Budget Update

Fiscal Year 2013-14

ADOPTED
JUNE 26, 2013

Orange County Sanitation District, California

We're here for you.

Orange County Sanitation District, California

Budget Update

Fiscal Year 2013–14

Mission Statement

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

GFOA BUDGET PRESENTATION AWARD

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

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Service Area and Treatment Plant Locations
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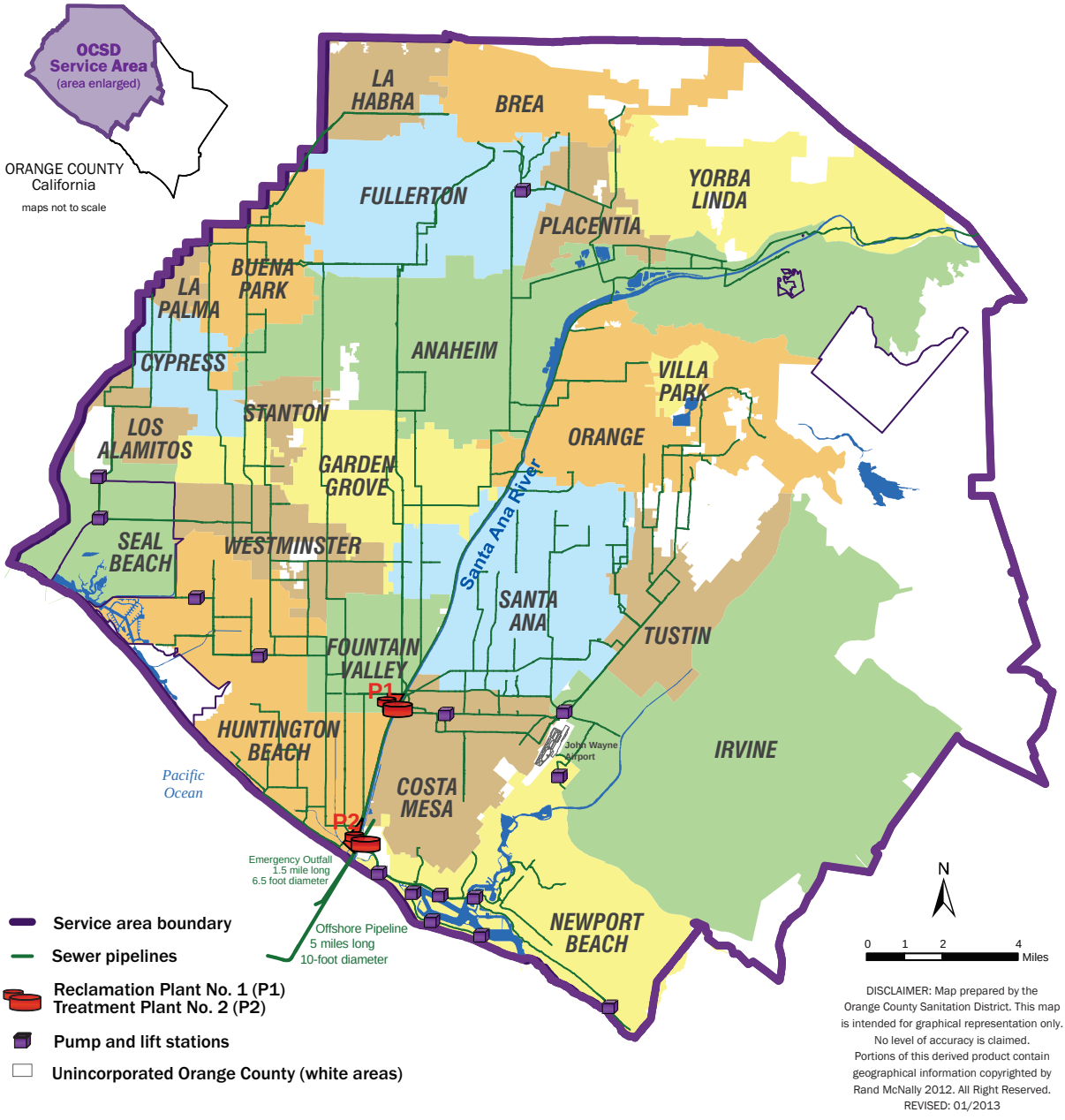

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REVISED: 01/2013

OCSD BOARD OF DIRECTORS

Agency/City	Active Director	Alternate Director
Anaheim	Lucille Kring	Jordan Brandman
Brea	Brett Murdock	Christine Marick
Buena Park	Fred Smith	Steve Berry
Cypress	Prakash Narain	Doug Bailey
Fountain Valley	Steve Nagel	Mark McCurdy
Fullerton	Greg Sebourn	Jan Flory
Garden Grove	Steve Jones	Kris Beard
Huntington Beach	Joe Shaw	Joe Carchio
Irvine	Steven Choi	Christina Shea
La Habra	Tom Beamish	Rose Espinoza
La Palma	Peter Kim	Gerard Goedhart
Los Alamitos	Troy Edgar	Richard Murphy
Newport Beach	Keith Curry	Rush Hill
Orange	Teresa Smith	Mark Murphy
Placentia	Scott Nelson	Constance Underhill
Santa Ana	David Benavides	Sal Tinajero
Seal Beach	Michael Levitt	Gordon Shanks
Stanton	David Shawver	Carol Warren
Tustin	John Nielsen	Allan Bernstein
Villa Park	Brad Reese	Greg Mills
Yorba Linda	John Anderson	Gene Hernandez

Sanitary/Water Districts

Costa Mesa Sanitary District	James M. Ferryman	Robert Ooten
Midway City Sanitary District	Tyler Diep	Allan P. Krippner
Irvine Ranch Water District	John Withers	Douglas Reinhart

County Areas

Member of the Board of Supervisors	Janet Nguyen	Shawn Nelson

OCSD BOARD COMMITTEES

Steering Committee

Troy Edgar, Board Chair
John Anderson, Board Vice-Chair
Brad Reese, Chair, Administration Committee
John Withers, Vice-Chair, Administration Committee
Tom Beamish, Chair, Operations Committee
John Nielsen, Vice-Chair, Operations Committee
===Vacancy, At-Large Member===

Administration Committee

Brad Reese, Chair *(Villa Park)*
John Withers, Vice Chair *(IRWD)*
David Benavides *(Santa Ana)*
Steven Choi *(Irvine)*
Tyler Diep *(MCSD)*
James M. Ferryman *(CMSD)*
Peter Kim *(La Palma)*
Prakash Narain *(Cypress)*
Janet Nguyen *(Board of Supervisors)*
Joe Shaw *(Huntington Beach)*
Teresa Smith *(Orange)*
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Operations Committee

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John Nielsen, Vice Chair *(Tustin)*
Keith Curry *(Newport Beach)*
Steve Jones *(Garden Grove)*
Lucille Kring *(Anaheim)*
Michael Levitt *(Seal Beach)*
Brett Murdock *(Brea)*
Steve Nagel *(Fountain Valley)*
Scott Nelson *(Placentia)*
Greg Sebourn, *(Fullerton)*
David Shawver *(Stanton)*
Fred Smith *(Buena Park)*
Troy Edgar, Board Chair *(Los Alamitos)*
John Anderson, Board Vice Chair *(Yorba Linda)*

GWR System Joint Cooperative Steering Committee

Troy Edgar
James M. Ferryman
John Anderson

(A1) – Brett Murdock
(A2) – Tom Beamish
(A3) – Greg Sebourn

Audit Ad Hoc Committee

John Anderson, Board Vice-Chair *(Yorba Linda)*
John Nielsen *(Tustin)*
Troy Edgar, Board Chair *(Los Alamitos)*
John Withers *(IRWD)*

ORGANIZATION CHART

- Board of Directors
  - General Manager
    - Human Resources
      - Human Resources Administration
      - Workforce Planning
      - Workforce Development
    - Administrative Services
      - Administrative Services
      - Financial Management
      - Contracts, Purchasing & Materials Management
      - Information Technology
      - Risk Management
    - Facilities Support Services
      - Facilities Support Services Administration
      - Equipment/ Rebuild
      - Facilities Engineering
      - Collections
    - Engineering
      - Engineering Administration
      - Planning (Includes Asset Management)
      - Project Management Office
      - Engineering & Construction
      - Environmental Compliance
    - Operations & Maintenance
      - Operations & Maintenance Administration
      - Plant No. 1 Operations
      - Plant No. 2 Operations
      - Buildings, Grounds & Mechanical Maintenance
      - Instrumentation & Electrical Maintenance
      - Environmental Laboratory & Ocean Monitoring
  - General Counsel Office
  - General Management Administration
    - General Management Administration
    - Board Services
    - Public Affairs

Management Team

General Manager ..... James D. Herberg

Assistant General Manager ..... Robert P. Ghirelli

Director of Engineering ..... Nicolas Kanetis

Director of Finance and Administrative Services ..... Lorenzo Tyner

Director of Facilities Support Services ..... Nicholas J. Arhontes

Director of Operations & Maintenance ..... Edward M. Torres

Director of Human Resources ..... Jeffrey T. Reed

General Counsel ..... Bradley R. Hogin

MESSAGE FROM THE GENERAL MANAGER

June 5, 2013

Honorable Chair and Board of Directors:

I am pleased to submit this update to the Orange County Sanitation District (OCSD) 2013-14 approved operating budget and capital improvement program. This document provides a framework for District activities during the second year of the adopted two-year budget for Fiscal Years 2012-13 and 2013-14 and serves as a source of information for the District's Board of Directors, and our employees and ratepayers.

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

As we are a large agency, we have many responsibilities. However, given the current economic environment faced by all government agencies, we continue our focus on containing costs while increasing our level of service.

I would like to take this opportunity to highlight some of the activities that have been or will be completed during this two year budget period:

Full Secondary Treatment

In Fall 2012, the District completed a ten-year effort to upgrade the treatment facilities to full secondary treatment standards. The last two milestones of the Consent Decree were completed with the construction and commissioning of the Secondary Activated Sludge Facility 2 at Plant No. 1 completed ahead of the stipulated deadline.

New Headworks at Plant No. 2

The new Headworks at Plant No. 2 was fully commissioned in 2012. This $258 million project replaces the head of the treatment works at Plant No. 2 where wastewater is lifted, screened, and degritted for nearly half of the 2.5 million residents served by OCSD. This critical piece of aging infrastructure was also relocated to avoid the Newport-Inglewood fault that underlies a portion of the Plant No. 2 site.

SARI Line Relocation

We are working with the County of Orange, Army Corps of Engineers, and SAWPA to complete the relocation of the Santa Ana River Interceptor (SARI) Line. The SARI line serves to remove waste salts from the Inland Empire area to protect the groundwater quality in that area. At several river crossings, the pipe was in danger of being exposed and potentially washed out during planned storm releases from the upgraded Prado Dam structures. Construction should be completed in Fall 2013.

Ocean Outfall Repairs

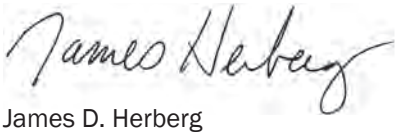
An aging and vulnerable section of the Ocean Outfall system was rehabilitated this Fall. A junction box located within Huntington State Beach Park was lined from within to eliminate the risks from corrosion by groundwater, effluent, and ocean air. The $24 million project follows a series of smaller repairs over the past year. This project required the use of the stand-by outfall for 20 days during the repairs and required 24/7 construction, extensive ocean monitoring, and close coordination with cities, regulatory agencies and the public.

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

Cost Containment
Despite inflationary increases on many external costs (chemicals, biosolids hauling, utilities) OCSD will continue its efforts to minimize the impact on rate-payers by aggressively negotiating our contracts, ensuring a competitive bidding environment, solid debt management and implementing efficiencies wherever possible. These efforts are reflected by the $5 million (3%) reduction in our operating budget.

OCSD provides wastewater treatment, sewer and facilities maintenance, ocean monitoring and many other services with residential user fees averaging less than $30 per month, one of the lowest rates in the state while maintaining an outstanding level of service.

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



James D. Herberg
General Manager
Orange County Sanitation District

Finance Summary

Budget Overview

The District's proposed FY 2013-14 operating and capital improvement budget totals $399.0 million, or 7.2 percent below what was approved last year as the second year of the adopted two-year budget. The decrease in the FY 2013-14 budget is primarily attributable to reductions in the capital improvement budget due to the timing of construction cash outlays and reductions in various areas of the operating budget reflecting lower cost increases than previously anticipated.

The budget continues to reflect the agency's ongoing efforts to streamline operations. Staffing levels are proposed to be reduced by 1.75 full-time equivalent (FTE) positions or 0.3 percent below the level originally approved while operational service levels increase as secondary treatment facilities have come into service to meet full secondary treatment standards. This increase in efficiency was achieved in part due to the major "Beyond 2012" staffing reorganization that was begun in August 2010.

The District's Capital Improvement Program (CIP) budget for Fiscal Year 2013-14 is $141.6 million. This CIP budget finances collection system, joint works treatment and disposal system improvement projects. The $14.7 million decrease from the originally proposed budget is attributable to the timing of construction cash outlays as we meet our infrastructure needs.

Financing

The District uses long-term borrowing (Certificates of Participation [COP]) for capital improvements that cannot be financed from current revenue. Before any new debt is issued, the impact of debt service payments on total annual fixed costs is analyzed. No new debt financing is currently being forecasted over the next ten years to assist in the funding of the $2.1 billion in capital improvements required over this same time period. No new money debt has been issued since FY 2010-11. As of July 1, 2013, the total outstanding COP indebtedness will be $1.4 billion.

Staffing

Reflecting the organization's commitment to providing service at the lowest costs, the budget includes a reduction of 1.75 full-time equivalent (FTE) positions in 2013-14 to an authorized staffing level of 626 FTE positions.

Personnel costs will rise due to increases in group insurance and retirement premiums, as well as, provisions of current bargaining agreements. The District will continue to effectively manage these expenses with approximately 24.6 percent of the budget allocated to employee costs.

Level of Treatment

The agency's two treatment plants, located in Fountain Valley and Huntington Beach, process about 206 million gallons of wastewater each day generated by approximately 2.5 million people in central and northwest Orange County. The proposed budget to operate, maintain and manage our sewage collection, treatment and disposal system in 2013-14 is $153.4 million.

The cost per million gallons of wastewater treated, (an industry-wide performance measurement), is expected to decrease in Fiscal Year 2013-14 to $1,993, a $59, or 2.9 percent decrease from the previous 2013-14 projection of $2,052. The decrease in the cost per million gallons is due solely to lower projected operating costs, as total operating costs are being proposed at a reduction of $4.6 million, while flows are being projected the same at 75,920 million gallons, or 208 million gallons per day.

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

To protect the animal life living in the ocean, the District continues to take great measures to limit the chlorine residual to essentially non-detectable levels. This mode of disinfection is anticipated to continue indefinitely; however, the District will investigate means to reduce or eliminate the use of chlorine bleach. Beginning in Fiscal Year 2002-03, the addition of disinfection treatment required an annual outlay for additional chemicals in the operating budget. The cost for disinfection is projected to be approximately $0.5 million in Fiscal Year 2013-14.

Capital Improvement Program (CIP)

The total CIP cash flow outlay for Fiscal Year 2013-14 is being proposed at $141.6 million, down $14.7 million from the previously approved 2013-14 budget due to the timing of construction cash outlays.

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

- Rehabilitate the existing headworks, primary treatment, outfall pumping, solids handling facilities, and the utility systems at both treatment plants.
- Replace or rehabilitate eight of OCSD's outlying pumping stations, and rehabilitate and upgrade 29 trunk sewer improvement projects.
- Optimize the production of power and biosolids at each of the treatment plants.

Four Projects Drive the CIP

Over the next 12 months, solids processing rehabilitation and upgrade projects will continue to be a significant component of the CIP. The Sludge Thickening Dewatering and Odor Control at Plant No. 1 and the Solids Thickening and Processing Upgrades at Plant No. 2 have expected outlays of $27.3 million and $12.9 million, respectively in 2013-14.

Two of the larger Collection System related projects in the 2013-14 proposed budget are the $13.8 million Dover Drive Trunk Sewer Relief with 2013-14 proposed cash outflows of $7.9 million and the $10.6 million Rehabilitation of Balboa Trunk Sewer with 2013-14 proposed cash outflows of $5.9 million.

Together, these four projects represent 38 percent of the total Fiscal Year 2013-14 proposed CIP cash flow budget of $141.6 million.

Groundwater Replenishment (GWR) System

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

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

Phase II will increase the production of reclaimed water to 100 million gallons a day. The project, which will be funded entirely by the OCWD, is anticipated to be completed in 2014. OCSD is directing all reclaimable flows to Plant No. 1 in support of providing maximum amounts of specification water for reclamation.

Sewer Service Fee Increases

The 2013-14 single family residential rate, the underlying basis for all sewer rates, is $308. The District's rates are expected to remain well below the projected statewide average.

Operating Budget Decrease

The operations budget for the collection, treatment, and disposal of wastewater is proposed at $153.4 million, a $4.6 million, or 2.9 percent decrease from the previously approved 2013-14 budget.

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

Personnel Costs – $1.7M

Although staffing is being proposed at 626.00 full time equivalent (FTE) positions, 1.75 FTE below the previously approved 627.75 FTEs for 2013-14, costs of salaries and wages will remain level due to existing bargaining agreements.

The increase in personnel costs is primarily due to the $2.1 million increase in retirement premiums (10 percent). This increase reflects revised actuarial assumptions and low interest earnings in prior years. The increases in retirement premiums reflect the rising costs occurring throughout California.

Operating Materials & Supplies – ($2.1M)

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

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

Contractual Services – ($4.7M)

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

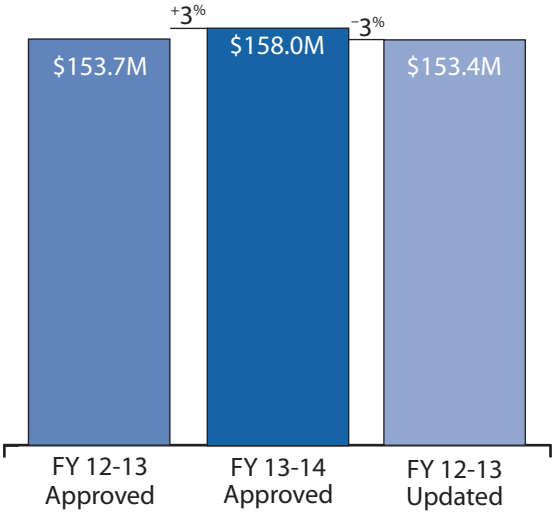
Utilities – ($1.0M)

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

Professional Services – $1.6M

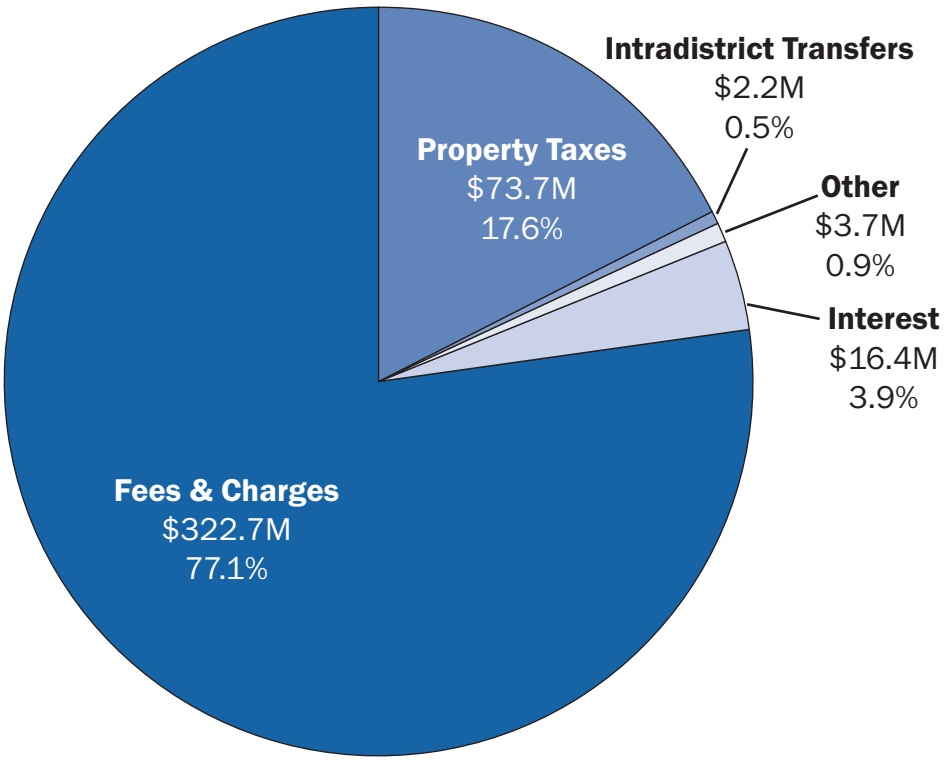
This expense category includes legal services, engineering services, advocacy efforts, audit, software programing, and labor and hygiene services. The majority of the overall increase is related to increased legal services of $800,000 as a result of increase costs for arbitration, contracts and employee relations.

Operating Expenses



Total budgeted operating and maintenance expenses will decrease $0.3 million from FY 2012-13.

Where the Money Comes From



Funding Sources by Category (in millions)

Category	2012-13 Approved	2013-14 Approved	2013-14 Updated Proposed
Service Fees	285.7	301.8	301.6
Permit User Fees	10.5	10.9	11.3
Capital Facilities Capacity Charges	7.7	7.8	9.8
Property Taxes	64.0	64.0	73.7
Intradistrict Transfers	4.2	0.0	2.2
Interest	12.1	14.8	16.4
Other Revenue	3.3	3.2	3.7
Debt Proceeds	0.0	0.0	0.0
Total Funding Sources	$387.5	$402.5	$418.7

Funding Sources by Category

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

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

Beginning Reserves – $653.2M

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

General Service Fees – $301.6M

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

The 2013-14 single family residential rate, the underlying basis for all sewer rates, is $308. The District's rates are expected to remain well below the projected statewide average.

Permit User Fees – $11.3M

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

These fees are being increased slightly from the original FY 2013-11 budget of $10.9 million to $11.3 million due to recent improvements in the economy.

Capital Facilities Capacity Charges (CFCC) – $9.8M

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

Property Taxes – $73.7M

The County is permitted by State law (Proposition 13) to levy taxes at 1 percent of full market value (at time of purchase) and can increase the assessed value no more than 2 percent per year. The District receives a share of the basic levy proportionate to what was received in the 1976 to 1978 period less $3.5 million, the amount that represents the State's permanent annual diversion from special districts to school districts that began in 1992-93. A 15.2 percent increase is being proposed due to the reallocation of property tax revenues from redevelopment agencies to other local governments. The District's share of this revenue is dedicated for the payment of debt service.

Intradistrict Transfers – $2.2M

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

Interest Earnings – $16.4M

Interest earnings are generated from the investment of accumulated reserves consisting of a cash flow/contingency, a capital improvement, a renewal/replacement, and a self-insurance reserve.

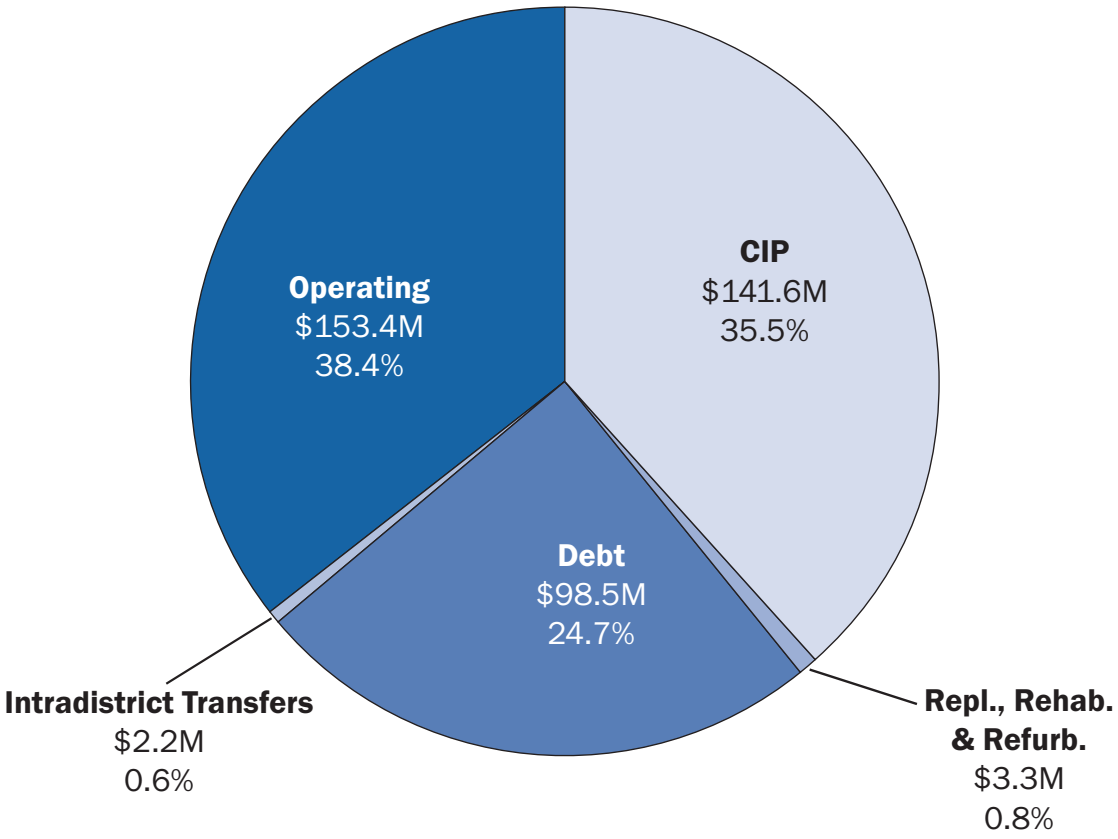
Other Revenue – $3.7M

Other revenue includes miscellaneous revenues of $2.3 million and self-insurance fund in-lieu premiums of $1.4 million.

Debt Proceeds – $0M

Certificates of Participation (COPs) are the District's primary mechanism for financing capital projects. COPs are repayment obligations based on a lease or installment sale agreement. In 2013-14, the District does not anticipate any new money COP debt issues to assist with the financing of the $141.6 million in capital outlays scheduled for this fiscal year.

Where the Money Goes



Funding Uses by Category (in millions)

Category	2012-13 Proposed	2013-14 Approved	2013-14 Updated Proposed
Capital Improvement Program	$133.9	$156.3	$141.6
Replacement, Rehabilitation & Refurbishment	3.4	18.1	3.3
Debt Service	82.6	97.6	98.5
Operating Expenses	153.7	158.0	153.4
Intradistrict Transfers	4.2	0.0	2.2
Total Funding Uses	$377.8	$430.0	$399.0

The District budgets its funds in six distinct areas:

Capital Improvement Program (CIP) – $141.6M

In order to provide the appropriate level of service to the District's rate payers, large capital improvements are required. The CIP provides for the management and implementation of these improvements. Although the FY 2013-14 capital improvement outlay is being proposed to increase 5.8 percent over the FY 2012-13 proposed amount, it is a 9.4 percent decrease from the previously approved amount for FY 2013-14. This decrease is a result of the annual CIP validation and the deferral of rehabilitation projects into the future.

Replacement, Rehabilitation, & Refurbishment – $3.3M

Based on its Asset Management Plan, the District anticipates the replacement, rehabilitation, or refurbishment (RRR) of existing capital facilities. The Asset Management Plan indicates that specific facilities are in need of RRR that have not yet been specifically identified or where a detailed job plan has yet to have been prepared.

Debt Service – $98.5M

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

Operating Expenses – $153.4M

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

Intradistrict Transfers – $2.2M

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

Ending Reserves – $672.9M

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

Introduction

Driven by the mission, vision and core values of the Strategic Plan, OCSD continues aggressive efforts to meet the sanitation, health, and safety needs of the more than 2.5 million people we serve while protecting the environment where we live.

Mission Statement

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

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

Vision Statement

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

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

Core Values

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

Honesty, Trust and Respect

We aspire to the highest degree of integrity, honesty, trust, and respect in our interaction with each other, our suppliers, our customers, and our community.

Teamwork and Problem Solving

We strive to reach OCSD goals through cooperative efforts and collaboration with each other and our constituencies. We work to solve problems in a creative, cost-effective and safe manner, and we acknowledge team and individual efforts.

Leadership and Commitment

We lead by example, acknowledging the value of our resources and using them wisely and safely to achieve our objectives and goals. We are committed to act in the best interest of our employees, our organization, and our community.

Learning/Teaching – Talents, Skills and Abilities

We continuously develop ourselves, enhancing our talents, skills, and abilities, knowing that only through personal growth and development will we continue to progress as an agency and as individuals.

Recognition/Rewards

We seek to recognize, acknowledge and reward contributions to OCSD by our many talented employees.

Operating Philosophy

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

Accountability

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

Balance

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

Communication

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

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

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

Risk Register

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

Risk assessment and mitigation includes the following steps:

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

The Risk Register is a compilation of the various risks facing the Orange County Sanitation District, as seen and described annually by District managers and senior management. Business Risk is defined as a threat that an event, action or inaction, will adversely affect the District's ability to achieve its business objectives and execute its strategies successfully. The District first created the Risk Register in 2006 and subsequently updated it in 2008, 2009, and 2012.

The top risks identified within the Risk Register Update in 2013 included 1) a seismic event damages infrastructure; 2) interruption of chemical supplies in the event of a disaster; and 3) electrical failures or fires (including those resulting from a disaster) interrupting power. Managers and executive management continue to review these issues and various ways to address those that might impact OCSD.

OCSD Long-Term Planning

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

Several new goals were initiated from the most recent update in November 2012 and include the following:

- Review of OCSD's 2006 Biosolids Recycling Policy
- Odor Control Update and Action Plan
- Business Continuity Planning
- Chemical Sustainability
- Workforce Planning and Development

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

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

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

Strategic Goals & Levels of Service

On the following pages are the strategic goals and levels of service for the next five years. New goals for this report are noted and all goals include a projected completion time. The levels of service standards are measures of service that are seen by our customers as high priorities. Goals and levels of service are divided into four areas:

- *Environmental Stewardship*—OCSD participates collaboratively in the protection of regional water resources for the benefit of the people we serve.
- *Business Principles*—OCSD makes every decision based on short and long-term environmental, societal, and financial impacts (the triple bottom line).
- *Wastewater Management*—OCSD beneficially reuses and recycles water and other resources using safe and effective wastewater systems.
- *Workplace Environment*—OCSD provides an environment of partnership, growth, opportunity, responsibility and accountability.

Goals Completed Since Adoption of the 2007 Five-Year Plan

Environmental Stewardship

1 *Contaminants of Potential Concern (CPC)*—Complete three phase testing and analysis of 550+ CPC, prepare report on findings and recommendations, develop initial source control strategy if there are CPCs identified that require control. *Completed FY 07-08*

2 *Management System for Environmental Compliance*—Implement a management control system for environmental compliance information that incorporates a dashboard-style report. *Completed FY 07-08*

3. *Engine Emission Compliance*—Complete study to evaluate alternatives for complying with lower emission limits in the South Coast Air Quality Management's Rule 1110.2. Initiate planning and design of demonstration testing of the most promising technology(s) identified in the study. *Completed FY 07-08*

4. *Fuel Cell Evaluation*—Start up 300 kW demonstration unit. *Completed FY10-11*

    a. Evaluate cost feasibility of replacing or supplementing CGS engines with fuel cells. *Completed FY 10-11*

5. *Climate Change/Environmental Footprint Initiative*—Develop an overall strategy for responding to climate change regulations and proactively adapting to the effects of climate change including identification and mitigation of greenhouse gases and adapting to any impacts to our facilities and operations. *Completed FY 08-09*

    a. Develop models to estimate greenhouse gas and traditional pollutant emissions for determination of our environmental footprint. (Functional predictive greenhouse gas model completed.) *Completed in FY 10-11*

6. *Reclaiming Santa Ana River Interceptor Line (SARI) Flows*—Meet with stakeholders, develop a list of obstacles that need to be overcome to reclaim the SARI Line and develop a strategy to obtain regulatory approval of reclaiming SARI Line flows. This goal was canceled in FY 08-09 due to inability to obtain regulatory approval.

Business Principles

1. *Sewer Rate for Green Development*—Submit for Board approval an amendment to sewer rate ordinance with incentives for green developments. *Completed FY 07-08*
2. *Complete Facilities Master Plan Update*—Complete a comprehensive update of the Facilities Master Plan and obtain Board approval. *Completed FY 07-08*
3. *Enterprise Information Technology Strategic Plan*—Complete a District-wide Information Technology Strategic Plan. *Completed FY 09-10*
4. *Updating OCSD's Risk Register*—Review and update OCSD's risk register to include an assessment of technical, regulatory, financial, and political risks (among others) and possible mitigation strategies. *Completed FY 07-08*
5. *Annex Unincorporated Areas*—With Board concurrence, annex unincorporated areas into OCSD's service area. *Completed FY 07-08*
6. *Review Interagency Agreements*—Conduct a comprehensive review of agreements with the Santa Ana Watershed Project Authority and Irvine Ranch Water District, and, if appropriate, reopen for discussion. *Completed FY 09-10*
7. *Strategic Business Plan*—With Board concurrence, annually update and implement the Strategic Plan and Business Plan. *Completed FY 10-11*

8. *Business Accountability Charters*—Create Business Accountability Charters for each department, consistent with those developed by managers and supervisors. *Completed FY 10-11*
9. *Chemical Supplies*—Develop a Chemical Sustainability Plan that provides OCSD with options for obtaining wastewater treatment chemicals during chemical shortages, emergencies or complete stoppages. *Completed FY 10-11*
10. *Full-Cost Recovery 2010-11*—Conduct a comprehensive review of the Sanitation District's Urban Runoff Program to ensure a fair share recovery of costs for services. *Completed in FY 10-11*
11. *Full-Cost Recovery 2012-13*—Implement a direct charging mechanism to recover the full cost of urban runoff treatment starting July 1, 2013 when the new rate structure is in place. *Completed in FY 12-13*

Wastewater Management

1. *Groundwater Replenishment System*—Maximize the production of GWR System product water to augment and protect the Orange County groundwater basin with a goal of 70 mgd. *Completed FY 08-09*
2. *Sustainable Biosolids Program*—Complete new in-county Compost Take-Back Program Plan strategy. *Completed FY 07-08*
    a. Evaluate the feasibility of deep injection/ methane recovery including commissioning a study of the geological formations below Plants 1 and 2, and availability and acceptability of any existing wells. *Completed FY 08-09*
    b. Evaluate option of processing some biosolids at the City of Los Angeles Terminal Island demonstration well. *Completed FY 08-09*
3. *Implement Energy Master Plan*—After the completion of the plan, assess final recommendations to ensure adequate power resources and energy management. *Completed FY 09-10*
4. *Disinfection of Final Effluent*—Develop a cost effective program to sustain protection of public health associated with bacteria in the effluent and incorporate program elements into our NPDES Permit. *Completed in FY 10-11*

Workplace Environment

1. *Space Planning Study Recommendations*—Complete relocation of staff housed in Information Technology Trailers to the Administration Building, Control Center and Building 6. *Completed FY 07-08*
2. *Improve the Sanitation District Security*—Provide long-term security enhancements at both treatment plants and within OCSD's Collections System. *Completed FY 07-08*
3. *Safety and Health Strategic Plan*—Develop and implement a Safety and Health Strategic Plan for all OCSD activities. *Completed FY 08-09*
4. *Human Resources Strategic Plan*—Design, develop and implement human resources policies, practices, systems and tools to ensure OCSD has a workforce that meets future needs of OCSD and the public it serves. *Completed FY 08-09*
5. *Succession Plan*—Implement the Succession Management Plan including management training and the creation of a Leadership Academy. *Completed FY 08-09*
6. *North County Yard*—Open the North County Maintenance Yard and complete the relocation of selected staff and equipment to the facility. Implement flex space for added agency-wide needs as appropriate. This goal was canceled in FY 10-11 and the facility is leased.

Environmental Stewardship Goals

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

1. *Santa Ana River Interceptor Line Relocation*—Work in conjunction with the County of Orange and the Federal Government to relocate the Santa Ana River Interceptor Line by June 2013.
Targeted for completion in FY 12-13
2. Engine Emission Compliance—Implement capital improvements or operational modifications in order to achieve compliance.
Targeted for completion in FY 13-14
3. Fuel Cell Evaluation—Evaluate performance and fuel clean up effectiveness.
Targeted for completion in FY 12-13

Environmental Stewardship Levels of Service

OCSD will protect public health and the environment	FY 11-12 Results	Level of Service Target
Accept dry weather urban runoff diversion flows without imposing fees.	1.8 mgd	Up to 4 mgd
Maximum off-site odor impact • Reclamation Plant No. 1	42 D/T	14 D/T
• Treatment Plant No. 2	48 D/T	17 D/T
(Target dates will be established as part of the Odor Control Master Plan update scheduled for 12/2014.)		
Air emissions health risk to community and employees, per one million people (for each treatment plant)	9	< 10
No Notices of Violation (NOVs) with air, land, and water permits	2	0
OCSD will be a good neighbor	**FY 11-12 Results**	**Level of Service Target**
Odor complaint response: • Treatment Plants within 1 hour	100%	100%
• Collection System within 1 working day	100%	100%
Number of odor complaints: • Reclamation Plant No. 1	1	0*
• Treatment Plant No. 2	4	0*
• Collection System * New target "under normal operating conditions"	12	34
Respond to collection system spills within 1 hour	100%	100%

Business Principles Goals

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

1. *Local Sewer Transfers*—Complete the transfer of local sewers to member agencies and cities, focusing on completion of the Tustin transfer. *Targeted for completion in FY 12-13*
2. *Five-Year Rate Plan*—Prepare an updated 5-year rate schedule for Board consideration to go into effect July 1, 2013. *Targeted for completion in FY 12-13*
3. *Chemical Sustainability (new)*—Ensure a reliable and sustainable chemical supply using multiple vendor contracts to reduce the risk of supply disruption while benefiting from competitive pricing. *Targeted for completion in FY 12-13*
4. *Business Continuity Planning (new)*—Develop a Business Continuity Plan (BCP) that will define how OCSD will continue its everyday business functions after an event that interrupts normal operations for an extended period of time. *Targeted for completion in FY 12-13*

Business Principles Levels of Service

OCSD will exercise sound financial management	FY 11-12 Results	Level of Service Target
COP service principal and interest	<O&M expenses	<O&M expenses
Annual User Fees	Sufficient	Sufficient to cover O&M
Actual collection, treatment, and disposal costs per million gallons in comparison with the budget	8.7% under budget	<10% of budget
Annual variance from adopted reserve policy	0.1492	>Budgeted Reserves
Maintain AAA Bond Rating	100%	100%
OCSD will be responsive to our customers	**FY 11-12 Results**	**Level of Service Target**
Respond to public complaints or inquiries regarding construction projects within one working day	100%	100%
New connection permits processed within one working day	100%	>90%

Wastewater Management Goals

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

1. *Sustainable Biosolids Program*
   a. Conduct research to reduce the amount of biosolids produced and increase digester gas production. Targeted for completion in FY 12-13
   b. *(new)* Assess and revise the 2006 Biosolids Board Resolution (Policy) to reflect recent developments, experiences, and circumstances concerning biosolids management. *Targeted for completion in FY 12-13*
2. *Odor Control Update and Action Plan (modified)*—Assess the performance of current odor control systems, validate the appropriate LOS, align future odor control improvements with asset management objectives, and update our Capital Improvement Program for odor control to meet our LOS goals. *Targeted for completion in FY 13-14*
3. *Ocean Protection*—Undertake studies to determine the cause of benthic community changes near the ocean outfall and take corrective action to return affected areas to reference conditions. Completed *(Board presentation in FY 2013-14)*

Wastewater Management Levels of Service

OCSD will provide a safe reliable effluent for recycling	**FY 11-12 Results**	**Level of Service Target**
Concentration of emerging chemical constituents of concern in Plant No. 1 secondary effluent	11.0 11.24	NDMA < 150 ppt 4-Dioxane <10 ppb
Meet GWRS specification requirements for Plant 1 secondary effluent	3.0	5 NTU
Thirty-day geometric mean of total coliform bacteria in effluent after initial dilution of 250:1	352.5	< 1,000 mpn
Compliance with core industrial pretreatment requirements	100%	100%
Meet secondary treatment standards	BOD 12 mg/L TSS 8.9 mg/L	CBOD 25 mg/L TSS 30 mg/L
OCSD will manage flows reliably	**FY 11-12 Results**	**Level of Service Target**
Frequency of unplanned use of emergency one-mile (78-inch diameter) outfall	0	0 per year during dry weather less than once per 3 years in peak wet weather
Sanitary sewer spills per 100 miles	0.23	< 2.1
Contain sanitary sewer spills within 5 hours	100%	100%
OCSD effluent will be recycled	**FY 11-12 Results**	**Level of Service Target**
Provide up to 104 mgd specification effluent to the Groundwater Replenishment System	89 mgd	104 mgd
OCSD will implement a sustainable biosolids management program	**FY 11-12 Results**	**Level of Service Target**
National Biosolids Partnership Certification for Biosolids Management Program	5 year recertification July 2008	Maintain certification
Biosolids recycled (New Target Level of Service through 2017)	0 tons to landfill 100% recycled	≤100 tons per day to landfill
Respond to all biosolids contractor violations within a week of violation notice	100%	100%

Workplace Environment Goals

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

1. *Workforce Planning and Workforce Development (Updated)*—Design and implement comprehensive workforce planning and development activities to improve workforce capability, adaptability, efficiency, and accountability. *Ongoing plan for preparing employees for the future.*

Workplace Environment Levels of Service

OCSD will take care of its people	FY 11-12 Results	Level of Service Target
Training hours per employee	40	45 per year
Employee injury incident rate—accidents per 100 employees	4.3	Industry average 4.6
Meet mandatory OSHA training requirements	91%	>95%
Hours worked since last lost work day	140,000	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	3.0	2.5

CIP Budget Request Summary

This is an update to the Fiscal Year 2012-14 two-year budget. In preparation for the 2013-14 update, the District's Board of Directors reviewed the proposed changes to the CIP to gain an understanding of the impact of the CIP to the current rate structure program.

Implementation of secondary treatment standards was completed in December 2012. With the completion of this important milestone, the District is focusing its efforts on the continued refinement of its asset management based engineering planning process. This process has been used to propose project modifications to more efficiently package projects for execution. As an example, four individual digester gas handling projects are proposed to be combined into a single coordinated project. District staff is also working to carefully identify all the necessary scope of work items in the planning phase of projects to avoid future change orders and other project risks. Several projects budgets have been increased to account for newly discovered issues. One new project is proposed for addition to the Fiscal Year 2013-2014 budget to upgrade the communication infrastructure associated with the District's process control computer systems.

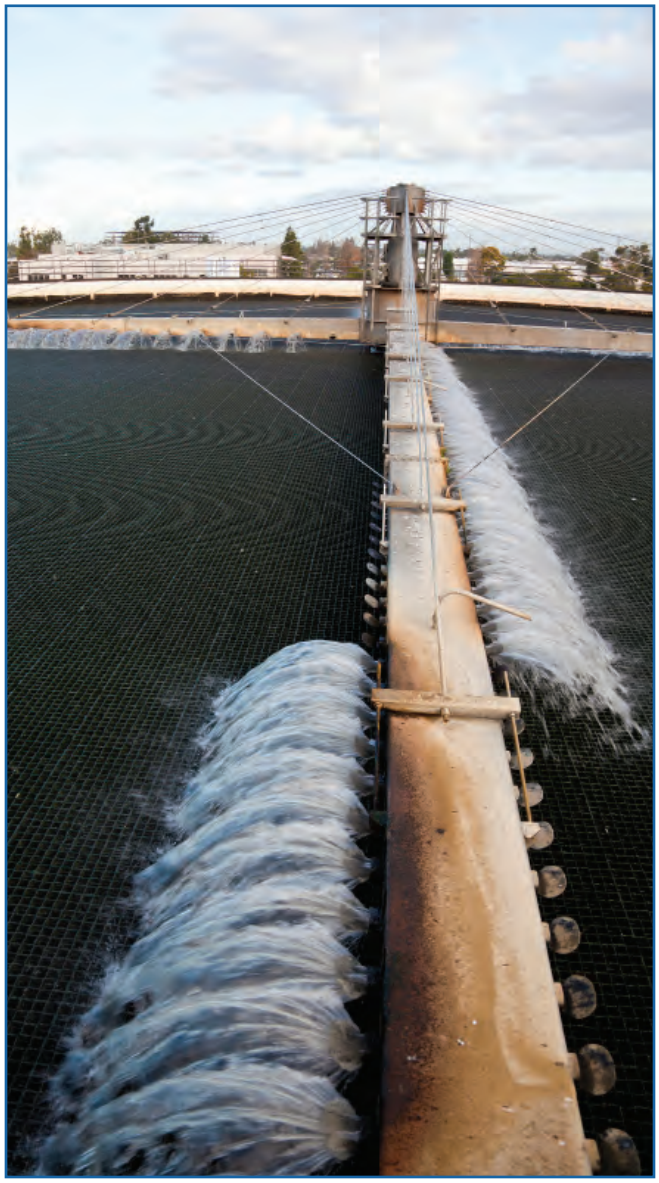
This budget update also includes the identification of two new study projects. These study projects are based on the District's condition assessment program and asset management planning. These CIP studies increase the amount of the CIP by $0.8 million. However, these projects will be funded from the future rehabilitation, renewal, and replacement line item in OCSD's existing budget and will not impact OCSD user rates.

In addition, District staff has reviewed each ongoing CIP project to ensure that the scope of the project is appropriate, and that the cost estimates are accurate. The validated CIP includes 87 large capital projects and 50 special projects with a 20-year expenditure of $1.792 billion. This total represents a $15 million increase from the 2012-14 CIP estimate.

The proposed 2013-14 CIP budget is organized by treatment and collection system processes and areas. The funds requested for the current cash flow budget total $141.6 million, an increase of 6 percent from last year's cash flow request of $133.9 million. The current year cash flow is part of an overall total cost of $2.662 billion for active projects.

Following is a chart for the 2013-14 Proposed CIP Cash Flows and the total Project Costs for all proposed projects, by project phase, in millions:

Current Status	2013-14 Cash Flow	Total Project Costs
Future	$0.0	$1,022.7
Planning	12.1	166.7
Design	30.7	270.6
Construction	97.1	1,186.3
Capital Equipment	1.7	16.0
Total	$141.6	$2,662.3



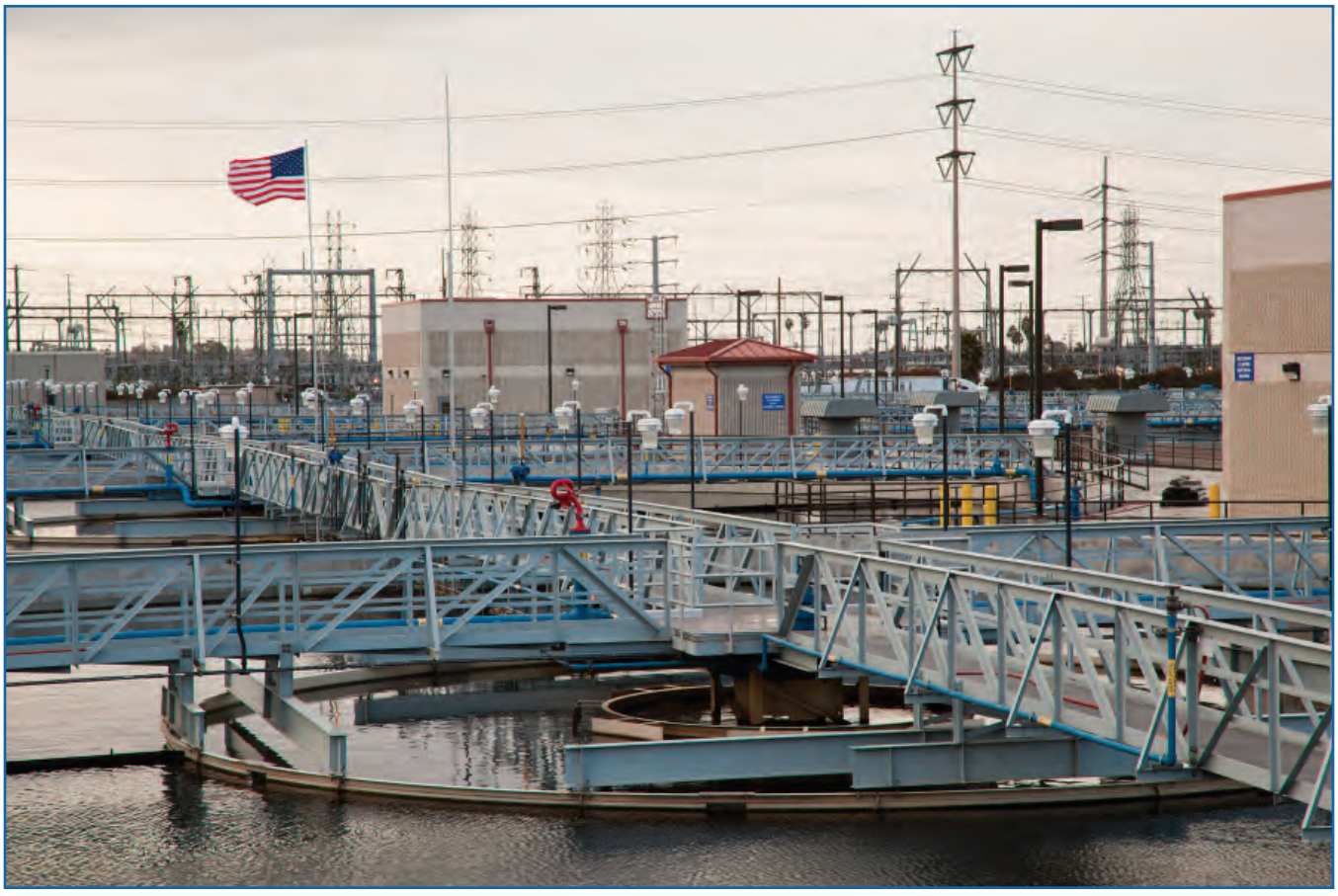
There are currently 33 projects in the Planning Phase with proposed capital outlay spending in 2013-14. Two of the larger 2013-14 cash flow projects in the Planning Phase are the SARI Rock Stabilizers Removal and the Research Program with current year projected expenditures of $1.4 million and $1.3 million, respectively. A total of $166.7 million in capital outlay, currently listed within the Planning Phase, is being projected for future budgets based on the capital improvement needs that are identified through the 2009 Facilities Master Plan and the CIP Validation Studies.

There are currently 18 projects in the Design Phase with proposed capital outlay spending in 2013-14. Two of the larger projects in the Design Phase are the Rehabilitation of Balboa Trunk Sewer and the Gisler - Red Hill Trunk Improvements - Reach B with projected current year expenditures of $2.7 million and $1.3 million, respectively.

There are currently 38 projects in the construction phase with proposed capital outlay spending in 2013-14. The two most significant projects in the construction phase are the Sludge Thickening Dewatering and Odor Control at Plant No. 1 and the Solids Thickening and Processing Upgrades at Plant No. 2 with projected current year expenditures of $27.3 million and $12.9 million, respectively.

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

Following within the appendix are descriptions and justifications for the capital improvement projects which are new projects proposed for this Fiscal Year 2013-14 budget update. They give the reader a brief overview of each project, the budget for the total project, and any potential changes in the operational budget resulting from the implementation of the project. For a description of ongoing projects, see Section 8 of the Fiscal Years 2012-13 and 2013-14 Budget.



Debt Financing

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

Certificate of Participation (COP)

The primary debt mechanism used is Certificate of Participation (COP). COPs are repayment obligations based on a lease or installment sale agreement. The COP structure was selected over other structures because COPs are not viewed as debt by the State of California, as the purchaser does not actually receive a "bond," but rather a share in an installment sale arrangement where the District serves as the purchaser. COPs can be issued with fixed or variable interest rates.

As of July 1, 2013, the total outstanding COP indebtedness will be $1.4 billion.

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.

The 35 percent subsidy is available for certain debt issuances prior to January 1, 2011.

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.

The District Maintains Its AAA Rating

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

Debt Ratios

The District does have contractual covenants within the existing COP agreements which require minimum coverage ratios of 1.25. The minimum coverage ratio is the ratio of net annual revenues available for debt service requirements to total annual debt service requirements for all senior lien COP debt. The coverage ratio for senior lien COP debt is being proposed at 2.62 for Fiscal Year 2013-14.

Future Financings

In Fiscal Year 2013-14, no new COP debt issuances are being proposed. The proposed CIP budgeted cash outlays of $141.6 million in this fiscal year would be funded from reserves and other revenue sources.

Summary of Operating & Maintenance Expenses

Category	2012-13 Approved	2013-14 Approved	2013-14 Updated Proposed
Salaries and Benefits	$94.3	$96.3	$98.0
Operating Materials & Supplies	19.3	19.8	17.7
Contractual Expenses	26.1	27.9	23.2
Repairs and Maintenance	11.2	11.9	11.8
Utilities	8.2	8.8	7.8
Professional Services	3.1	2.4	4.0
Other Materials, Supplies, Services	3.1	3.2	3.2
Self-Insurance Requirements	2.1	2.2	2.2
Training and Meetings	1.4	1.2	1.1
Research and Monitoring	0.8	0.9	0.8
Administrative Expenses	1.4	1.2	1.3
Printing and Publications	0.5	0.4	0.5
Capital Grants to Member Agencies	0.0	0.0	0.0
Cost Allocation	(17.8)	(18.2)	(18.2)
Total Operating Expenses	$153.7	$158.0	$153.4

Salaries, Wages & Benefits – $98.0M

Salaries & Wages – This category includes salaries for 626 full time equivalent (FTE) staff positions as well as Directors' pay. The vacancy factor applied for the budget update was 3 percent based on trend information. Provision has been made in these salary projections in order to comply with the terms of the most recently adopted MOUs.

Retirement – The District's employees are members of the Orange County Employees' Retirement System (OCERS). The employer's required contribution rate has been increased from 27.47 percent (Plans G & H) and from 26.69 percent (Plan B) to 31.95 percent and 30.77 percent, respectively, in 2013-14.

Group Insurance – Includes the District's share (approximately $15,800 per employee) of employee medical plan benefits for the indemnity plan, prepaid HMO plans, the dental insurance plan, and the life and disability insurance premiums. The proposed budget includes a 11 percent increase for the medical plans.

Operating Materials & Supplies – $17.7M

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

Sodium Hypochlorite (Bleach) – Approximately 51% of the process bleach is used for effluent disinfection. The other treatment plant bleach usage is for disinfection of plant water and the control of filamentous organisms in activated sludge in the secondary treatment process.

Effluent disinfection bleach use has decreased by over 70% after the new secondary facilities became operational. The decrease occurred because there is no longer primary bleach dosing at Plant 2 and because there are less solids in the final effluent. It is anticipated that the District will use approximately 835,000 gallons of process bleach in FY 2013-14 at a budgeted amount of $421,000.

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

The usage costs for this group of chemicals is proposed at $576,000 less than previously approved for 2013-14.

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

A decrease of $876,000 from the previously approved 2013-14 budget of $8.7 million is being proposed for odor control chemicals.

Contractual Services – $23.2M

The major component of this category is biosolids removal and transport costs. Contracts have been executed with firms for agricultural reuse of residual solids. Total estimated biosolids production for Fiscal Year 2013-14 is 276,000 wet tons. The proposed 2013-14 budget reflects a decrease of $3.4 million primarily due to the termination of an agreement with a company that was contracted to process biosolids into an energy fuel.

This category also includes appropriations for grounds keeping services, janitorial services, security services, toxic removal services, outside laboratory services, trash pickup, plant site sweeping, temporary help to level out periodic increases in staff workload, a maintenance contract for the Plant No. 2 oxygen generation plant, digester cleaning and disposal services, line cleaning and closed-circuit television (CCTV) services.

Repairs and Maintenance – $11.8M

This item, which is for parts and services for repair of plant and collection facilities and annual service contracts, reflects an authorization to allow for

routine equipment maintenance and is expected to decrease slightly.

Utilities – $7.8M

The overall cost for utilities is a significant component of the operating budget. The overall cost for utilities is anticipated to decrease by $1.0 million compared with the previously approved 2013-14 budget.

- **Natural Gas –** Natural gas is purchased to supplement the digester gas that is used to run the central generation facilities. The 2013-14 budget shows a decrease of $164,000 reflecting lower levels of natural gas needed because central generation engine automation controls at Plant No. 2 allow the engines to respond to lower digester gas production without having to shut down an engine. Thus the Plant No. 2 boilers can run on digester gas all the time, reducing natural gas usage.
- **Electricity –** Electricity is the largest utility cost incurred by the District and is used to run the plant processes. The 2013-14 budget reflects a decrease of $690,000.

Professional Services – $4.0M

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

Other Material, Supplies, Services – $3.2M

This category of costs includes the in-lieu insurance premium used to maintain the level of accumulated reserves for the property and general liability self-insurance programs. This in-lieu cost for 2013-14 is proposed at $0.9 million.

Expenses not chargeable to other categories, such as freight and miscellaneous items, and annual regulatory fees assessed by the South Coast Air Quality Management District (SCAQMD), are recorded within this category.

Insurance – $2.2M

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

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

An appropriation of $1.4 million for in-lieu premium contribution charged to operations is recommended for the Property and General Liability Program.

This will serve to maintain the reserves balance.

Training and Meetings – $1.1M

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

The 2013-14 proposed budget for training has been decreased slightly. Agency-wide training activities are coordinated through the Human Resources Department and safety training activities are coordinated through the Risk Management Division.

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

Research and Monitoring – $0.8M

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

Administrative Expenses – $1.3M

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

Printing and Publication – $0.5M

The budget provides for in-house and outside reproduction costs and reflects an expanded management information system and administrative requirements as well as a continuing demand by the public and regulatory agencies for information. The continuing effort of the Public Affairs Office to improve public education programs about the District's activities is also reflected in the budget for this line item. This group of accounts also includes costs for photo processing, advertisements, and notices.

Cost Allocation – ($18.2M)

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.

Expenses by Department (in millions)

Department	2012-13 Budget	2013-14 Originally Proposed	Percent Change	2013-14 Updated Proposed	Percent Change
Administration Units:					
Office of the General Manager	$3.7	$3.7	0.0%	$3.8	2.7%
Human Resources	4.5	4.2	(6.7%)	4.2	0.0%
Administrative Services	22.2	21.6	(2.7%)	22.9	6.0%
Sub-Total	*$30.4*	*$29.5*	*(3.0%)*	*$30.9*	*4.7%*
Operating Units:					
Facilities Support Services	$25.7	$27.4	6.6%	$25.2	(8.0%)
Engineering	8.9	8.9	0.0%	9.7	9.0%
Operations & Maintenance	86.5	89.9	3.9%	85.5	(4.9%)
Sub-Total	*$121.1*	*$126.2*	*4.2%*	*$120.4*	*(4.6%)*
Total	$151.5	$155.7	2.8%	$151.3	(2.8%)

Staffing by Department (FTEs)

Department	2012-13 Budget	2013-14 Originally Proposed	Percent Change	2013-14 Updated Proposed	Percent Change
Administration Units:					
Office of the General Manager	14.00	14.00	0.0%	14.00	0.0%
Human Resources	16.00	16.00	0.0%	18.00	12.5%
Administrative Services	110.75	110.75	0.0%	110.00	(0.7%)
Sub-Total	*140.75*	*140.75*	*0.0%*	*142.00*	*0.9%*
Operating Units:					
Facilities Support Services	81.00	81.00	0.0%	78.00	(3.7%)
Engineering	125.00	125.00	0.0%	123.00	(1.6%)
Operations & Maintenance	281.00	281.00	0.0%	283.00	0.7%
Sub-Total	*487.00*	*487.00*	*0.0%*	*484.00*	*(0.6%)*
Total FTEs	627.75	627.75	0.0%	626.00	(0.3%)

Administration Units

Office of the General Manager
Budget $3.8M – Staffing 14.00 FTEs

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

Human Resources
Budget $4.2M – Staffing 18.00 FTEs

The Human Resources Department works with management and employees to ensure an effective and productive employment relationship. This department reports directly to the General Manager. The budget reflects an increase of 2.00 FTEs as a result of positions transferring from other departments.

Administrative Services
Budget $22.9M – Staffing 110.00 FTEs

The Administrative Services Department maintains financial oversight and administration of all District funds and accounts and is responsible for contract administration and procurement, oversees all District computer, networking and customer support issues, and identifies and manages potential risk to the organization to create a safe, healthy and secure environment for staff, contractors, and visitors. The budget reflects a net decrease of 0.75 FTE due to the elimination of one position partially offset by the conversion of a part-time position to full-time.

Operating Units

Facilities Support Services
Budget $25.2M – Staffing 78.00 FTEs

The Facilities Support Services Department provides fleet and heavy equipment services for the District, handles non-public works construction support and projects, and operates and maintains the regional collection system facilities providing reliable collection and transportation of wastewater, and efficient, safe operation and maintenance of the system in the 463 square mile area. The budget reflects a reduction of 3.00 FTEs as a result of transferring three positions to other departments.

Engineering
Budget $9.7M – Staffing 123.00 FTEs

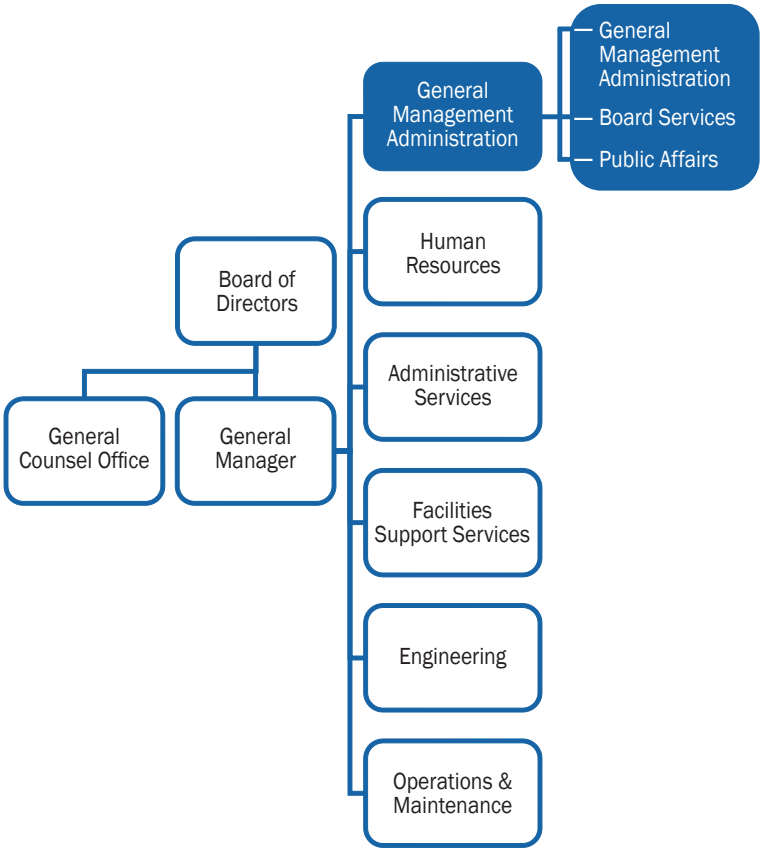
The Engineering Department is responsible for the planning, design and construction of the District's capital improvement program as well as environmental compliance and asset management. The budget reflects a decrease of 2.00 FTEs as a result of transferring positions to other departments.

Operations and Maintenance
Budget $85.5M – Staffing 283.00 FTEs

The Operations and Maintenance Department is responsible for operation of the District's two wastewater treatment plants as well as the environmental laboratory and ocean monitoring. The budget reflects a net increase of 2.00 FTEs due to the elimination of one position offset by the net transfer in of three positions from other departments.

** FTE = Full-Time Equivalent Position*

OFFICE OF THE GENERAL MANAGER



Service Description

The Office of the General Manager is responsible for working with the Board of Directors to establish standards, policies and procedures, and the overall goals and Strategic Plan of the Sanitation District. The Office of the General Manager reports the progress in meeting the established goals to support OCSD's mission, and provides general oversight of operations. The office reports directly to the Board of Directors.

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

Public Affairs provides services and implements programs to meet the communications needs of OCSD's internal and external audiences. The division plans and implements media relations, website content, community relations, community education and outreach, employee newsletter, intranet development, corporate identity program, collateral material and graphics development, presentation development, and crisis communications.

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

Operating Expense

Category	2012-13 Budget	2013-14 Originally Proposed	2013-14 Updated Proposed
Personnel	$2,176,900	$2,215,100	$2,061,700
Supplies	266,980	265,090	299,040
Professional/Contractual Services	426,000	327,000	539,000
Research & Monitoring	0	0	0
Repairs & Maintenance	1,500	0	1,560
Utilities	122,000	121,000	108,000
Other	845,500	848,100	866,640
Cost Allocation	(96,500)	(96,500)	(96,500)
Total	$3,742,380	$3,679,790	$3,780,190

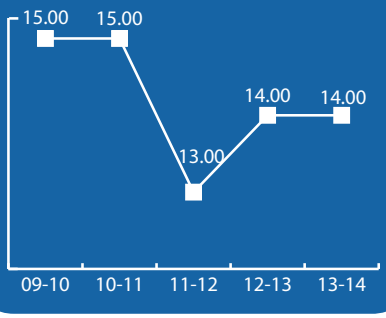
Budget Overview

In Fiscal Year 2012-13, the General Manager reorganized the Board Services and Public Affairs Divisions. This reorganization resulted in the transfer of the Public Affairs Manager position to Engineering. The budget for the General Manager's Office for Fiscal Year 2013-14 increased slightly compared with the originally proposed budget primarily due to higher legal costs partially offset by the transfer of the Public Affairs Manager position to Engineering along with funding for advocacy efforts.

Authorized FTE Positions

Managers	2.00
Supervisors /Professionals	5.00
Administrative /Clerical	5.00
Other	2.00
Total	**14.00**

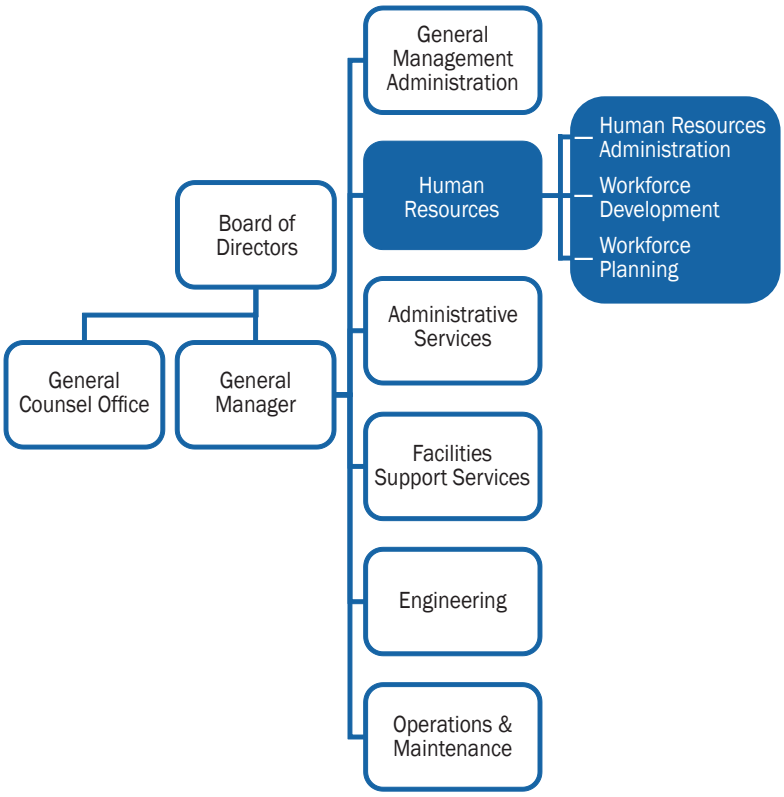
Staffing Trends



Performance Objectives/Measures

- Maintain OCSD staffing at or below 626 FTEs.
- Maintain 100 percent compliance with terms and conditions of our permits and local, state and federal regulations.
- Expend minimum 90 percent of project annual Capital Improvement Program cash flows for Fiscal Year 2013-14.
- Increase OCSD's social media presence.
- Provide comprehensive public outreach for the Newport Beach Construction Program.
- Provide accurate and timely board/committee agenda packages to the Board of Directors.
- Undertake a compressive, collaborative review of the current Strategic Plan and produce a new 5-year Strategic Plan..

HUMAN RESOURCES DEPARTMENT



Service Description

The Human Resources Department is responsible for working with management and employees to ensure an effective and productive employment relationship. The Human Resources Department is committed to supporting a workplace environment grounded in fair and equitable employment decisions and practices.

This department is responsible for all aspects of human resources management and labor/employee relations. It serves as the in-house advisor to the General Manager, executive staff, OCSD departments, and line staff. Delivering services with a high-level of customer satisfaction is a key objective. The Human Resources Department administration oversees delivery of the workforce planning and workforce development function within Human Resources.

Workforce Planning activities include recruitment and selection, compensation and classification, and benefit and leaves in support of the major goal of equal employment opportunity for all persons on the basis of job-related merit.

Workforce Development activities include performance management, training and development, employee relations and labor relations by supporting each operating unit and its employees in achieving their full potential.

Operating Expense

Category	2012-13 Budget	2013-14 Originally Proposed	2013-14 Updated Proposed
Personnel	$3,590,370	$3,634,470	$3,815,900
Supplies	1,113,550	846,900	242,230
Professional / Contractual Services	402,000	343,500	789,480
Research & Monitoring	0	0	0
Repairs & Maintenance	0	0	0
Utilities -	0	0	0
Other	50,020	50,020	51,540
Cost Allocation	(667,900)	(667,900)	(667,900)
Total	$4,488,040	$4,206,990	$4,231,250

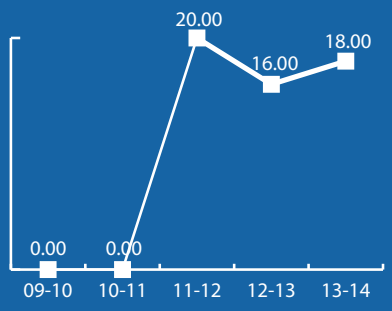
Budget Overview

Human Resources became a department during Fiscal Year 2010-11. There are 18 full-time equivalent positions authorized in this department. The department budget for Fiscal Year 2013-14 is approximately $4.2 million.

Authorized FTE Positions

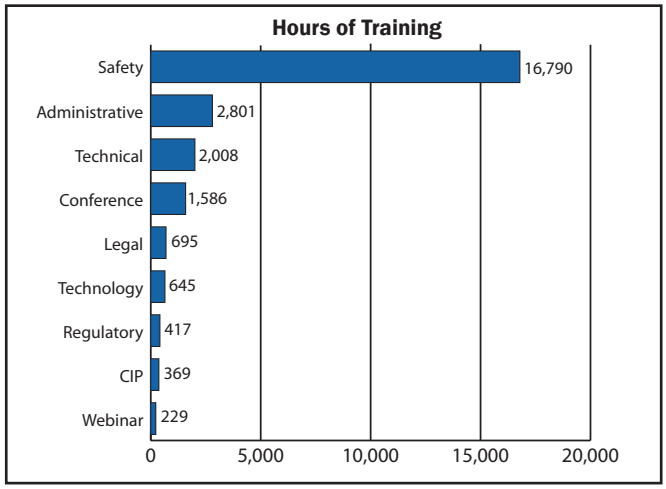
Managers	2.00
Supervisors /Professionals	11.00
Administrative /Clerical	5.00
Total	**18.00**

Staffing Trends



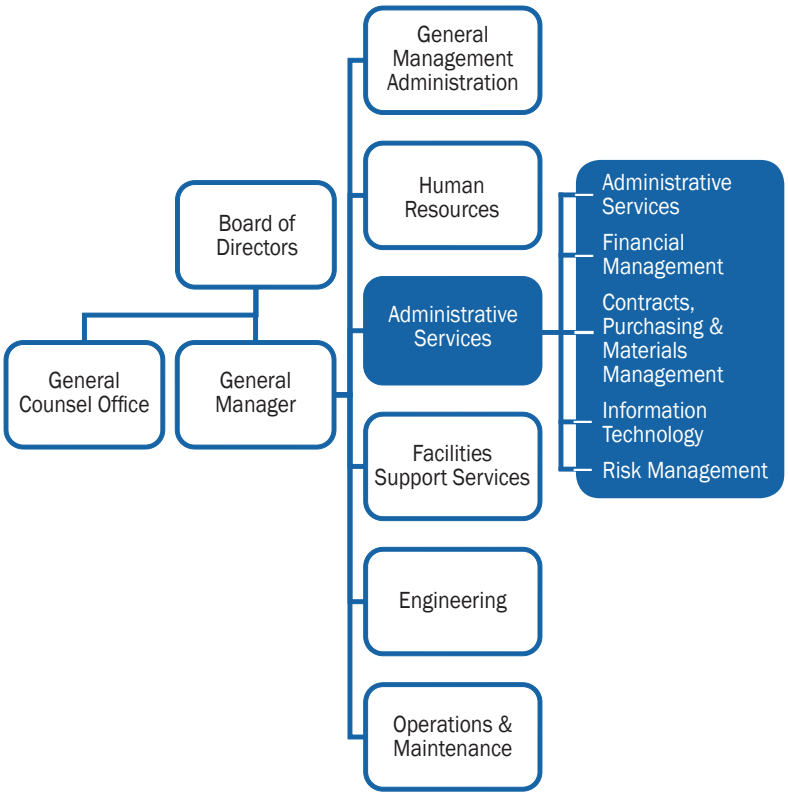
Performance Objectives/Measures

- Support departments in the development of multi-year workforce planning requirements.
- Support departments in the development of multi-year workforce development plans.
- Support departments in the development of multi-year succession plans.
- Manage overall expenditures to within 96 – 100 percent of the department's approved budget.
- Implement a comprehensive employee relations and labor relations training program.



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

ADMINISTRATIVE SERVICES DEPARTMENT



Service Description

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

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

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

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

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

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

Operating Expense

Category	2012-13 Budget	2013-14 Originally Proposed	2013-14 Updated Proposed
Personnel	$15,826,400	$16,068,700	$16,735,300
Supplies	1,904,180	1,401,140	1,550,720
Professional / Contractual Services	2,611,010	2,235,770	2,587,630
Research & Monitoring	0	0	0
Repairs & Maintenance	1,301,500	1,351,500	1,361,190
Utilities	310,000	320,000	300,000
Other	1,410,980	1,411,050	1,518,310
Cost Allocation	(1,174,210)	(1,177,110)	(1,177,110)
Total	$22,189,860	$21,611,050	$22,876,040

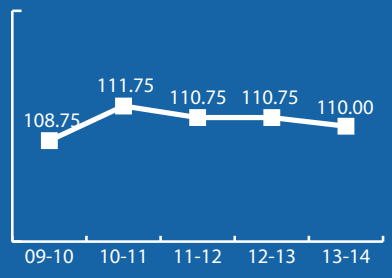
Budget Overview

The Fiscal Year 2013-14 proposed Administrative Service Department budget reflects a 5.9 percent increase over the originally proposed budget primarily due to increases in Salaries, Wages, and Benefits, as well as increases in Professional Services to support contracting and safety initiatives.

Authorized FTE Positions

Managers	6.00
Supervisors / Professionals	64.00
Administrative / Clerical	38.00
Technical Staff	2.00
Total	**110.00**

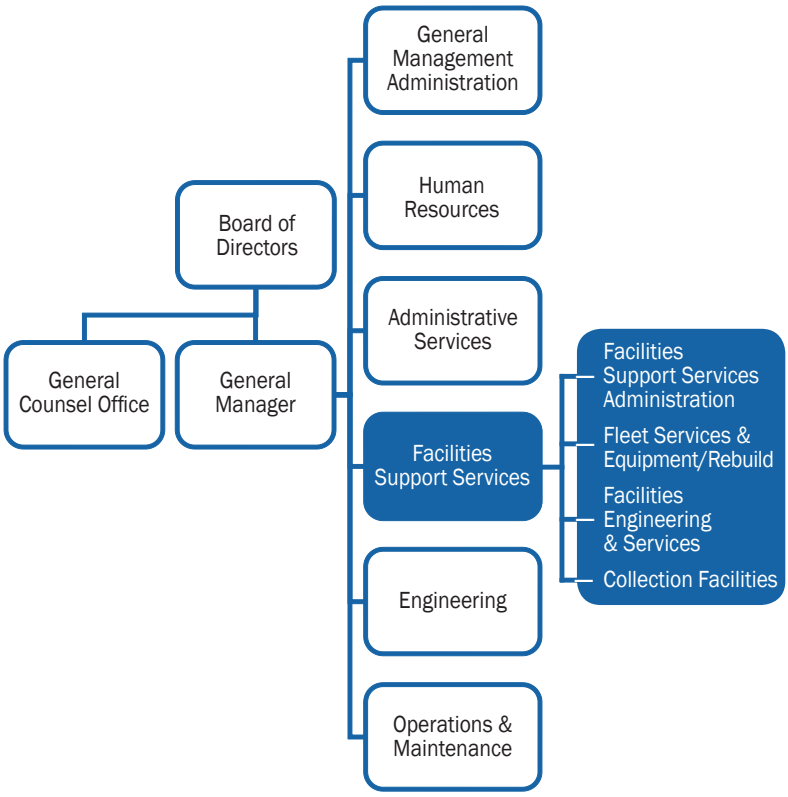
Staffing Trends



Performance Objectives/Measures

- Comply with the California State Government Code 100 percent of the time with all treasury investments.
- Submit the annual sewer service fee property parcel database to the County in time for placement on annual secured property tax bills.
- Process all approved sewer service fee refund requests within 45 days, 90 percent of the time.
- All debt service payments will be paid electronically, on the actual due dates, and error free 100 percent of the time.
- Continue the cycle count program and maintain a 97 percent accuracy rate or better.
- Successfully revise Delegation of Authority and have approved by all Committees and Board.
- Continue completion of the Information Technology Strategic Plan (ITSP) Planned Annual Objectives.
- Ascertain the measurement of ITSP target achievement based on the importance and completion of goals supporting the Levels of Service (LOS) in the OCSD Strategic Plan.
- Maintain an average uptime of 90 percent for critical applications.
- 100 percent completion of all Compliance training.
- Develop a new claims procedure.
- Develop Job Safety Analyses for high frequency — high hazard jobs.

FACILITIES SUPPORT SERVICES DEPARTMENT



Service Description

The Facilities Support Services Department is responsible for providing reliable and effective services in the areas of Fleet Management, Equipment Rebuild/Welding/Fabrication and Machine Shop Services, Facilities Engineering and Contracted Services Management, Source Inspection, Sewage Conditioning for Odor and Corrosion Control, and the operation and maintenance of the Sanitary Sewer System Pipelines and Pumping Facilities. The Facilities Support Services Department consists of four divisions:

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

Fleet Services & Equipment Rebuild provides fleet and heavy equipment services and motor pool management, equipment rebuild and fabrication, and machining/fabrication/welding services to all OCSD staff.

Facilities Engineering and Services provides engineering, technical support, and outsourced services support in order to deliver solutions and facility repair projects for the agency.

Collection Facilities operates and maintains the regional facilities which include gravity sewers and pumping facilities; provides services to minimize odor and corrosion impacts within the facilities; and works with industrial and commercial dischargers to inspect, monitor and sample within the collection system to assure regulatory compliance. This includes coordination and troubleshooting support on sewer debris issues with cities and sewering agencies that discharge to the OCSD system, including Santa Ana Watershed Project Authority (SAWPA).

Operating Expense

Category	2012-13 Budget	2013-14 Originally Proposed	2013-14 Updated Proposed
Personnel	$11,639,200	$11,975,700	$11,579,900
Supplies	7,285,340	7,491,680	7,039,590
Professional / Contractual Services	3,101,760	3,745,810	2,503,320
Research & Monitoring	0	0	0
Repairs & Maintenance	3,344,140	3,805,060	3,624,360
Utilities	615,200	651,200	671,670
Other	46,020	46,020	49,300
Cost Allocation	(287,900)	(298,400)	(298,400)
Total	$25,743,760	$27,417,070	$25,169,740

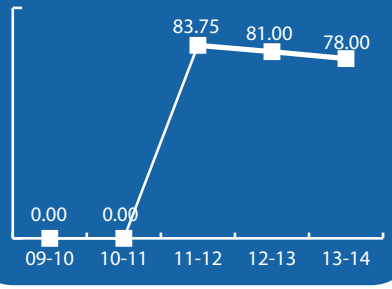
Budget Overview

In Fiscal Year 2012-13, to further optimize resources as part of the Beyond 2012 reorganizational plan, seven Engineering Supervisor positions district-wide were realigned. As resources were reallocated, the Facilities Support Services Department has combined the leadership and oversight responsibilities for several business units and has reduced the Department's Supervisor count by two. Through realignment, contracted service analysis and prioritization, and optimization of resources the Facilities Support Services Department was able to reduce its proposed annual budget by $2.2 million for FY 2013-14.

Authorized FTE Positions

Managers	3.00
Supervisors / Professionals	21.00
Administrative / Clerical	6.00
Technical Staff	13.00
Operations & Maintenance	35.00
Total	**78.00**

Staffing Trends

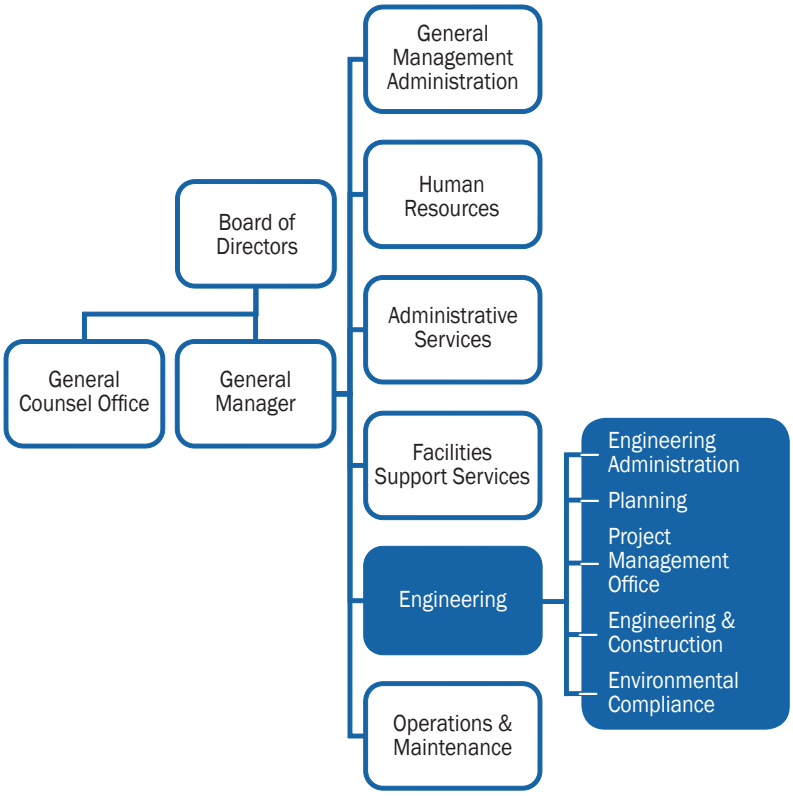


New Facilities Support Services Division formed with existing resources.

Performance Objectives/Measures

- Manage overall expenditures to within 96 – 100 percent of the Department's approved budget.
- Maintain 100 percent compliance with water, air, safety, and mobile equipment permits.
- Achieve greater than 95 percent safety training completion rate for all staff.
- Achieve a compliance level of 80 – 100 percent of the Levels of Service (LOS) targets in the Strategic Plan.
- Successfully keep collection system odor complaints to less than 34 per year.
- Ensure fewer than 13 sewer spills per year.
- Respond to sewer spills within one-hour and establish containment to protect surface waters and minimize beach closures.

ENGINEERING DEPARTMENT



Service Description

The Engineering Department is responsible for the planning and execution of OCSD's Capital Improvement Program, Environmental Compliance, and the Asset Management Program. The Engineering Department is comprised of five divisions:

Engineering Administration provides management to all Engineering Divisions.

Planning is responsible for estimating future capacity requirements, planning existing asset lifecycles, performing applied research, developing the OCSD Capital Improvement Program and complying with the California Environmental Quality Act. In addition, this division is responsible for OCSD's Corrosion Inspection and Asset Management programs to ensure that required levels of service are maintained by performing necessary rehabilitation and replacement of facilities at optimal lifecycle costs. The Planning division also performs services for annexations, connection permitting, and inter-agency agreements.

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

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

Environmental Compliance is responsible for securing and maintaining permits from regulatory agencies for activates that may impact air, land, water, and endangered and threatened species. In addition to supporting biosolids reuse, the division evaluates and proactively identifies new regulations, along with legislative and opportunities for grants, while building positive relationships with the regulatory community, agency associations and the public. The Industrial Source Control and Non-Industrial Source Control groups act as the wastewater control authority for OCSD's service area and all contributing outside agencies, implementing programs (including the federally mandated industrial pretreatment program) that regulate industrial, commercial, and residential users. The division also supports the Groundwater Replenishment System with our partner the Orange County Water District.

Operating Expense

Category	2012-13 Budget	2013-14 Originally Proposed	2013-14 Updated Proposed
Personnel	$20,866,500	$21,093,200	$21,154,300
Supplies	431,330	424,560	555,820
Professional / Contractual Services	355,000	406,000	985,000
Research & Monitoring	93,000	96,000	85,000
Repairs & Maintenance	1,600	1,600	2,160
Utilities	0	0	0
Other	694,080	714,080	714,310
Cost Allocation	(13,501,450)	(13,837,450)	(13,837,450)
Total	$8,940,060	$8,897,990	$9,659,140

Budget Overview

With the completion of the secondary treatment facilities necessary to fulfill the requirements of the consent decree issued in 2004, OCSD will turn its focus to sustaining it's more than $6 billion in assets. The Engineering Department will use an asset management approach to understand the condition of equipment, the necessary level of service, business efficiency opportunities, and localized capacity constraints to optimally package and sequence work tasks into complete and comprehensive projects. The Project Management Office and Engineering and Construction will continue to execute the defined projects effectively and efficiently and Environmental Compliance will continue to assure that OCSD is in compliance with all regulatory requirements.

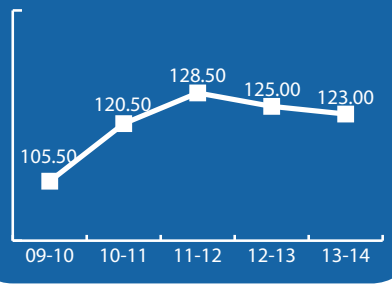
Performance Objectives/Measures

- Expend minimum 90 percent of project annual Capital Improvement Program cash flows for Fiscal Year 2013-14.
- Manage overall expenditures to within 96 – 100 percent of the Department's approved budget.
- Ensure that reporting divisions achieve 90 percent of individual performance objectives.

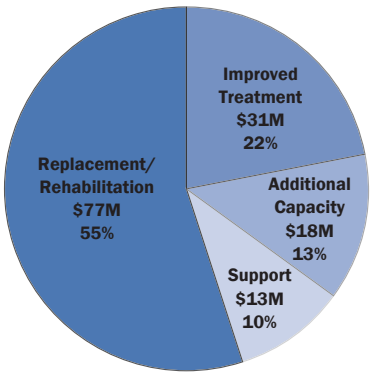
Authorized FTE Positions

Managers	6.00
Supervisors / Professionals	84.00
Administrative / Clerical	33.00
Total	**123.00**

Staffing Trends

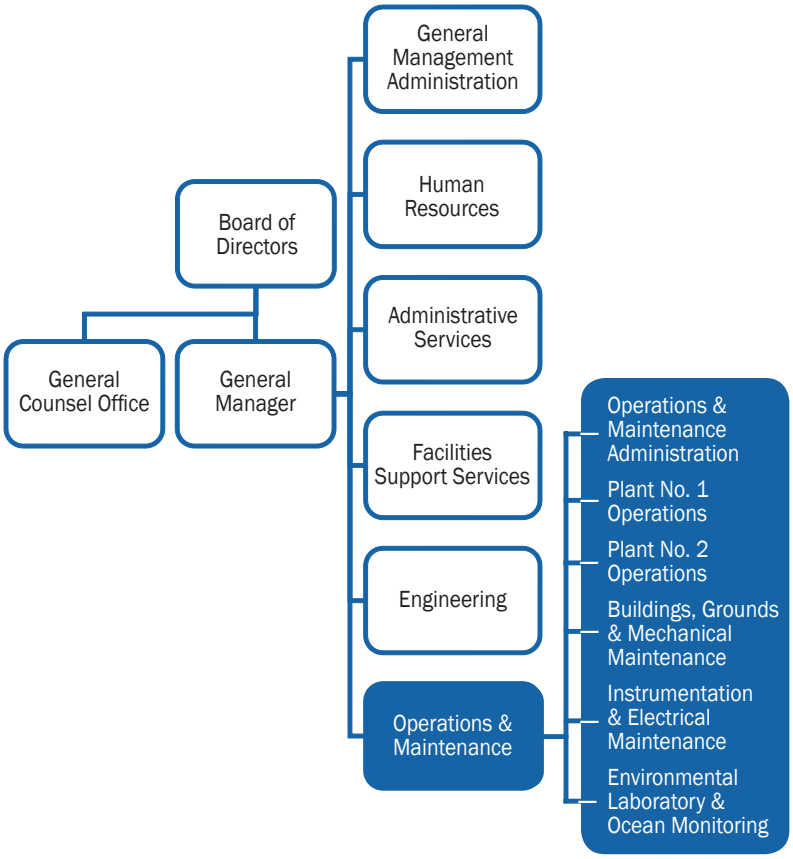


CIP Expenditures



In 2013-14, the Engineering Department will be responsible for $142 million in capital expenditures.

OPERATIONS & MAINTENANCE DEPARTMENT



Service Description

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

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

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

Buildings, Grounds and Mechanical Maintenance provides mechanical maintenance support for all wastewater treatment process and maintenance support for all OCSD's buildings and grounds in a safe, efficient, and effective manner so that OCSD can meet all discharge requirements while minimizing impacts to our neighbors. Also housed within the division is the Maintenance Management Group and the Reliability Maintenance Team which provides district wide support services for planning and scheduling maintenance events and predictive maintenance activities.

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

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

Operating Expense

Category	2012-13 Budget	2013-14 Originally Proposed	2013-14-Updated Proposed
Personnel	$40,205,800	$41,297,800	$42,648,200
Supplies	11,611,230	12,191,240	10,879,060
Professional / Contractual Services	22,249,620	23,304,930	19,754,670
Research & Monitoring	725,480	775,780	755,000
Repairs & Maintenance	6,523,320	6,752,230	6,776,820
Utilities	7,158,750	7,661,540	6,736,800
Other	107,160	107,530	103,920
Cost Allocation	(2,078,840)	(2,142,840)	(2,142,840)
Total	$86,502,520	$89,948,210	$85,511,630

Budget Overview

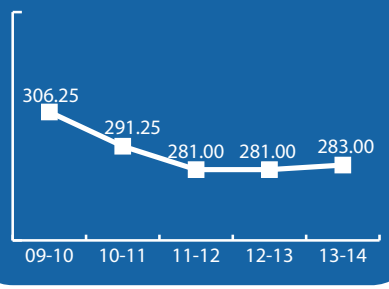
The Fiscal Year 2013-14 budget for the Department reflects a $4.4 million decrease from the original proposed budget for this year. This significant decrease is primarily related to the following factors:

- Expected savings of $2.9 million resulting from the termination of an agreement with a company that was contracted to process biosolids into an energy fuel.
- Significant reductions in chemical usage at Plant 1 and Plant 2 resulting from the move to full secondary treatment.
- Anticipated increases in power costs are less than previously expected with the new secondary treatment processes now in operation.
- The Green Arces Project (GAP) water costs have decreased due to a new agreement with the Orange County Water District that provides 1,120 acre feet per year of free reclaimed water.

Authorized FTE Positions

Managers	6.00
Supervisors / Professionals	93.00
Administrative / Clerical	5.00
Technical Staff	3.00
Operations & Maintenance	176.00
Total	**283.00**

Staffing Trends



Performance Objectives/Measures

- Achieve 100 percent compliance with water, solids, air, and energy permits.
- Achieve a compliance level of 80 – 100 percent 100 percent of the Levels of Service (LOS) targets consistent with resource availability.
- Manage O&M expenditures to within 96 - 100 percent of approved budget.
- Maintain safety cards above 90 percent.
- Maintain electrical power availability at the distribution level greater than 99.9 percent (8 hours per unplanned outage).
- Continued efficiency improvement as measured by internal standards and benchmarking with other laboratories.
- Continue to meet all NPDES permit compliance standards and carry out strategic process studies focused toward advancing OCSD's mission.

Appendix

Cash Flow Projection

Orange County Sanitation District

Consolidated Cash Flow Projections

Ref	Description	Preliminary 13-14	Preliminary 14-15	Preliminary 15-16	Preliminary 16-17	Preliminary 17-18	Preliminary 18-19
	Revenues:						
1	General User Fees	284,331,000	292,589,000	299,986,000	308,377,000	316,830,000	325,460,000
2	Permitted User Fees	11,291,000	11,584,000	11,841,000	12,134,000	12,427,000	12,725,000
3	IRWD Assessments	14,386,800	16,462,700	16,410,340	10,114,710	5,842,080	5,491,370
4	SAWPA Assessments	2,938,000	3,055,000	3,177,000	3,304,000	3,436,000	3,573,000
5	Property Taxes (Flat in short term)	73,699,000	77,384,000	81,253,000	85,316,000	89,582,000	94,061,000
6	New COP Issues	-	-	-	-	-	-
7	Interest Revenues	16,372,000	19,366,000	18,562,000	18,628,000	17,763,000	18,255,000
8	Capital Facilities Capacity Charges	9,761,000	8,677,000	9,463,000	10,137,000	10,856,000	10,845,000
9	Other Revenues	5,926,900	4,100,000	4,147,000	12,577,000	4,246,000	4,297,000
10	**Revenues**	**418,705,700**	**433,217,700**	**444,839,340**	**460,587,710**	**460,982,080**	**474,707,370**
	Requirements:						
11	Oper & Mtce Exp (5.0% yr)	151,227,990	158,719,000	165,665,000	169,151,000	172,769,000	180,486,000
12	Capital Improvement Program	141,600,000	204,692,400	183,394,400	113,006,400	178,062,400	183,559,400
13	Repl, Rehab & Refurb	3,303,000	17,390,000	26,283,000	62,102,000	102,751,000	81,892,000
14	COP Service (5.0%, 30 yrs)	98,450,000	85,803,000	86,145,000	90,946,000	87,005,000	85,430,000
15	Other Requirements	4,352,000	2,152,000	2,152,000	2,152,000	2,152,000	2,152,000
16	**Requirements**	**398,932,990**	**468,756,400**	**463,639,400**	**437,357,400**	**542,739,400**	**533,519,400**
17	**Revenues-Requirements**	**19,772,710**	**(35,538,700)**	**(18,800,060)**	**23,230,310**	**(81,757,320)**	**(58,812,030)**
	Accumulated Funds:						
18	Beginning of Year	653,196,807	672,969,517	637,430,817	618,630,757	641,861,067	560,103,747
19	End of Year	672,969,517	637,430,817	618,630,757	641,861,067	560,103,747	501,291,717
20	Consolidated Reserve Policy	544,066,000	534,346,000	537,158,000	541,761,000	537,968,000	501,060,000
21	**Over (Under) Reserve Policy***	**128,903,517**	**103,084,817**	**81,472,757**	**100,100,067**	**22,135,747**	**231,717**
	Sewer Service User Fees:						
22	Avg SFR Annual User Fee	$308.00	$316.00	$323.00	$331.00	$339.00	$347.14
23	Percentage Change	4.76%	2.60%	2.22%	2.48%	2.42%	2.40%
24	Equivalent Dwelling Units	929,430	932,033	934,736	937,493	940,306	943,127
25	SFR Connection Fee	$3,775	$3,964	$4,162	$4,370	$4,589	$4,818
26	Outstanding COPs	$1,314,602,000	$1,286,727,000	$1,257,322,000	$1,221,747,000	$1,188,577,000	$1,175,762,000
	Reserve Policy						
27	50% Next Year Operating	75,614,000	79,360,000	82,833,000	84,576,000	86,385,000	90,243,000
28	10% Next Year Operating	15,123,000	15,872,000	16,567,000	16,915,000	17,277,000	18,049,000
29	100% Next Year AUG COP Svc.	98,450,000	85,803,000	86,145,000	90,946,000	87,005,000	85,430,000
30	50% average ten-year CIP Bal.	105,470,000	105,470,000	105,470,000	105,470,000	105,470,000	105,470,000
31	DSR @ 10% Outstanding COPs	131,460,000	128,673,000	125,732,000	122,175,000	118,858,000	117,576,000
32	SFI @ $57mm INPUT	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000
33	Repl & Refurb @ 2%/yr	60,949,000	62,168,000	63,411,000	64,679,000	65,973,000	67,292,000
34	*Reserve Reduction (in accordance with Board action allowing a $40M reduction to total reserve requirements)					-	(40,000,000)
35	Total	544,066,000	534,346,000	537,158,000	541,761,000	537,968,000	501,060,000
	COP Ratios						
36	Sr Lien Coverge, Min 1.25	2.62	3.10	3.13	3.09	3.19	3.32

Orange County Sanitation District

Consolidated Cash Flow Projections

Description	Preliminary 19-20	Preliminary 20-21	Preliminary 21-22	Preliminary 22-23	10-Year Total
Revenues:					
General User Fees	334,323,000	343,426,000	352,775,000	362,378,000	3,220,475,000
Permitted User Fees	13,030,000	13,343,000	13,663,000	13,991,000	126,029,000
IRWD Assessments	5,033,290	4,554,270	4,806,610	4,778,710	87,880,880
SAWPA Assessments	3,716,000	3,865,000	4,020,000	4,181,000	35,265,000
Property Taxes (Flat in short term)	98,764,000	103,702,000	108,887,000	114,331,000	926,979,000
New COP Issues	-	-	-	-	-
Interest Revenues	19,709,000	20,824,000	22,800,000	23,925,000	196,204,000
Capital Facilities Capacity Charges	11,421,000	12,028,000	12,667,000	9,697,000	105,552,000
Other Revenues	12,729,000	4,402,000	4,456,000	4,512,002	61,392,902
Revenues	**498,725,290**	**506,144,270**	**524,074,610**	**537,793,712**	**4,759,777,782**
Requirements:					
Oper & Mtce Exp (7.0% yr)	188,547,000	196,971,000	205,771,000	214,966,002	1,804,272,992
Capital Improvement Program	135,930,400	78,023,400	51,465,400	39,029,400	1,308,763,600
Repl, Rehab & Refurb	84,069,000	89,346,000	140,551,000	192,959,000	800,646,000
COP Service (5.0%, 30 yrs)	85,457,000	85,339,000	77,709,000	77,698,000	859,982,000
Other Requirements	2,152,000	2,152,000	2,152,000	2,152,000	23,720,000
Requirements	**496,155,400**	**451,831,400**	**477,648,400**	**526,804,402**	**4,797,384,592**
Revenues-Requirements	**2,569,890**	**54,312,870**	**46,426,210**	**10,989,310**	**(37,606,810)**
Accumulated Funds:					
Beginning of Year	501,291,717	503,861,607	558,174,477	604,600,687	653,196,807
End of Year	503,861,607	558,174,477	604,600,687	615,589,997	615,589,997
Consolidated Reserve Policy	505,925,000	550,372,000	546,566,000	550,505,000	550,505,000
Over (Under) Reserve Policy*	**(2,063,393)**	**7,802,477**	**58,034,687**	**65,084,997**	
Sewer Service User Fees:					
Avg SFR Annual User Fee	$355.47	$364.00	$372.73	$381.68	
Percentage Change	2.40%	2.40%	2.40%	2.40%	
Equivalent Dwelling Units	945,956	948,794	951,640	954,495	
SFR Connection Fee	$5,059	$5,312	$5,577	$5,856	
Outstanding COPs	$1,162,307,000	$1,143,692,000	$1,115,127,000	$1,085,182,000	
Reserve Policy					
50% Next Year Operating	94,274,000	98,486,000	102,886,000	107,483,000	
10% Next Year Operating	18,855,000	19,697,000	20,577,000	21,497,000	
100% Next Year AUG COP Svc.	85,457,000	85,339,000	77,709,000	77,698,000	
50% average ten-year CIP Bal.	105,470,000	105,470,000	105,470,000	105,470,000	
DSR @ 10% Outstanding COPs	116,231,000	114,369,000	111,513,000	108,518,000	
SFI @ $57mm INPUT	57,000,000	57,000,000	57,000,000	57,000,000	
Repl & Refurb @ 2%/yr	68,638,000	70,011,000	71,411,000	72,839,000	
*Reserve Reduction	(40,000,000)	-	-	-	
Total	505,925,000	550,372,000	546,566,000	550,505,000	
COP Ratios					
Sr Lien Coverge, Min 1.25	3.50	3.48	3.93	4.03	

Capital Improvement Program Summary

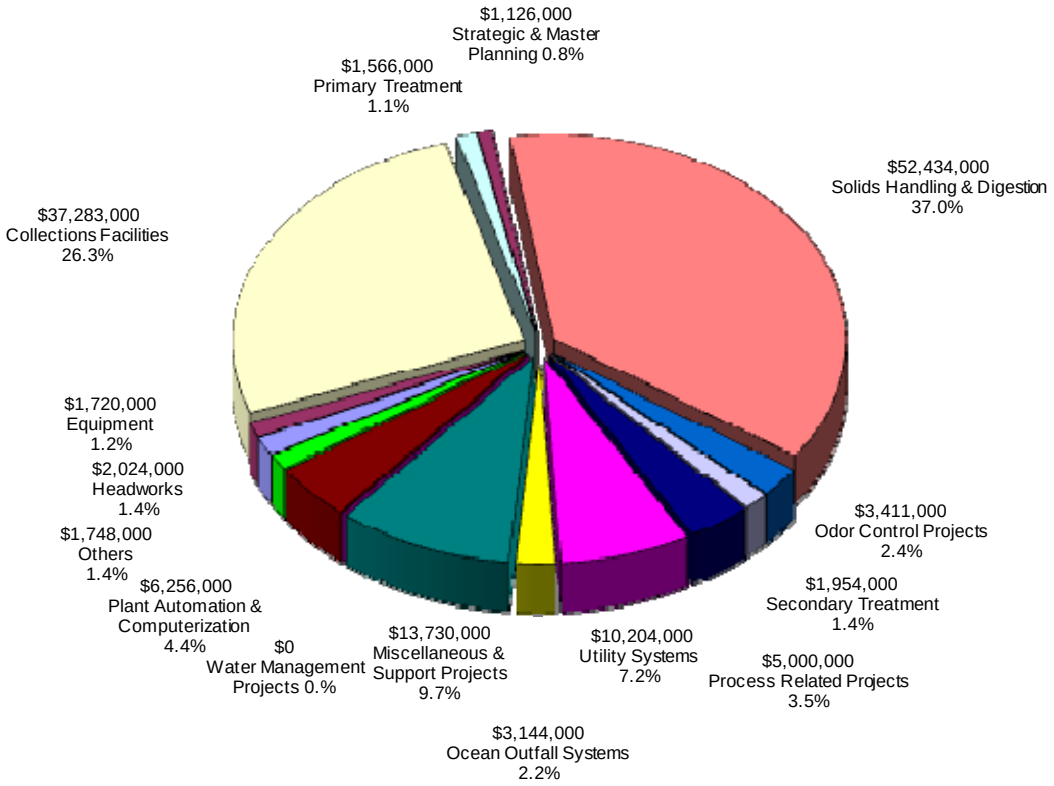
Original FY 2013-14 Budget	$ 156,317,000	
		% Change
Projects Completed or Canceled	(713,000)	(0.46%)
New Projects	852,000	0.55%
Additions to Existing Projects	33,188,000	21.23%
Deductions from Existing Projects	(49,218,000)	(31.49%)
Changes to Capital Equipment	1,174,000	0.75%
Revised FY 2013-14 Budget	141,600,000	(9.41%)

Original Total Budget	2,790,151,000	
		% Change
Projects Completed or Canceled	(302,491,000)	(10.84%)
New Projects	3,742,000	0.13%
Additions to Existing Projects	187,436,000	6.72%
Deductions from Existing Projects	(16,563,000)	(0.59%)
Changes to Capital Equipment	-	0.00%
Revised Total Budget	$ 2,662,275,000	(4.58%)

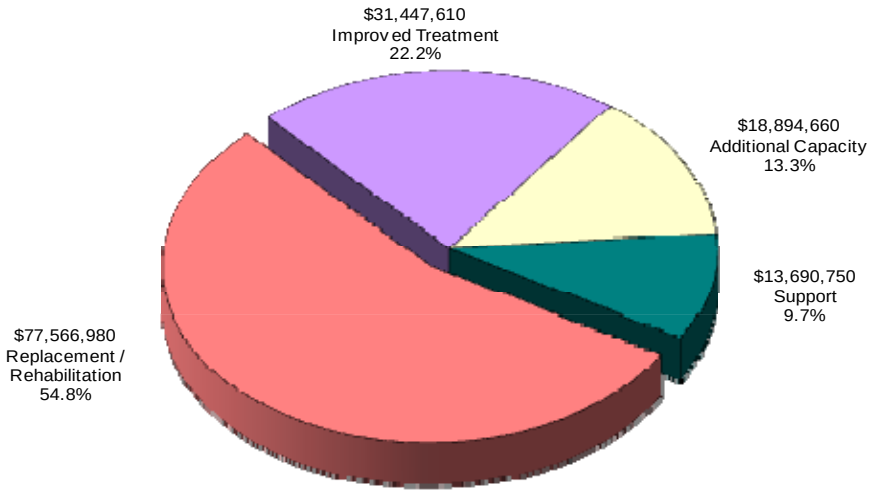
Project Summary FY 2013-14

Item	Replacement/ Rehabilitation	Improved Treatment	Additional Capacity	Support	2013-14 Cashflow Budget
Collections Facilities	$ 23,071,400	$ 137,400	$13,936,800	$ 137,400	$ 37,283,000
Headworks	1,598,400	425,600	-	-	2,024,000
Primary Treatment	1,421,000	145,000	-	-	1,566,000
Secondary Treatment	667,000	862,290	424,710	-	1,954,000
Solids Handling & Digestion	23,368,530	26,339,570	2,725,900	-	52,434,000
Ocean Outfall Systems	3,144,000	-	-	-	3,144,000
Utility Systems	8,171,250	1,656,250	143,250	233,250	10,204,000
Odor Control Related Projects	2,510,700	689,300	211,000	-	3,411,000
Plant Automation & Computerization	2,707,100	-	688,000	2,860,900	6,256,000
Process Related Special Projects	-	-	-	5,000,000	5,000,000
Miscellaneous & Support Projects	9,551,600	427,200	-	3,751,200	13,730,000
Strategic & Master Planning	435,000	-	-	691,000	1,126,000
Others	491,000	335,000	335,000	587,000	1,748,000
Equipment	430,000	430,000	430,000	430,000	1,720,000
Total	**$ 77,566,980**	**$ 31,447,610**	**$ 18,894,660**	**$ 13,690,750**	**$ 141,600,000**

Capital Improvement Expenditure Graphs



Total FY 2013-14 Capital Improvement Expenditure by Process - $141,600,000



Total FY 2013-14 Capital Improvement Expenditure by Type - $141,600,000

Summary of Capital Requirements – Collection System Improvement Projects

	Project Number	Original Total Project Budget	Revised Total Project Budget	Original 2013-14 Cashflow Budget	Revised 2013-14 Cashflow Budget	Item Number
Collections Facilities						
Raitt and Bristol Street Sewer Extension	01-101	$ 9,906,000	$ 9,906,000			1
Santa Ana Trunk Sewer Rehab.	01-17	7,331,000	7,519,000	3,142,000	470,000	2
Santa Ana River Interceptor Realignment and Prot.	02-41	11,404,000	11,404,000	298,000	813,000	3
Santa Ana River Interceptor (SARI) Inspection and Mitigation	02-41-7	1,217,000	1,217,000	175,000	616,000	4
SARI Rock Stabilizers Removal	02-41-8	3,092,000	3,092,000	2,355,000	1,404,000	5
Taft Branch Improvements	02-49	3,143,000	3,143,000			6
Newhope-Placentia Trunk Grade Separation Replacement	02-65	6,390,000	6,685,000	1,674,000	3,074,000	7
Fullerton-Brea Interceptor Sewer Relief	02-71	2,736,000		454,000		Completed
Newhope-Placentia Trunk Replacement	02-72	66,696,000	66,696,000			8
Yorba Linda Pumping Station Abandonment	02-73	9,566,000	9,566,000			9
Lakeview OCTA Grade Separation	02-75	330,000	330,000	102,000	52,000	10
Tustin Rose OCTA Grade Separation	02-76	2,500,000	1,483,000		1,475,000	11
Orangethorpe OCTA Grade Separation	02-77	3,900,000	3,900,000	3,850,000	1,131,000	12
Westside Relief Interceptor Relief	03-55	26,482,000	26,482,000			13
Rehabilitation of Magnolia Trunk Sewer	03-58	19,786,000	19,812,000		249,000	14
Miller-Holder Trunk Sewer Relief	03-59	17,324,000	17,324,000			15
Beach Trunk/Knott Interceptor Sewer Relief	03-60	25,055,000	25,055,000			16
Miller-Holder and Knott Trunks Odor Control Project	03-61	1,795,000	1,795,000			17
Seal Beach Pumping Station Upgrade and Rehabilitation	03-62	26,356,000	26,356,000			18
Rehabilitation of 3-6, 3-8, and 3-21-1 Sewers	03-64	88,720,000	88,720,000			19
Balboa Trunk Sewer Rehabilitation	05-47	9,446,000	10,622,000	2,310,000	5,878,000	20
Replacement of the Bitter Point Pump Station	05-49	31,610,000	32,095,000	681,000	58,000	21
Replacement of the Rocky Point Pump Station	05-50	22,550,000	22,678,000		70,000	22
Bitter Point Force Main Rehabilitation	05-58	44,290,000	45,829,000	1,097,000	4,316,000	23
Newport Force Main Condition Rehabilitation	05-60	23,779,000	45,788,000	670,000	2,038,000	24
Dover Drive Trunk Sewer Relief	05-63	14,296,000	13,751,000	8,541,000	7,936,000	25
Crystal Cove Pumping Station Upgrade and Rehabilitation	05-66	7,379,000	7,379,000			26
Bay Bridge Pumping Station Upgrade and Rehabilitation	05-67	46,852,000	46,852,000			27
District 6 Trunk Sewer Relief	06-17	5,638,000	5,638,000	850,000	412,000	28
Southwest Costa Mesa Trunk	06-19	14,993,000	14,993,000	956,000	974,000	29
Gisler-Redhill System Improvements, Reach B	07-37	11,402,000	11,814,000	5,960,000	4,593,000	30
Browning Subtrunk Sewer Relief	07-60	11,172,000	12,663,000	1,057,000		31
Von Karman Trunk Sewer Relief	07-62	433,000	433,000			32

Continued

Summary of Capital Requirements

Summary of Capital Requirements – Collection System Improvement Projects

	Project Number	Original Total Project Budget	Revised Total Project Budget	Original 2013-14 Cashflow Budget	Revised 2013-14 Cashflow Budget	Item Number
Collections Facilities (Continued)						
MacArthur Pumping Station Upgrade and Rehabilitation	07-63	7,028,000	7,028,000			33
Edinger/Bolsa Chica Trunk Improvements	11-25	6,030,000	6,030,000			34
Wintersburg Channel Siphon Protection Project	11-32	75,000	75,000	41,000	24,000	35
Edinger Pumping Station Upgrade and Rehabilitation	11-33	11,474,000	11,474,000			36
Facilities Engineering Projects - Collections	FE-Collect	8,250,000	8,250,000	150,000	916,000	37
Siphon and Manhole Upgrade Feasibility Study	SP-138	300,000				Completed
Bay Bridge Pump Station and Forcemains Rehabilitation Study	SP-178	150,000	150,000	50,000	142,000	38
Main Street Flume Downsizing Study	SP-179	75,000				Canceled
Revenue Area 3 Asset Management Plan	SP-180	400,000	400,000	134,000	360,000	39
Revenue Area 7 Asset Management Plan	SP-181	300,000	300,000	100,000	282,000	40
Total Collection System Improvement Projects		**611,651,000**	**634,727,000**	**34,647,000**	**37,283,000**	

Summary of Capital Requirements –Treatment System Improvement Projects

	Project Number	Original Total Project Budget	Revised Total Project Budget	Original 2013-14 Cashflow Budget	Revised 2013-14 Cashflow Budget	Item Number
Headworks						
Headworks Rehabilitation at Plant No. 1	P1-105	72,058,000	72,058,000	592,000	307,000	41
Headworks Expansion	P1-120	222,804,000	222,804,000			42
Headworks Improvements at Plant No. 2	P2-66	258,124,000	259,124,000	2,974,000	1,641,000	43
Plant No.1 Headworks & Bypass Asset Management Plan	SP-182	300,000	400,000	100,000	76,000	44
Headworks Total		**553,286,000**	**554,386,000**	**3,666,000**	**2,024,000**	
Primary Treatment						
Joint GWRS Microfiltration Backwash Redirection Project	J-36-1	1,111,000	522,000		145,000	45
Primary Effluent Pipeline Joint Repairs	P1-118	3,246,000	3,246,000			46
Plant No.1 Primary Treatment Upgrades	P1-124	17,835,000	11,535,000	897,000	702,000	47
Primary Treatment Area Rehabilitation Study	SP-137	848,000	848,000	162,000	719,000	48
Primary Treatment Total		**23,040,000**	**16,151,000**	**1,059,000**	**1,566,000**	
Secondary Treatment						
New Secondary Treatment System at Plant No. 1	P1-102	255,471,000	255,471,000	3,164,000	1,287,000	49
Trickling Filters at Plant No. 2	P2-90	220,206,000		173,000		Completed
Oxygen Plant Rehabilitation at Plant No. 2	SP-129	2,208,000	2,300,000	281,000	307,000	50
Plant No.1 Secondary Treatment Asset Management Plan	SP-183	200,000	200,000	66,000	180,000	51
Plant No.2 Secondary Oxygen Plant Asset Management Plan	SP-185	200,000	200,000	66,000	180,000	52
Secondary Treatment Total		**478,285,000**	**258,171,000**	**3,750,000**	**1,954,000**	
Solids Handling & Digestion						
Sludge Digester Rehabilitation at Plant 1	P1-100	57,205,000	57,641,000	5,855,000	6,976,000	53
Sludge Dewatering and Odor Control at Plant 1	P1-101	147,270,000	171,978,000	36,140,000	27,259,000	54
Digester Ferric Chloride System Rehabilitation	P2-105	4,078,000	4,178,000	1,744,000	1,884,000	55
Demolition of Digesters A and B and Gas Holders	P2-110	5,405,000	29,409,000		407,000	56
Solids Storage Silo Rehabilitation	P2-114	37,604,000	37,604,000			57
Solids Thickening and Processing Upgrades	P2-89	48,146,000	48,146,000	17,861,000	12,881,000	58
Digester Rehabilitation at Plant No. 2	P2-91-1	45,637,000	47,600,000	446,000		59
Sludge Dewatering and Odor Control at Plant 2	P2-92	71,860,000	71,860,000	1,948,000	2,847,000	60
Plant No. 2 Digesters and Boilers Plant Asset Management Plan	SP-186	200,000	200,000	66,000	180,000	61
Solids Handling & Digestion Total		**417,405,000**	**468,616,000**	**64,060,000**	**52,434,000**	
Ocean Outfall Systems						
Final Effluent Sampler and Building Area Upgrades	J-110	12,585,000	14,064,000	954,000	1,085,000	62
Outfall Land Section and OOBS Piping Rehabilitation	J-112	24,139,000	20,939,000	2,859,000	1,677,000	63
66-inch Interplant Effluent Pipeline Rehabilitation	J-116	72,517,000	72,517,000			64
Ocean Outfall System Rehabilitation	J-117	15,402,000	15,402,000	1,450,000	98,000	65
Outfall Beach Box Rehabilitation Evaluation	J-119		385,000		28,000	66
Alternative Effluent Disinfection Study	SP-156	100,000	100,000			67
Plant No. 2 Outfall Systems Asset Management Plan	SP-187	300,000	300,000	100,000	256,000	68
Ocean Outfall Systems Total		**125,043,000**	**123,707,000**	**5,363,000**	**3,144,000**	

Summary of Capital Requirements

Summary of Capital Requirements –Treatment System Improvement Projects

	Project Number	Original Total Project Budget	Revised Total Project Budget	Original 2013-14 Cashflow Budget	Revised 2013-14 Cashflow Budget	Item Number
Utility Systems						
Interplant Gas Line Rehabilitation	J-106	5,634,000	5,634,000	74,000	1,128,000	69
Cengen Cooling Water System Replacement	J-109	11,337,000	11,454,000	968,000	1,520,000	70
Cengen Emissions Control Project	J-111	31,251,000	29,000,000	1,743,000	1,513,000	71
UPS System Upgrades	J-121	13,012,000	13,012,000			72
Digester Gas Compressor Improvements	J-124		55,385,000			73
Central Generation Automation	J-79-1	23,346,000				Completed
Electrical Power Distribution System Improvements	J-98	9,773,000	12,791,000	960,000		74
Plant Water System Rehabilitation at Plant No.1	P1-112	10,029,000	9,569,000	5,439,000	2,587,000	75
Flare Addition	P1-119	2,083,000				Canceled
Gas Compressor Upgrades	P1-121	27,181,000				Canceled
Plant Water System Rehabilitation at Plant No.2	P2-101	3,864,000	4,009,000	1,132,000	1,564,000	76
Additional High Pressure Flare	P2-103	2,116,000				Canceled
15 kV Upgrades at Plant No. 2	P2-108	4,658,000	4,658,000	1,612,000	561,000	77
Gas Compressor Upgrades	P2-109	22,362,000				Canceled
SCE Feed Reliability Improvements	P2-111	22,490,000	22,490,000			78
Secondary Area Cable Tray Upgrades	P2-116	2,154,000	2,154,000			79
Headworks Area Cable Tray Upgrades	P2-117	3,015,000	3,015,000			80
Digester Gas Facilities Assessment	SP-141	700,000	700,000		668,000	81
Utility Water Systems Study	SP-146	800,000	800,000		573,000	82
Plant Air System Master Plan	SP-148	340,000	340,000			83
Electrical System Base Map	SP-149	250,000	250,000			84
Uninterruptible Power System (UPS) Study	SP-150	342,000				Completed
Sidestream Pumping System and Water Characterization Study	SP-155	246,000	246,000		90,000	85
Standby Power Generation Study	SP-158	400,000	400,000			86
Power Outage Recovery Plan	SP-170	100,000	100,000	100,000		87
Potable Water Quality Study	SP-175	50,000	50,000			88
Utility Systems Total		**197,533,000**	**176,057,000**	**12,028,000**	**10,204,000**	
Odor Control Related Projects						
Coyote Hills Golf Course Odor Control Station	02-74	8,365,000	8,365,000			89
Primary and Secondary Odor Control at Plant No.1	P1-114	48,600,000	50,708,000	716,000		90
Trunk Line Odor Control Improvements	P1-123	10,016,000	10,016,000	737,000	832,000	91
Chemical Scrubber Conversions and Piping System Improvements	P2-106	2,807,000	2,906,000	1,108,000	1,474,000	92
P2 Primary Clarifiers Rehabilitation Project	P2-98	35,691,000	43,210,000	1,093,000		93
Odor Control Master Plan	SP-166	1,200,000	1,200,000	800,000	1,055,000	94
Collection System Odor Control Systems Study	SP-189	500,000	500,000	166,000	50,000	95
Odor Control Related Projects Total		**107,179,000**	**116,905,000**	**4,620,000**	**3,411,000**	
Process Related Special Projects						
Corrosion Management	SP-68-1	14,372,000	37,603,000	1,416,000	5,000,000	96
Process Related Special Projects Total		**14,372,000**	**37,603,000**	**1,416,000**	**5,000,000**	

Summary of Capital Requirements –Treatment System Improvement Projects

	Project Number	Original Total Project Budget	Revised Total Project Budget	Original 2013-14 Cashflow Budget	Revised 2013-14 Cashflow Budget	Item Number
Plant Automation & Computerization						
Process SCADA Replacement	J-120	24,680,000	24,680,000			97
Programmable Control Panel Upgrades	J-125		2,942,000		300,000	98
Power Monitoring and Control Systems	J-33-3	13,050,000	12,327,000	3,244,000	1,474,000	99
SCADA System and Network Upgrades	P2-107	22,895,000	27,839,000	2,496,000		100
Strategic Information Architecture (SIA)	SP-03	1,995,000	1,995,000	100,000	445,000	101
Internet/Intranet Development	SP-09	650,000	650,000	25,000	300,000	102
CMMS System Replacement	SP-100	5,000,000	6,500,000	942,000	2,752,000	103
PDS2D Software Replacement	SP-103	250,000	500,000	90,000	275,000	104
Geographic Information System	SP-15	4,047,000	4,047,000	365,000	364,000	105
Network Equipment Upgrade	SP-89	2,905,000	1,427,000	440,000	346,000	106
Plant Automation & Computerization Total		**75,472,000**	**82,907,000**	**7,702,000**	**6,256,000**	
Miscellaneous & Support Projects						
Facilities Engineering Projects - Joint	FE-J	23,910,000	23,910,000	335,000	265,000	107
Facilities Engineering Projects - Plant 1	FE-P1	20,910,000	20,910,000	124,000	1,353,000	108
Facilities Engineering Projects - Plant 2	FE-P2	20,910,000	20,910,000	435,000	1,230,000	109
Emergency Operation Center	J-115	160,000	160,000			110
Contracts and Purchasing Building Extension	J-118	3,589,000	3,589,000			111
Operations Center Entrance/Building Repairs	J-122	2,325,000	2,648,000	1,292,000	217,000	112
Fall Protection Improvements at Plants Nos.1 and 2	J-123	2,967,000	2,967,000	1,002,000	588,000	113
Title 24 Access Compliance and Building Rehabilitation Project	P1-115	30,276,000	32,637,000	3,114,000	2,187,000	114
Site and Security Improvements at Plant No. 2	P2-96	1,077,000	2,077,000	618,000	686,000	115
2009 NPDES Permit Renewal	SP-133	150,000				Completed
Software and Computer Equipment Replacement Project	SP-135	2,700,000	5,050,000	400,000	2,262,000	116
Land Records Information System	SP-136	410,000	410,000		40,000	117
Facility Assets Assessment	SP-145	2,960,000	2,960,000	220,000	221,000	118
Plant 2 WSSPS Motor Location	SP-145-2	72,000	72,000	54,000		119
Stormwater Master Plan	SP-167	300,000	300,000		236,000	120
Information Technology Workroom Replacement	SP-176	2,566,000	2,566,000	2,566,000		121
Public Address System Study	SP-188	75,000	75,000		8,000	122
Plant No.2 Tunnels Systems Asset Management Plan	SP-191	200,000	200,000	66,000	137,000	123
Small Capital Replacement/Rehabilitation Project	SP-34	37,200,000	37,200,000	5,000,000	4,200,000	124
Asset Management Program	SP-68-2	4,800,000	4,800,000	399,000	100,000	125
Miscellaneous & Support Projects Total		**157,557,000**	**163,441,000**	**15,625,000**	**13,730,000**	
Water Management Projects						
Initial Expansion of the Groundwater Replenishment System	SP-139	300,000		86,000		Completed
Effluent Reuse Study	SP-173	60,000	60,000			126
Water Management Projects Total		**360,000**	**60,000**	**86,000**	**-**	

Summary of Capital Requirements

Summary of Capital Requirements –Treatment System Improvement Projects

	Project Number	Original Total Project Budget	Revised Total Project Budget	Original 2013-14 Cashflow Budget	Revised 2013-14 Cashflow Budget	Item Number
Strategic & Master Planning						
Facilities-Wide Safety Assessment	SP-145-1	300,000	930,000		473,000	127
Landscape Master Plan	SP-145-4	150,000	150,000		118,000	128
Climate Change Impact Study	SP-152	100,000	100,000	100,000	100,000	129
Treatment Plant Hydraulic Assessment	SP-168	300,000	300,000	300,000		130
Settlement and Liquefaction Study	SP-177	173,000	173,000			131
Plant No.1 Effluent & Interplant Piping Asset Management Plan	SP-184	200,000	200,000	66,000	135,000	132
Plant No.2 Administrative Buildings Master Plan	SP-193		300,000		300,000	133
Strategic & Master Planning Total		**1,223,000**	**2,153,000**	**466,000**	**1,126,000**	
Others						
Research - Superoxygentation	SP-121	850,000				Completed
Operational Research Projects (annual allocation)	SP-125	10,000,000	10,440,000	1,000,000	1,340,000	134
Process SCADA Link to Pump Stations	SP-157	271,000	271,000	103,000	156,000	135
Data Storage Addition	SP-163	444,000				Completed
Information Technology Data Center Replacement	SP-174	180,000	180,000	180,000		136
Information Technology Master Plan	SP-192		500,000		252,000	137
Others Total		**11,745,000**	**11,391,000**	**1,283,000**	**1,748,000**	
Total Treatment and Disposal Projects		**2,162,500,000**	**2,011,548,000**	**121,124,000**	**102,597,000**	
Capital Equipment Purchases		**16,000,000**	**16,000,000**	**546,000**	**1,720,000**	
Total Collection, Treatment and Disposal Projects		**$ 2,790,151,000**	**$2,662,275,000**	**$156,317,000**	**$141,600,000**	

CIP New Project Descriptions

Project Name & Number	Programmable Control Panel Upgrades - J-125		
Project Category	Plant Automation & Computerization	Project Budget:	$2,942,000

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.

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's construction cost budget is $1,900,000.

The impacts to operational budgets have not yet been determined.

Project Name & Number	Plant No.2 Administrative Buildings Master Plan - SP-193		
Project Category	Strategic & Master Planning	Project Budget:	$300,000

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.

Justification
There are various issues associated with the facilities used for staff offices including, but not limited to:
1. OCSD staff is dispersed throughout various buildings and trailers within the treatment facilities. The working efficiency of this arrangement needs to be evaluated.
2. Facilities may have been constructed without a formal review process by the local city building departments, and have various ADA and compliance issues that have and will result in significant cost impacts when modifying existing facilities.
3. The facilities are nearing the point where major rehabilitations and upgrades will be necessary for continued operation of the facilities.

The impacts to operational budgets have not yet been determined.

CIP New Project Descriptions

Project Name & Number	Information Technology Master Plan - SP-192		
Project Category	Information Management & Computerization	Project Budget:	$500,000

Description

This project will develop a master plan for information technology software and hardware systems for the treatment works and administrative support facilities for the next 20 years. This will include identifying and space needs for the expanding server systems; incorporating newer server technologies (packaged data centers); network infrastructure needs (wire, fiber optics, switches, and wireless networks); standby power and other utility requirements to operate the information technology equipment; estimating costs for locating backup server systems offsite; incorporate identified needs for business continuity after a disaster; implementation plan for replacement of major software systems (financial, laboratory, etc.); and plan for needed upgrades for the treatment plant control system (SCADA).

Justification

A plan is needed to lay out a plan for future information technologies and upgrades. The information technology systems that are in place are aging, nearing the end-of their useful lives, and need a planned replacement plan. Also, many existing equipment locations are nearing space capacities and are prohibiting necessary expansions. The project will also support ongoing efforts for maintaining business continuity after a disaster.

This project will not have an impact on operational budgets.

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Capital Equipment Budget Summary

Capital Equipment Budget
2013-14

Division	Trucks & Vehicles 09410000	Other Mobile Eq 09410001	Machine Eq & Tools 09410002	Comm Equipment 09410003
Contracts, Purchasing, & Materials Management	$ -	$ -	$ -	$ -
Information Technology	-	-	-	-
Facilities Support	221,000	63,500	-	-
Equipment / Rebuild	-	-	62,600	-
Fleet Services	401,500	8,600	-	-
Odor and Corrosion Control	-	-	-	-
Plant No. 2 Operations	-	-	-	-
Mechanical & Reliability Maintenance	-	-	-	-
Instrumentation & Electrical Maintenance	-	-	-	33,500
Environmental Laboratory & Ocean Monitoring	-	-	-	-
Total Proposed Capital Equipment	$ 622,500	$ 72,100	$ 62,600	$ 33,500

Capital Equipment Budget
2013-14

Division	Instr / Test Equipment 09410004	Safety & Traffic Eq 09410005	Office Fix & Eq 09410006	Computer Equipment 09410007	2013-14 Proposed Budget
Contracts, Purchasing, & Materials Management	$ -	$ -	$ 38,200	$ -	$ 38,200
Information Technology	-	-	-	391,000	391,000
Facilities Support	-	-	-	-	284,500
Equipment / Rebuild	-	-	-	-	62,600
Fleet Services	-	-	-	-	410,100
Odor and Corrosion Control	21,000	-	-	-	21,000
Plant No. 2 Operations	65,000	-	-	-	65,000
Mechanical & Reliability Maintenance	10,000	-	-	-	10,000
Instrumentation & Electrical Maintenance	109,100	-	-	-	142,600
Environmental Laboratory & Ocean Monitoring	295,000	-	-	-	295,000
Total Proposed Capital Equipment	$ 500,100	$ -	$ 38,200	$ 391,000	$ 1,720,000

Capital Equipment Budget Detail

Capital Equipment Budget Detail

Division	Equipment Type	Proposed Equip. Budget
230 - Contracts, Purchasing, & Materials Management		
	Pallet Racks - Plant 1	$ 19,100
	Pallet Racks - Plant 2	19,100
	Total	38,200
250 - Information Technology		
	Absence Compliance Tracking	37,000
	Advanced Threat Detection Appliance	21,000
	Emulator Proxy Servers	181,000
	Pump Station SCADA Servers Replacement	62,000
	Risk Management Database	60,000
	Video and Storage Equipment	30,000
	Total	391,000
320 - Facilities Support		
	Dump Trailers (3) for Div 340 - Replace E# 0902, 0903 & 0904	63,500
	Hydraulic Driven Pull Rig - Replace V# 0385	102,000
	Secondary Trailer Rig - Replace V# 0383	62,000
	Truck, Pump Station Maintenance - Replace V# 0451	57,000
	Total	284,500
321 - Equipment / Rebuild		
	Down Draft Workbench	8,200
	Miller Multi-Purpose Welder	16,200
	Platen Table	9,300
	Power Peen Sandblaster	17,200
	Pressure Washer	11,700
	Total	62,600
322 - Fleet Services		
	Truck - Replace V0524	44,100
	Personnel Carrier - Replace Carrier C1022	8,600
	Truck - Replace V0502	70,400
	Stand-by Pump Station 350KW Generator & Truck	287,000
	Total	410,100
342 - Odor and Corrosion Control		
	VOC Meter Replacement	10,500
	Volatile Organic Compound Meter - replacement	10,500
	Total	21,000
840 - Plant No. 2 Operations		
	Chem Scan Analyzer model UV-4100	65,000
	Total	65,000
850 - Mechanical & Reliability Maintenance		
	CSI 2600 Machinery Health Expert - Upgrade from 12 Channels to 24	10,000
	Total	10,000
860 - Instrumentation & Electrical Maintenance		
	Cable, Control Wiring & Fiber Analyzer	11,300
	Motor Operated Valve Simulator	12,400
	PLC Communication Network Equipment	33,500
	Portable 70KVA Generator ("Whisper Quiet")	47,200
	Process Control Network Ethernet Analyzer	8,800
	Ultrasonic Detection System	16,300
	Vibration Analysis Test Unit	13,100
	Total	142,600
890 - Environmental Laboratory & Ocean Monitoring		
	Upgrade of Air Concentrator and Air Autosampler	82,400
	Gel Permeation Cleanup Auto-sampler	24,700
	Purge & Trap GC/MS system for EPA method 624	136,500
	Refrigerated Auto-Sampler	43,300
	Sample Rack & Vacuum Cover - solvent concentrator	8,100
	Total	295,000
	Total Proposed 2013-14 CORF Equipment Budget	**$ 1,720,000**

Listing of Proposed Purchases Over $100,000

Resolution 07-04, "Establishing Policies and Procedures For: The Award of Purchase Orders and Contracts; Public Works Project Contracts; Professional Services Contracts; and Delegation of Authority to Implement Said Policies and Procedure," was adopted by the Board on February 28, 2007. Article IV, Section 4.03(B) of the Resolution provides that, "Purchases of supplies, materials, equipment or services, including Professional Service Consultants…as outlined in each Fiscal Year's annual budget, to include capital equipment, shall be bid and awarded directly by the Contracts/Purchasing Manager." The annual authorization amount for a multi-year contract is determined in the year the contract is bid/let. Therefore, the contract authorization amount indicated herein is valid only when the contract is bid/let in FY 2013-14.

Following are services or supply items identified in the budget process with a cost greater than $100,000. Staff requests the Board approve the purchase of these items and those listed in the Proposed Equipment Budget Detail listing without further Board action in accordance with the referenced policy.

Description of Services or Supplies	Division	Contract Authorization	Change Order Contingency (1)
Chemical Contracts			
Calcium nitrate for odor and corrosion control	342	$ 705,000	0% (2)
Caustic soda (50%) for odor and corrosion control	342	618,000	0% (2)
Ferrous chloride for odor and corrosion control	342	2,139,000	0% (2)
Magnesium hydroxide for odor and corrosion control	342	2,570,000	0% (2)
Anionic polymers for primary treatment	830/840	378,000	0% (2)
Bleach for disinfection and odor control	830/840	716,000	0% (2)
Cationic polymers for solids dewatering and coagulation	830/840	1,642,000	0% (2)
Caustic soda (25%) for odor and corrosion control	830/840	128,220	0% (2)
Ferric chloride for primary treatment	830/840	4,754,700	0% (2)
Hydrogen peroxide for odor control	830/840	1,177,600	0% (2)
Other Contracts			
Auditing services - audit PDSA and construction contract change orders	230	100,000	10%
Contractual resources contract	230	208,000	10%
Uniform contract	230	300,000	10%
Copy center managed services	250	230,000	10%
IBM software maintenance	250	215,000	10%
License and service maintenance of plant security systems	250	110,000	10%
Microsoft Enterprise License Agreement	250	225,000	10%
Oracle software maintenance	250	145,000	10%
Outside reprographics services	250	400,000	10%
Telecommunication services	250	200,000	10%
Hazardous waste disposal	260	175,000	10%
OCIP broker	260	150,000	10%
Safety training services	260	110,000	10%
Security	260	450,000	10%
CCTV services for sewers	330	468,000	10%
Contract traffic control	330	105,000	10%
CenGen engine overhaul	330	720,000	10%
Janitorial services	330	444,840	10%
Landscape maintenance	330	160,720	10%
Manhole frame and cover purchase	330	100,000	10%
Manhole frame and cover replacement	330	235,000	10%
Manhole structural repair and coating services	330	302,000	10%
On-call architect and engineering consultant	330	100,000	10%
On-call contractor for facilities repair jobs	330	250,000	10%
On-call structural engineer	330	100,000	10%
Pipeline rehabilitation	330	246,000	10%
Process area coating contract	330	680,000	10%
Sewer line cleaning	330	360,000	10%
NPDES permit fees	790	540,000	10%
Carbon replacement	830/840	300,000	10%
Grit and screenings hauling and disposal	830/840	756,000	10%
Oxygen plant operation	830/840	572,800	10%
Solids removal	830/840	17,940,000	10%
Gate and door repair services	850	130,000	10%
General labor service	850	200,000	10%
Plumbing services	850	175,000	10%
Arc Flash Study	860	100,000	10%
Carbon filter replacements for digester gas cleaning	860	134,000	10%
CenGen generator rehabilitation	860	130,000	10%
Electric protective relay calibration and testing	860	200,000	10%
GAP water	860	900,000	10%
Natural gas	860	437,000	10%
Total		$44,632,880	

Note 1: The change order contingency is for the lifetime of the contract and is based on the annual authorized amount in the year the contract is bid/let. [For example, a three-year contract which is authorized for an annual contract amount of $300,000 with a 10% change order contingency must be initially bid/let for less than or equal to $300,000; over the life of the contract, the total change orders may not exceed 10% of $300,000, or $30,000.]
Note 2: Once a chemical contract is bid/let, there is no increase in unit cost allowed without Board approval.

Self-Funded Insurance Plans

SELF-FUNDED INSURANCE PLANS

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

General Liability and Property

- The District's current excess general liability insurance coverage is $30 million per occurrence with an annual aggregate limit and with a self-insured retention of $250,000 and $500,000 for EPLI.
- The District's current property insurance coverage is $1 billion for perils of fire and $300 million for perils of flood, subject to a self-insured retention of 5 percent per unit of insurance up to $250,000 for fire and $100,000 for flood. The District is completely self-insured for earthquake.
- In order to maintain the reserve balance of $55 million for the General Liability and Property program, appropriations for in-lieu premiums charged to operating divisions are recommended at $908,800 for FY 2013-14.

Workers' Compensation

- The District's current excess workers' compensation coverage has unlimited statutory coverage per occurrence and $4.5 million employer's liability per employee with a self-insured retention of $500,000 per person per occurrence.
- In order to maintain the reserve balance of $2 million for the Workers' Compensation program, appropriations for in-lieu premiums charged to operating divisions are recommended at $455,000 for FY 2013-14.

	FY 2013-14 Self-Insurance Program Budget		
DESCRIPTION OR ACCOUNT TITLE	General Liability & Property Program	Workers' Compensation Program	Total Self-Insurance Program
Beginning Reserves	$ 55,579,300	$ 2,185,840	$ 57,765,140
Revenues			
In-Lieu Premiums	908,800	455,000	1,363,800
Claims Reimbursement from Other Funds	-	-	-
Service Department Allocation	24,100	-	24,100
Total Revenues	932,900	455,000	1,387,900
Expenses			
Benefits/Claims	100,000	320,000	420,000
Contractual Services	1,200	25,000	26,200
Legal Services	75,000	75,000	150,000
Professional Services	5,000	40,000	45,000
Policy Premium Expense	1,331,000	180,000	1,511,000
Total Expenses	1,512,200	640,000	2,152,200
Excess Revenue (Expenses)	(579,300)	(185,000)	(764,300)
Ending Reserves	$ 55,000,000	$ 2,000,840	$ 57,000,840

Historical Staffing Summary

Department and Division Name	Authorized FTEs 2009-10	Authorized FTEs 2010-11	Authorized FTEs 2011-12	Authorized FTEs 2012-13	Proposed FTEs 2013-14
Office of the General Manager					
General Management Administration	4.00	5.00	3.00	5.00	6.00
Assistant General Manager Administration	1.00	-	-	-	-
Board Services	2.00	2.00	2.00	3.00	5.00
Public Affairs	8.00	8.00	8.00	6.00	3.00
Department Subtotal	**15.00**	**15.00**	**13.00**	**14.00**	**14.00**
Human Resources Department					
Human Resources	-	-	20.00	16.00	18.00
Department Subtotal	**-**	**-**	**20.00**	**16.00**	**18.00**
Administrative Services Department					
Administrative Services	3.00	5.00	5.00	3.00	3.00
Financial Management	19.00	18.00	17.00	18.00	18.00
Contracts, Purchasing & Materials Management	28.75	28.75	30.75	29.75	31.00
Human Resources	17.00	27.00	-	-	-
Information Technology	32.00	33.00	45.00	48.00	47.00
Safety & Health	9.00	-	-	-	-
Risk Management	-	-	13.00	12.00	11.00
Department Subtotal	**108.75**	**111.75**	**110.75**	**110.75**	**110.00**
Facilities Support Services Department					
Facilities Support Services Administration	-	-	3.75	3.00	3.00
Facilities Support	-	-	18.00	19.00	3.00
Equipment Rebuild	-	-	-	-	8.00
Fleet Services	-	-	-	-	8.00
Facilities Engineering	-	-	13.00	13.00	11.00
Collections	-	-	49.00	46.00	-
NPDES Source Inspection	-	-	-	-	16.00
Odor and Corrosion Control	-	-	-	-	6.00
Collection Facilities O&M	-	-	-	-	23.00
Department Subtotal	**-**	**-**	**83.75**	**81.00**	**78.00**
Technical Services Department					
Technical Services Administration	4.00	4.00	-	-	-
Environmental Compliance & Regulatory Affairs	16.00	15.00	-	-	-
Environmental Laboratory & Ocean Monitoring	46.50	43.50	-	-	-
Source Control	39.00	40.00	-	-	-
Department Subtotal	**105.50**	**102.50**	**-**	**-**	**-**
Engineering Department					
Engineering Administration	2.00	2.00	2.00	2.00	2.00
Planning	17.00	9.00	12.00	15.00	18.00
Project Management Office	19.00	18.00	17.00	19.00	20.00
Engineering & Construction	57.50	57.50	58.50	57.00	51.00
Facilities Engineering	10.00	9.00	-	-	-
Asset Management	-	25.00	6.00	-	-
Environmental Compliance	-	-	33.00	32.00	32.00
Department Subtotal	**105.50**	**120.50**	**128.50**	**125.00**	**123.00**
Operations & Maintenance Department					
Operations & Maintenance Administration	2.00	3.00	2.75	3.00	3.00
Odor & Corrosion Control	14.50	9.50	-	-	-
Plant No. 1 Operations	45.75	49.75	52.75	54.00	54.00
Plant No. 2 Operations	48.00	47.00	47.00	47.00	48.00
Building, Grounds, and Mechanical Maintenance	59.00	58.00	62.00	61.00	62.00
Instrumentation & Electrical Maintenance	76.00	63.00	75.00	75.00	75.00
Collection Facilities Operations & Maintenance	27.00	26.00	-	-	-
Facilities Maintenance & Fleet Services	34.00	35.00	-	-	-
Environmental Laboratory & Ocean Monitoring	-	-	41.50	41.00	41.00
Department Subtotal	**306.25**	**291.25**	**281.00**	**281.00**	**283.00**
Grand Total - All Departments	**641.00**	**641.00**	**637.00**	**627.75**	**626.00**

Historical Staffing Detail

Division & Position	Authorized FTEs 2009-10	Authorized FTEs 2010-11	Authorized FTEs 2011-12	Authorized FTEs 2012-13	Proposed FTEs 2013-14
Office of the General Manager					
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
Management Discretion	2.00	2.00	-	2.00	2.00
Principal Staff Analyst	-	-	-	-	1.00
Secretary to the General Manager	1.00	1.00	1.00	1.00	1.00
Total General Management Administration	4.00	5.00	3.00	5.00	6.00
150 Assistant General Manager Administration					
Assistant General Manager	1.00	-	-	-	-
Total Asst. General Management Administration	1.00	-	-	-	-
120 Board Services					
Clerk of the Board	1.00	1.00	1.00	1.00	1.00
Records Management Specialist	-	-	-	-	1.00
Associate Clerk of the Board II	1.00	1.00	1.00	-	-
Administrative Assistant	-	-	-	1.00	1.00
Program Assistant	-	-	-	1.00	2.00
Total Board Services	2.00	2.00	2.00	3.00	5.00
140 Public Affairs					
Public Affairs Manager	1.00	1.00	1.00	1.00	-
Principal Public Affairs Specialist	2.00	2.00	2.00	2.00	-
Senior Public Affairs Specialist	1.00	1.00	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
Program Assistant	-	-	-	1.00	-
Office Assistant	2.00	2.00	2.00	-	-
Total Public Affairs	8.00	8.00	8.00	6.00	3.00
Total Office of the General Manager	**15.00**	**15.00**	**13.00**	**14.00**	**14.00**
Human Resources Department					
160 Human Resources (formerly part of division 240)					
Director of Human Resources	-	-	1.00	1.00	1.00
Management Discretion	-	-	3.00	-	
Human Resources & Employee Relations Manager	-	-	-	1.00	1.00
Human Resources Supervisor	-	-	1.00	-	
Principal Human Resources Analyst	-	-	1.00	1.00	2.00
Senior Human Resources Analyst	-	-	6.00	5.00	4.00
CMMS Technician II	-	-	1.00	-	
Associate Engineer I	-	-	1.00	-	
Human Resources Analyst	-	-	3.00	5.00	5.00
Executive Assistant	-	-	-	1.00	1.00
Human Resources Assistant	-	-	2.00	1.00	2.00
Program Assistant	-	-	1.00	1.00	2.00
Total Human Resources	-	-	20.00	16.00	18.00
Total Human Resources Department	**-**	**-**	**20.00**	**16.00**	**18.00**
Administrative Services Department					
210 Administrative Services					
Director of Finance & Administrative Services / Treasurer	1.00	1.00	1.00	1.00	1.00
Engineer	-	1.00	-	-	-
Principal Financial Analyst	1.00	1.00	1.00	1.00	1.00
Principal Staff Analyst	-	1.00	1.00	-	-
Principal Environmental Specialist	-	-	1.00	-	-
Executive Assistant	1.00	1.00	1.00	1.00	1.00
Total Finance Administration	3.00	5.00	5.00	3.00	3.00

Division & Position	Authorized FTEs 2009-10	Authorized FTEs 2010-11	Authorized FTEs 2011-12	Authorized FTEs 2012-13	Proposed FTEs 2013-14
220 Financial Management					
Controller	1.00	1.00	1.00	1.00	1.00
Accounting Manager	2.00	1.00	1.00	-	-
Accounting Supervisor	1.00	2.00	2.00	3.00	3.00
Principal Accountant	3.00	3.00	3.00	3.00	3.00
Principal Financial Analyst	1.00	1.00	-	-	-
Senior Accountant	1.00	1.00	1.00	1.00	1.00
Accountant/Staff Analyst	2.00	2.00	2.00	4.00	4.00
Contracts/Purchasing Assistant	1.00	-	-	-	-
Payroll Technician	2.00	2.00	2.00	2.00	2.00
Accounting Assistant II	5.00	5.00	5.00	4.00	4.00
Total Financial Management	19.00	18.00	17.00	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	2.75	2.75	3.00
Principal Buyer	-	-	-	-	1.00
Planner/Scheduler	-	-	1.00	-	-
Contracts Administrator	3.00	3.00	3.00	3.00	3.00
Senior Buyer	2.00	2.00	2.00	2.00	1.00
Buyer	2.00	2.00	2.00	2.00	2.00
Contracts/Purchasing Assistant	4.00	4.00	5.00	5.00	5.00
Lead Storekeeper	3.00	3.00	2.00	2.00	2.00
Senior Storekeeper	3.00	3.00	4.00	3.00	3.00
Storekeeper	3.00	3.00	4.00	5.00	5.00
Total Contracts, Purchasing & Materials Management	28.75	28.75	30.75	29.75	31.00
240 Human Resources					
Human Resources & Employee Relations Manager	1.00	1.00	-	-	-
Human Resources Supervisor	2.00	2.00	-	-	-
Safety & Health Supervisor	-	1.00	-	-	-
Principal Human Resources Analyst	1.00	1.00	-	-	-
Safety & Health Specialist	-	3.00	-	-	-
Security & Emergency Planning Specialist	-	1.00	-	-	-
Senior Human Resources Analyst	5.00	6.00	-	-	-
Human Resources Analyst	3.00	3.00	-	-	-
Safety & Health Representative	-	2.00	-	-	-
Human Resources Assistant	3.00	5.00	-	-	-
Program Assistant	1.00	1.00	-	-	-
Interns for agency	1.00	1.00	-	-	-
Total Human Resources	17.00	27.00	-	-	-
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	2.00	2.00
Information Technology Supervisor	-	-	1.00	1.00	1.00
Principal Information Technology Analyst	6.00	6.00	6.00	6.00	6.00
Principal Public Affairs Specialist	-	-	-	-	1.00
Senior Information Technology Analyst	9.00	10.00	10.00	10.00	9.00
Information Technology Analyst III	4.00	4.00	2.00	3.00	3.00
Engineering Associate	-	-	1.00	1.00	1.00
Records Management Specialist	1.00	1.00	1.00	1.00	-
CMMS Technician II	-	-	5.00	-	-
Data Management Technician II	-	-	-	7.00	7.00
Information Technology Analyst II	3.00	3.00	3.00	5.00	6.00
Engineering Data Management Technician II	-	-	3.00	-	-
CMMS Technician I	-	-	1.00	-	-
Data Management Technician I	-	-	-	6.00	5.00
Information Technology Analyst I	2.00	2.00	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	2.00	2.00	1.00	1.00
Information Technology Technician I	-	-	-	1.00	1.00
Program Assistant	-	-	1.00	1.00	1.00
Total Information Technology	32.00	33.00	45.00	48.00	47.00

Historical Staffing Detail

Division & Position	Authorized FTEs 2009-10	Authorized FTEs 2010-11	Authorized FTEs 2011-12	Authorized FTEs 2012-13	Proposed FTEs 2013-14
260 Risk Management (formerly part of division 240)					
Risk Manager	-	-	1.00	1.00	-
Safety & Health Supervisor	-	-	1.00	1.00	1.00
Principal Financial Analyst	-	-	1.00	1.00	1.00
Safety & Health Specialist	-	-	2.00	2.00	2.00
Security & Emergency Planning Specialist	-	-	1.00	1.00	1.00
Information Technology Analyst III	-	-	1.00	-	-
Occupational Health Nurse	-	-	1.00	1.00	1.00
Senior Safety & Health Representative	-	-	1.00	1.00	1.00
Safety & Health Representative	-	-	3.00	3.00	3.00
Administrative Assistant	-	-	1.00	1.00	1.00
Total Human Resources	-	-	13.00	12.00	11.00
153 Safety & Health					
Safety & Health Manager	1.00	-	-	-	-
Safety & Health Supervisor	1.00	-	-	-	-
Safety & Health Specialist	3.00	-	-	-	-
Security & Emergency Planning Specialist	1.00	-	-	-	-
Safety & Health Representative	2.00	-	-	-	-
Human Resources Assistant	1.00	-	-	-	-
Total Safety & Health	9.00	-	-	-	-
Total Administrative Services Department	**108.75**	**111.75**	**110.75**	**110.75**	**110.00**
Facilities Support Services Department					
310 Facilities Support Services Administration					
Director of Facilities Support	-	-	1.00	1.00	1.00
Principal Financial Analyst	-	-	1.00	1.00	1.00
Executive Assistant	-	-	1.00	1.00	1.00
Intern	-	-	0.75	-	-
Total Facilities Support Services Administration	-	-	3.75	3.00	3.00
320 Facilities Support					
Facilities Manager	-	-	1.00	1.00	1.00
Maintenance Supervisor	-	-	2.00	2.00	-
Senior Public Affairs Specialist	-	-	-	1.00	-
Senior Staff Analyst	-	-	-	-	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
Total Equipment / Rebuild	-	-	18.00	19.00	3.00
321 Equipment Rebuild (formerly part of division 320)					
Maintenance Supervisor	-	-	-	-	1.00
Machinist	-	-	-	-	1.00
Senior Mechanic	-	-	-	-	3.00
Welder/Fabricator	-	-	-	-	3.00
Total Equipment / Rebuild	-	-	-	-	8.00
322 Fleet Services (formerly part of division 320)					
Maintenance Supervisor	-	-	-	-	1.00
Lead Mechanic	-	-	-	-	1.00
Automotive/ Heavy Equipment Technician	-	-	-	-	3.00
Mobile Crane Operator	-	-	-	-	2.00
Automotive/ Heavy Equipment Assistant	-	-	-	-	1.00
Total Equipment / Rebuild	-	-	-	-	8.00
330 Facilities Engineering (formerly division 770)					
Engineering Manager	-	-	1.00	1.00	1.00
Engineering Supervisor	-	-	1.00	1.00	-
Senior Engineer	-	-	1.00	1.00	1.00
Engineer	-	-	2.00	2.00	2.00
Materials Control Supervisor	-	-	1.00	1.00	-
Associate Engineer	-	-	-	1.00	3.00
Maintenance Specialist	-	-	4.00	4.00	2.00
Senior Engineering Associate	-	-	1.00	-	-
Engineering Associate	-	-	1.00	1.00	1.00
Administrative Assistant	-	-	1.00	1.00	1.00
Total Facilities Engineering	-	-	13.00	13.00	11.00

Division & Position	Authorized FTEs 2009-10	Authorized FTEs 2010-11	Authorized FTEs 2011-12	Authorized FTEs 2012-13	Proposed FTEs 2013-14
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 lll	-	-	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
Principal Environmental Specialist	-	-	-	-	1.00
Senior Environmental Specialist	-	-	-	-	1.00
Source Control Inspector II	-	-	-	-	9.00
Administrative Assistant	-	-	-	-	1.00
Environmental Technician	-	-	-	-	3.00
Total NPDES Source Inspection	-	-	-	-	16.00
342 Odor and Corrosion Control					
Engineering Supervisor	-	-	-	-	1.00
Associate Engineer	-	-	-	-	1.00
Senior Environmental Specialist	-	-	-	-	2.00
Engineering Assistant I	-	-	-	-	1.00
Environmental Technician	-	-	-	-	1.00
Total Odor & Corrosion Control	-	-	-	-	6.00
343 Collection Facilities O&M					
Maintenance Supervisor	-	-	-	-	2.00
Lead Mechanic	-	-	-	-	5.00
Senior Mechanic	-	-	-	-	8.00
Mechanic	-	-	-	-	8.00
Total Collection Facilities O&M	-	-	-	-	23.00
Total Facilities Support Services Department	**-**	**-**	**83.75**	**81.00**	**78.00**
Technical Services Department					
610 Technical Services Administration					
Director of Technical Services	1.00	1.00	-	-	-
Senior Engineer	1.00	1.00	-	-	-
Associate Engineer III	1.00	1.00	-	-	-
Executive Assistant	1.00	1.00	-	-	-
Total Technical Services Administration	4.00	4.00	-	-	-
620 Environmental Compliance & Regulatory Affairs					
Environmental Assessment Manager	1.00	1.00	-	-	-
Environmental Supervisor	2.00	1.00	-	-	-
Senior Engineer	1.00	-	-	-	-
Senior Scientist	1.00	1.00	-	-	-
Engineer	1.00	-	-	-	-
Regulatory Specialist	2.00	2.00	-	-	-
Associate Engineer III	1.00	1.00	-	-	-
Principal Environmental Specialist	1.50	1.50	-	-	-
Principal Laboratory Analyst	-	1.00	-	-	-
Senior Environmental Specialist	3.50	3.50	-	-	-
Administrative Assistant	1.00	1.00	-	-	-
Program Assistant	-	1.00	-	-	-
Intern	1.00	1.00	-	-	-
Total Environmental Compliance	16.00	15.00	-	-	-

Historical Staffing Detail

Division & Position	Authorized FTEs 2009-10	Authorized FTEs 2010-11	Authorized FTEs 2011-12	Authorized FTEs 2012-13	Proposed FTEs 2013-14
630 Environmental Laboratory and Ocean Monitoring					
Laboratory Manager	1.00	1.00	-	-	-
Environmental Supervisor	1.00	1.00	-	-	-
Laboratory Section Supervisor	3.00	3.00	-	-	-
LIMS Administrator	1.00	-	-	-	-
Senior Scientist	3.00	3.00	-	-	-
Scientist	2.00	2.00	-	-	-
Principal Environmental Specialist	2.00	2.00	-	-	-
Principal Laboratory Analyst	8.00	7.00	-	-	-
Senior Environmental Specialist	5.00	6.00	-	-	-
Senior Laboratory Analyst	11.00	10.00	-	-	-
Environmental Specialist	1.00	1.00	-	-	-
Laboratory Analyst	4.00	3.00	-	-	-
Administrative Assistant	1.00	1.00	-	-	-
Laboratory Assistant	3.00	3.00	-	-	-
Intern	0.50	0.50	-	-	-
Total Environmental Laboratory and Ocean Monitoring	46.50	43.50	-	-	-
640 Source Control					
Source Control Manager	1.00	1.00	-	-	-
Engineering Supervisor	2.00	3.00	-	-	-
Senior Engineer	-	1.00	-	-	-
Senior Regulatory Specialist	1.00	1.00	-	-	-
Engineer	6.00	6.00	-	-	-
Regulatory Specialist	1.00	-	-	-	-
Source Control Supervisor	1.00	1.00	-	-	-
Associate Engineer III	3.00	3.00	-	-	-
Principal Environmental Specialist	2.00	2.00	-	-	-
Senior Environmental Specialist	2.00	2.00	-	-	-
Source Control Inspector II	11.00	11.00	-	-	-
Administrative Assistant	1.00	1.00	-	-	-
Environmental Technician	3.00	3.00	-	-	-
Program Assistant	4.00	4.00	-	-	-
Office Assistant	1.00	1.00	-	-	-
Total Source Control	39.00	40.00	-	-	-
Total Technical Services Department	**105.50**	**102.50**	**-**	**-**	**-**
Engineering Department					
710 Engineering Administration					
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	2.00	1.00	1.00	1.00	1.00
Senior Engineer	2.00	1.00	4.00	5.00	4.00
Engineer	1.00	1.00	1.00	3.00	5.00
Principal Staff Analyst	1.00	1.00	-	-	1.00
Utilities Management Specialist	-	-	-	1.00	-
Associate Engineer	-	-	-	1.00	2.00
Associate Engineer III	-	-	1.00	-	-
Principal Environmental Specialist	-	-	-	-	1.00
Senior Engineering Associate	1.00	1.00	1.00	1.00	-
Assistant Engineer	-	-	-	1.00	1.00
Associate Engineer II	-	-	1.00	-	-
Engineering Associate	2.00	1.00	1.00	-	-
Senior Staff Analyst	-	-	-	-	1.00
Engineering Data Management Technician II	2.00	-	-	-	-
Associate Engineer I	1.00	1.00	-	-	-
Engineering Assistant II	1.00	-	-	-	-
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Engineering Assistant I	2.00	-	-	-	-
Total Planning	17.00	9.00	12.00	15.00	18.00

Division & Position	Authorized FTEs 2009-10	Authorized FTEs 2010-11	Authorized FTEs 2011-12	Authorized FTEs 2012-13	Proposed FTEs 2013-14
750 Project Management Office					
Engineering Manager	1.00	1.00	1.00	1.00	1.00
CIP Project Management Supervisor	1.00	1.00	1.00	1.00	-
Engineering Supervisor	1.00	-	-	-	1.00
Program Controls Supervisor	-	1.00	1.00	-	-
Project Controls Supervisor	-	-	-	-	1.00
Capital Improvement Program Project Manager	7.00	6.00	6.00	8.00	8.00
Principal Project Controls Analyst	1.00	1.00	1.00	1.00	1.00
Engineer	-	-	-	-	1.00
Principal Engineering Data Management Specialist	1.00	1.00	-	-	-
Principal Staff Analyst	2.00	1.00	2.00	2.00	1.00
Cost Estimator	1.00	1.00	1.00	1.00	1.00
Planner/Scheduler	1.00	1.00	1.00	1.00	1.00
Senior Staff Analyst	-	1.00	1.00	1.00	2.00
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	19.00	18.00	17.00	19.00	20.00
760 Engineering & Construction					
Engineering Manager	1.00	1.00	1.00	1.00	1.00
Engineering Supervisor	4.00	3.00	3.00	3.00	3.00
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	2.00	2.00	1.00	1.00
Engineer	10.00	13.00	15.00	14.00	10.00
Associate Engineer	-	-	-	3.00	2.00
Associate Engineer III	4.00	3.00	2.00	-	-
Senior Engineering Associate	1.00	1.00	1.00	1.00	-
Senior Construction Inspector	7.00	7.00	7.00	7.00	7.00
Assistant Engineer	-	-	-	1.00	1.00
Associate Engineer II	-	1.00	1.00	-	-
Senior Staff Analyst	1.00	-	-	1.00	-
Construction Inspector	10.00	10.00	9.00	9.00	9.00
Associate Engineer I	1.00	-	1.00	-	-
Engineering Assistant II	2.00	2.00	2.00	3.00	3.00
Public Affairs Specialist	1.00	1.00	1.00	-	-
Staff Analyst	-	-	-	1.00	1.00
Administrative Assistant	3.00	3.00	3.00	2.00	2.00
Engineering Assistant I	1.00	1.00	1.00	1.00	1.00
Program Assistant	-	-	-	-	1.00
Intern	0.50	0.50	0.50	-	-
Total Engineering & Construction	57.50	57.50	58.50	57.00	51.00
770 Facilities Engineering					
Engineering Manager	1.00	1.00	-	-	-
Engineering Supervisor	1.00	1.00	-	-	-
Senior Engineer	-	1.00	-	-	-
Engineer	5.00	3.00	-	-	-
Associate Engineer II	1.00	1.00	-	-	-
Engineering Associate	1.00	1.00	-	-	-
Administrative Assistant	1.00	1.00	-	-	-
Total Facilities Engineering	10.00	9.00	-	-	-
780 Asset Management					
Engineering Manager	-	1.00	1.00	-	-
Engineering Supervisor	-	2.00	-	-	-
Senior Engineer	-	4.00	3.00	-	-
Principal Information Technology Analyst	-	2.00	-	-	-
Engineer	-	3.00	1.00	-	-
Utilities Management Specialist	-	1.00	1.00	-	-
Senior Information Technology Analyst	-	3.00	-	-	-
Information Technology Analyst III	-	2.00	-	-	-
Engineering Associate	-	1.00	-	-	-
Information Technology Analyst II	-	1.00	-	-	-
Engineering Data Management Technician II	-	2.00	-	-	-
Associate Engineer I	-	1.00	-	-	-
Engineering Assistant II	-	1.00	-	-	-
Engineering Assistant I	-	1.00	-	-	-
Total Asset Management	-	25.00	6.00	-	-

Historical Staffing Detail

Division & Position	Authorized FTEs 2009-10	Authorized FTEs 2010-11	Authorized FTEs 2011-12	Authorized FTEs 2012-13	Proposed FTEs 2013-14
790 Environmental Compliance					
Environmental Compl & Reg Affairs Manager	-	-	1.00	1.00	1.00
Engineering Supervisor	-	-	2.00	2.00	2.00
Environmental Supervisor	-	-	1.00	1.00	1.00
Public Affairs Manager	-	-	-	-	1.00
Senior Scientist	-	-	1.00	1.00	1.00
Engineer	-	-	6.00	6.00	6.00
Regulatory Specialist	-	-	2.00	2.00	3.00
Associate Engineer	-	-	-	4.00	4.00
Associate Engineer III	-	-	4.00	-	-
Principal Environmental Specialist	-	-	2.50	3.50	2.50
Principal Laboratory Analyst	-	-	1.00	1.00	-
Senior Environmental Specialist	-	-	4.50	4.50	4.50
Administrative Assistant	-	-	2.00	1.00	1.00
Program Assistant	-	-	4.00	4.00	4.00
Office Assistant	-	-	1.00	1.00	1.00
Intern	-	-	1.00	-	-
Total Environmental Compliance	-	-	33.00	32.00	32.00
Total Engineering Department	**105.50**	**120.50**	**128.50**	**125.00**	**123.00**
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
Principal Financial Analyst	-	1.00	-	-	-
Senior Financial Analyst	-	-	-	1.00	-
Senior Staff Analyst	-	-	-	-	1.00
Executive Assistant	1.00	1.00	1.00	1.00	-
Intern	-	-	0.75	-	-
Total Operations & Maintenance Administration	2.00	3.00	2.75	3.00	3.00
820 Odor & Corrosion Control					
Engineering Manager	1.00	1.00	-	-	-
Senior Engineer	3.00	2.00	-	-	-
Principal Financial Analyst	1.00	-	-	-	-
Regulatory Specialist	1.00	-	-	-	-
Scientist	1.00	-	-	-	-
Associate Engineer III	2.00	1.00	-	-	-
Associate Engineer II	1.00	-	-	-	-
Senior Environmental Specialist	3.00	3.00	-	-	-
Engineering Assistant I	-	1.00	-	-	-
Environmental Technician	1.00	1.00	-	-	-
Intern	0.50	0.50	-	-	-
Total Odor & Corrosion Control	14.50	9.50	-	-	-
830 Plant No. 1 Operations					
Engineering Manager	-	-	-	-	1.00
Engineering Supervisor					1.00
Operations Manager	1.00	1.00	1.00	1.00	-
Chief Plant Operator	1.00	1.00	1.00	1.00	1.00
Senior Engineer	-	1.00	2.00	2.00	2.00
Engineer	-	1.00	2.00	2.00	2.00
Operations Supervisor	7.00	7.00	7.00	6.00	6.00
Scientist	-	1.00	1.00	1.00	1.00
Assistant Engineer	-	-	-	2.00	2.00
Associate Engineer II	-	1.00	1.00	-	-
Senior Environmental Specialist	-	-	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	15.00	15.00
Administrative Assistant	0.75	0.75	0.75	-	1.00
Plant Operator	13.00	13.00	14.00	15.00	14.00
Control Center Technician	3.00	3.00	2.00	2.00	2.00
Program Assistant	-	-	-	1.00	-
Total Plant No. 1 Operations	45.75	49.75	52.75	54.00	54.00

Division & Position	Authorized FTEs 2009-10	Authorized FTEs 2010-11	Authorized FTEs 2011-12	Authorized FTEs 2012-13	Proposed FTEs 2013-14
840 Plant No. 2 Operations					
Chief Plant Operator	1.00	1.00	1.00	1.00	1.00
Operations Supervisor	7.00	7.00	7.00	6.00	6.00
Lead Plant Operator	5.00	5.00	5.00	5.00	5.00
Senior Plant Operator	13.00	12.00	12.00	14.00	14.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Equipment Operator	1.00	-	-	-	-
Plant Operator	19.00	20.00	20.00	19.00	20.00
Control Center Technician	1.00	1.00	1.00	1.00	1.00
Total Plant No. 2 Operations	48.00	47.00	47.00	47.00	48.00
850 Building, Grounds, and Mechanical Maintenance					
Maintenance Manager	1.00	1.00	1.00	1.00	1.00
Engineer	-	-	-	-	1.00
Utilities Management Specialist	1.00	-	-	-	-
Maintenance Supervisor	6.00	6.00	6.00	6.00	6.00
Associate Engineer	-	-	-	1.00	1.00
Associate Engineer III	1.00	1.00	1.00	-	-
Maintenance Specialist	-	-	4.00	4.00	5.00
Senior Public Affairs Specialist	1.00	1.00	1.00	-	-
Reliability Maintenance Technician	2.00	2.00	2.00	4.00	4.00
Lead Mechanic	5.00	5.00	5.00	4.00	4.00
Machinist	1.00	1.00	-	-	-
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Senior Mechanic	33.00	33.00	30.00	30.00	29.00
Welder/Fabricator	3.00	3.00	-	-	-
Lead Facilities Worker	-	-	2.00	1.00	1.00
Facilities Worker/Builder	-	-	3.00	3.00	3.00
Facilities Worker/Painter	-	-	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	59.00	58.00	62.00	61.00	62.00
860 Instrumentation & Electrical Maintenance					
Engineering Manager	-	1.00	1.00	1.00	1.00
Process Controls Manager	1.00	-	-	-	-
Engineering Supervisor	2.00	1.00	1.00	1.00	1.00
Senior Engineer	2.00	-	2.00	3.00	3.00
Principal Information Technology Analyst	2.00	-	2.00	1.00	1.00
Engineer	2.00	-	2.00	2.00	4.00
Senior Information Technology Analyst	3.00	-	3.00	3.00	4.00
Maintenance Supervisor	5.00	5.00	5.00	5.00	5.00
Information Technology Analyst III	2.00	-	2.00	2.00	2.00
Information Technology Analyst II	1.00	-	1.00	1.00	-
Lead Electrical Technician	4.00	4.00	4.00	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	14.00	14.00	13.00
Instrumentation Technician II	19.00	19.00	18.00	18.00	15.00
Power Plant Operator II	9.00	9.00	9.00	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	1.00	1.00	2.00
Instrumentation Technician I	1.00	1.00	1.00	1.00	1.00
Maintenance Worker	2.00	2.00	3.00	3.00	4.00
Total Instrumentation & Electrical Maintenance	76.00	63.00	75.00	75.00	75.00

Historical Staffing Detail

Division & Position	Authorized FTEs 2009-10	Authorized FTEs 2010-11	Authorized FTEs 2011-12	Authorized FTEs 2012-13	Proposed FTEs 2013-14
870 Collection Facilities Operations & Maintenance					
Engineering Manager	1.00	-	-	-	-
Engineering Supervisor	-	1.00	-	-	-
Maintenance Supervisor	2.00	2.00	-	-	-
Senior Engineering Associate	1.00	1.00	-	-	-
Lead Mechanic	5.00	5.00	-	-	-
Administrative Assistant	1.00	-	-	-	-
Senior Mechanic	9.00	9.00	-	-	-
Mechanic	8.00	8.00	-	-	-
Total Collection Facilities Operations & Maintenance	27.00	26.00	-	-	-
880 Facilities Maintenance & Fleet Services					
Facilities Manager	1.00	1.00	-	-	-
Maintenance Supervisor	4.00	4.00	-	-	-
Maintenance Specialist	7.00	6.00	-	-	-
CMMS Technician II	6.00	7.00	-	-	-
CMMS Technician I	-	1.00	-	-	-
Lead Mechanic	1.00	1.00	-	-	-
Administrative Assistant	-	1.00	-	-	-
Automotive/ Heavy Equipment Technician	3.00	3.00	-	-	-
Equipment Operator	2.00	2.00	-	-	-
Engineering Assistant I	1.00	-	-	-	-
Lead Facilities Worker	2.00	2.00	-	-	-
Facilities Worker/Builder	3.00	3.00	-	-	-
Facilities Worker/Painter	2.00	2.00	-	-	-
Automotive/ Heavy Equipment Assistant	1.00	1.00	-	-	-
Office Assistant	1.00	1.00	-	-	-
Total Facilities Maintenance & Fleet Services	34.00	35.00	-	-	-
890 Environmental Laboratory and Ocean Monitoring (formerly division 630)					
Environmental Lab & Ocean Monitoring Manager	-	-	1.00	1.00	1.00
Environmental Supervisor	-	-	1.00	1.00	1.00
Laboratory Supervisor	-	-	2.00	2.00	2.00
Senior Scientist	-	-	3.00	4.00	3.00
Scientist	-	-	1.00	1.00	1.00
Principal Environmental Specialist	-	-	3.00	3.00	2.00
Principal Laboratory Analyst	-	-	7.00	6.00	6.00
Senior Environmental Specialist	-	-	6.00	5.00	6.00
Boat Captain	-	-	-	1.00	1.00
Senior Laboratory Analyst	-	-	10.00	11.00	10.00
Environmental Specialist	-	-	-	-	1.00
Laboratory Analyst	-	-	3.00	2.00	3.00
Administrative Assistant	-	-	1.00	1.00	1.00
Laboratory Assistant	-	-	3.00	3.00	3.00
Intern	-	-	0.50	-	-
Total Environmental Laboratory and Ocean Monitoring	-	-	41.50	41.00	41.00
Total Operations & Maintenance Department	**306.25**	**291.25**	**281.00**	**281.00**	**283.00**
Grand Total, All Departments	**641.00**	**641.00**	**637.00**	**627.75**	**626.00**

Appropriations Limit

Article XIIIB 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 2013-14 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 2013-14. The increase in the limit is based upon population changes ranging from 0.45% to 1.78% for major cities within the District as provided by the State Department of Finance and a per capita personal income change of 5.12% as provided by the State Department of Finance.

Annual Appropriation Limits:

2011-12	$81,888,000
2012-13	$85,835,000
2013-14	$90,880,000

Proceeds of Taxes (Appropriations)

2013-14	$73,699,000

As a result of the July 1998 consolidation of the District, a single limit is presented in contrast to individual limits shown in years prior to 1998. Population changes for representative cities have continued to be used in order to ensure consistency and to eliminate significant population growth in parts of the County outside of the District's service area. This method results in a lower limit than using the County-wide change.

Miscellaneous Statistics

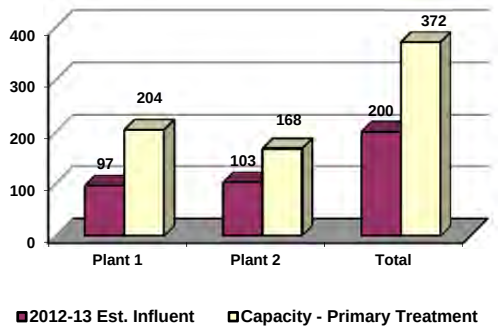
General Information

Year of Formation..... 1948
Form of Government .....County Sanitation District
Authority..... Section 4700 et. seq.
..... California Health & Safety Code
Service Area ..... 479 sq. miles
Service Population ..... Approximately 2.5 million
2012-13 Assessed Value.....$316.4 billion

Miles of Sewers..... 572 miles
On-Plant Pump Station……..... ……..2
Off-Plant Pump Stations.....15
Operating Authority ..... RWQCB/NPDES Permit No.
…….....……CA0110604
…….....…..Statewide WDR Order No. 2006-0003
2013-14 Authorized Staff (Full-Time Equivalent) 626.00

Treatment Information

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



2011-12 Influent BOD:
Plant No. 1 .....310 milligrams per liter
Plant No. 2 .....210 milligrams per liter

2011-12 Influent Suspended Solids:
Plant No. 1 .....339 milligrams per liter
Plant No. 2 .....286 milligrams per liter

2011-12 Effluent BOD .....10.3 milligrams per liter

2011-12 Effluent Suspended Solids .....7.6 milligrams per liter

2011-12 Biosolids Produced & Reused ..... 280,547 wet tons

Primary Treatment Capacity (includes standby):
Plant No. 1..... 204 mgd
Plant No. 2..... 168 mgd
TOTAL..... 372 mgd

Secondary Treatment Capacity:
Plant No. 1..... 182 mgd
Plant No. 2..... 150 mgd
TOTAL..... 332 mgd

Legend:
mgd – million gallons per day
kwh – kilowatts per hour

2012-13 Estimated Average Daily Influent:
Plant No. 1..... 97 mgd
Plant No. 2..... 103 mgd
TOTAL..... 200 mgd

2012-13 Estimated Electricity Generated:
Plant No. 1.....30,850,000 kwh
Plant No. 2..... 33,770,000 kwh
TOTAL.....64,620,000 kwh

Financial Information

	2011-12 Actual	2012-13 Projected	2013-14 Originally Proposed	2013-14 Updated Proposed
Fees and Charges:				
One-Time 3-Bedroom Residence Connection	$3,341.00	$3,369.00	$3,369.00	$3,430.00
Average Annual Single-Family Residence Fee	$267.00	$294.00	$306.00	$308.00
Local SFR Fee	$212.00	$216.00	$225.00	$216.00
District's Avg. Share of Ad Valorem Property Tax	1.80%	1.80%	1.80%	1.80%
Cost to Collect, Treat, & Dispose of 1 Million Gallons	$1,968.48	$ 2,016.31	$ 2,051.65	$ 1,992.66

Summary of COP Issues:

August 2000 Refunding / New Money	$ 80,600,000	May 2010A New Money	80,000,000
May 2007A Refunding	92,620,000	November 2010C New Money	157,000,000
December 2007B New Money	273,400,000	September 2011A Refunding	140,195,000
May 2008A Refunding	19,195,000	February 2012A Refunding	100,645,000
September 2008B New Money	26,075,000	August 2012B Refunding	66,395,000
April 2009A New Money	187,765,000	October 2012C Refunding	131,700,000
		Total Outstanding COP Balance 7/1/13	$ 1,355,590,000

ORANGE COUNTY SANITATION DISTRICT

Wastewater Treatment Process Diagram

INDUSTRIAL

COMMERCIAL

RESIDENTIAL

LANDFILL

COMPOST

LAND APPLICATION

1. PRELIMINARY TREATMENT
Wastewater passes through bar screens that trap and remove large and nonorganic materials. It then flows into grit chambers where the heaviest materials, such as egg shells, coffee grounds and sand, settle out. The materials removed during these processes are sent to a sanitary landfill.

2. CHEMICAL ADDITION
Hydrogen peroxide is added to the incoming wastewater to help reduce hydrogen sulfide and control odors. Chemical coagulants are added to the wastewater to enhance the primary settling process.

3. AIR EMISSIONS CONTROL
Chemical and biological scrubbers clean the air extracted from the various enclosed treatment facilities.

4. PRIMARY TREATMENT
Following preliminary treatment, the wastewater is pumped to large settling basins (for about two hours) where liquids and solids separate. The heavier solids settle and are scraped off the bottom, and the lighter material is skimmed off the top of the basins. The materials that are removed are sent to solids processing facilities. Adding coagulants to the raw wastewater improves settling of the solids resulting in "advanced primary" treated wastewater. The treated wastewater is either pumped to secondary treatment facilities or blended into the final treated effluent.

5. SECONDARY TREATMENT
Advanced primary treated wastewater is pumped to aeration basins where microorganisms, called activated sludge, consume the remaining organic solids. The wastewater is then pumped into settling basins where the activated sludge settles out. Most of it is scraped off the bottom and returned to the aeration basins to regenerate this process, and the excess is sent to solids processing. Trickling filters provide similar treatment with microbes living on media.

6. SOLIDS PROCESSING
Solids removed during the treatment processes are pumped into digesters where they undergo natural decomposition for 20-30 days. Half the solids convert to a gas mostly made up of methane, which is sent to our own energy recovery facilities.

The remaining solids are pumped to dewatering facilities to achieve a 23 percent solid material (with a cake-like consistency) called biosolids. The biosolids are recycled for direct land application as a soil amendment or used to make fertilizer. Biosolids can also be composted or sent to a landfill if necessary.

7. ENERGY RECOVERY
In our Central Power Generation Facility, the methane gas derived from the digesters is used to power engine-generator units that produce the electricity used as the energy source to operate both treatment plants.

8. OCEAN OUTFALL PUMPING STATION
The treated wastewater from both plants is blended and pumped after disinfection and dechlorination into a large ocean outfall pipe. This facility has the capacity to pump 480 million gallons of treated wastewater a day, which helps us handle stormwater inflows, and will meet our capacity needs for many years.

9. OCEAN OUTFALL
The ocean outfall pipe is 10 feet in diameter, five miles long and safely discharges treated wastewater at a depth of 200 feet. The last mile of the pipeline is a diffuser section with hundreds of portholes, which provide a high rate of dilution with surrounding seawater.

10. WATER RECLAMATION
We provide secondary-treated wastewater to the Orange County Water District for advanced treatment and recycling. The water district has two treatment plants that provide reclaimed water that is either injected into the groundwater table to block seawater intrusion, or used for the Groundwater Replenishment System. The water is also used for landscape irrigation and industrial processes.

INDUSTRIAL REUSE

LANDSCAPE IRRIGATION

SEAWATER INTRUSION BARRIER
GROUNDWATER REPLENISHMENT SYSTEM

S. DEVERMAN