this time period primarily consist of replacement, refurbishment, and rehabilitation of existing projects which are to be funded through existing reserves and current sewer charges.



2014-15 & 2015-16 Budget

Figure 2

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
New COP Issues	\$ 0.0	\$ 0.0	\$ 0.0	\$0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
CIP Outlays	\$186.5	\$206.1	\$196.6	\$205.9	\$198.8	\$250.0	\$265.0	\$265.0	\$265.0	\$265.0

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2014-15 & 2015-16 Budget

Total Certificates of Participation / Revenue Obligations and Notes Debt Service Requirements

Principal and Interest Combined

<u>Fiscal Year Of Payments</u>	<u>2007A Refunding (partial 2003)</u>	<u>2007B Acquisition/ Construction</u>	<u>2008B Refunding (1993 Series)</u>	<u>2009A Acquisition/ Construction</u>	<u>2010A Revenue Obligation</u>	<u>2010C Build America Bonds Acqui./Constr.</u>
2014-15	4,369,194	19,612,962	8,900,980	12,854,175	2,897,639	6,523,780
2015-16	4,369,227	19,601,634	8,889,825	12,875,700	2,897,639	6,523,780
2016-17	4,368,861	19,581,025	8,947,225	12,954,200	2,897,639	6,523,780
2017-18	4,368,094	19,578,025	-	13,041,700	2,897,639	6,523,780
2018-19	4,366,927	19,566,817	-	13,043,450	2,897,639	6,523,780
2019-20	4,365,361	19,595,900	-	13,043,950	2,897,639	6,523,780
2020-21	8,780,978	19,633,646	-	13,042,700	2,897,639	6,523,780
2021-22	4,130,753	19,622,437	-	13,039,200	2,897,639	6,523,780
2022-23	4,129,179	19,614,209	-	13,042,950	2,897,639	6,523,780
2023-24	4,127,041	19,602,813	-	13,042,950	2,897,639	6,523,780
2024-25	4,129,239	19,597,042	-	13,043,700	2,897,639	6,523,780
2025-26	4,130,667	19,585,604	-	13,039,450	2,897,639	6,523,780
2026-27	23,030,094	19,572,396	-	13,039,700	2,897,639	6,523,780
2027-28	22,972,569	19,561,062	-	13,043,450	2,897,639	6,523,780
2028-29	22,916,494	19,545,209	-	13,039,700	2,897,639	6,523,780
2029-30	23,762,819	19,533,376	-	13,042,950	2,897,639	6,523,780
2030-31	-	19,518,917	-	13,062,000	2,897,639	12,258,780
2031-32	-	19,505,229	-	13,061,000	2,897,639	23,382,068
2032-33	-	19,490,563	-	13,064,000	2,897,639	23,476,472
2033-34	-	19,473,167	-	13,059,750	12,487,639	13,967,040
2034-35	-	19,456,188	-	13,062,500	12,696,056	13,897,232
2035-36	-	19,437,625	-	13,060,750	12,919,416	13,834,528
2036-37	-	19,420,375	-	13,063,500	13,151,453	13,758,096
2037-38	-	-	-	13,059,250	13,399,607	13,667,936
2038-39	-	-	-	13,062,000	13,658,823	13,574,048
2039-40	-	-	-	-	13,937,832	13,481,016
2039-41	-	-	-	-	-	22,698,216
2039-42	-	-	-	-	-	13,457,728
2039-43	-	-	-	-	-	10,305,640
2039-44	-	-	-	-	-	2,583,168
Totals	\$ 148,317,497	\$ 449,706,221	\$ 26,738,030	\$ 325,784,675	\$ 147,305,965	\$ 308,722,452

Debt Financing Program

Total Certificates of Participation / Revenue Obligations and Notes Debt Service Requirements

Principal and Interest Combined

Fiscal Year Of Payments	2011A Refunding (Partial Ser. 2000 & Ser. 2003)	2012A Refunding (Remaining Series 2003)	2012B Refunding (Ser. 2000-A & Ser. 2000-B)	2013A Refunding Notes (Series 2012C)	Total Payment Per Fiscal Year
2014-15	14,880,450	3,735,900	3,187,400	132,217,500	209,179,980
2015-16	15,223,725	3,735,900	3,187,400	-	77,304,830
2016-17	19,909,725	3,735,900	3,187,400	-	82,105,755
2017-18	24,832,350	3,735,900	3,187,400	-	78,164,888
2018-19	3,348,350	3,735,900	23,107,400	-	76,590,263
2019-20	3,348,350	3,735,900	23,106,400	-	76,617,280
2020-21	3,348,350	3,735,900	18,535,650	-	76,498,643
2021-22	17,143,350	3,735,900	1,776,150	-	68,869,209
2022-23	17,093,600	3,735,900	1,821,150	-	68,858,407
2023-24	17,136,200	3,735,900	1,781,950	-	68,848,273
2024-25	17,088,450	3,735,900	1,818,050	-	68,833,800
2025-26	17,141,250	3,735,900	1,771,600	-	68,825,890
2026-27	-	3,735,900	-	-	68,799,509
2027-28	-	3,735,900	-	-	68,734,400
2028-29	-	3,735,900	-	-	68,658,722
2029-30	-	3,735,900	-	-	69,496,464
2030-31	-	32,725,900	-	-	80,463,236
2031-32	-	31,921,200	-	-	90,767,136
2032-33	-	44,304,000	-	-	103,232,674
2033-34	-	-	-	-	58,987,596
2034-35	-	-	-	-	59,111,976
2035-36	-	-	-	-	59,252,319
2036-37	-	-	-	-	59,393,424
2037-38	-	-	-	-	40,126,793
2038-39	-	-	-	-	40,294,871
2039-40	-	-	-	-	27,418,848
2039-41	-	-	-	-	22,698,216
2039-42	-	-	-	-	13,457,728
2039-43	-	-	-	-	10,305,640
2039-44	-	-	-	-	2,583,168
Totals	<u>\$ 170,494,150</u>	<u>\$ 168,725,500</u>	<u>\$ 86,467,950</u>	<u>\$ 132,217,500</u>	<u>\$ 1,964,479,940</u>

2014-15 & 2015-16 Budget

Certificates of Participation/ Revenue Obligations and Notes Debt Service Requirements

Annual Interest Payments

Fiscal Year Of Payments	2007A Refunding (partial 2003)	2007B Acquisition/ Construction	2008B Refunding (1993 Series)	2009A Acquisition/ Construction	2010A Revenue Obligation	2010C Build America Bonds Acqui./Constr.
2014-15	4,124,194	13,162,962	630,980	8,999,175	2,897,639	6,523,780
2015-16	4,114,227	12,826,634	389,825	8,825,700	2,897,639	6,523,780
2016-17	4,103,861	12,471,025	132,225	8,704,200	2,897,639	6,523,780
2017-18	4,093,094	12,108,025	-	8,576,700	2,897,639	6,523,780
2018-19	4,081,927	11,726,817	-	8,353,450	2,897,639	6,523,780
2019-20	4,070,361	11,360,900	-	8,118,950	2,897,639	6,523,780
2020-21	3,980,978	10,988,646	-	7,872,700	2,897,639	6,523,780
2021-22	3,860,753	10,547,437	-	7,614,200	2,897,639	6,523,780
2022-23	3,849,179	10,084,209	-	7,342,950	2,897,639	6,523,780
2023-24	3,837,041	9,597,813	-	7,057,950	2,897,639	6,523,780
2024-25	3,824,239	9,087,042	-	6,758,700	2,897,639	6,523,780
2025-26	3,810,667	8,550,604	-	6,444,450	2,897,639	6,523,780
2026-27	3,435,094	7,987,396	-	6,114,700	2,897,639	6,523,780
2027-28	2,537,569	7,396,062	-	5,768,450	2,897,639	6,523,780
2028-29	1,601,494	6,775,209	-	5,404,700	2,897,639	6,523,780
2029-30	607,819	6,123,376	-	5,022,950	2,897,639	6,523,780
2030-31	-	5,438,917	-	4,642,000	2,897,639	6,523,780
2031-32	-	4,720,229	-	4,221,000	2,897,639	6,287,068
2032-33	-	3,965,563	-	3,779,000	2,897,639	5,581,472
2033-34	-	3,173,167	-	3,314,750	2,897,639	4,837,040
2034-35	-	2,341,188	-	2,827,500	2,551,056	4,457,232
2035-36	-	1,467,625	-	2,315,750	2,184,416	4,064,528
2036-37	-	550,375	-	1,778,500	1,796,453	3,658,096
2037-38	-	-	-	1,214,250	1,384,607	3,237,936
2038-39	-	-	-	622,000	948,823	2,804,048
2039-40	-	-	-	-	487,832	2,356,016
2040-41	-	-	-	-	-	1,893,216
2041-42	-	-	-	-	-	1,027,728
2042-43	-	-	-	-	-	510,640
2043-44	-	-	-	-	-	103,168
Totals	\$ 55,932,497	\$ 182,451,221	\$ 1,153,030	\$ 141,694,675	\$ 67,305,965	\$ 151,722,452

Debt Financing Program

Certificates of Participation/ Revenue Obligations and Notes Debt Service Requirements

Annual Interest Payments

Fiscal Year Of Payments	2011A Refunding (Partial Ser. 2000 & Ser. 2003)	2012A Refunding (Remaining Series 2003)	2012B Refunding (Ser. 2000-A & Ser. 2000-B)	2013A Refunding Notes (Series 2012C)	Total Interest Per Fiscal Year
2014-15	5,825,450	3,735,900	3,187,400	2,592,500	51,679,980
2015-16	5,398,725	3,735,900	3,187,400	-	47,899,830
2016-17	4,774,725	3,735,900	3,187,400	-	46,530,755
2017-18	3,872,350	3,735,900	3,187,400	-	44,994,888
2018-19	3,348,350	3,735,900	3,187,400	-	43,855,263
2019-20	3,348,350	3,735,900	2,191,400	-	42,247,280
2020-21	3,348,350	3,735,900	1,145,650	-	40,493,643
2021-22	3,348,350	3,735,900	276,150	-	38,804,209
2022-23	2,658,600	3,735,900	216,150	-	37,308,407
2023-24	2,081,200	3,735,900	151,950	-	35,883,273
2024-25	1,328,450	3,735,900	103,050	-	34,258,800
2025-26	816,250	3,735,900	51,600	-	32,830,890
2026-27	-	3,735,900	-	-	30,694,509
2027-28	-	3,735,900	-	-	28,859,400
2028-29	-	3,735,900	-	-	26,938,722
2029-30	-	3,735,900	-	-	24,911,464
2030-31	-	3,735,900	-	-	23,238,236
2031-32	-	2,866,200	-	-	20,992,136
2032-33	-	1,704,000	-	-	17,927,674
2033-34	-	-	-	-	14,222,596
2034-35	-	-	-	-	12,176,976
2035-36	-	-	-	-	10,032,319
2036-37	-	-	-	-	7,783,424
2037-38	-	-	-	-	5,836,793
2038-39	-	-	-	-	4,374,871
2039-40	-	-	-	-	2,843,848
2040-41	-	-	-	-	1,893,216
2041-42	-	-	-	-	1,027,728
2042-43	-	-	-	-	510,640
2043-44	-	-	-	-	103,168
Totals	<u>\$ 40,149,150</u>	<u>\$ 68,080,500</u>	<u>\$ 20,072,950</u>	<u>\$ 2,592,500</u>	<u>\$ 731,154,940</u>

2014-15 & 2015-16 Budget

Certificates of Participation/ Revenue Obligations and Notes Debt Service Requirements

Annual Principal Payments

Fiscal Year Of Payments	2007A Refunding (partial 2003)	2007B Acquisition/ Construction	2008B Refunding (1993 Series)	2009A Acquisition/ Construction	2010A Build America Bonds Acqui./Constr.	2010C Build America Bonds Acqui./Constr.
2014-15	245,000	6,450,000	8,270,000	3,855,000	-	-
2015-16	255,000	6,775,000	8,500,000	4,050,000	-	-
2016-17	265,000	7,110,000	8,815,000	4,250,000	-	-
2017-18	275,000	7,470,000	-	4,465,000	-	-
2018-19	285,000	7,840,000	-	4,690,000	-	-
2019-20	295,000	8,235,000	-	4,925,000	-	-
2020-21	4,800,000	8,645,000	-	5,170,000	-	-
2021-22	270,000	9,075,000	-	5,425,000	-	-
2022-23	280,000	9,530,000	-	5,700,000	-	-
2023-24	290,000	10,005,000	-	5,985,000	-	-
2024-25	305,000	10,510,000	-	6,285,000	-	-
2025-26	320,000	11,035,000	-	6,595,000	-	-
2026-27	19,595,000	11,585,000	-	6,925,000	-	-
2027-28	20,435,000	12,165,000	-	7,275,000	-	-
2028-29	21,315,000	12,770,000	-	7,635,000	-	-
2029-30	23,155,000	13,410,000	-	8,020,000	-	-
2030-31	-	14,080,000	-	8,420,000	-	5,735,000
2031-32	-	14,785,000	-	8,840,000	-	17,095,000
2032-33	-	15,525,000	-	9,285,000	-	17,895,000
2033-34	-	16,300,000	-	9,745,000	9,590,000	9,130,000
2034-35	-	17,115,000	-	10,235,000	10,145,000	9,440,000
2035-36	-	17,970,000	-	10,745,000	10,735,000	9,770,000
2036-37	-	18,870,000	-	11,285,000	11,355,000	10,100,000
2037-38	-	-	-	11,845,000	12,015,000	10,430,000
2038-39	-	-	-	12,440,000	12,710,000	10,770,000
2039-40	-	-	-	-	13,450,000	11,125,000
2040-41	-	-	-	-	-	20,805,000
2041-42	-	-	-	-	-	12,430,000
2042-43	-	-	-	-	-	9,795,000
2043-44	-	-	-	-	-	2,480,000
Totals	\$ 92,385,000	\$ 267,255,000	\$ 25,585,000	\$ 184,090,000	\$ 80,000,000	\$ 157,000,000

Debt Financing Program

Certificates of Participation/ Revenue Obligations and Notes Debt Service Requirements

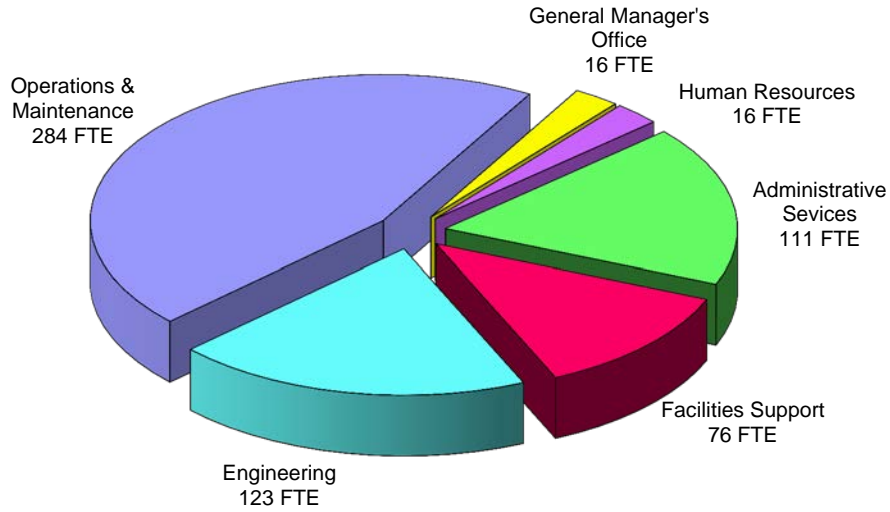
Annual Principal Payments

Fiscal Year Of Payments	2011A Refunding (Partial Ser. 2000 & Ser. 2003)	2012A Refunding (Remaining Series 2003)	2012B Refunding (Ser. 2000-A & Ser. 2000-B)	2013A Refunding Notes (Series 2012C)	Total Principal Per Fiscal Year
2014-15	9,055,000	-	-	129,625,000	157,500,000
2015-16	9,825,000	-	-	-	29,405,000
2016-17	15,135,000	-	-	-	35,575,000
2017-18	20,960,000	-	-	-	33,170,000
2018-19	-	-	19,920,000	-	32,735,000
2019-20	-	-	20,915,000	-	34,370,000
2020-21	-	-	17,390,000	-	36,005,000
2021-22	13,795,000	-	1,500,000	-	30,065,000
2022-23	14,435,000	-	1,605,000	-	31,550,000
2023-24	15,055,000	-	1,630,000	-	32,965,000
2024-25	15,760,000	-	1,715,000	-	34,575,000
2025-26	16,325,000	-	1,720,000	-	35,995,000
2026-27	-	-	-	-	38,105,000
2027-28	-	-	-	-	39,875,000
2028-29	-	-	-	-	41,720,000
2029-30	-	-	-	-	44,585,000
2030-31	-	28,990,000	-	-	57,225,000
2031-32	-	29,055,000	-	-	69,775,000
2032-33	-	42,600,000	-	-	85,305,000
2033-34	-	-	-	-	44,765,000
2034-35	-	-	-	-	46,935,000
2035-36	-	-	-	-	49,220,000
2036-37	-	-	-	-	51,610,000
2037-38	-	-	-	-	34,290,000
2038-39	-	-	-	-	35,920,000
2039-40	-	-	-	-	24,575,000
2040-41	-	-	-	-	20,805,000
2041-42	-	-	-	-	12,430,000
2042-43	-	-	-	-	9,795,000
2043-44	-	-	-	-	2,480,000
Totals	<u>\$ 130,345,000</u>	<u>\$ 100,645,000</u>	<u>\$ 66,395,000</u>	<u>\$ 129,625,000</u>	<u>\$ 1,233,325,000</u>

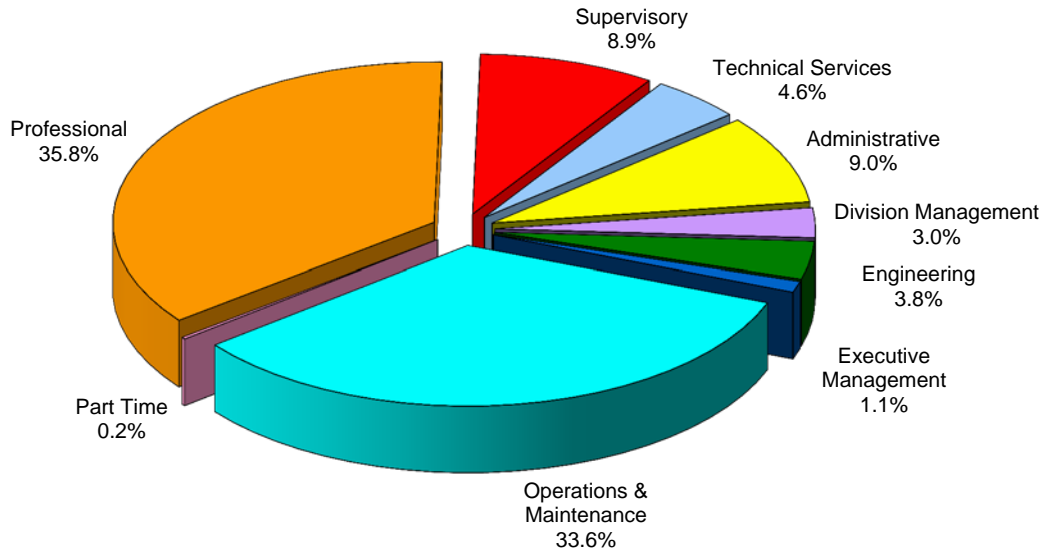
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Staffing Allocation

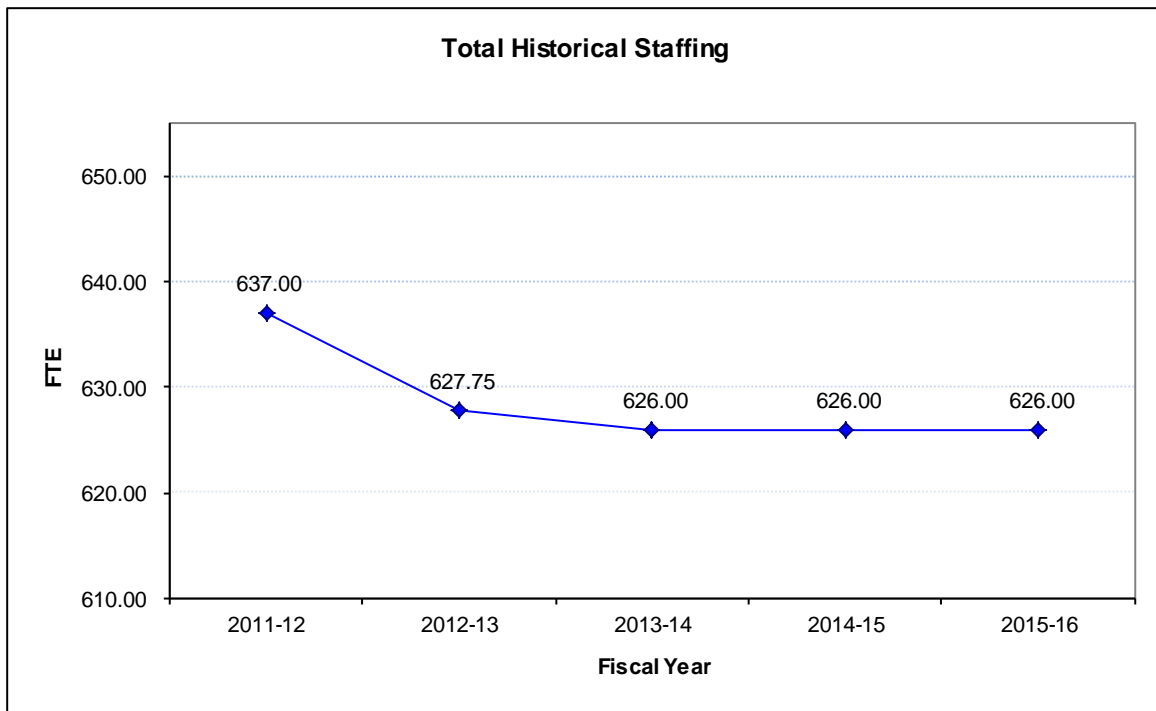
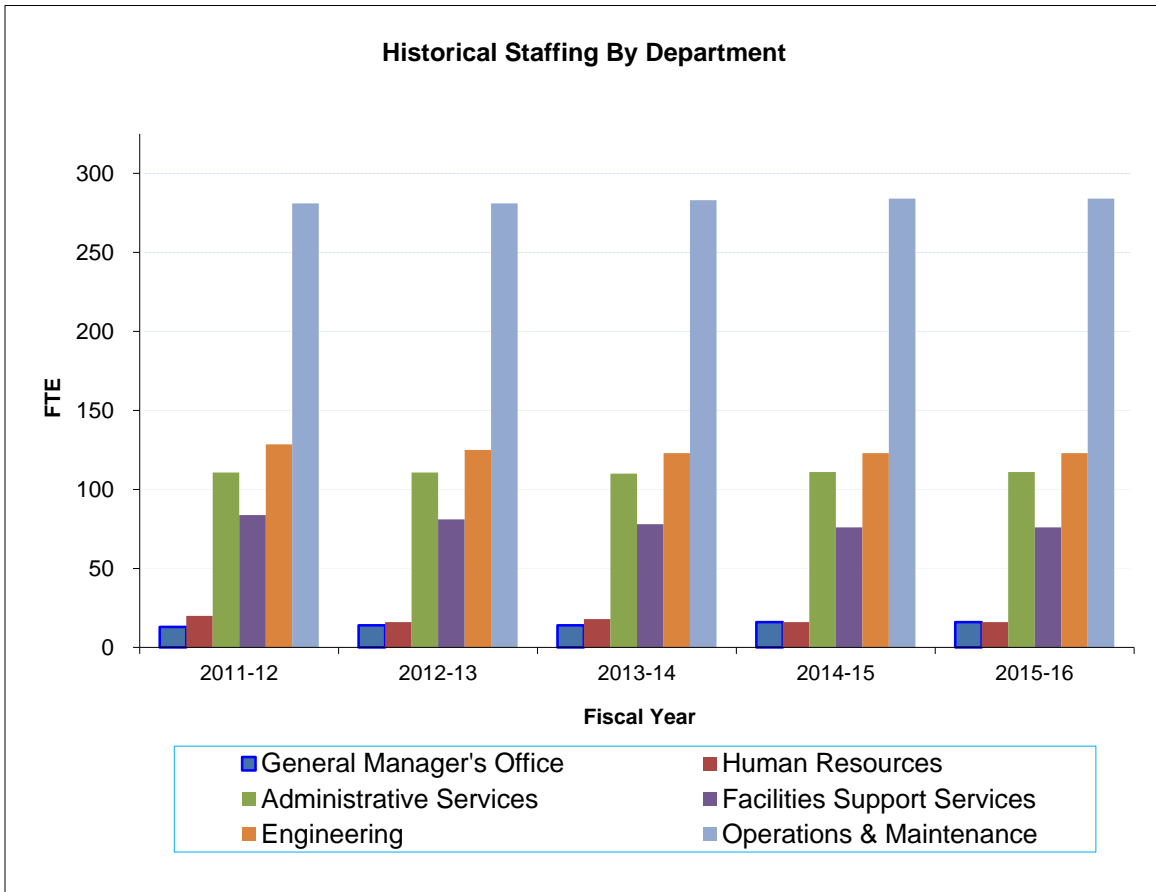
Staffing by Department
Total 626 FTE



Staffing by Category



2014-15 & 2015-16 Budget



Staffing Allocation

Department and Division Name	Authorized FTEs 2011-12	Authorized FTEs 2012-13	Authorized FTEs 2013-14	Proposed FTEs 2014-15	Proposed FTEs 2015-16
General Manager's Office					
General Management Administration	3.00	5.00	6.00	7.00	7.00
Board Services	2.00	3.00	5.00	5.00	5.00
Public Affairs	8.00	6.00	3.00	4.00	4.00
Department Subtotal	13.00	14.00	14.00	16.00	16.00
Human Resources Department					
Human Resources	20.00	16.00	18.00	16.00	16.00
Department Subtotal	20.00	16.00	18.00	16.00	16.00
Administrative Services Department					
Administrative Services	5.00	3.00	3.00	4.00	4.00
Financial Management	17.00	18.00	18.00	18.00	18.00
Contracts, Purchasing & Materials Management	30.75	29.75	31.00	32.00	32.00
Information Technology	45.00	48.00	47.00	45.00	45.00
Risk Management	13.00	12.00	11.00	12.00	12.00
Department Subtotal	110.75	110.75	110.00	111.00	111.00
Facilities Support Services Department					
Facilities Support Services Administration	3.75	3.00	3.00	3.00	3.00
Facilities Support	18.00	19.00	3.00	3.00	3.00
Equipment Rebuild	-	-	8.00	8.00	8.00
Fleet Services	-	-	8.00	8.00	8.00
Facilities Engineering & Repair Services	13.00	13.00	11.00	9.00	9.00
Collections	49.00	46.00	-	-	-
NPDES Source Inspection	-	-	16.00	16.00	16.00
Odor and Corrosion Control	-	-	6.00	6.00	6.00
Collection Facilities Operations & Maintenance	-	-	23.00	23.00	23.00
Department Subtotal	83.75	81.00	78.00	76.00	76.00
Engineering Department					
Engineering Administration	2.00	2.00	2.00	2.00	2.00
Planning	12.00	15.00	18.00	17.00	17.00
Project Management Office	17.00	19.00	20.00	20.00	20.00
Engineering & Construction	58.50	57.00	51.00	53.00	53.00
Asset Management	6.00	-	-	-	-
Environmental Compliance	33.00	32.00	32.00	31.00	31.00
Department Subtotal	128.50	125.00	123.00	123.00	123.00
Operations & Maintenance Department					
Operations & Maintenance Administration	2.75	3.00	3.00	2.00	2.00
Plant No. 1 Operations	52.75	54.00	54.00	54.00	54.00
Plant No. 2 Operations	47.00	47.00	48.00	47.00	47.00
Building, Grounds, and Mechanical Maintenance	62.00	61.00	62.00	65.00	65.00
Instrumentation & Electrical Maintenance	75.00	75.00	75.00	75.00	75.00
Environmental Laboratory & Ocean Monitoring	41.50	41.00	41.00	41.00	41.00
Department Subtotal	281.00	281.00	283.00	284.00	284.00
Grand Total - All Departments	637.00	627.75	626.00	626.00	626.00

2014-15 & 2015-16 Budget

Division & Position	Authorized FTEs 2011-12	Authorized FTEs 2012-13	Authorized FTEs 2013-14	Proposed FTEs 2014-15	Proposed FTEs 2015-16
General Manager's Office					
110 General Management Administration					
General Manager	1.00	1.00	1.00	1.00	1.00
Assistant General Manager	1.00	1.00	1.00	1.00	1.00
Management Discretion	-	2.00	2.00	2.00	2.00
Public Affairs Manager	-	-	-	1.00	1.00
Principal Staff Analyst	-	-	1.00	1.00	1.00
Secretary to the General Manager	1.00	1.00	1.00	1.00	1.00
Total General Management Administration	3.00	5.00	6.00	7.00	7.00
120 Board Services					
Clerk of the Board	1.00	1.00	1.00	1.00	1.00
Records Management Specialist	-	-	1.00	1.00	1.00
Associate Clerk of the Board II	1.00	-	-	-	-
Administrative Assistant	-	1.00	1.00	1.00	1.00
Program Assistant	-	1.00	2.00	2.00	2.00
Total Board Services	2.00	3.00	5.00	5.00	5.00
140 Public Affairs					
Public Affairs Manager	1.00	1.00	-	-	-
Principal Public Affairs Specialist	2.00	2.00	-	1.00	1.00
Senior Public Affairs Specialist	1.00	1.00	1.00	-	-
Public Affairs Specialist	1.00	-	-	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Graphics Coordinator	-	-	1.00	1.00	1.00
Program Assistant	-	1.00	-	-	-
Office Assistant	2.00	-	-	-	-
Total Public Affairs	8.00	6.00	3.00	4.00	4.00
Total Office of the General Manager	13.00	14.00	14.00	16.00	16.00
Human Resources Department					
160 Human Resources					
Director of Human Resources	1.00	1.00	1.00	1.00	1.00
Management Discretion	3.00	-	-	-	-
Human Resources Manager	-	1.00	1.00	1.00	1.00
Human Resources Supervisor	1.00	-	-	-	-
Principal Human Resources Analyst	1.00	1.00	2.00	2.00	2.00
Senior Human Resources Analyst	6.00	5.00	4.00	5.00	5.00
CMMS Technician II	1.00	-	-	-	-
Associate Engineer I	1.00	-	-	-	-
Human Resources Analyst	3.00	5.00	5.00	4.00	4.00
Executive Assistant	-	1.00	1.00	-	-
Human Resources Assistant	2.00	1.00	2.00	1.00	1.00
Program Assistant	1.00	1.00	2.00	2.00	2.00
Total Human Resources	20.00	16.00	18.00	16.00	16.00
Total Human Resources Department	20.00	16.00	18.00	16.00	16.00
Administrative Services Department					
210 Administrative Services					
Director of Finance & Administrative Services / Treasurer	1.00	1.00	1.00	1.00	1.00
Principal Financial Analyst	1.00	1.00	1.00	1.00	1.00
Principal Staff Analyst	1.00	-	-	-	-
Principal Environmental Specialist	1.00	-	-	-	-
Executive Assistant	1.00	1.00	1.00	1.00	1.00
Accounting Assistant II	-	-	-	1.00	1.00
Total Finance Administration	5.00	3.00	3.00	4.00	4.00

Historical Staffing Detail

Division & Position	Authorized FTEs 2011-12	Authorized FTEs 2012-13	Authorized FTEs 2013-14	Proposed FTEs 2014-15	Proposed FTEs 2015-16
220 Financial Management					
Controller	1.00	1.00	1.00	1.00	1.00
Accounting Manager	1.00	-	-	-	-
Accounting Supervisor	2.00	3.00	3.00	3.00	3.00
Principal Accountant	3.00	3.00	3.00	3.00	3.00
Senior Accountant	1.00	1.00	1.00	1.00	1.00
Accountant/Staff Analyst	2.00	4.00	4.00	4.00	4.00
Payroll Technician	2.00	2.00	2.00	2.00	2.00
Accounting Assistant II	5.00	4.00	4.00	4.00	4.00
Total Financial Management	17.00	18.00	18.00	18.00	18.00
230 Contracts, Purchasing & Materials Management					
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
Principal Contracts Administrator	2.00	2.00	2.00	2.00	2.00
Purchasing Supervisor	1.00	1.00	1.00	1.00	1.00
Materials Control Supervisor	-	-	1.00	1.00	1.00
Senior Contracts Administrator	2.75	2.75	3.00	3.00	3.00
Principal Buyer	-	-	1.00	1.00	1.00
Planner/Scheduler	1.00	-	-	-	-
Contracts Administrator	3.00	3.00	3.00	3.00	3.00
Senior Buyer	2.00	2.00	1.00	1.00	1.00
Buyer	2.00	2.00	2.00	3.00	3.00
Contracts/Purchasing Assistant	5.00	5.00	5.00	5.00	5.00
Lead Storekeeper	2.00	2.00	2.00	2.00	2.00
Senior Storekeeper	4.00	3.00	3.00	3.00	3.00
Storekeeper	4.00	5.00	5.00	5.00	5.00
Total Contracts, Purchasing & Materials Management	30.75	29.75	31.00	32.00	32.00
250 Information Technology					
Information Technology Systems & Operations Manager	1.00	1.00	1.00	1.00	1.00
Information Technology Manager	2.00	2.00	2.00	1.00	1.00
Information Technology Supervisor	1.00	1.00	1.00	2.00	2.00
Principal Information Technology Analyst	6.00	6.00	6.00	6.00	6.00
Principal Public Affairs Specialist	-	-	1.00	-	-
Senior Information Technology Analyst	10.00	10.00	9.00	9.00	9.00
Information Technology Analyst III	2.00	3.00	3.00	4.00	4.00
Engineering Associate	1.00	1.00	1.00	-	-
Records Management Specialist	1.00	1.00	-	-	-
Senior Staff Analyst	-	-	-	1.00	1.00
CMMS Technician II	5.00	-	-	-	-
Data Management Technician II	-	7.00	7.00	7.00	7.00
Information Technology Analyst II	3.00	5.00	6.00	5.00	5.00
Engineering Data Management Technician II	3.00	-	-	-	-
CMMS Technician I	1.00	-	-	-	-
Data Management Technician I	-	6.00	5.00	4.00	4.00
Information Technology Analyst I	2.00	-	-	-	-
Engineering Assistant II	1.00	-	-	-	-
Staff Analyst	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Engineering Assistant I	1.00	-	-	-	-
Information Technology Technician II	2.00	1.00	1.00	1.00	1.00
Information Technology Technician I	-	1.00	1.00	1.00	1.00
Program Assistant	1.00	1.00	1.00	1.00	1.00
Total Information Technology	45.00	48.00	47.00	45.00	45.00

2014-15 & 2015-16 Budget

Division & Position	Authorized FTEs 2011-12	Authorized FTEs 2012-13	Authorized FTEs 2013-14	Proposed FTEs 2014-15	Proposed FTEs 2015-16
260 Risk Management					
Risk Manager	1.00	1.00	-	1.00	1.00
Safety & Health Supervisor	1.00	1.00	1.00	1.00	1.00
Principal Financial Analyst	1.00	1.00	1.00	1.00	1.00
Safety & Health Specialist	2.00	2.00	2.00	1.00	1.00
Security & Emergency Planning Specialist	1.00	1.00	1.00	1.00	1.00
Information Technology Analyst III	1.00	-	-	-	-
Occupational Health Nurse	1.00	1.00	1.00	1.00	1.00
Senior Safety & Health Representative	1.00	1.00	1.00	2.00	2.00
Safety & Health Representative	3.00	3.00	3.00	3.00	3.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Total Risk Management	13.00	12.00	11.00	12.00	12.00
Total Administrative Services Department	110.75	110.75	110.00	111.00	111.00
Facilities Support Services Department					
310 Facilities Support Services Administration					
Director of Facilities Support	1.00	1.00	1.00	1.00	1.00
Principal Financial Analyst	1.00	1.00	1.00	1.00	1.00
Executive Assistant	1.00	1.00	1.00	1.00	1.00
Intern	0.75	-	-	-	-
Total Facilities Support Services Administration	3.75	3.00	3.00	3.00	3.00
320 Facilities Support					
Facilities Manager	1.00	1.00	1.00	1.00	1.00
Maintenance Supervisor	2.00	2.00	-	-	-
Senior Public Affairs Specialist	-	1.00	-	-	-
Senior Staff Analyst	-	-	1.00	1.00	1.00
Lead Mechanic	1.00	1.00	-	-	-
Machinist	1.00	1.00	-	-	-
Automotive/ Heavy Equipment Technician	3.00	3.00	-	-	-
Equipment Operator	2.00	2.00	-	-	-
Senior Mechanic	3.00	3.00	-	-	-
Welder/Fabricator	3.00	3.00	-	-	-
Automotive/ Heavy Equipment Assistant	1.00	1.00	-	-	-
Office Assistant	1.00	1.00	1.00	1.00	1.00
Total Equipment / Rebuild	18.00	19.00	3.00	3.00	3.00
321 Equipment Rebuild (formerly part of division 320)					
Maintenance Supervisor	-	-	1.00	1.00	1.00
Machinist	-	-	1.00	1.00	1.00
Senior Mechanic	-	-	3.00	3.00	3.00
Welder/Fabricator	-	-	3.00	3.00	3.00
Total Equipment / Rebuild	-	-	8.00	8.00	8.00
322 Fleet Services (formerly part of division 320)					
Maintenance Supervisor	-	-	1.00	1.00	1.00
Lead Mechanic	-	-	1.00	1.00	1.00
Automotive/ Heavy Equipment Technician	-	-	3.00	3.00	3.00
Mobile Crane Operator	-	-	2.00	2.00	2.00
Automotive/ Heavy Equipment Assistant	-	-	1.00	1.00	1.00
Total Equipment / Rebuild	-	-	8.00	8.00	8.00

Historical Staffing Detail

Division & Position	Authorized FTEs 2011-12	Authorized FTEs 2012-13	Authorized FTEs 2013-14	Proposed FTEs 2014-15	Proposed FTEs 2015-16
330 Facilities Engineering & Repair Services					
Engineering Manager	1.00	1.00	1.00	1.00	1.00
Engineering Supervisor	1.00	1.00	-	-	-
Senior Engineer	1.00	1.00	1.00	1.00	1.00
Engineer	2.00	2.00	2.00	2.00	2.00
Materials Control Supervisor	1.00	1.00	-	-	-
Associate Engineer	-	1.00	3.00	3.00	3.00
Maintenance Specialist	4.00	4.00	2.00	-	-
Senior Engineering Associate	1.00	-	-	-	-
Engineering Associate	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Total Facilities Engineering	13.00	13.00	11.00	9.00	9.00
340 Collection Facilities					
Source Control Manager	1.00	-	-	-	-
Engineering Supervisor	3.00	3.00	-	-	-
Maintenance Supervisor	2.00	1.00	-	-	-
Associate Engineer	-	1.00	-	-	-
Associate Engineer III	1.00	-	-	-	-
Principal Environmental Specialist	1.00	1.00	-	-	-
Senior Environmental Specialist	3.00	3.00	-	-	-
Source Control Inspector II	9.00	9.00	-	-	-
Lead Mechanic	5.00	5.00	-	-	-
Administrative Assistant	1.00	1.00	-	-	-
Senior Mechanic	9.00	9.00	-	-	-
Engineering Assistant I	1.50	1.00	-	-	-
Environmental Technician	4.00	4.00	-	-	-
Mechanic	8.00	8.00	-	-	-
Intern	0.50	-	-	-	-
Total Collection Facilities	49.00	46.00	-	-	-
341 NPDES Source Inspection					
Engineering Supervisor	-	-	1.00	1.00	1.00
Principal Environmental Specialist	-	-	1.00	1.00	1.00
Senior Environmental Specialist	-	-	1.00	1.00	1.00
Source Control Inspector II	-	-	9.00	8.00	8.00
Source Control Inspector I	-	-	-	1.00	1.00
Administrative Assistant	-	-	1.00	1.00	1.00
Environmental Technician	-	-	3.00	3.00	3.00
Total NPDES Source Inspection	-	-	16.00	16.00	16.00
342 Odor and Corrosion Control					
Engineering Supervisor	-	-	1.00	1.00	1.00
Associate Engineer	-	-	1.00	1.00	1.00
Senior Environmental Specialist	-	-	2.00	2.00	2.00
Engineering Assistant I	-	-	1.00	1.00	1.00
Environmental Technician	-	-	1.00	1.00	1.00
Total Odor & Corrosion Control	-	-	6.00	6.00	6.00
343 Collection Facilities Operations & Maintenance					
Maintenance Supervisor	-	-	2.00	2.00	2.00
Lead Mechanic	-	-	5.00	5.00	5.00
Senior Mechanic	-	-	8.00	8.00	8.00
Mechanic	-	-	8.00	8.00	8.00
Total Collection Facilities O&M	-	-	23.00	23.00	23.00
Total Facilities Support Services Department	83.75	81.00	78.00	76.00	76.00

2014-15 & 2015-16 Budget

Division & Position	Authorized FTEs 2011-12	Authorized FTEs 2012-13	Authorized FTEs 2013-14	Proposed FTEs 2014-15	Proposed FTEs 2015-16
Engineering Department					
710 Engineering Administration					
Assistant General Manager	1.00	1.00	-	-	-
Director of Engineering	-	-	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
740 Planning					
Engineering Manager	1.00	1.00	1.00	1.00	1.00
Engineering Supervisor	1.00	1.00	1.00	1.00	1.00
Senior Engineer	4.00	5.00	4.00	4.00	4.00
Engineer	1.00	3.00	5.00	4.00	4.00
Principal Staff Analyst	-	-	1.00	1.00	1.00
Utilities Management Specialist	-	1.00	-	-	-
Associate Engineer	-	1.00	2.00	3.00	3.00
Associate Engineer III	1.00	-	-	-	-
Principal Environmental Specialist	-	-	1.00	-	-
Senior Engineering Associate	1.00	1.00	-	-	-
Assistant Engineer	-	1.00	1.00	-	-
Associate Engineer II	1.00	-	-	-	-
Engineering Associate	1.00	-	-	1.00	1.00
Senior Staff Analyst	-	-	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Total Planning	12.00	15.00	18.00	17.00	17.00
750 Project Management Office					
Engineering Manager	1.00	1.00	1.00	1.00	1.00
CIP Project Management Supervisor	1.00	1.00	-	-	-
Engineering Supervisor	-	-	1.00	1.00	1.00
Program Controls Supervisor	1.00	-	-	-	-
Project Controls Supervisor	-	-	1.00	-	-
Capital Improvement Program Project Manager	6.00	8.00	8.00	8.00	8.00
Principal Project Controls Analyst	1.00	1.00	1.00	1.00	1.00
Engineer	-	-	1.00	1.00	1.00
Principal Staff Analyst	2.00	2.00	1.00	2.00	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	2.00	1.00	1.00
Engineering Assistant II	1.00	1.00	-	1.00	1.00
Administrative Assistant	-	1.00	1.00	1.00	1.00
Office Assistant	1.00	1.00	1.00	1.00	1.00
Total Project Management Office	17.00	19.00	20.00	20.00	20.00

Historical Staffing Detail

Division & Position	Authorized FTEs 2011-12	Authorized FTEs 2012-13	Authorized FTEs 2013-14	Proposed FTEs 2014-15	Proposed FTEs 2015-16
760 Engineering & Construction					
Engineering Manager	1.00	1.00	1.00	1.00	1.00
Engineering Supervisor	3.00	3.00	3.00	4.00	4.00
Senior Construction Inspection Supervisor	1.00	1.00	1.00	1.00	1.00
Senior Engineer	8.00	8.00	8.00	8.00	8.00
Construction Inspection Supervisor	2.00	1.00	1.00	1.00	1.00
Engineer	15.00	14.00	10.00	10.00	10.00
Associate Engineer	-	3.00	2.00	1.00	1.00
Associate Engineer III	2.00	-	-	-	-
Senior Engineering Associate	1.00	1.00	-	-	-
Senior Construction Inspector	7.00	7.00	7.00	7.00	7.00
Assistant Engineer	-	1.00	1.00	2.00	2.00
Associate Engineer II	1.00	-	-	-	-
Senior Staff Analyst	-	1.00	-	1.00	1.00
Construction Inspector	9.00	9.00	9.00	9.00	9.00
Associate Engineer I	1.00	-	-	-	-
Engineering Assistant II	2.00	3.00	3.00	3.00	3.00
Public Affairs Specialist	1.00	-	-	-	-
Staff Analyst	-	1.00	1.00	1.00	1.00
Administrative Assistant	3.00	2.00	2.00	2.00	2.00
Engineering Assistant I	1.00	1.00	1.00	1.00	1.00
Program Assistant	-	-	1.00	1.00	1.00
Intern	0.50	-	-	-	-
Total Engineering & Construction	58.50	57.00	51.00	53.00	53.00
780 Asset Management					
Engineering Manager	1.00	-	-	-	-
Senior Engineer	3.00	-	-	-	-
Engineer	1.00	-	-	-	-
Utilities Management Specialist	1.00	-	-	-	-
Total Asset Management	6.00	-	-	-	-
790 Environmental Compliance					
Environmental Compl & Reg Affairs Manager	1.00	1.00	1.00	1.00	1.00
Engineering Supervisor	2.00	2.00	2.00	2.00	2.00
Environmental Supervisor	1.00	1.00	1.00	1.00	1.00
Public Affairs Manager	-	-	1.00	-	-
Senior Scientist	1.00	1.00	1.00	1.00	1.00
Engineer	6.00	6.00	6.00	6.00	6.00
Regulatory Specialist	2.00	2.00	3.00	3.00	3.00
Associate Engineer	-	4.00	4.00	4.00	4.00
Associate Engineer III	4.00	-	-	-	-
Principal Environmental Specialist	2.50	3.50	2.50	2.50	2.50
Principal Laboratory Analyst	1.00	1.00	-	-	-
Senior Environmental Specialist	4.50	4.50	4.50	4.50	4.50
Administrative Assistant	2.00	1.00	1.00	1.00	1.00
Program Assistant	4.00	4.00	4.00	4.00	4.00
Office Assistant	1.00	1.00	1.00	1.00	1.00
Intern	1.00	-	-	-	-
Total Environmental Compliance	33.00	32.00	32.00	31.00	31.00
Total Engineering Department	128.50	125.00	123.00	123.00	123.00

2014-15 & 2015-16 Budget

Division & Position	Authorized FTEs 2011-12	Authorized FTEs 2012-13	Authorized FTEs 2013-14	Proposed FTEs 2014-15	Proposed FTEs 2015-16
Operations & Maintenance Department					
810 Operations & Maintenance Administration					
Director of Operations & Maintenance	1.00	1.00	1.00	1.00	1.00
Operations Manager	-	-	1.00	-	-
Senior Financial Analyst	-	1.00	-	-	-
Senior Staff Analyst	-	-	1.00	1.00	1.00
Executive Assistant	1.00	1.00	-	-	-
Intern	0.75	-	-	-	-
Total Operations & Maintenance Administration	2.75	3.00	3.00	2.00	2.00
830 Plant No. 1 Operations					
Engineering Manager	-	-	1.00	-	-
Operations Manager	1.00	1.00	-	1.00	1.00
Engineering Supervisor	-	-	1.00	1.00	1.00
Chief Plant Operator	1.00	1.00	1.00	1.00	1.00
Senior Engineer	2.00	2.00	2.00	2.00	2.00
Engineer	2.00	2.00	2.00	2.00	2.00
Operations Supervisor	7.00	6.00	6.00	6.00	6.00
Scientist	1.00	1.00	1.00	1.00	1.00
Assistant Engineer	-	2.00	2.00	2.00	2.00
Associate Engineer II	1.00	-	-	-	-
Senior Environmental Specialist	1.00	1.00	1.00	1.00	1.00
Lead Plant Operator	5.00	5.00	5.00	5.00	5.00
Senior Plant Operator	15.00	15.00	15.00	14.00	14.00
Administrative Assistant	0.75	-	1.00	1.00	1.00
Plant Operator	14.00	15.00	14.00	15.00	15.00
Control Center Technician	2.00	2.00	2.00	2.00	2.00
Program Assistant	-	1.00	-	-	-
Total Plant No. 1 Operations	52.75	54.00	54.00	54.00	54.00
840 Plant No. 2 Operations					
Chief Plant Operator	1.00	1.00	1.00	1.00	1.00
Operations Supervisor	7.00	6.00	6.00	6.00	6.00
Lead Plant Operator	5.00	5.00	5.00	5.00	5.00
Senior Plant Operator	12.00	14.00	14.00	14.00	14.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Plant Operator	20.00	19.00	20.00	19.00	19.00
Control Center Technician	1.00	1.00	1.00	1.00	1.00
Total Plant No. 2 Operations	47.00	47.00	48.00	47.00	47.00
850 Building, Grounds, and Mechanical Maintenance					
Maintenance Manager	1.00	1.00	1.00	1.00	1.00
Senior Engineer	-	-	-	1.00	1.00
Engineer	-	-	1.00	-	-
Maintenance Supervisor	6.00	6.00	6.00	6.00	6.00
Associate Engineer	-	1.00	1.00	1.00	1.00
Associate Engineer III	1.00	-	-	-	-
Maintenance Specialist	4.00	4.00	5.00	8.00	8.00
Senior Public Affairs Specialist	1.00	-	-	-	-
Reliability Maintenance Technician	2.00	4.00	4.00	4.00	4.00
Lead Mechanic	5.00	4.00	4.00	4.00	4.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Senior Mechanic	30.00	30.00	29.00	29.00	29.00
Lead Facilities Worker	2.00	1.00	1.00	1.00	1.00
Facilities Worker/Builder	3.00	3.00	3.00	3.00	3.00
Facilities Worker/Painter	2.00	2.00	2.00	2.00	2.00
Mechanic	2.00	2.00	2.00	2.00	2.00
Maintenance Worker	2.00	2.00	2.00	2.00	2.00
Total Building, Grounds, and Mechanical Maintenance	62.00	61.00	62.00	65.00	65.00

Historical Staffing Detail

Division & Position	Authorized FTEs 2011-12	Authorized FTEs 2012-13	Authorized FTEs 2013-14	Proposed FTEs 2014-15	Proposed FTEs 2015-16
860 Instrumentation & Electrical Maintenance					
Engineering Manager	1.00	1.00	1.00	1.00	1.00
Engineering Supervisor	1.00	1.00	1.00	1.00	1.00
Senior Engineer	2.00	3.00	3.00	3.00	3.00
Principal Information Technology Analyst	2.00	1.00	1.00	2.00	2.00
Engineer	2.00	2.00	4.00	3.00	3.00
Senior Information Technology Analyst	3.00	3.00	4.00	4.00	4.00
Maintenance Supervisor	5.00	5.00	5.00	5.00	5.00
Information Technology Analyst III	2.00	2.00	2.00	1.00	1.00
Information Technology Analyst II	1.00	1.00	-	1.00	1.00
Lead Electrical Technician	4.00	5.00	5.00	5.00	5.00
Lead Instrumentation Technician	3.00	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	14.00	14.00	13.00	14.00	14.00
Instrumentation Technician II	18.00	18.00	15.00	14.00	14.00
Power Plant Operator II	9.00	8.00	8.00	8.00	8.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Power Plant Operator I	1.00	1.00	1.00	1.00	1.00
Electrical Technician I	1.00	1.00	2.00	2.00	2.00
Instrumentation Technician I	1.00	1.00	1.00	2.00	2.00
Maintenance Worker	3.00	3.00	4.00	3.00	3.00
Total Instrumentation & Electrical Maintenance	75.00	75.00	75.00	75.00	75.00
890 Environmental Laboratory and Ocean Monitoring					
Environmental Lab & Ocean Monitoring Manager	1.00	1.00	1.00	1.00	1.00
Environmental Supervisor	1.00	1.00	1.00	1.00	1.00
Laboratory Supervisor	2.00	2.00	2.00	2.00	2.00
Senior Scientist	3.00	4.00	3.00	3.00	3.00
Scientist	1.00	1.00	1.00	1.00	1.00
Principal Environmental Specialist	3.00	3.00	2.00	2.00	2.00
Principal Laboratory Analyst	7.00	6.00	6.00	6.00	6.00
Senior Environmental Specialist	6.00	5.00	6.00	6.00	6.00
Boat Captain	-	1.00	1.00	1.00	1.00
Senior Laboratory Analyst	10.00	11.00	10.00	10.00	10.00
Environmental Specialist	-	-	1.00	1.00	1.00
Laboratory Analyst	3.00	2.00	3.00	3.00	3.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Laboratory Assistant	3.00	3.00	3.00	3.00	3.00
Intern	0.50	-	-	-	-
Total Environmental Laboratory and Ocean Monitoring	41.50	41.00	41.00	41.00	41.00
Total Operations & Maintenance Department	281.00	281.00	283.00	284.00	284.00
Grand Total, All Departments	637.00	627.75	626.00	626.00	626.00

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Appropriations Limit

Appropriations Limit

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

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

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

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

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

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

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

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

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

The law requires a governing body to annually adopt, by resolution, an appropriations limit for the following year, along with a recorded vote regarding which of the annual adjustment factors have been selected. The Orange County Sanitation District's appropriations limit and annual adjustment factors are adopted at the same meeting as the budget. The adjustment factors used for 2014-15 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 2014-15. The increase in the limit is based upon population changes ranging from 0.36% to 1.20% for major cities within the District as provided by the State Department of Finance and a per capita personal income change of negative 0.23% as provided by the State Department of Finance.

Annual Appropriation Limits:

2012-13	\$85,835,000
2013-14	\$90,880,000
2014-15	\$91,302,000

Proceeds of Taxes (Appropriations)

2014-15	\$16,749,000
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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.

2014-15 & 2015-16 Budget

Budget Glossary

Accounting System:

The set of records and procedures which are used to record, classify, and report information on the financial status and operations of an entity.

Accrual Basis Accounting:

Under this accounting method, transactions are recognized when they occur, regardless of the timing of related cash receipts and disbursements.

Administrative and Clerical:

An employee group that provides administrative and clerical support.

Ad Valorem Taxes:

The District's allocated share of the property taxes assessed by the County representing a 2% annual increase in assessed values of property taxes.

Annual Budget:

A budget applicable to a single fiscal year.

Appropriation Ordinance:

The official legal document approved by the District's Board of Directors authorizing officials to obligate and expend resources.

Appropriation:

An authorization made by the District's Board of Directors which permits officials to incur obligations against and to make expenditures of governmental resources. Operating appropriations are typically granted for a one-year period.

Assessed Valuation:

The estimated value of real and personal property used by the Orange County Assessor as the basis for levying property taxes.

Balanced Budget:

A budget in which the sum of estimated net revenues and appropriated fund balances is equal to appropriations.

Biennial Budget:

A budget applicable to two individual fiscal years.

Budget Document:

The official financial spending and resource plan submitted by the General Manager, adopted by the Board of Directors, and made available to the public and other interested parties.

Budget Message:

A written explanation by the General Manager of the proposed budget. The budget message explains principal budget and policy issues and presents an overview of the General Manager's budget recommendations.

Budget Calendar:

The schedule of key dates which the District follows in preparing and adopting the budget.

Capital Facilities Capacity Charge:

A one-time, nondiscriminatory charge imposed at the time a building or structure is newly connected to the District's system, directly or indirectly, or an existing structure or category of use is expanded or increased. This charge is to pay for District facilities in existence at the time the charge is imposed, or to pay for new facilities to be constructed in the future, that are of benefit to the property being charged. This charge does not apply to temporary facilities.

Capital Improvement Program:

A plan over a period of five years setting forth each capital project, the amount to be expended in each year, and the method of financing capital expenditures.

Capital Outlay:

Cash outlays which result in the acquisition of or additions to capital assets. Examples include land, buildings, machinery, equipment, and other improvements.

Capital Assets:

Assets of significant value which have a useful life of several years. Examples are land, buildings, other improvements, machinery, and equipment.

Cash Basis Accounting:

A basis of accounting under which transactions are recognized only when cash is received or disbursed.

Certificates of Participation (COPs):

A type of debt financing in which certificates are issued which represent an investor's participation in the stream of lease payments paid by the issuer. COPs are secured by the lease payments. Voter approval is not required prior to issuance.

Budget Glossary

Comprehensive Annual Financial Report (CAFR):

The official financial report of a government. It includes an audit opinion as well as basic financial statements and supporting schedules necessary to demonstrate compliance with legal and contractual requirements of the District.

Contingency:

A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Contingent Liabilities:

Items which may become liabilities of the District but are undetermined at a given date, such as pending law suits, unsettled disputed claims, unfilled purchase orders, and uncompleted contracts.

Contractual Services:

Personal services provided to the District from the private sector or other public agencies.

Debt Service:

Payment of interest and repayment of principal to holders of the District's debt instruments.

Decision Package:

A standardized format whereby departments may request budgetary consideration for new programs, positions, capital equipment, and position reclassification.

Deficit:

The excess of an entity's liabilities over its assets.

Encumbrance:

An amount of money committed for the payment of goods and services not yet received or paid for.

Engineers:

A professional engineers/employee group.

Enterprise Fund:

In governmental accounting, a fund that provides goods or services to the public for a fee that makes the entity self-supporting.

Executive Manager:

The group of employees which head each department.

Expenditures / Expenses:

Where accounts are kept on the accrual basis of accounting, expenses are recognized when goods are received or services rendered. Where accounts are kept on a cash basis, expenditures are recognized only when the cash payments are made.

FEMA:

Federal Emergency Management Agency. This agency provides federal grant monies for disaster relief.

Fiscal Year:

A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and results of its operations. The District's fiscal year runs from July 1 - June 30.

Five-Year Financial Forecast:

Estimates of future revenues and expenditures to help predict the future financial condition of the community.

FLSA:

The Fair Labor Standards Act sets minimum wage, overtime pay, equal pay, and Child Labor Standards to private and public sector employees. Enforcement of the FLSA is assigned to the Department of Labor (DOL), Wage and Hour Division.

Full-Time Equivalents (FTE):

The amount of time a regular, full-time employee normally works in a year. For example, a full-time employee (1 FTE) is budgeted to work 2,080 hours per year, while a .5 FTE is budgeted to work 1,040 hours per year.

Fund:

An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities.

Fund Accounting:

System used by nonprofit organizations, particularly governments. Since there is no profit motive, accountability is measured instead of profitability. The main purpose is stewardship of financial resources received and expended in compliance with legal requirements.

Fund Equity:

The excess of an entity's assets over liabilities.

General Obligation Bonds:

Bonds for which the full faith and credit of the insuring government are pledged for payment. Ad valorem property taxes are pledged to pay the bonds. A two-thirds voter approval is required prior to bond issuance.

2014-15 & 2015-16 Budget

Generally Accepted Accounting Principles (GAAP):

Uniform standards for financial accounting and reporting. They govern the form and content of the basic financial statements of an entity.

Government Finance Officers Association (GFOA):

A nonprofit, professional association, serving 18,000 government finance professionals through the United States and Canada.

GFOA's Best Practices and Advisories:

A listing of the Accounting, Auditing, and Financial Reporting, Treasury and Investment Management, Budgeting and Fiscal Policy, Debt Management, Retirement and Benefits Administration, and Economic Development and Capital Planning practices identified as contributing to improved government management by the Government Finance Officers Association of the United States and Canada.

GFOA's Distinguished Budget Presentation Award Program:

The only national awards program in governmental budgeting. It represents a significant accomplishment in meeting the highest principles of governmental budgeting and satisfying nationally recognized guidelines for effective budget presentation.

Groundwater Replenishment System (GWRS):

A joint project by the Orange County Water District (OCWD) and the District, the GWRS will reclaim up to 100 million gallons a day of the District's secondary effluent. Phase 1 has been operational since January 2008. When completed the GWRS will be the largest water reclamation project in the nation.

Improvements:

Buildings, structures, or attachments to land such as sidewalks, trees, drives, tunnels, drains and sewers.

Interest:

Revenue derived from the investment of idle cash and/or reserves.

Intergovernmental Services:

Purchases from other governments of those specialized services typically performed by local governments.

Intergovernmental Revenue:

Revenue received from other governmental agencies and municipalities.

Levy:

(Verb) To impose taxes, special assessments, or service charges for the support of governmental activities. (Noun) The total amount of taxes, special assessments, or service charges imposed by a government levying property taxes.

Long-Term Debt or Long-Term Liabilities:

Debt borrowed from a source outside the District with a maturity of more than one year after the date of issuance.

Maintenance Employees:

An employee group of the District.

Manager Employees:

The group of employees who assume management responsibilities for operating divisions.

NPDES (National Pollution Discharge Elimination System):

Permit system established by the U.S. Environmental Protection Agency to regulate discharge of treated sewage, storm water, and urban runoff.

Object:

An expenditure classification which refers to the type of item purchased or the service obtained. Examples include personnel, supplies, or contract services.

OES:

State Office of Emergency Services. This agency provides state grant monies for disaster relief.

Operating Engineers:

An employee group of the District.

Operating Budget:

The operating budget is the primary means by which most of the financing of acquisition, spending, and service delivery activities of a government are controlled.

Other Revenues:

Revenues from sources, other than those specifically identified, that are immaterial in amount and do not justify reporting as separate line items.

Budget Glossary

Other Charges:

Expenditures that do not fit in other categories, are immaterial in amount, and do not justify reporting as separate line items.

Performance Measure:

Represents the objectives of each department along with a target date for achieving the objective.

Performance Results:

A summary of major accomplishments and objectives that were met during the fiscal year.

Permits:

Revenues earned by the issuance of permits levied in accordance with the benefits conferred by the permit.

Personnel:

Salaries and benefits paid to the District's employees. Included are items such as special duty pay, insurance, and retirement.

Personnel Benefits:

Those benefits paid by the District as conditions of employment. Examples include insurance and retirement benefits.

Professional Employees:

An employee group consisting of technical experts, analysts, and planners.

Program:

Organizational units directed to attain specific purposes or objectives.

Reserve:

A term used to indicate that a portion of fund equity is restricted for a specific purpose.

Resources:

Total dollars available for appropriations including estimated revenues and beginning fund equity.

Revenue Bonds:

Bonds issued pledging future revenues such as sewer charges to cover debt payments. A majority voter approval is required prior to bond issuance.

Revenue Estimate:

A formal estimate of how much revenue will be earned from a specific revenue source for some future period, typically a fiscal year.

Revenue:

Income received by the District to support wastewater treatment services. This income may be in the form of property taxes, fees, user charges, grants, and interest.

Risk Register:

The Risk Register is a compilation of the various risks facing the District, as seen by the District's management team.

Service Charges:

Charges for specific services rendered.

Service Description:

A description of the services or functions provided by each department or division.

Significant Changes:

This section provides an overview of the changes adopted in the budget. Additionally, the significant impacts of budgetary changes are outlined (Budget Impact) along with dollar amounts (Increase/Decrease).

Strategic Goals:

District-wide goals that demonstrate the District's long-term commitment to excellence and that establish the framework necessary to maintain the District's high level of service standards.

Strategic Plan:

A planning effort to define the District's goals, responsibilities, and requirements over a specified future period. Key factors used in the planning effort include estimates for population growth, new construction, the volume of wastewater delivered to the plants, and viable water conservation and reclamation programs.

Supervisory Employees:

An employee group whose members have responsibility for directing the work of line employees.

Supplemental Appropriation:

An appropriation approved by the Directors after the initial budget is adopted.

Supplies:

An expenditure classification for articles and commodities purchased for consumption or resale. Examples include office and operating supplies, fuel, power, water, gas inventory, or small tools and equipment.

2014-15 & 2015-16 Budget

Taxes:

Compulsory charges levied by a government for the purpose of financing services performed for the common benefit.

Technical Services:

Support services to the District's wastewater management program through environmental sampling, analysis and research, source control of industrial users, administration of compliance programs to meet federal, state and local environmental standards; provides leadership and influence in the development and implementation of environmental policies, laws, and regulations.

Miscellaneous Statistics

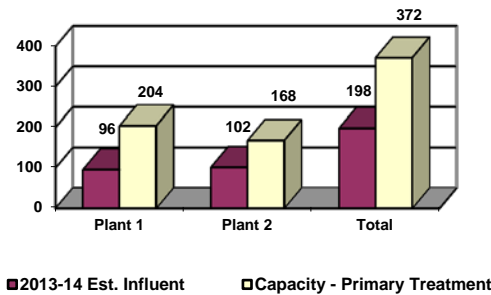
General Information

Year of Formation 1948
 Form of Government County Sanitation District
 Authority Section 4700 et. seq.
 California Health & Safety Code
 Service Area 479 sq. miles
 Service Population Approximately 2.5 million
 2013-14 Assessed Value \$329.3 billion

Miles of Sewers 580 miles
 On-Plant Pump Station 2
 Off-Plant Pump Stations 15
 Operating Authority RWQCB/NPDES Permit No.
 CA0110604
 Statewide WDR Order No. 2006-0003
 Authorized Staff (Full-Time Equivalent) 626.00

Treatment Information

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



2012-13 Influent BOD:

Plant No. 1 320 milligrams per liter
 Plant No. 2 230 milligrams per liter

2012-13 Influent Suspended Solids:

Plant No. 1 343 milligrams per liter
 Plant No. 2 288 milligrams per liter

2012-13 Effluent BOD 13 milligrams per liter

2012-13 Effluent Suspended Solids 7 milligrams per liter

2012-13 Biosolids Produced & Reused .. 274,957 wet tons

Primary Treatment Capacity (includes standby):

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

2013-14 Estimated Average Daily Influent:

Plant No. 1 96 mgd
 Plant No. 2 102 mgd
 TOTAL 198 mgd

Secondary Treatment Capacity:

Plant No. 1 182 mgd
 Plant No. 2 150 mgd
 TOTAL 332 mgd

2013-14 Estimated Electricity Generated:

Plant No. 1 39,710,000 kwh
 Plant No. 2 47,840,000 kwh
 TOTAL 87,550,000 kwh

Legend:

mgd – million gallons per day
 kwh – kilowatts per hour

Financial Information

Fees and Charges:

	2012-13 Actual	2013-14 Projected	2014-15 Proposed	2015-16 Proposed
One-Time 3-Bedroom Residence Connection	\$3,369.00	\$3,430.00	\$3,588.00	\$3,588.00
Average Annual Single-Family Residence Fee	\$294	\$308	\$316	\$323
Local SRF Fee	\$216	\$216	\$216	\$216
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	\$1,906.01	\$1,971.34	\$2,089.04	\$2,123.35

Summary of COP Issues:

May 2007A Refunding	\$ 92,385,000	November 2010C New Money	157,000,000
December 2007B New Money	267,255,000	September 2011A Refunding	130,345,000
September 2008B New Money	25,585,000	February 2012A Refunding	100,645,000
April 2009A New Money	184,090,000	August 2012B Refunding	66,395,000
May 2010A New Money	80,000,000	October 2013A Refunding	129,625,000
		Total Outstanding COP Balance 7/1/14	\$ 1,233,325,000

2014-15 & 2015-16 Budget

ORANGE COUNTY SANITATION DISTRICT

Estimated Population Served by the
Orange County Sanitation District

	Population as of <u>January 1, 2014</u>
Anaheim	348,305
Brea	42,397
Buena Park	82,344
Costa Mesa	111,846
Cypress	48,886
Fountain Valley	56,702
Fullerton	140,131
Garden Grove	173,953
Huntington Beach	195,999
Irvine	242,651
La Habra	61,717
La Palma	15,896
Los Alamitos	11,729
Newport Beach	86,874
Orange	139,279
Placentia	52,094
Santa Ana	331,953
Seal Beach	24,591
Stanton	38,963
Tustin	78,360
Villa Park	5,935
Westminster	91,652
Yorba Linda	<u>67,069</u>
Subtotal Cities ⁽¹⁾	2,449,326
Estimated Population Served in Unincorporated Areas ⁽²⁾	<u>72,095</u>
	<u><u>2,521,421</u></u>

Data Source:

(1) Demographic Research Unit, State of California Department of Finance

(2) Center for Demographic Research, California State University, Fullerton.

Index

Accounting System and Budgetary Control.....	Section 3, Page 25
Administrative Officials	iv
Administrative Services Administration	Section 6, Pages 17-20
Appropriations Limit.....	Section 10, Page 13
Background Information and Description of Services	Section 2, Page 28
Board Committees.....	ii
Board of Directors.....	i
Board Services	Section 6, Pages 5-8
Budget Assumptions.....	Section 3, Pages 21-24
Budget Glossary	Section 10, Pages 14-18
Budget Resources	Section 4, Page 8-13
Building, Grounds, and Mechanical Maintenance	Section 6, Pages 101-104
Business Plan.....	Section 2, Pages 15-25
Capital Improvement Expenditure Graphs	Section 8, Pages 5, 7
Capital Improvement Program - Budget Summary	Section 8, Pages 4, 6
Capital Improvement Program - Overview	Section 8, Page 1-2
Capital Improvement Program - Project Detail Sheets.....	Section 8, Pages 14-130
Capital Improvement Program - Project Summary by Revenue Program	Section 8, Pages 131-136
Capital Improvement Program - Summary by Project Status.....	Section 8, Pages 137-142
Capital Improvement Program - Summary of Capital Requirements	Section 8, Pages 8-13
Collections	Section 6, Pages 65-68
Consolidated Cash Flow Projections.....	Section 4, Pages 16-17
Contracts, Purchasing and Materials Management	Section 6, Pages 25-28
Core Values	x
Debt Financing Program.....	Section 9, Pages 1-4
Debt Service Requirements Schedule, Interest	Section 9, Page 8-9
Debt Service Requirements Schedule, Principal.....	Section 9, Page 10-11
Debt Service Requirements Schedule, Principal & Interest	Section 9, Page 6-7
District Funding Sources by Category	Section 4, Pages 2, 6
District Funding Uses by Category	Section 4, Pages 3, 7
District's Organizational Chart	iii
Engineering Administration.....	Section 6, Pages 69-72
Engineering and Construction	Section 6, Pages 81-84
Enterprise Funds Chart	Section 3, Page 26
Environmental Compliance.....	Section 6, Pages 85-88
Environmental Laboratory and Ocean Monitoring.....	Section 6, Pages 109-112
Equipment Budget Detail.....	Section 8, Pages 146-147, 150
Equipment Budget Summary.....	Section 8, Pages 144-145, 148-149
Equipment Rebuild	Section 6, Pages 45-48
Executive Summary.....	Section 1, Page 1-5
Facilities Engineering & Repair Services.....	Section 6, Pages 53-56
Facilities Support	Section 6, Pages 41-44
Facilities Support Services Administration	Section 6, Pages 37-40
Financial Management	Section 6, Pages 21-24
Financial Overview & Budgetary Issues	Section 2, Pages 1-14
Fiscal Policy.....	Section 3, Pages 1-8
Fleet Services	Section 6, Pages 49-52
GFOA Best Practices and Advisories.....	Section 3, Pages 9-17
General Liability and Property Self-Insurance Program.....	Section 7, Page 3
General Management Administration	Section 6, Pages 1-4

2014-15 & 2015-16 Budget

Index (continued)

General Manager's Budget Message	vii-ix
Historical Staffing Chart.....	Section 10, Page 2
Historical Staffing Detail (by Department by Position).....	Section 10, Page 4-11
Historical Staffing Summary (by Department)	Section 10, Page 3
Human Resources	Section 6, Pages 13-16
Information Technology	Section 6, Pages 29-32
Instrumentation & Electrical Maintenance	Section 6, Pages 105-108
Levels of Service Target Levels	Section 2, Pages 24-25
Long-Term Planning Table	Section 2, Page 27
Miscellaneous Statistics	Section 10, Page 19
NPDES Source Inspection	Section 6, Pages 57-60
Notes to Operations Summary	Section 5, Pages 8-10
Odor and Corrosion Control	Section 6, Pages 61-64
Operations Summary - Allocation to Individual Revenue Areas	Section 5, Page 5
Operations Summary - Comparisons by Department	Section 5, Page 3
Operations Summary - Expense by Category	Section 5, Page 4
Operations Summary - Expense by Line Item.....	Section 5, Pages 6-7
Operations Summary - Budget Overview.....	Section 5, Pages 1-2
Operations & Maintenance Administration	Section 6, Pages 89-92
Orange County at a Glance.....	Section 2, Page 29
Overview of the Budget Process	Section 3, Pages 19-20
Planning.....	Section 6, Pages 73-76
Plant No. 1 Operations	Section 6, Pages 93-96
Plant No. 2 Operations	Section 6, Pages 97-100
Population Information, Service Area	Section 10, Page 20
Project Management Office	Section 6, Pages 77-80
Projected Reserves	Section 4, Page 14-15
Public Affairs.....	Section 6, Pages 9-12
Reader's Guide to the Budget	v-vi
Revenue Sources	Section 3, Pages 27-29
Risk Management.....	Section 6, Pages 33-36
Self-Insurance Program - Overview	Section 7, Page 1
Staffing by Category Chart	Section 10, Page 1
Staffing by Department Chart	Section 10, Page 1
Strategic Goal Objectives Table	Section 2, Page 26
Summary of Outstanding Certificates of Participation.....	Section 9, Page 1
Total of Self-Insurance Program.....	Section 7, Page 2
Treatment Process Diagram.....	Section 8, Page 3
Where the Money Comes From	Section 4, Pages 1, 5
Where the Money Goes.....	Section 4, Pages 1, 5
Workers' Compensation Self-Insurance Program.....	Section 7, Page 4



ORANGE COUNTY SANITATION DISTRICT

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