

# Proposed BUDGET

Fiscal Years

2022-23 and 2023-24

*Orange County Sanitation District, California*





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**Orange County Sanitation District, California  
FY 2022-23 & FY 2023-24 Proposed Budget**

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**MISSION STATEMENT**

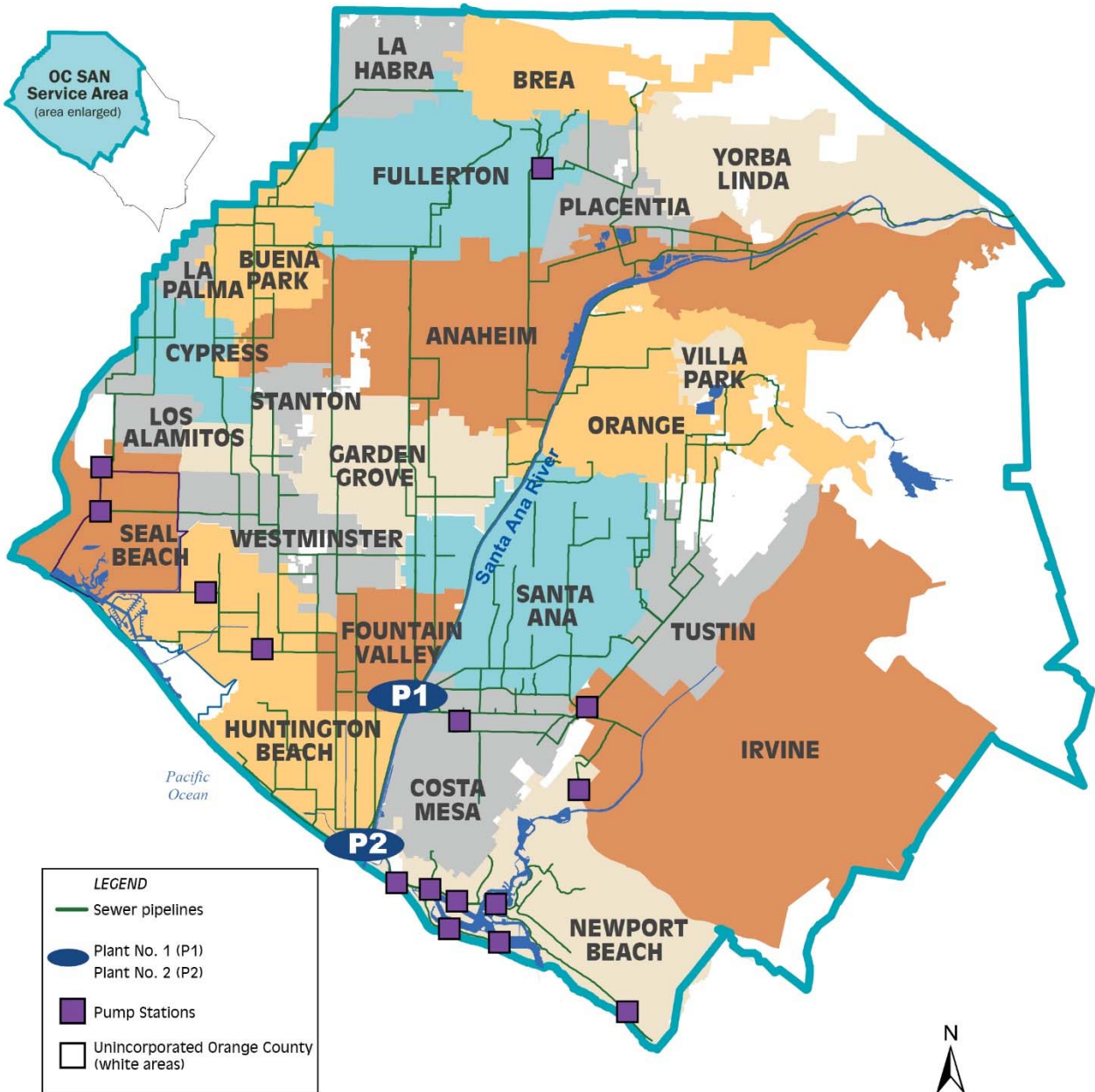
**“To protect public health and the environment by providing effective wastewater collection, treatment, and recycling.”**

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***For Fiscal Years  
July 1, 2022 through June 30, 2023 and  
July 1, 2023 through June 30, 2024***

# 2022-23 & 2023-24 Budget

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



DISCLAIMER: Map prepared by the Orange County Sanitation District. This map is intended for graphical representation only. No level of accuracy is claimed. Portions of this derived product contain geographical information copyrighted by Rand McNally 2013. All Rights Reserved. REVISED: 2018

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# GFOA Budget Presentation Award

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Orange County Sanitation District  
California**

For the Biennium Beginning

**July 1, 2020**

*Christopher P. Morill*

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Orange County Sanitation District, California, for its biennial budget for the biennium beginning July 1, 2020.

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

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

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# 2022-23 & 2023-24 Budget

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# Reader's Guide to the Budget

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## Reader's Guide to the Budget

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

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

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

### **Section 1 – Executive Summary**

The Executive Summary highlights critical issues and financial information regarding OC San's FY 2022-23 and FY 2023-24 Budget.

### **Section 2 – Introduction**

- **Financial Overview and Budget Issues** - This section highlights the issues impacting the FY 2022-23 and FY 2023-24 Budget.

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

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

- **The Budget Process** provides an overview of the budget development process and budget calendar.

- **Budget Assumptions** are decided on as a foundation for developing the budget, and they guide OC San in determining the level of wastewater treatment services that will be provided to the community.

- **Accounting Systems and Budgetary Control** provides an overview of OC San's accounting systems and the level at which budgetary control is maintained.

### **Section 4 – OC San Summary**

This summary section is a comprehensive overview of the FY 2022-23 and FY 2023-24 Budget with a focus on all consolidated OC San funds. Included are tables and graphs for both revenues and expenses.

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

This section is a comprehensive overview of OC San's operating costs and related revenues for FY 2022-23 and FY 2023-24. OC San's operations include collection, treatment, and disposal activities. Tables are included for revenues and expenses to assist the reader in interpreting the data.

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

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

- **Organization Chart** - An organization chart by position is provided for each division.
- **Authorized FTE Positions** - The total number of full-time equivalent positions assigned to each division is included in this table.
- **Staffing Trends** - A multi-year staffing trend chart is provided to show the changes that have occurred in each division over time.
- **Service Description** - A description of the services or functions provided by each division.
- **FY 2021-22 Performance Objectives** - This section represents the objectives defined by the division for the previous fiscal year.

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# 2022-23 & 2023-24 Budget

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- **FY 2021-22 Performance Results** - A summary of major accomplishments and objectives that were actually met during the previous fiscal year.
- **FY 2022-23 and FY 2023-24 Performance Objectives** - A list of projected goals to be accomplished during FY 2022-23 and FY 2023-24.
- **Performance Measures** - A listing of the measures that will be used to evaluate the success of the budgeted fiscal years.
- **Budget Overview** - This section provides an overview of changes from the FY 2021-22 Budget to the FY 2022-23 and FY 2023-24 Budget. Additionally, the significant impacts of budgetary changes are outlined along with dollar amounts.
- **Expenses by Category** - A chart comparing the FY 2020-21 actual expenses and the FY 2021-22 budgeted and projected expenses against the proposed budget for FY 2022-23 and FY 2023-24. The percent change from the FY 2021-22 Budget compared to the FY 2022-23 Budget is also included.
- **Expenditure Trends** - This graph provides a multi-year historical trend of divisional expenses.

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

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

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

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

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

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

## ***Section 10 – Appendix***

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

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# OC San Board of Directors

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## Orange County Sanitation District Board of Directors

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### AGENCY / CITIES

Anaheim  
Brea  
Buena Park  
Cypress  
Fountain Valley  
Fullerton  
Garden Grove  
Huntington Beach  
Irvine  
La Habra  
La Palma  
Los Alamitos  
Newport Beach  
Orange  
Placentia  
Santa Ana  
Seal Beach  
Stanton  
Tustin  
Villa Park

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### ACTIVE DIRECTOR

Stephen Faessel  
Glenn Parker  
Art Brown  
Paulo Morales  
Patrick Harper  
Jesus J. Silva  
Steve Jones  
Kim Carr  
Anthony Kuo  
Rose Espinoza  
Marshall Goodman  
Ron Bates  
Brad Avery  
Kim Nichols  
Chad Wanke  
Johnathan Ryan Hernandez  
Sandra Massa-Lavitt  
David Shawver  
Ryan Gallagher  
Chad Zimmerman

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### Sanitary Water Districts

Costa Mesa Sanitary District (CMSD)	Robert Ooten
Midway City Sanitary District (MCSD)	Andrew Nguyen
Irvine Ranch Water District (IRWD)	John Withers
Yorba Linda Water District (YLWD)	Brooke Jones

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### County Areas

Member of the Board of Supervisors

Donald P. Wagner

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# 2022-23 & 2023-24 Budget

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## Board Committees

### STEERING COMMITTEE

John Withers, Board Chair  
Chad Wanke, Board Vice-Chair  
Glenn Parker, Chair, Administration Committee  
Brooke Jones, Chair, Operations Committee  
Jesus Silva, LaPA Committee  
Ryan Gallagher, Member-At-Large  
Sandra Massa-Lavitt, Member-At-Large

### ADMINISTRATION COMMITTEE

Glenn Parker, Chair  
Anthony Kuo, Vice-Chair  
Brad Avery  
Ron Bates  
Art Brown  
Kim Carr  
Rose Espinoza  
Marshall Goodman  
Patrick Harper  
Andrew Nguyen  
David Shawver  
John Withers, Board Chair  
Chad Wanke, Board Vice-Chair

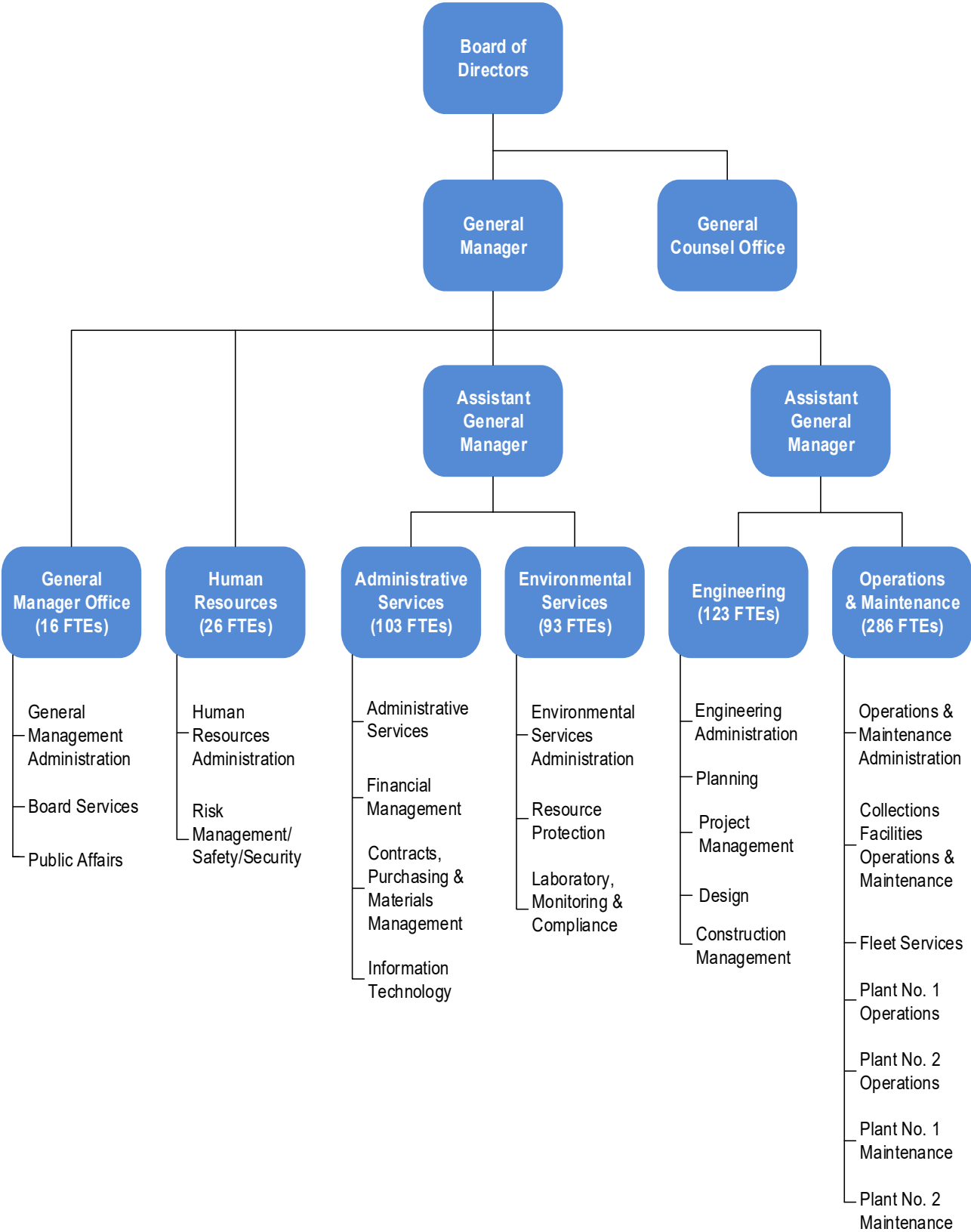
### OPERATIONS COMMITTEE

Brooke Jones, Chair  
Ryan Gallagher, Vice-Chair  
Stephen Faessel  
Johnathan Ryan Hernandez  
Steve Jones  
Sandra Massa-Lavitt  
Paulo Morales  
Kim Nichols  
Bob Ooten  
Jesus J. Silva  
Donald P. Wagner  
Chad Zimmerman  
John Withers, Board Chair  
Chad Wanke, Board Vice-Chair

### LEGISLATIVE AND PUBLIC AFFAIRS COMMITTEE

Jesus Silva, Board Chair  
Marshall Goodman, Board Vice-Chair  
Kim Carr, Member-At-Large  
Anthony Kuo, Member-At-Large  
Andrew Nguyen, Member-At-Large  
John Withers, Board Chair  
Chad Wanke, Board Vice-Chair

# Organization Chart



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# 2022-23 & 2023-24 Budget

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## Administrative Officials

General Manager	James Herberg
Assistant General Manager	Robert Thompson
Assistant General Manager and Director of Finance & Administrative Services	Lorenzo Tyner
Director of Engineering	Kathy Millea
Director of Environmental Services	Lan Wiborg
Director of Human Resources	Celia Chandler
Director of Operations & Maintenance	Riaz Moinuddin
General Counsel	Bradley Hogin

June 1, 2022

Honorable Chair and Board of Directors:

I am pleased to submit the Orange County Sanitation District’s (OC San) Proposed Budget for fiscal years 2022-23 and 2023-24. This document lays out the framework of OC San’s activities during the next two years and serves as a source of information for OC San’s Board of Directors, our ratepayers, and our employees. This budget includes the operational, capital, and debt service expenditures necessary to cost-effectively support our mission and execute the Strategic Plan adopted by our Board of Directors in November 2021.

OC San’s proposed fiscal year 2022-23 total Operating and Capital Improvement Program (CIP) budget is \$476.5 million, which is an increase of \$61 million (14.7 percent) compared to the fiscal year 2021-22 budget. Proposed CIP expenditures are increasing by \$43.6 million, while the Operating Budget includes an increase of \$17.4 million.

The Operating Budget increase is primarily driven by increased chemical, utility, and infrastructure maintenance/repair costs. The historically high inflation that has impacted the nation’s economy over the past year is also driving up OC San’s cost of doing business. Some of the Operating Budget increase is also due to \$4.3 million in charges being moved from the CIP to the Operating Budget in accordance with accounting standards. During the budget preparation process, I met with each of the departments to ensure their budget proposals were prudent and cost-effective and that we are taking steps to mitigate the impacts of escalating costs for materials, supplies and services.

I would like to highlight some of our areas of focus for the next two years:

- Operational Readiness –OC San continues to a look ahead, preparing for our future infrastructure needs and for emergency events such as line breaks, earthquakes, and potential cybersecurity breaches. We are updating our Business Continuity Plans and conducting tabletop exercises for emergency scenarios to allow us to respond quickly and effectively without compromising our mission or levels of service. This focus on preparation, response, and recovery has served us well during the COVID-19 pandemic as we continued to provide uninterrupted service while making progress on important projects to ensure that we continue to deliver our mission into the future.

*Serving:*

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

- Expanded Recycling Efforts – In partnership with the Orange County Water District (OCWD), our agency continues to move forward with the final expansion of the Groundwater Replenishment System (GWRS). Scheduled for completion in 2023, the final expansion will allow our agencies to recycle 100 percent of OC San’s reclaimable wastewater, making the GWRS capable of providing a reliable water source for over one million people in central and northern Orange County.
- Headquarters Complex – Construction of our headquarters building which will house OC San’s centralized administrative functions is underway and scheduled to be completed in late 2023. Efforts are also ongoing to construct the pedestrian bridge that will connect the new building with Reclamation Plant No. 1. When the new headquarters is complete, outdated office buildings currently located on the plant site will be demolished, freeing up space for future wastewater treatment infrastructure.
- Capital Improvement Program (CIP) – OC San continues to construct essential wastewater infrastructure, investing \$500 million in projects in the next year and a half. These projects are focused on upgrading aging infrastructure incorporating climate resiliency, seismic risk, and maximizing resource recovery. While the COVID-19 pandemic has resulted in operational modifications, OC San’s CIP has not been significantly impacted.
- Infrastructure Reliability and Asset Management – It is essential for OC San’s infrastructure to operate continuously day and night. To ensure the reliability of our \$11 billion wastewater system, we evaluate our infrastructure annually as part of the Asset Management Plan. This annual plan updates the state of OC San’s assets and includes integrated planning for recurring maintenance, repairs, and CIP implementation. The plan lays out how we will operate and maintain those assets to deliver the required level of service at the lowest lifecycle cost with an acceptable level of risk. The proposed budget includes \$32.1 million in repairs and maintenance for next year.
- Safety and Security – Capital projects, maintenance activities, drafting of an implementation plan for a Voluntary Protection Program Certification, and training to address safety in our workplace are all included in this budget. The proposed budget includes enhancements to our physical, electronic, and cyber security infrastructure.
- Staffing Cost Containment – Overall, operational staffing levels will remain static for the next few years, while seven new positions are proposed in the Engineering Department to support the increased level of CIP projects.



- Strategic Planning –In November 2021, the Board adopted an updated Strategic Plan setting the policy framework and priorities for the next two years. This plan is a tool that will help ensure that our efforts throughout the organization are aligned with the Board’s priorities.

This budget supports the goals and levels of service included in OC San’s Strategic Plan and positions us well to proactively manage in the coming years. OC San will continue to provide wastewater collection, treatment, and recycling as well as facilities maintenance, ocean monitoring, and many other services while keeping rates among the lowest in California. As we enter the last year of the five-year rate plan, OC San will begin the evaluation process to determine the necessary future rate structure to continue to provide these essential services.



James D. Herberg  
General Manager  
Orange County Sanitation District

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# Mission, Vision and Core Values

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## ORANGE COUNTY SANITATION DISTRICT CORE VALUES

### MISSION STATEMENT

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

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

### VISION STATEMENT

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

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

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

### Core Values

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

- **INTEGRITY, INCLUSION, HONESTY, and RESPECT**  
We aspire to the highest degree of integrity, inclusion, honesty, and respect in our interactions with each other, our suppliers, our customers, and our community. We strive to demonstrate these values in our actions, commitments, and service.
- **LEADERSHIP, TEAMWORK and PROBLEM SOLVING**  
We lead by example, acknowledging the value of our resources and using them wisely to achieve our mission. We strive to reach OC San 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.
- **CUSTOMER SERVICE, TRANSPARENCY, and ACCOUNTABILITY**  
We are committed to acting in a timely, accurate, accessible, and transparent manner through excellent customer service. We are committed to act in the best interest of our internal and external stakeholders.
- **RESILIENCY, INNOVATION, and LEARNING**  
We continuously develop ourselves, enhancing our talents, skills, and abilities. We recognize that only through personal growth and development will we continue to progress as an agency and as individuals.
- **SAFETY**  
We are committed to provide a safe work environment. We will demonstrate leadership, promote individual accountability, and participate actively in the advancement of our health and safety practices.

# Executive Summary

This FY 2022-23 and FY 2023-24 budget represents a consolidation of two one-year proposed operating and capital budgets. OC San's FY 2022-23 operating and capital improvement budget is proposed at \$476.5 million, a 14.7 percent increase over the prior year budget of \$415.5 million. This overall increase is primarily attributable to an increase of \$43.6 million in net Capital Improvement Program (CIP) Outlay, and \$17.4 million increase in operating costs.

OC San's FY 2023-24 operating and capital improvement budget is proposed at \$532.5 million, a 11.8 percent increase from the FY 2022-23 proposed budget. The increase is mostly comprised of a \$47.1 million, or 17.6 percent net increase in cash outlays for construction projects. The fluctuation in capital outlay requirements over the next two years is attributable to the timing of the construction schedule on the implementation of the overall combined ten-year, \$3.1 billion CIP.

The table below summarizes OC San's funding requirements:

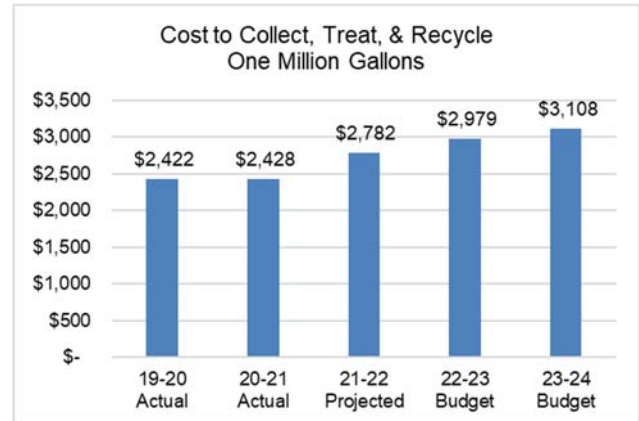
Category	2020-21 Actual	2021-22 Budget	2022-23 Proposed	2023-24 Proposed
Capital Improvement Program	\$161.2	\$224.6	\$268.2	\$315.3
Operating Expenses / Self Insur.	164.4	187.4	204.8	213.7
Debt Service	73.1	234.5	68.6	68.6
Intradistrict Transfers	19.7	3.5	3.5	3.5
Total Outlays	418.4	650.0	545.1	601.2
Ending Reserves*	964.4	967.8	959.3	884.2
Total Funding Uses	\$1,382.8	\$1,617.8	\$1,504.4	\$1,485.4

\*Rounding difference in 2022-23 Proposed

This FY 2022-23 and FY 2023-24 budget continues to reflect the agency's ongoing efforts to meet the operational standards and regulatory requirements. Staffing levels are being proposed at 647.0 full time equivalent (FTE) positions, an increase of 8.0 FTE position, or 1.2 percent over the 639.0 FTE staffing level that was approved for FY 2021-22.

Additionally, service level increases in ocean monitoring, discharge and treatment, water reclamation and conservation, urban runoff diversions, biosolids management, CIP expansion, and aging infrastructure costs have resulted in a corresponding increase in cash flow requirements. Considering the CIP alone, the \$268.2 million and \$315.3 million proposed CIP outlay for FY 2022-23 and FY 2023-24 is part of the 10-year \$3.1 billion outlay for active and future

projects identified within the recently completed Annual CIP Validation Process.



OC San has a variety of revenue sources available to fund its operating and capital outlay requirements. As shown in the table below, OC San's major funding resources come from sewer service fees and property taxes:

Category	2020-21 Actual	2021-22 Budget	2022-23 Proposed	2023-24 Proposed
Beginning Reserves	\$880.8	\$960.7	\$989.0	\$959.4
Service Fees	311.8	323.1	326.1	339.2
Property Taxes	98.3	103.2	109.8	112.1
Permit User Fees	9.9	12.6	12.5	12.9
Capital Capacity Charges	21.0	16.7	17.9	18.5
Interest	28.7	14.5	14.5	13.7
Intradistrict Transfers	19.7	3.5	3.5	3.5
Debt Proceeds	0.0	163.8	0.0	0.0
Other Revenue	12.5	19.7	31.1	26.1
Total Funding Sources	\$1,382.7	\$1,617.8	\$1,504.4	\$1,485.4

## Budget Overview

The agency's two treatment plants, located in Fountain Valley and Huntington Beach, process a combined 185 million gallons of wastewater each day generated by approximately 2.6 million people in central and northwest Orange County.

The FY 2022-23 proposed budget to operate, maintain and manage our sewage collection, treatment and disposal system is \$201.1 million, an increase of 9.3 percent, or \$17.1 million, from the prior year budget.

Contractual services are proposed to increase \$1.0 million, or 5.2 percent, due to need for outside consultants in support of repairs and maintenance.

# 2022-23 & 2023-24 Budget

Overhead cost allocation out to the CIP has been decreased by \$1.0 million, or 4.4 percent based on an updated cost allocation plan.

Combined utilities costs for natural gas, electricity, and water are proposed to increase \$3.5 million, or 37.2 percent, due to increased unit costs and supply chain issues.

Repairs and maintenance costs are proposed to increase \$2.4 million or 8.1 percent. This increase is mostly attributable to increases in basic repairs and maintenance costs.

Operating materials and supplies, which consists primarily of chemicals used in operations, are proposed to increase \$2.3 million, or 10.7 percent due to higher unit costs and hauling expenses.

Personnel costs are budgeted to increase \$4.7 million, or 4.3 percent, primarily due to additional staff and an increase in budgeted salaries and wages in accordance with previously approved labor agreements.

The FY 2023-24 proposed operating budget is \$209.9 million, an increase of \$8.7 million, or 4.3 percent over the FY 2022-23 proposed budget.

Personnel costs are proposed to increase \$5.6 million, or 5.0 percent increase due primarily to increases in salaries per anticipated labor agreements, group insurances and retirement costs. Staffing is being proposed at 648 FTE positions from the 647 FTE positions proposed for FY 2022-23.

Repairs and maintenance costs are being proposed to increase \$1.6 million or 5.1 percent, primarily due to a continued emphasis on preventative maintenance.

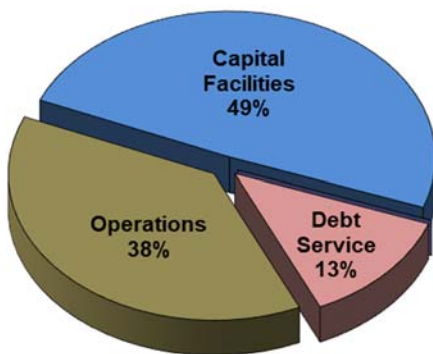
Overhead cost allocation out to the CIP has been increased by \$0.9 million, or 4.3 percent based on an updated agency-wide full cost allocation plan.

The cost per million gallons of wastewater treated, an industry-wide performance measurement is expected to increase in FY 2022-23 to \$2,979, a \$197, or 7.1 percent increase over the prior year projected cost of \$2,782, and increase in FY 2023-24 to \$3,108, a \$129, or 4.4 percent increase from the FY 2022-23 proposed budget. The 7.1 percent increase in FY 2022-23 is primarily due to the budget increase and the projected wastewater flows through the treatment system from remaining consistent at 185 MGD. Wastewater flows have an inverse relationship to the cost per million gallons; the lower the flows, the higher the cost. Wastewater flows are expected to remain flat at 185 MGD in FY 2023-24.

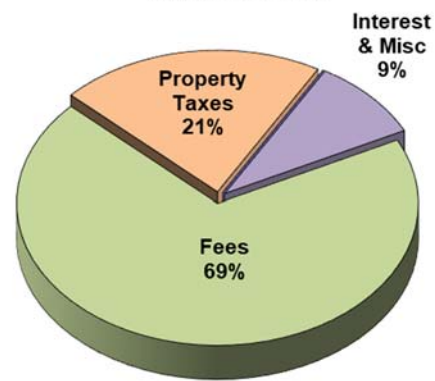
OC San's CIP net cash flow budget for FY 2022-23 is \$268.2 million, an increase of \$64.8 million from the prior year estimated total. The CIP cash flow budget for FY 2023-24 is \$315.3 million, an increase of \$47.1 million from the FY 2022-23 proposed CIP cash flow. This CIP two-year cash flow budget finances collection system, joint treatment works and disposal system improvement projects. These CIP cash flows are attributable to the additional infrastructure needs identified in the 2017 Facilities Master Plan and updates that are part of the 2022 validation of the CIP.

## FY 2022-23

Uses of Funds



Source of Funds



# Executive Summary

## How Resources Are Used

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

### Summary of Operating & Maintenance Expenses

#### Collections, Treatment & Recycling Operations

	2020-21 Actual	2021-22 Budget	2022-23 Proposed	2023-24 Proposed
Salaries, Wages & Benefits	\$90,561,235	\$108,101,840	\$112,771,582	\$118,375,014
Administrative Expenses	1,744,271	2,064,546	2,253,179	2,204,708
Printing & Publication	239,948	420,350	809,332	388,137
Training & Meetings	341,473	906,798	1,161,096	1,132,665
Operating Materials & Supplies	19,754,626	21,964,434	24,310,057	26,002,409
Contractual Services	17,290,078	19,144,782	20,142,002	21,337,350
Professional Services	4,131,939	6,920,852	7,825,171	7,566,725
Research & Monitoring	1,052,470	1,547,700	1,675,450	1,751,363
Repairs and Maintenance	33,739,490	29,717,346	32,135,374	33,784,939
Utilities	9,789,488	9,329,726	12,803,268	12,558,966
Other Materials, Supplies & Services	4,012,530	5,545,580	6,020,421	6,435,871
Cost Allocation - CIP	<u>(20,923,231)</u>	<u>(21,713,080)</u>	<u>(20,762,230)</u>	<u>(21,646,370)</u>
<b>Net Operating &amp; Maintenance Expenses</b>	<u>\$161,734,317</u>	<u>\$183,950,874</u>	<u>\$201,144,702</u>	<u>\$209,891,777</u>

#### Facilities Planning

In December 2017, the 2017 Facilities Master Plan was adopted by the Board of Directors to define OC San's goals, responsibilities, and requirements over the next twenty years. It includes projections through the assumed "build-out" of OC San's service area to beyond the year 2040. The Projects identified via the Master Plan are continually updated via OC San's Asset Management Program (AMP). The AMP also identifies new Projects and annually conducts a validation review of every future Project.

The proposed net CIP outlays for FY 2022-23 and FY 2023-24 are \$268.2 million and \$315.3 million, respectively, and are part of an overall 20-year CIP outlay of \$6.1 billion for all planned active and future projects, as well as outlays that are primarily allotted for future rehabilitation and replacement of the OC San's aging assets and systems.

#### Wastewater Recycling

In partnership with the Orange County Water District (OCWD), our agency recycles enough water to supply the needs of 850,000 people. Recognizing the need for a reliable, affordable, and high-quality water supply, OC San's Board of Directors set a goal of recycling 100 percent of all reclaimable wastewater flows. OC San is currently working with OCWD on the construction and completion of the final expansion of the Groundwater Replenishment System over the next year. The final expansion is projected to come online in 2023 and will supply enough water for 1 million people.

#### Sewer Service Fee Increases

In March of 2018, the Board approved rate increases for each year over the next five years. These increases are necessary for compliance with OC San's debt fiscal policy of balancing the funding of new capital improvements with current revenues and existing debt, and to minimize the increase in rates over an extended period of time.

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## 2022-23 & 2023-24 Budget

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The impact of this five-year sewer fee schedule has increased the single family residence user fee rate, on average, 1.2 percent a year from \$335 in FY 2018-19 to \$347 in FY 2022-23, including a rate hold in FY 2020-21. These rate increases by OC San are still well below the average annual sewer rate of \$523 being charged throughout the State according to the 2018 California Wastewater Charge Survey by the State Water Resources Control Board.

### **Staffing**

Authorized staffing levels are being proposed at 647 and 648 FTE positions over the next two fiscal years, 8 and 9 FTE positions, respectively, higher than the approved staffing level for FY 2021-22. However, staffing is still 30 FTE positions below the agency's all time high of 678 positions approved in FY 1995-96.

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

### **Strategic Planning**

In November 2019, the Board of Directors adopted a new comprehensive strategic plan to steer OC San's efforts. The Strategic Plan developed by the Board of Directors and staff is updated every two years prior to the start of the budget process. The plan defines the strategic initiatives to be pursued by OC San and provides a basis for long-term financial, capital, and operational planning. In addition, it provides for long-term continuity of vision as Board and staff members change over the many years it takes to deliver public works infrastructure.

Driven by our Mission, Vision and Core Values, this Strategic Plan continues OC San's aggressive efforts to protect the public health of the more than 2.6 million people we serve while protecting the environment where we live.

The Strategic Plan is broken down into four broad categories with fifteen policy areas that define our responsibilities and the services we provide. These areas are:

- Business Principles
  - Budget Control and Fiscal Discipline
  - Asset Management
  - Cybersecurity
  - Property Management
  - Organizational Advocacy and Outreach
- Environmental Stewardship
  - Energy Independence
  - Climate and Catastrophic Event Resiliency
  - Food Waste Treatment
  - Water Reuse
  - Environmental Water Quality, Stormwater Management and Urban Runoff
- Wastewater Management
  - Chemical Sustainability
  - Biosolids Management
  - Constituents of Emerging Concern
- Workplace Environment
  - Resilient Staffing
  - Safety and Physical Security

The Strategic Plan is not a radical departure from the current direction, but rather the well-defined iterative update to the direction of OC San. With the adoption of the Strategic Plan, staff will be updating the Asset Management Plan, Capital Improvement Plan, and Financial Plan that are the basis of a two-year budget that will be adopted by the Board of Directors. The Budget goals and the General Manager's work plan are the accountability steps that measure achievable progress toward the strategic initiatives listed in the Strategic Plan.

# Financial Overview & Budgetary Issues

## Financial Overview and Budgetary Issues

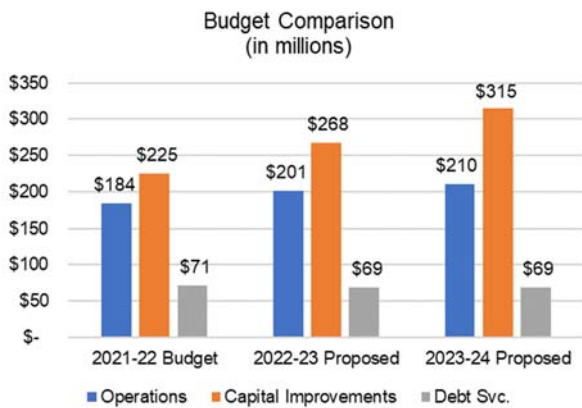
This section of the budget is a financial overview and an outline of issues affecting the development of the budget, as listed below:

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

## Proposed Consolidated Cash Flow Budget

The total proposed cash flow budget for FY 2022-23 is \$545.1 million, a 11.9 percent increase over the prior year total cash flow budget of \$486.9 million. The total proposed cash flow budget for FY 2023-24 is \$601.2 million, a 10.3 percent increase from the total proposed cash flow budget for FY 2022-23. The change in FY 2022-23 in comparison to the prior year is primarily due to an increase of both operating and capital costs. There was a \$43.6 million increase in the Capital Improvement Program over the prior year due to the timing of projects and inflationary pressures.

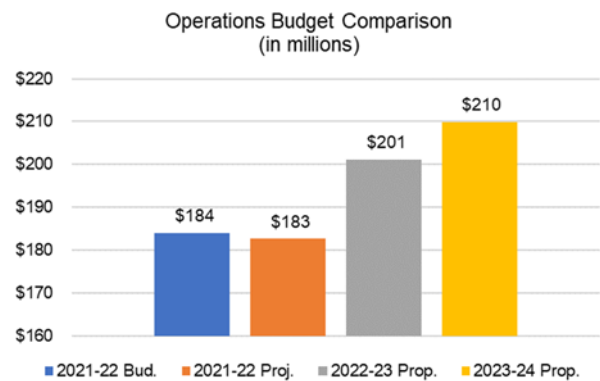
The following table shows the comparisons of the FY 2021-22 Budget, and the FY 2022-23 and FY 2023-24 Proposed Budgets by major budget category:



## Proposed Operating Budget

The Operating program accounts for the costs to operate, maintain, and manage OC San's two treatment plants, with a secondary treatment design capacity of 332 million gallons a day, and 388 miles of collection systems. All the personnel costs for OC San are initially recorded as an Operating cost. Costs chargeable to the Capital Improvement Program (CIP) are allocated for the work done through a job cost system. These charges are shown as reductions in the line item Operating program budget. Costs remaining in the Operating program are ultimately allocated to the two individual revenue areas that make up OC San, the Consolidated Revenue Area, and Revenue Area 14, based on flows.

Operational cost, comprised of collections, treatment plant, recycling operations and maintenance, and administration are projected to come in under budget for FY 2021-22 Budget by \$1.3 million, or 0.7 percent. The FY 2022-23 Budget is being proposed with an increase of \$17.1 million or 9.3 percent from the prior year budget, and the FY 2023-24 Budget is being proposed with an increase of \$8.7 million, or 4.3 percent over the FY 2022-23 Proposed Budget.



Analysis on the year-to-year change is provided from three perspectives. First, the FY 2021-22 Budget is compared to the FY 2021-22 year-end projections. Secondly, the FY 2021-22 year-end projections are compared to the FY 2022-23 Proposed Budget, and lastly, the FY 2022-23 Proposed Budget is compared to the FY 2023-24 Proposed Budget.

## FY 2021-22 Operations – Budget vs. Projected

As depicted by the chart above, operating expenses are projected to come in under the FY 2021-22 Budget by \$1.3 million, or 0.7 percent. The major categories that comprised most of the underage include salaries and wages, contractual services, and professional services. Salaries and wages costs

# 2022-23 & 2023-24 Budget

are expected to come in under budget by \$2.9 million, or 2.6 percent primarily due to unfilled positions and positions being filled at entry level.

Contractual services are expected to come in under budget by \$1.5 million, or 7.8 percent primarily due to reduced solids removal costs and temporary services.

Professional services are expected to come in under budget by \$1.7 million, or 24.6 percent primarily due to reduced legal costs and usage of outside consultants.

Repairs and maintenance costs are expected to exceed budget by \$5.0 million, or 17.0 percent due to large repair and maintenance projects.

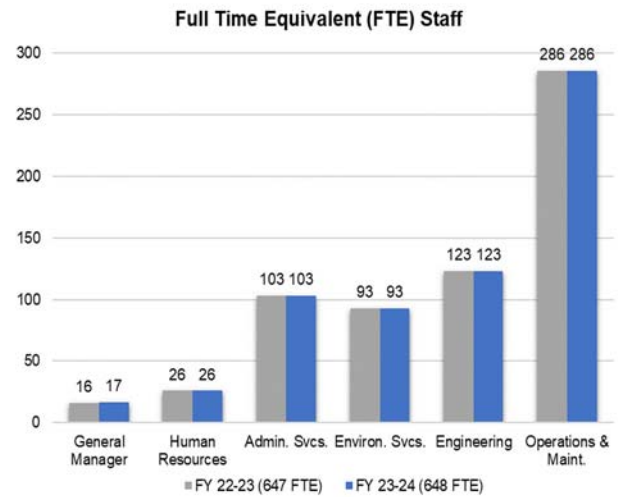
Utility costs are expected to exceed budget by \$1.6 million, or 20.0 percent due to significant price increases due to inflation and supply issues.

***FY 2021-22 Projected Operating Expense vs. FY 2022-23 Proposed Operating Budget***

The FY 2022-23 Operating Budget is a \$18.5 million, or 10.1 percent increase over the FY 2021-22 projected operating requirements. Increases in the proposed operating requirements are primarily attributable to increases in salaries, wages and benefits, operating materials and supplies, and professional services.

Personnel costs are being proposed at \$7.6 million, or 7.2 percent increase over the prior year projection mainly due to anticipated salary and benefit adjustments for all employee bargaining units and increased insurance premiums and retirement contributions. There is a proposed increase of eight full time equivalent (FTE) staff position bringing the proposed total FTE count in FY 2022-23 to 647.0 FTEs.

Operating materials and supply costs are proposed to increase \$2.6 million or 11.9 percent over the prior year projection. Approximately 85 percent of this these costs are chemicals used in operating the treatment plants and collection system. Prices are significantly increasing due to inflation and supply chain issues.



Professional services costs are proposed to increase \$2.6 million or 49.6 percent over the prior year projection. The increase is attributable to increased outside engineering services to support repair and maintenance work, environmental scientific consultants, and software programming consultants.

***FY 2022-23 Proposed Operations Budget vs. FY 2023-24 Proposed Operations Budget***

In FY 2023-24, the second year of this two-year operating budget, staff is proposing a 4.3 percent, or \$8.7 million increase over the FY 2022-23 proposed operating requirements. Increases in the proposed operating requirements are primarily attributable to increases in personnel costs, operating materials and supplies, and repairs and maintenance.

Personnel costs are being proposed at a 5.0 percent, or \$5.6 million increase in FY 2023-24 over the FY 2022-23 Proposed Budget. This increase is mostly attributable to anticipated salary and benefit adjustments for all employee bargaining units and an increase of group medical insurance premiums. One additional staffing position is proposed to increase the position count to 648.0 FTEs.

Operating materials and supplies are being proposed to increase \$1.7 million or 7.0 percent, primarily due to chemical costs.

Repairs and maintenance costs are being proposed to increase \$1.6 million or 5.1 percent, primarily to support the ongoing infrastructure preventative maintenance program.



# Financial Overview & Budgetary Issues

## **Proposed Net Capital Improvement Outlay**

Proposed capital improvement outlays approximate two-fifths of the overall proposed budget and provide for the improvements, rehabilitation, replacement, expansion and upgrades of facilities at the two treatment plants, including the utility systems, administrative facilities, and the ocean disposal system, and the rehabilitation, replacement and expansion of the 388 miles of the collection system and off-site pump stations.

The net CIP outlay has been prepared under assumptions included in the Facilities Master Plan adopted by the Board of Directors in December 2017 and in accordance with the Board approved 2019 Strategic Plan.

The Strategic Plan is a two-year, four-step management process that creates and maintains vision alignment between the Board of Directors, the staff, and the public. The Facilities Master Plan defines OC San's goals, responsibilities, and requirements over the next twenty years.

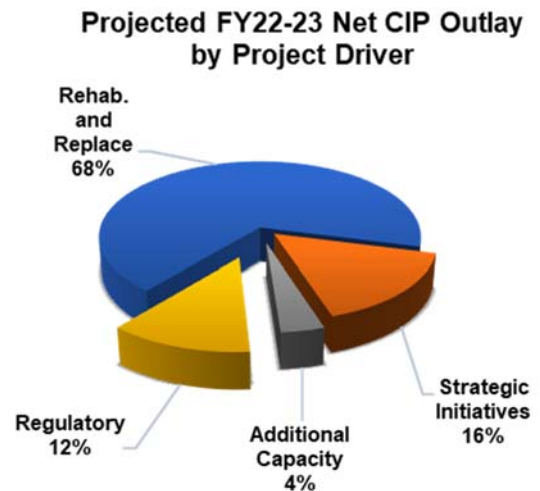
The Facilities Master Plan provides a comprehensive analysis of the condition and capacity of OC San's wastewater infrastructure. It also evaluated the potential impacts due to anticipated regulatory changes, and incorporated recommendations from other recent master planning efforts, such as the Effluent Reuse Study, Biosolids Master Plan, the Climate Resiliency Study, the Seismic Evaluations Study, and the Collections System (sewers and pump stations outside the Plants) Capacity Evaluation, to create the CIP which supports OC San's mission over the next 20 years.

The Asset Management Program (AMP) continuously validates and updates the Facilities Master Plan Projects that are within CIP. This is performed by working with Operations and Maintenance and performing facility condition assessments and Planning Studies that allows future Projects to be created and updated. Future Projects that are updated through the year are also validated annually to ensure accurate schedule, scope, and budget.

The proposed net CIP outlays for FY 2022-23 and FY 2023-24 are \$268.2 million and \$315.3 million, respectively, and are part of an overall 20-year CIP outlay of \$6.1 billion for all planned active and future projects, as well as outlays that are primarily allotted for future rehabilitation and replacement of OC San's aging assets and systems.

There are four key drivers that lead to CIP projects: (1) Rehabilitation and Replacement; (2) Additional Capacity; (3) Regulatory; and (4) Strategic Initiatives.

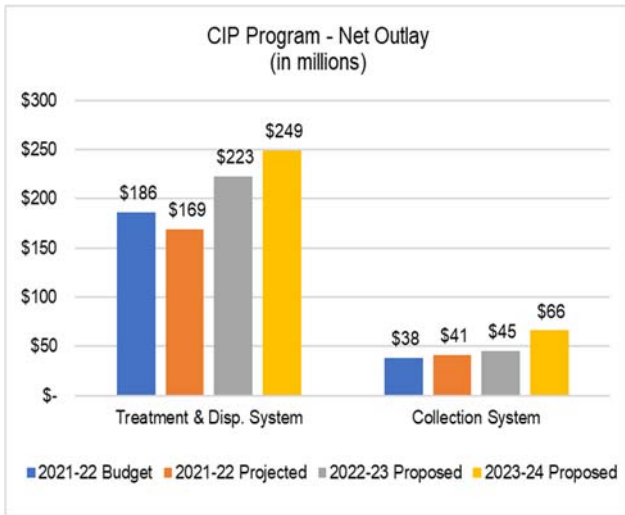
As demonstrated by the chart below, the most prevalent CIP project driver is to rehabilitate and replace aging assets. OC San is now facing a time when dry weather influent flows have stabilized and discharged regulations are less dynamic. Most of the capital improvement costs will be focused on asset management, rehabilitation, and replacement of aging infrastructure.



The validated CIP includes 70 active and future capital projects, five programs, such as the Planning Studies Program (M-Studies) and Small Construction Program (M-FE), and budget for capital equipment purchases with a total CIP budget authority of \$4.29 billion.

The projected outlay for FY 2021-22 for Treatment and Disposal Improvement projects is expected to reach 91 percent of the annual net CIP outlay of \$186 million. The FY 2022-23 and FY 2023-24 proposed net CIP outlays for Treatment and Disposal Improvement projects are \$223 million and \$249 million, respectively.

# 2022-23 & 2023-24 Budget



Large treatment system and support facility projects include the Headquarters Complex Plant No. 1 (Project No. P1-128), Headworks Rehabilitation at Plant No. 1 (Project No. P1-105), and Primary Treatment Rehabilitation at Plant No. 2 (Project No. P2-98) with projected expenditures of \$61 million, \$35 million, and \$31 million respectively in FY 2022-23. Note these projects are in construction and are the most significant. 80 percent of the FY 2022-23 net CIP outlay will be spent in construction. Further information on these Projects can be found in Section 8.

The Collection System (sewer pipes and pump stations) Capital Program projected outlay for FY 2021-22 is expected to exceed by 9 percent of the annual net CIP outlay of \$38 million. The FY 2022-23 and FY 2023-24 proposed CIP budget authorities for Collection System Improvement Projects are \$45 million and \$66 million, respectively. These proposed improvements are needed to keep the 388 miles of collection systems pipelines and the pump stations free from failure.

Three large projects in the Collection System include the Westminster Blvd Force Main Replacement (Project No. 3-62), the Los Alamitos Trunk Sewer Rehabilitation (Project No. 3-64), and Gisler-Red Hill Interceptor and Baker Force Main Rehabilitation (Project No. 7-65) with FY 2022-23 proposed cash outlays of \$5.2 million \$12 million, and \$9.7 million, respectively. The Capital Improvement Program is described in more detail in Section 8 of this document.

## Debt Service Requirements

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

OC San issued the \$80.0 million Wastewater Revenue Obligation, Series 2010A in May 2010 and the \$157.0 million Wastewater Revenue Obligation, Series 2010C in December 2010, both as “Build America Bonds” (BABs) fixed rate debt and the last of the “new” money debt issuances. The American Recovery and Reinvestment Act of 2009 created this new financing product, BABs, for the municipal issuer. BABs are issued as higher interest taxable bonds; however, the U.S. Treasury provides a 35.0 percent subsidy on interest payments. The net cost, after accounting for the 35.0 percent subsidy payment, frequently results in lower net costs to the issuer, specifically in the maturity years beyond ten years. Based on the market conditions at the time of these issuances in comparing the back-loaded BABs new money borrowing to a back-loaded tax-exempt structure, Series 2010A resulted in present value savings to OC San of \$15.2 million, as the debt was issued at an all-in true interest cost of 3.7 percent; and Series 2010C resulted in present value savings to OC San of \$20.0 million, as the debt was issued at an all-in true interest cost of 4.1 percent.

On March 1, 2013, the federal government implemented certain automatic spending cuts known as “the sequester”. As a result of the sequester, federal subsidy payments on BABs have been reduced annually from a high of 8.7 percent for the federal FY ended September 30, 2013 to a low of 5.9 percent for the federal FY ended September 30, 2020.

In FY 2021-22, OC San issued \$133.5 million of Revenue Refunding Series 2021A and \$81.6 million of Revenue Refunding Series 2022A to refund callable and maturing debt at a net present value savings of \$28.3 million. As a result of having an adequately funded reserves policy, experienced management, and prudent planning, OC San was again able to secure a “AAA” credit rating from Fitch Ratings and Moody’s on this latest debt issuance.

This two-year budget proposes no additional new money debt issuances as the \$3.1 billion in future replacement, rehabilitation, and refurbishment projects anticipated over the next ten years will be adequately funded through current sewer service fee

# Financial Overview & Budgetary Issues

charges and existing reserves. The FY 2022-23 debt service requirements are proposed at \$68.6 million, a decrease of \$2.1 million, or 2.9 percent from FY 2021-22 projected amount. Total Debt Service requirements for the second year of this two-year budget will be steady at \$68.6 million.

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

## Sewer Service Fees

The Consolidated Revenue Area has an adopted Sanitary Sewer Service Fee to provide funding for operating the sewer systems in accordance with the Clean Water Act and OC San's Revenue Program. Revenue Area No. 14 is funded through user fee charges to the IRWD. Sewer service fees are adopted in five year increments.

In the fall of 2007, OC San staff conducted strategic planning workshops with the Board of Directors to lay out a capital program to deliver the levels of service desired by the Board of Directors. These levels of service and resulting capital projects are included in OC San's Five-Year Strategic Plan. This effort was reinforced through the adoption of a new Master Plan in December 2017, a planning effort to define OC San's goals, responsibilities, and requirements over the next twenty years. The 2017 Facilities Master Plan defined a CIP consisting of over 80 future infrastructure projects. Collectively, these projects along with current active projects total over \$6 billion of CIP spending over the next 20 years.

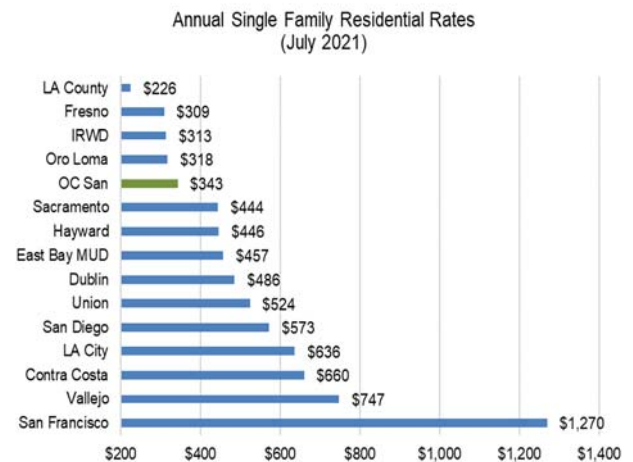
The 2017 Facilities Master Plan also included a Wastewater Revenue Program Rate Study which determined the appropriate rates going forward to support the proposed 20-year CIP.

In March 2018, following a Proposition 218 notice process, the Board approved sewer rate increases for each year over the next five years averaging approximately 1.2 percent a year, which is less than the 1.9 percent rate of inflation for 2019. These increases are necessary to provide needed capital improvements, to meet additional treatment and disinfection requirements, and to minimize future rate increases.

The impact of this five-year sewer fee schedule has increased the single-family residence user fee rate, the underlying rate for all sewer service user fees, an average of 1.2 percent a year from \$335 in FY 2018-19 to \$351 in FY 2022-23.

The OC San Board of Directors made the decision to hold the rates for FY 2020-21 at the current level and forego the approved 1.2 percent increase. The impact of this decision is that the single-family residential rate will be at \$347 for FY 2022-23 and a new rate schedule will be adopted for FY 2023-24.

Even with these increases, OC San rates are still well below the average annual sewer rate of \$523 being charged throughout the State according to the 2018 California Wastewater User Charge Survey conducted by the State Water Resources Control Board.



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

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

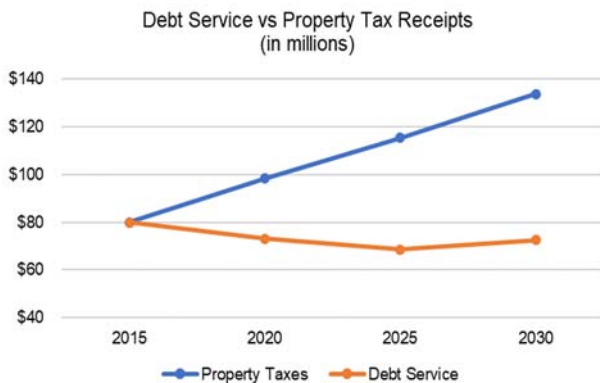
# 2022-23 & 2023-24 Budget

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

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

## Property Taxes

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



Historically, OC San's property tax revenues exceeded OC San's debt service obligations. This trend should continue with debt service obligations leveling off and no new planned COP debt issuances.

Property tax revenues have increased from \$106.4 million in FY 2020-21 to a projected \$107.6 million in FY 2021-22. Property tax revenues had been projected to increase 5.0 percent a year but are now being projected to increase 2.0 percent a year through FY 2023-24.

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

## Budget Highlights

This section briefly outlines the proposed major changes in all departments over the next two years. All plant operating costs and collection system costs are consolidated into the individual department budgets for better accountability and control.

However, separate accounting is maintained between Joint Works Operation activities (treatment and recycling operational costs) and collection operational activities since each Revenue Area is directly responsible for their own collection operating costs. The Joint Works Operation activities are allocated to the Revenue Areas based on their individual contributions to the annual sewage flow. Likewise, the Joint Works Capital Improvements are allocated to the Revenue Areas on a three-year average of sewage flows called the "joint works equity percentage", and each Revenue Area is responsible for their own collection system capital improvements.

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

## General Manager's Office

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

## Human Resources

- An increase of \$696,000 in FY 2022-23 due to contractual services for waste disposal and security services.
- No net change in FTE over the next two years.

## Administrative Services

- An increase in salaries, wages, and benefits costs of \$1.0 million in FY 2022-23 is attributable to anticipated salary and benefit adjustments for all employee bargaining units.
- An increase of \$197,000 in administrative costs, \$176,000 in professional service costs, \$822,000 in repairs and maintenance costs, and \$495,000 in materials, supplies and services. The primary drivers are service maintenance agreements, software consultants, and increased utility costs.

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# Financial Overview & Budgetary Issues

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- A net increase of 1.0 FTE over the next two years.

## *Environmental Services*

- An increase in salaries, wages, and benefits of \$645,000 in FY 2022-23 is attributable to anticipated salary and benefit adjustments for all employee bargaining units.
- An increase in research and monitoring costs of \$128,000.
- An increase of \$185,000 in operating costs will cover the following expenses: 1) special studies; 2) regional monitoring activities; and 3) sampler replacement.
- An increase of \$328,000 in professional services for engineering costs and environmental scientific consultants.
- No net change in FTE over the next two years.

## *Engineering*

- An increase in salaries, wages, and benefits of \$1.7 million in FY 2022-23 is attributable to additional FTEs along with anticipated salary and benefit adjustments for all employee bargaining units.
- FY 2022-23 proposed CIP outlay of \$268.2 million, an increase of \$43.6 million, or 19 percent, over last year's cash flow budget of \$224.6 million.
- FY 2023-24 proposed CIP outlays of \$315.3 million is an increase of \$47.1 million, or 18 percent, from FY 2022-23 proposed budgeted CIP cash outlay.
- A net increase of 7.0 FTE over the next two years.

## *Operations & Maintenance*

- An increase in salaries, wages, and benefits of \$992,000 in FY 2022-23 is attributable to additional FTEs along with anticipated salary and benefit adjustments for all employee bargaining units.
- An increase in repair and maintenance of \$1.5 million mainly due to overhaul of dewatering centrifuges, rehabilitation secondary clarifiers, and digester cleaning and repairs.
- An increase in contractual services of \$1.4 million due to increased fuel and inflationary costs for biosolids hauling.
- An increase in materials, supplies and services of \$2.1 million primarily for higher chemical and hauling costs.

- An increase in utilities costs of \$3.4 million.
- A net decrease of 1.0 FTE over the next two years.

## **Reserves**

OC San conducted an in-depth review of the agency's reserve policies. This review included a survey of the reserve policies of 23 other public agencies and is periodically updated. It serves as a tool to assist in the evaluation of the underlying economic reasons supporting OC San's reserve policies. Below are seven distinct reserve criterion which together comprise OC San's reserve fund target.

- *Cash Flow Criterion* has been established at a level to fund operations, maintenance and certificate of participations expenses for the first half of the FY, prior to the receipt of the first installment of the property tax allocation and the sewer service user fees which are collected as a separate line item on the property tax bill. The level of this criterion will be established as the sum of an amount equal to six months operations and maintenance expenses and the total of the annual debt or COP service payments due in August each year.
- *Operating Contingency Criterion* has been established to provide for non-recurring operating expenditures that were not anticipated when the annual budget was considered and adopted. The level of this criterion will be established at an amount equal to ten percent of the current FY's annual operating budget.
- *Capital Improvement Criterion* has been maintained to fund annual increments of the CIP. The target level of this criterion has been established at one half of the average annual cash outlay of the CIP through the year 2030. Levels higher and lower than the target can be expected while the long-term financing and capital improvement programs are being finalized.
- *Catastrophic Loss, or Self-Insurance Criterion* has been maintained for property damage including fire, flood, and earthquake, for general liability and for workers' compensation. This reserve criterion is intended to work with purchased insurance policies, FEMA, and State disaster reimbursements. Based on the plant infrastructure replacement value, the level of this criterion has been set to fund OC San's non-reimbursed costs, estimated to be \$100 million.

# 2022-23 & 2023-24 Budget

- *Capital Replacement/Refurbishment Criterion* has been established to provide funding to replace or refurbish the current collection, treatment, and recycling facilities at the end of their useful economic lives. The current replacement value of these facilities is estimated to be \$11.6 billion. The reserve criterion level had been established at \$75 million.
- *Debt Service Criterion* has been established at ten percent of the outstanding COP issues. Other debt service reserves are required to be under the control of a Trustee by the provisions of the COP issues. These funds are not available for the general needs of OC San and must be maintained at specified levels.
- *Accumulated Funds* exceeding the targets specified by OC San policy will be maintained for Capital Improvements and Rate Stabilization. These funds will be applied to future years' CIP needs due to the timing of the actual CIP outlays, in order to maintain rates or to moderate annual fluctuations.

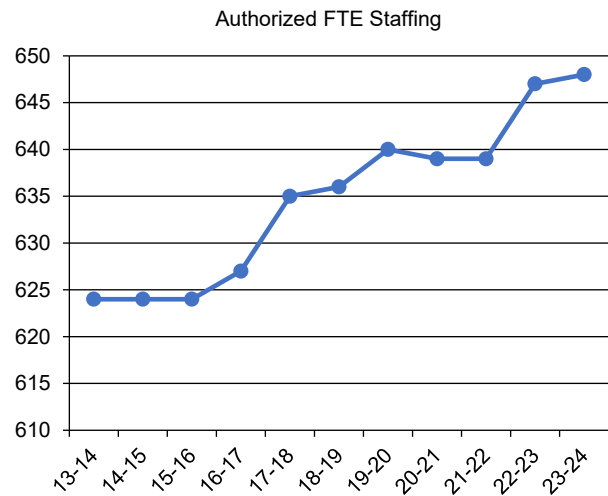
Collectively, these individual criterion requirements average \$569 million a year over the current ten-year cash flow forecast to support the operation and maintenance of OC San's \$11.6 billion in assets.

### Staffing Levels

Authorized staffing levels are being proposed to increase the total FTE position count by nine over FY 2021-22 at 648 FTE positions over the next two-FYs. However, staffing is still 30 FTE positions below the agency's all time high of 678 positions approved in FY 1995-96.

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

The staffing reductions from 1995-96 are a result of this agency's effort in striving to provide wastewater treatment as efficiently and effectively as possible while lowering operational and maintenance costs to more closely match those agencies that are "best in class" for wastewater treatment facilities. However, as the result of new initiatives in the areas of water reclamation and conservation, and the expansion of the CIP, the existing staffing plan was no longer sufficient to meet OC San's needs.



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

### OC San Planning Environment

OC San has developed an integrated planning system that allows for intentional, thoughtful decision making to maintain current operations while adding resilience and meeting new challenges. This integrated planning system includes Strategic Planning, Asset Management, Budgeting (Capital and Operating), a General Manager's work plan, focused engineering study efforts, and a research program. While these plans are important, equally important is an organizational structure and relationships between employees that work together toward these common goals.

Strategic Planning is the first step. OC San has developed a strategic planning model that creates a long-term level-of-service agreement between its Board of Directors and staff. The Board of Directors use this document to lay out a vision of what the agency will deliver over the next 10 to 20 years. This is an alignment document to define long-term levels of service. The Strategic Plan also serves as a continuity bridge as members of the 25-member Board of Directors come onto and leave the governing body. It is initially important as an education tool for what and why OC San does what

it does, but also allows for new Board members to adjust the vision as it is revised every two years. The Strategic Plan is timed to be adopted by the Board of

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# Financial Overview & Budgetary Issues

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Directors in the November prior to the bi-annual budget development.

OC San has also created an updated Asset Management Plan. The Asset Management Plan details what we own, what condition it is in, and what it is capable of delivering. This plan is renewed every year. OC San has broken down its facilities by drainage areas, pump stations, and treatment plant process areas. Each of these discrete areas have a plan. One of the key features of this planning method is to assume that each area has a life expectancy and will need regular refurbishment to maintain resiliency and attain the lowest lifecycle cost. Corrosion, mechanical wear and tear, electrical and instrumentation obsolescence, and technological opportunity must be addressed. It is generally assumed that a normal plant process area will have a 60 to 80-year life if it is refurbished every 20 years. Linear assets like sewers and manholes tend to have a longer life and need attention less often. OC San inspects its linear assets no less than every five years to correct defects, rather than replace failed corroded pipes. It is much more efficient and responsible for OC San to rehabilitate and extend the life of our assets rather than replace once failure occurs.

The CIP portion of the budget lays out major refurbishment and replacement projects for each planning area looking out more than 20 years. Project start dates, scopes of work and cost estimates shift based on the ongoing asset management efforts that include an annual validation where schedule, scope, and budget are reviewed. The operations budget also lays out the smaller scale equipment level refurbishments or replacements necessary to keep the assets working between major projects. This longer horizon view optimizes the resources necessary to deliver projects by minimizing the number of projects and more fully scoping the necessary work at the beginning of the project, minimizing change orders and disruption. This more consistent capital and operational funding approach tends to level out funding requirements and user rates.

Once the two-year fiscal budget is approved, staff develops the General Manager's Work Plan for each of the budget years. The General Manager's Work Plan is a list of goals that are specifically linked to the Strategic Plan items. Each goal is specific and

measurably moves the agency toward the vision in the Strategic Plan.

This complete planning cycle is repeated every two years. In addition, OC San is consistently studying very important topics that help shape the project and maintenance efforts guided by the planning cycle. Some of the important engineering studies include Regional Urban Runoff Optimization, Ocean Outfall Condition Assessment, Energy and Digester Gas Master Plan, seismic risk evaluations, climate change resilience, and biosolids management. By studying the risks and impacts of these, and other issues, OC San is able to understand how its facilities must be improved or altered in order to deal with new requirements or better understood risks. OC San uses the information in each of the studies to improve the scopes of work for existing projects or maintenance activities. Taking the long view to adapt the facilities to address long-term risk and opportunity is the most effective way to reach an intentional, strategically planned vision for OC San.

Having a coherently aligned planning process is critical for moving OC San forward, but it is only half of the equation. Creating an environment where people are aligned is the other half. OC San has worked hard to utilize both formal and informal relationships in and across departments to align work efforts. Significant work has been done to define the roles and responsibilities of every department, division, and work group. This includes what each work group needs and is responsible to supply to the rest of the organization. The work groups were designed to be interdependent with a culture of holding each other accountable for delivering required services.

OC San has worked very hard to create an integrated planning environment which begins with the expectations of its Board of Directors and flows down to the work product of each employee. We have worked equally hard to assure our staff members are communicating and providing transparent services to each other in support of the plan.

### *CIP Master Planning*

The 2017 Facilities Master Plan was adopted in December 2017. Like previous versions, this latest master plan updated planning assumptions, provided a comprehensive analysis of the condition

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## 2022-23 & 2023-24 Budget

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and capacity of our wastewater infrastructure, assessed new technology opportunities, anticipated regulatory changes, and resource recovery options to create a roadmap of facility evaluation improvements which supports OC San's mission over the next 20 years.

The 2017 Facilities Master Plan defined a Capital Improvement Program comprised of over 80 CIP projects. However, the budget allotted for each project must be approved by OC San Board of Directors during the annual budget review. To prepare for this annual budget review, OC San employees go through a budget validation process. Each CIP project is reviewed to ensure that the scope of the project is appropriate, and that the cost estimates are accurate. In addition, through the Asset Management Program, the Planning Division continually reviews and updates the ongoing and future CIP to appropriately manage the risks associated with asset or system failure. Future projects may be accelerated, delayed, consolidated, canceled or rescope to help ensure that the CIP is delivered in the most efficient way possible.

### *Strategic Plan*

In November 2021, the Board of Directors adopted an updated comprehensive strategic plan to steer OC San's efforts. The Strategic Plan developed by the Board of Directors and staff defines the strategic initiatives to be pursued by OC San and provides a basis for long-term financial, capital, and operational planning. In addition, it provides for long-term continuity of vision as Board and staff members change over the many years it takes to deliver public works infrastructure.

Driven by our Mission, Vision and Core Values, this Strategic Plan continues OC San's aggressive efforts to meet the sanitation, health, and safety needs of the more than 2.6 million people we serve while protecting the environment where we live.

The Strategic Plan is broken down into four broad categories with fifteen policy areas that define our responsibilities and the services we provide. These areas are:

- Business Principles
  - Budget Control and Fiscal Discipline
  - Asset Management
  - Cybersecurity
  - Property Management
  - Organizational Advocacy and Outreach

- Environmental Stewardship
  - Energy Independence
  - Climate and Catastrophic Event Resiliency
  - Food Waste Treatment
  - Water Reuse
  - Environmental Water Quality, Stormwater Management and Urban Runoff
- Wastewater Management
  - Chemical Sustainability
  - Biosolids Management
  - Constituents of Emerging Concern
- Workplace Environment
  - Resilient Staffing
  - Safety and Physical Security

The Strategic Plan is not a radical departure from the current direction, but rather the well-defined iterative update to the direction of OC San. With the adoption of the Strategic Plan, staff will be updating the Asset Management Plan, Capital Improvement Program, and Financial Plan that are the basis of a two-year budget that will be adopted by the Board of Directors. The Budget goals and the General Manager's work plan are the accountability steps that measure achievable progress toward the strategic initiatives listed in the Strategic Plan.

### *Biosolids Management*

Biosolids is a resource recovered through the wastewater treatment process. OC San treats nutrient-rich, organic matter (solids) to produce biosolids. Biosolids can be recycled through composting or fertilizing farm fields (non-food crops via land application). OC San's goals are to ensure that biosolids management strategies align with beneficial use of biosolid and existing market conditions and to continue to have a sustainable, reliable, and economical biosolids management program that provides environmentally sound practices and meets the stringent federal, state, and local regulatory requirements.

In FY 2020-21, OC San produced an average of 543 tons per day ("tpd") of biosolids at a cost of \$11.66 million, which averaged \$58.81 per ton for hauling and recycling at offsite locations, as described in the table below.

The FY 2021-22 budget for biosolids management is \$13.1 million, an increase of 5.6 percent from FY 2020-21 with commissioning of the Rialto Bioenergy Facility to demonstrate the treatment of chemicals of emerging concerns in biosolids at a cost of \$94 per



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ton balanced with the cessation of IRWD's solids discharge to OC San with their new solids management facilities being fully commissioned in September 2021.

Contractor	Location	Product	Appx. Tons per day (Mar. 2022)	Avg. Cost per ton (Mar. 2022)
Synagro	San Bernardino, CA	Compost	137	\$66.85
Synagro	Taft, CA	Compost	45	\$66.85*
Tule Ranch	Yuma, AZ	Land Application	187	\$69.40
Liberty Compost	Kern, CA	Compost	91	\$71.11
Inland Empire Regional Composting	San Bernardino, CA	Compost	16	\$78.31
Rialto Bioenergy Facility	San Bernardino, CA	Fertilizing Pellets/char	38	\$95.87

\* Rate matches Nursery Products rate because these loads are diverted by Synagro for less than 13 trucks per day scheduled.

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

OC San staff have been working to implement the recommendations of the 2017 Biosolids Master Plan. The plan evaluated the biosolids markets and technology options for digestion facility replacement at Plant No. 2 in Huntington Beach. This plan will serve as the road map for sustainable and cost-effective Biosolids management options over a 20-year period and will diversify our biosolids portfolio by adding a Class "A" option under federal rules for biosolids management.

### Urban Runoff

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

management of dry weather urban runoff flows. Resolution No. 01-07, adopted March 28, 2001, declared that OC San will initially waive fees and charges associated with authorized discharges of dry weather urban runoff to the sewer system until the total volume of all runoff discharges exceeds four million gallons per day (MGD) based on a monthly average. For the first 12 years of the Urban Runoff Program, the average monthly averages remained less than the four MGD threshold thus avoiding user fee costs being assessed to the diversion permittees.

In 2012, OC San received a number of proposals seeking to establish additional diversions to address bacteria and selenium loading to the upper Newport Bay. The discharge from the additional proposed diversions combined with the existing diversion flows would eventually exceed the four MGD fee threshold. On June 26, 2013, the Board adopted Resolution No. 13-09 expanding the waiver of fees or charges on the treatment of dry weather urban runoff from 4 to 10 MGD. According to the Board, the change was necessary not only to protect the County's coastal resources, but also to provide an economic benefit to the local economy by helping to keep our beaches open.

The Dry Weather Urban Runoff Program is administered by OC San's Resource Protection Division, which issues a discharge permit for each of the diversion structures. The permit functions as a control mechanism that specifically prohibits storm runoff and authorizes discharge only during periods of dry weather. The permit also establishes specific discharge limits, pollutant monitoring, and flow metering requirements. In addition, OC San conducts quarterly sampling and analysis of the urban runoff discharges to ensure discharge limit compliance.

There are currently 21 active urban runoff diversion structures, three owned and operated by the County of Orange, 11 owned and operated by the City of Huntington Beach, three owned and operated by the City of Newport Beach, three owned and operated by the IRWD, and one owned and operated by PH Finance (present owner of the Pelican Hill Resort). On behalf of the Newport Bay Watershed Permittees, the City of Santa Ana is constructing an urban runoff diversion to reduce bacteria and selenium loading to the Newport Bay Watershed. The Santa Ana Delhi Channel Diversion is estimated to add 1.92 MGD to Plant 1 influent.

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## 2022-23 & 2023-24 Budget

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Since 1999, OC San has treated cumulatively over 10.7 billion gallons of dry-weather urban runoff that would otherwise have been discharged into the ocean without treatment. During FY 2020-21, the daily average urban runoff flow ranged between 1.38 and 3.07 MGD with a cumulative total diversion of 565 million gallons (MG). The diversion flows increased by 18 percent due to increased operating days that met qualifying conditions for urban runoff diversion. At the current operations and maintenance cost per million gallons (CMG) of \$1,972 (assuming BOD at 20 mg/L and TSS at 50 mg/L), the estimated cost for treating the FY 2021-22 combined urban runoff flows is \$1,114,180. The addition of the Santa Ana Delhi Channel Diversion flows could boost the overall cost to \$2,727,136 in FY 2022-23 based on \$2,037 CMG and an additional 2 MGD, assuming the commissioning of both the Santa Ana Delhi Channel Diversion the Arches Diversion near the beginning of FY 2022-23 and these facilities reach their full discharge potential (1.92 MGD and 0.2 MGD, respectively).

### *Groundwater Replenishment System*

OC San has taken a multi-jurisdictional approach to planning for capital facilities because many of the methods for reducing or managing flows involve other jurisdictions. One such project is the Groundwater Replenishment System (the "GWRS").

In March 2001, OC San entered into an agreement with the Orange County Water Sanitation District (OCWD) to design and construct Phase I of the GWRS. The capital cost of this Phase was shared equally (50% shares) by each agency. The GWRS is a joint effort by the two agencies to provide reclaimed water for replenishment of the Orange County Groundwater Basin and to augment the seawater intrusion barrier. The GWRS became operational in January of 2008 with a production target of 70,000 acre-feet per year of potablewater.

The GWRS Initial Expansion, funded solely by OCWD, broke ground in January 2012 to increase potable water production to approximately 103,000 acre-feet per year. The GWRS Initial Expansion was completed in June 2015, resulting in purifying 100 percent of the treated wastewater from OC San's Fountain Valley Plant No. 1.

In 2016, OC San and the OCWD completed a \$2 million joint study to explore the possibility of using flows from OC San's Plant No. 2. The study identified an implementation plan to convey secondary effluent from OC San's Plant No. 2 in Huntington Beach

using new and existing infrastructure to support the GWRS Final Expansion. The GWRS Final Expansion will be funded solely by the OCWD. OC San currently has two active projects supporting the GWRS Final Expansion. The costs of these projects will be reimbursed by the OCWD. The Final Expansion of the GWRS is expected to be online in 2023.

### **Fiscal Policies**

Included within Section 3 – Pages 1 through 7 is a listing of OC San's Board Adopted Fiscal Policies.

These fiscal policies were established purpose of:

- Sustaining a financially viable organization;
- Having the flexibility to adapt to local and regional economic changes; and
- Maintaining and enhancing sound fiscal condition of OC San.

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

### **GFOA Best Practices and Advisories**

Included in the budget within Section 3 – Pages 9 through 18 is a listing of accounting, auditing, financial reporting, cash management, budgetary and fiscal policy, debt management, retirement and benefit administration, and economic development and compliance planning practices recommended by the Government Finance Officers Association (GFOA) of the United States and Canada. Included within this list of best financial practices for state and local governments is OC San's status as to whether we are in compliance or in progress towards compliance, or whether the practice is applicable to this agency. Out of the 199 practices identified, OC San is in compliance with 167, another 31 are not considered applicable to OC San, and we are in the process of complying with the remaining one.

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

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

Elements included in two year budget includes: (1) the Business Planning Process; (2) Strategic Goals, including the timeframe, milestones, and resources required for the completion of each step; (3) performance results pertaining to the Current and Projected Key Performance Indicators (Level of Services); (4) business accountability performance objectives and measures, that are aligned with the updated Strategic Plan (these are detailed for each division within the departments in Section 6 of this document); (5) Two-Year Staffing Plan; (6) Financial Model Update; (7) Risk Assessment & Mitigation Analysis; and (8) 2020-21 Asset Management Plan Update.

### **Business Plan Process**

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

The Business Plan development process started with the categories and topics identified within the Strategic Plan. Staff from across the agency further defined these goals in terms of level of service, business risk exposure, capital and operational

costs, staffing, and long-term financial impacts. The Business Plan identifies the required resources and prioritizes projects and goals, with recommendations for which goals should go forward for inclusion in OC San budget, and which should be deferred or dropped from consideration.

### **Strategic Goals**

Over the next two years, OC San will begin and complete many activities central to the goals of the organization. In November 2021, OC San updated the Strategic Plan and, as part of the strategic planning process, outlined four broad categories:

- Business Principles;
- Environmental Stewardship;
- Wastewater Management;
- Workplace Environment;

These four categories contain fifteen policy areas with ongoing initiatives to achieve the goals of the plan and OC San.

### **Level of Service**

The Levels of Services were developed with measurable outcomes, or key performance indicators, that OC San is committed to meeting. This Business Plan documents that the Levels of Service provided by OC San will require \$3.1 billion in identifiable capital improvements and millions in increased maintenance and operations costs over the next ten years.

OC San's Level of Service have been updated in November 2021 to better align with the Strategic Plan and showcase how initiatives are being implemented and monitored. OC San's Levels of Service are the commitment made to our rate payers, regulators, employees, and the Board of Directors on our operational efforts. The levels of service continue under the identified following goals:

- OC San will protect public health and the environment.
- OC San's effluent, solids, and biogas will be recycled.
- OC San will be a good neighbor and will be responsive to its customers.
- OC San will manage its assets to ensure reliability and security.

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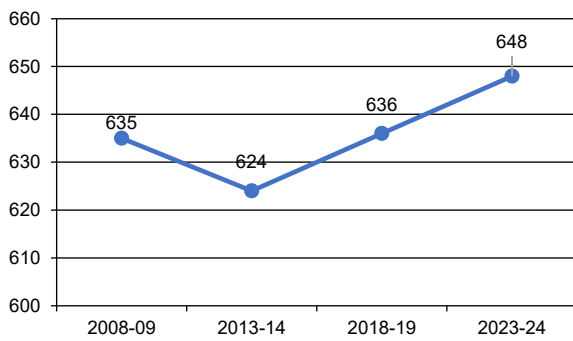
- OC San will exercise sound financial management.
- OC San will provide a safe, productive workplace.

These existing Levels of Service targets are continually under review.

## Staffing Plan

A comprehensive review was completed on OC San's staffing levels for the next two fiscal years. This undertaking began with a review of OC San's vision, mission, goals, and objectives.

Authorized FTE Staffing



This analysis included review and assessment of each department and division within OC San with discreet duties and responsibilities.

Based on the needs of the agency over time, the total FTE requirement has remained relatively stable over the last ten years, with an increase in proposed staffing of 648 FTEs over the next two FYs. This is well below the high FTE count of 678 in FY 1995-96. Staffing levels are proposed at minimum levels that are necessary to support the operation and maintenance of all facilities in an efficient manner to meet all compliance requirements. Staff has focused on the reallocation of existing resources in order to balance the needs within the business units of this agency to ensure that core business operations are met, levels of service are maintained, and that strategic initiative elements are accomplished.

The proposed two-year staffing plan contains a significant level of analysis on how existing resources can be utilized in consideration of the increasing demands placed on this agency and in support of the \$3.1 billion capital improvement program over the next ten years. A detailed breakdown on the proposed reallocation of FTEs can be found within the Appendix section of this budget.

## Financial Model Update

OC San's most recent regional rate study was completed in December 2017 by Carollo Engineers. The purpose of the study was to update sewer service rates and to equitably distribute costs among utility customers and to support OC San's regional rate structure over a five-year period from FY 2018-19 through FY 2022-23. Previously, OC San had completed regional rate studies in 2013, 2008, 2006, 2002 and 1999. The following two drivers necessitated that a rate study be completed in 2017, and be incorporated into the Business Plan:

1. **The Necessity of Updating the Regional Sewer Service Fee and the Net Cost of Service Methodology for Industrial Rates** - OC San provides regional sewage collection, treatment, and disposal services to approximately 550,000 customers located in central and northwest Orange County and collects fees for these services through a special assessment on the Orange County property tax bill. In addition, OC San also maintains, repairs, and replaces the local sewers for approximately 74 of the above 550,000. High strength dischargers, or industrial customers, pay sewer fees based upon a net cost of service. A rate study was required to determine the equitable rates for these three types of users.
2. **Five-Year Proposition 218 Notice** - OC San's last California Proposition 218 Notice notifying rate payers of potential sewer rate increases over the past five-years had expired and a new 5-year Proposition 218 Notice approved by the Board and the justification of the new sewer service fee rates over the next five years needed to be supported by an updated sewer rate study.

Capacity Charge Update - With the adoption of a new Master Plan in 2017, OC San needed to update the methodology for Capacity Charges.

In their Financial Model Update Report for OC San issued in December of 2017, Carollo Engineers recommended that OC San:

- Based on current operational and capital project assumptions, implement annual increases of 1.2 percent, respectively, over a five-year period ending in FY 2022-23.

# Business Plan

- Increase to the unit costs to high strength discharges for FY 2022-23 and FY 2023-24, as follows:

### Industrial Discharge Sewer Rates

	\$/ 1,000 Gallons	\$/ lbs. B.O.D.	\$/ lbs. T.S.S.
Unit Cost - FY 2022-23	\$1,601.28	\$0.66799	\$0.77700
Unit Cost - FY 2023-24	N/A	N/A	N/A
22-23 % Increase	3.6%	0.5%	2.7%

All recommendations from the December 2017 Financial Model Update Report were approved by the Board to ensure that the funding required for the additional capacity projects required for new users would be available at the time of construction.

Local sewer service fees are based on the Financial Model Update Report from April 2008 and remain at \$108 per single family residence.

In December of 2017, the 2017 Master Plan was adopted, and because the Capital Facilities Capacity Charges (CFCC) fees are based upon the most recently completed capital strategic plan, staff was directed to include capacity charges in the 2017 rate study. A prior rate study was completed in 2010.

It was determined, as a result of the new Master Plan, that future build-out is now projected to be less than what was anticipated in the previous master plan. OC San's system currently has unused capacity that is available to serve future users. In addition, OC San will continue to maintain, improve, and expand the system with future capital improvements. Based upon this information, a hybrid approach (buy-in and future cost) to capacity charges was recommended.

Based on the CFCC portion of the rate study in 2017, CFCC and Supplemental CFCC fees are as follows for FY 2022-23 and FY 2023-24:

### CFCC Rates

	Residential CFCC	Commercial/ Industrial CFCC
Unit Cost - FY 2022-23	\$5,719	\$2,234
Unit Cost - FY 2023-24	N/A	N/A
22-23 % Increase	6.98%	7.0%
23-24 % Increase	N/A	N/A

### Supplemental CFCC Rates

	\$/ 1,000 Gallons	/ lbs. B.O.D.	\$/ lbs. S.S.
Unit Cost - FY 2022-23	\$1.996	\$0.48121	\$0.27084
Unit Cost - FY 2023-24	N/A	N/A	N/A
% Increase	0.6%	3.0%	4.0%

OC San is conducting a Comprehensive Sewer Rate Study during FY 2022-23. The rates for FY 2023-24 and the ensuing four years will be adopted through the Proposition 218 process.

### **Risk Assessment Analysis**

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

Risk assessment and mitigation includes the following steps:

- Identify and assess strategic and organization-wide risks facing OC San;
- Identify mitigation measures that OC San currently has in place;
- Propose additional mitigation measures that OC San 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 OC San, as seen, and described biennially by the executive management team and the managers. Business Risk is defined as a threat that an event (action or inaction) will adversely affect OC San's ability to achieve its business objectives and execute its strategies successfully.

Executive management and managers continue to review risks identified in the Risk Register and implement various ways to address those that might impact OC San. Each Risk Register Update contains solutions proposed by participants for the top risks, and each Risk Register Update also contains a section recording how OC San dealt with the risks that were spotted in the previous Risk Register Update.

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## 2022-23 & 2023-24 Budget

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### **Asset Management**

OC San is committed to providing services for its rate payers to reliably meet our regulatory mandates and levels of service approved by the Board of Directors and will provide these services using sustainable engineering principles that result in the lowest responsible lifecycle cost with an acceptable level of risk. OC San installs, operates, maintains, refurbishes, and disposes of assets with lifecycles measured from years to decades, so an approach which balances long, medium, and short-term needs is necessary. OC San's Asset Management Program has evolved into a comprehensive decision-making framework that encompasses engineering planning, design and construction of quality facilities, optimized operation, proper maintenance, and planned rehabilitation, replacement and refurbishment of assets that will meet OC San's changing needs. This coordinated decision-making process will allow OC San to consistently meet mandated levels of service to the rate payers at the lowest lifecycle cost.

Updated annually, OC San's Asset Management Plan focuses on the long-term planning of maintenance and capital improvement projects to ensure the proper rate structure is in place to support sustainable operations. These are important starting points and have yielded tangible benefits in reduced risk levels and an improved capital planning approach. The implementation of the Maximo Computer Maintenance Management System (CMMS) is an example of an effort to improve OC San's Asset Register. Staff continue to work to update the database information including installation date, asset cost, condition, and criticality in the new system.

OC San has been striving to accurately identify medium to long-term capital cash flow requirements. Specifically, the Engineering Department Planning Division has developed a 20-year CIP by creating specific project plans for the rehabilitation, replacement, improvements and expansion for each treatment plant or collections area.

This medium to long-term planning is important for several reasons. By moving away from narrowly focused projects to solve individual problems, to more comprehensive projects refurbishing entire processes, OC San benefits by having less operational disruption and more efficient project delivery, better cash flow estimation, and better operations and maintenance decision-making framework. This is a huge undertaking based on the

number of asset and facilities, but over time the undefined future rehabilitation capital estimates within the 20-year window are expected to be drastically reduced and replaced by more specific estimated capital needs.

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

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

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

# Business Plan

## Asset Valuation

The replacement valuation for all of OC San’s assets has been updated in 2018 as part of the 2017 Facilities Master Plan project. The table below presents the current replacement and depreciated values of OC San’s assets. The replacement value represents the cost in 2018 dollars to completely rebuild all the assets to a new condition. The depreciated value is the book value of the assets based on their age, which is a prediction of their current condition.

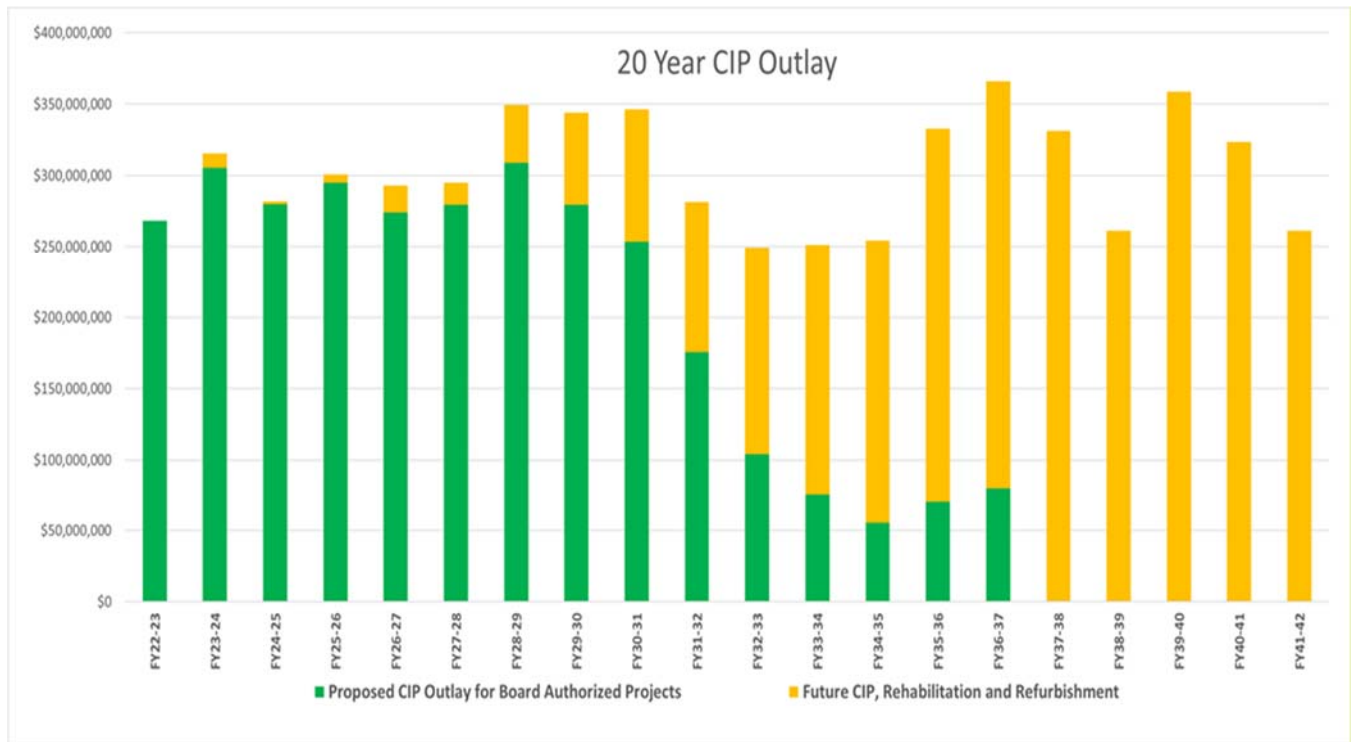
Valuation	Plants	Collections	Total
Replacement Value (in billions)	\$7.75	\$3.85	\$11.60
Depreciated Value (in billions)	\$2.88	\$0.76	\$3.64

The estimated replacement value in FY 2022-23 is \$11.6 billion based on the Engineering News-

Record Construction Cost Index (CCI) increase since the 2017 Facilities Master Plan.

## Planned CIP Outlays

The chart below shows the 20-year net CIP outlay which includes current and projected future Capital Improvement Program projects.



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# 2022-23 & 2023-24 Budget

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## ***Infrastructure Asset Management***

OC San manages and assesses the collection system and treatment plants assets to improve resilience and reliability while lowering lifecycle costs. This is accomplished through adaptive operation, coordination of maintenance and condition assessment, and planned capital investment. Staff will balance maintenance, refurbishment, and replacement strategies to maximize useful life, system availability and efficiency.

Below is a summary of the FY 2021-22 infrastructure maintenance activities and FY 2022-23 planned activities.

### *Collection System*

OC San's collection system consists of 388 miles of sewers, 15 pump stations and 3 metering stations. The maintenance of all regional sewers is actively managed but only 230 miles of regional sewers are on a cleaning schedule. The largest sewers and force mains are designed to be self-cleaning using higher flows and natural scouring action. Typical gravity sewer maintenance activities consist of closed circuit television (CCTV) inspection, physical inspection, and cleaning operations. The cleaning frequencies are based on data from pipe inspections, CCTV work, process conditions, historical records, and industry best practices. Pump station and metering station maintenance activities include operating the stations, maintaining electrical, mechanical, and civil components, and cleaning activities. The collection system odors and corrosive gases are actively managed for nuisance odor mitigation and asset preservation. Maintenance activities are based on established levels of service to ensure compliance with our permit required Sewer System Management Plan, which is designed to reduce spills and increase reliability and safety. The planned activities help extend the useful life of the assets and minimize nuisance odors.

During FY 2021-22 the following maintenance activities are projected to be completed:

- Major valve replacement at two pump stations.
- Repair of liners in the Sunflower Trunkline.
- Cleaned 40 miles of regional sewer lines on a cleaning schedule.
- CCTV video inspection of 638 regional system manholes.

- CCTV video inspection of 50 miles of regional sewer pipeline.
- Completed 90% of scheduled preventative maintenance work.
- Managed odor control chemical expenditures to 80% of budget.
- Continued to implement emergency preparedness bypass pumping plan for pump stations and bypass a station to prove readiness.
- In addition, OC San has deployed level sensing technology in the collection system for early warning of a potential sewer spill, and condition-based sewer cleaning. This will provide 24/7 level monitoring of critical areas in the gravity collection system.

Total costs for the collections system maintenance are greater than \$14 million.

The following activities and goals are planned for FY 2022-23:

- Major valve replacement at three Pump Stations.
- Continued repair of liners in the Sunflower Trunkline.
- Repair of the Bushard Diversion Structure.
- Clean 56 miles of regional sewer lines on a cleaning schedule.
- CCTV video inspection of 650 regional system manholes.
- CCTV video inspection of 70 miles of regional sewer pipeline.
- Complete at least 90% of scheduled preventative maintenance work.
- Manage odor control chemical expenditures to between 95-102 percent of budget.
- Continue to implement emergency preparedness bypass pumping plan for pump stations.
- Continue to deploy collection system level sensing equipment for condition-based cleaning.

The total cost for these proposed collections system activities is greater than \$16 million.

### *Collection System Capital Improvement Projects*

OC San's collections projects go through a planning and design process to ensure all elements of the project are thoroughly assessed. These projects typically renew or replace aging pipelines and pump



stations, address odor issues, upgrade facilities to meet current codes, and standards, and in some instances, increase flow capacity due to growth in localized portion of our service area. Below are five collection system projects that are highlighted. Further information on these Projects and others are in Section 8 of this book.

Currently in final design is the Gisler Red-Hill Interceptor Project (Project No. 7-65). This project will rehabilitate the Gisler Red-Hill Interceptor from a manhole near the Main Street Pump Station in Irvine to the College Avenue Pump Station in Costa Mesa. It will also rehabilitate two 42-inch force mains from the Main Street Pump Station. Approximately 30 manholes will be rehabilitated, and the total length of pipe included in the entire Project is 21,000 feet. Construction is planned to start in early 2023. The project has a budget of \$44 million.

The Rehabilitation of the Western Regional Sewers (Project No. 3-64) covers sewers in the northwestern service area in the cities of Anaheim, Buena Park, Cypress, La Palma, Los Alamitos, Seal Beach, and unincorporated areas of the County of Orange referred to as Rossmoor. This large project is required to rehabilitate or replace portions of the sewers and manholes that were installed in the late 1950s and early 1960s. The sewers have multiple deficiencies which have allowed the intrusion of ground water. In some cases, hard calcium deposits have developed, making the pipe difficult to clean, and may, over time, impede the wastewater flow. There are a family of sub-project that focus on specific areas. One specific area will rehabilitate portions of the Los Alamitos Sub-Trunk; (13,660 feet) and the Westside Relief Interceptor; (7,770 feet) that are within a section of Katella Avenue, Los Alamitos/Seal Beach Boulevard and Old Ranch Parkway. The work also includes replacement of 3 manholes and rehabilitation of 68 manholes. These sewers are in the Cities of Seal Beach, Los Alamitos, and Cypress in public rights of way with a segment within an OC San easement. This specific area Project is forecasted to spend \$12 million in construction costs during FY 22-23. The total Project budget is \$101 million.

The Westminster Blvd. Force Mains Replacement (Project No. 3-62) will replace two existing force mains that run three miles along Westminster Blvd. from Seal Beach Boulevard in the City of Seal Beach to Rancho Road in the City of Westminster. The project commenced construction in spring 2020 and

will finish in spring 2023. The budget for this project is \$43 million.

The Seal Beach Pump Station is the starting point of the Westminster Blvd. Force Mains. The Seal Beach Pump Station Replacement (Project No. 3-67) will replace the existing pump station on the existing site and demolish the old pump station when the new one is complete. Not only are the electrical and safety codes significantly different from when the station was first construction in the early 1970s, but many of the electrical, mechanical, and control system components are becoming obsolete, and long-term maintenance is no longer an option. The project will also include odor control improvements at the pump station to minimize both upstream and downstream odors and corrosion. The pump station will connect to the newly constructed Westminster Blvd. Force Mains. The project is currently in final design phase with construction anticipated to begin in spring 2023. The budget for this project is \$87 million.

In Newport Beach, the Bay Bridge Pump Station Replacement (Project No. 5-67) will replace the existing pump station to meet current building, electrical, and safety codes, and to meet projected capacity needs. The existing force mains will also be replaced, and will extend from the new pump station location, across the Back-Bay channel, to connect with the existing pipes near the Dover Avenue and Pacific Coast Highway intersection. The project is currently in the final design phase with construction of both the force mains and pump station anticipated to begin in early 2024. The budget for this project is \$106 million.

### *Reclamation Plant No. 1 and Treatment Plant No. 2 Maintenance*

The maintenance divisions have taken additional steps to strategically align its organization to support OC San's increasing CIP outlay and improve asset availability and reliability. Major initiatives during FY 2021-2022 included preventive maintenance optimization efforts, and the creation of a new team to coordinate ongoing maintenance and repair efforts with CIP projects.

Throughout the Plants, more than 11,300 preventative maintenance activities were performed. In addition, the following significant maintenance and repair activities are projected to be completed in FY 2021-22:

- Major overhaul of one gas compressor at each Plant.

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## 2022-23 & 2023-24 Budget

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- Cleaned three digesters at Plant No. 1 and three at Plant No. 2.
- Repair of failed low voltage cables at both Plants.
- Overhaul of one primary effluent pump at Plant No. 2.
- Primary Distribution Structure B Gates Repair at Plant No. 2.
- Completing the overhaul of Engine #1 at Plant No. 1.
- Replacement of end-of-life pump motor drive units throughout Plant Nos. 1 and 2.
- Bi-annual and annual major overhaul of thickening and dewatering centrifuges at Plant Nos. 1 and 2.
- On-going efforts of major mechanical repair of Plant No. 2 Digester equipment to retain in service until completion of new digesters.

Total costs for the treatment plant maintenance is greater than \$22 million.

Looking forward to FY 2022-23, there are nearly 13,000 preventative/predictive maintenance activities scheduled to be completed at Plant Nos. 1 and 2. This includes typical time or cycle-based maintenance tasks such as adjustments and mechanical alignments, cleaning and tightening of electrical equipment, calibration of sensors and meters, changing of lubricants and filters, exercising equipment, rebuilds and regulatory testing. Additionally, continued focus on integration of maintenance staff to facilitate construction shutdown support towards the increasing active projects at both Plants and Pump Stations. We will also implement strategic electrical distribution management with the transfer of the Power Plant Operations Staff into the Maintenance Divisions to improve resiliency.

In addition to routine maintenance activities, OC San is planning the following major activities for FY 2022-23:

- Replacement of the Plant No. 1 CenGen Battery System.
- Bi-annual and annual major overhaul of thickening and dewatering centrifuges at Plant Nos. 1 and 2.
- On-going efforts of major mechanical repair of

- Plant No. 2 Digester equipment to retain in service until completion of new digesters.
- Major overhaul of one gas compressor at each Plant.
- Replacement of end-of-life pump motor drive units throughout Plant Nos. 1 and 2.
- Repair of failed low voltage cables at the Plant No. 2 Headworks.
- Overhaul of 3 secondary clarifiers at Plant No. 2.
- Cleaning of one digester at Plant No. 1 and two digesters at Plant No. 2

The total cost for these proposed plant maintenance activities is greater than \$23 million.

### *Reclamation Plant No. 1 CIP Projects*

These projects are intended to rehabilitate or reconstruct major components of our treatment process and support facilities to ensure reliable operations.

One of the largest projects is the Headworks Rehabilitation at Plant No. 1 (Project No. P1-105). The facility is over 30 years old, and a comprehensive refurbishment is required in order to extend the life of the facility. The project will rehabilitate systems including the metering and diversion structure, the bar screen building, the bin loading building, the main sewage pump station, the grit basins, the primary influent channels, the headworks odor control scrubbers, and electrical power distribution and control systems. This project will also replace the emergency pumping capacity that has been provided by the original headworks pumping system dating back to the 1950s. Construction is anticipated to be finish in 2027. The total budgeted cost for this project is \$340 million.

To ensure Plant No. 1 has allocated space for future treatment processes, the Headquarters Complex (Project No. P1-128) will build new support facilities across from Plant No. 1 on the north side of Ellis Avenue. Currently, administrative and engineering functions are located primarily at Plant No. 1, and the buildings that house the staff are aging and need replacement. The new Headquarters will be a three-story building for administrative, engineering, resource protection and environmental compliance staff. The project also includes a pedestrian bridge across Ellis that will link the complex to Plant No. 1. Construction is underway and occupancy is planned

for late 2023. The total budgeted cost for this project is \$168 million.

*Treatment Plant No. 2 and Interplant CIP Projects*  
These projects are intended to rehabilitate or reconstruct major components of our treatment process to ensure compliance with regulatory permits, enhance water recycling and safety.

The Primary Treatment Rehabilitation Project (Project No. P2-98) will replace or rehabilitate the 14 primary clarifiers at Plant No. 2 with associated influent pipes, construct new primary effluent pipes, and rehabilitate and upgrade the odor control systems. These facilities date back to the late 1950s and need seismic and condition-based upgrades. The project as a whole will improve the resiliency of our infrastructure and thus improve our ability to provide service. This is anticipated to be a very long duration project because of the need to maintain treatment operations during the project. The final phase of this Project in now under construction and is anticipated to spend \$31 million in FY 2022-23. Construction is scheduled to end in 2026. The total project budget is \$188 million.

The Headworks Modifications at Plant No. 2 (Project No. P2-122) will support the Ground Water Replenishment System (GWRS) Final Expansion by separating non-reclaimable flows from those that can be transferred to OCWD for reclamation. The project will include the installation of new gates, replacement of three existing influent pumps at the existing Headworks, and modification of waste side stream pumping and piping. Costs associated with this project will be reimbursed by OCWD.

As we make improvements throughout the plant, it is imperative we pay attention to our ocean outfall system. Many components of the system such as the pipeline assets have already been addressed, so now we turn our attention to the pumping systems with the Ocean Outfall System Rehabilitation (Project No. J-117). Work to the Ocean Outfall Booster Station includes rehabilitation of the mechanical, electrical, and civil systems which will extend the life of the facility and increase the efficiency of the system. In addition, a new low flow pump station will be added due to our increased water recycling rates, which will reduce our outfall flows below the minimum capacity of the existing effluent pumps. This project will also relocate the existing Plant Water Pump Station to prevent water that is not reclaimable by the GWRS from flowing into the reclaimable portion of the treatment plant.

The project will also replace existing electrical switchgear at the Central Generation Building. Rehabilitation of the 84-inch and 120-inch interplant effluent lines between Plant No. 1 and Plant No. 2 were completed in 2018. GWRS final expansion related construction is anticipated to be complete in early 2023. The budget for this project and P2-122 is \$196 million.

As part of the long-term CIP planning efforts, several studies (funded via the M-Studies budget) are currently underway evaluating various areas of the plants and the collection system to determine their condition, and identify deficiencies or improvements needed. One of these studies is the Ocean Outfall Condition Assessment and Scoping Study. This Study has assessed the condition of the 120-inch diameter, 5-mile long ocean outfall and developed an operational strategy for the low flows that the outfall will have after GWRS Final Expansion. The results of this study are being used to provide scope, schedule, and budget for 120-inch Ocean Outfall Rehabilitation Project (Project No. J-137) that is scheduled to start in mid-2023. This Project is necessary to help maintain reliable operations for a 50-year-old facility and to stay in compliance with permit conditions. The total Project Budget is \$65 million.

Further information for treatment plant and interplant Projects can be found in Section 8 of this book.

## 2022-23 & 2023-24 Budget

	FY 2020-21 Results	Level of Service Target
<b>Protecting Public Health</b>		
Protecting public health and the environment utilizing all practical and effective means for wastewater, energy, and solids resource recovery.		
Accept dry weather runoff diversion flows without imposing fees.	1.4 MGD	Up to 10 MGD
Maximum Individual Cancer Risk to off-site residents, per one million people (for each treatment plant).	Plant No. 1 – 2.2 Plant No. 2 – 1.8	<10 <10
Notices of violation (NOV) with air, land, and water permits	0	0
Respond to collection system spills within 1 hour	100%	100%
Sanitary sewer spills per 100 miles	0	< 2.1
Contain sanitary sewer spills within 5 hours	100%	100%
Meet secondary treatment standards	BOD 5.4 mg/L TSS 5.3 mg/L	BOD 25 mg/L TSS 30 mg/L
Frequency of unplanned use of emergency one-mile (78-inch diameter) outfall (per year during dry weather).	0	0
Tons of biosolids to landfill through 2021 Peak Production period.	0	100
Compliance with core industrial pretreatment requirements	100%	100%
<b>Stakeholder Understanding and Support</b>		
Communicating OC San's mission and strategies with those we serve and all other stakeholders.		
Meet GWRS specification requirements for Plant No. 1 secondary effluent	3.2 NTU	5 NTU
Provide specification effluent available to the Groundwater Replenishment System to maximize production of purified water.	100%	100%
<b>Managing and Protecting the Public Funds</b>		
Continually seeking efficiencies to ensure that the public's money is wisely spent.		
Annual user fees sufficient to cover all O&M Requirements	100%	100%
Actual collection, treatment, and disposal costs per million gallons	6%	≤ 10% of budget
Maintain AAA Bond Rating	100%	100%

# Business Plan

	FY 2020-21 Results	Level of Service Target
<b>Providing Exceptional Customer Service</b>		
Providing reliable, responsive, and affordable services in line with customer needs and expectations.		
Treatment plants odor complaint response within 1 hour.	95%	100%
Collection system odor complaint response within 1 working day.	100%	100%
Number of odor complaints:		
• Reclamation Plant No. 1	10	0
• Treatment Plant No. 2	7	0
• Collection System	9	12
*Under normal operating conditions		
Respond to public complaints or inquiries regarding construction projects within 1 day.	100%	100%
New construction permits processed within 1 working day.	100%	100%
Respond to all biosolids contractor violations within a week of violation notice.	100%	100%
<b>Organizational Effectiveness</b>		
Creating the best possible workforce in terms of safety, productivity, customer service, and training.		
Employee injury incident rate – per 100 employees	2.9	<4.4 Industry Average
Meet mandatory OSHA training requirements	100%	>95%
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	0.9	<2.5
Training hours per employee	40	45 per year

# 2022-23 & 2023-24 Budget

## OC San Long-Term Planning

	Type of Planning Process	Description of Process	Budget Impacts
<b>Update of the Strategic Plan</b>	Maintaining a rolling two-year, four-step management process that creates and maintains vision alignment between the Board of Directors, the staff, and the public we serve.	In November 2021, OC San's Board approved a 2-Year Strategic Plan. It defines needs and feeds into Capital Planning. From there, budget development will be developed and executed.	The ongoing process adapts to changes and allows the budget to be re-evaluated and refined.
<b>Capital Master Planning and Asset Management</b>	Develop and maintain a 20-year Capital Improvement Program (CIP) to meet the regulatory, environmental, health, and safety needs of a growing population.	In December 2017, the Board approved a new Facilities Master Plan that lays out a capital program to deliver and maintain the levels of service desired by the Board of Directors. This is validated and reinforced every year through Planning Studies and Asset Management.	The 2022 CIP Validation, includes an overall CIP budget of over \$6.1 billion for active and future projects.
<b>Biosolids Management</b>	Aggressively pursue biosolid disposal alternatives.	The study of biosolids options will include offsite and onsite facility, and new and established technologies.	Biosolids production decreased after IRWD discontinued sending biosolids.
<b>Groundwater Replenishment System (GWRS)</b>	Continue partnership with the Orange County Water District (OCWD) in support of the GWRS.	Maximize the use of treated effluent for water recycling by sending secondary effluent from Plant No. 2 to the GWRS.	OC San will continue executing CIP projects to support the Final Expansion of the GWRS.

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## Orange County at a Glance

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

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

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

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

OC San is responsible for collecting, treating, and safely disposing of approximately 188 million gallons of wastewater each day for an area covering 479 square miles in metropolitan (central and northwestern) Orange County. OC San's service area includes approximately 2.6 million residents and businesses, or approximately 81 percent of the County's total population.

Professional staff of 639 full-time equivalent employees supports OC San's around-the-clock operation. Staff is organized into six departments, including the General Manager's Office, Human Resources, Administrative Services, Environmental Services, Engineering, and Operations and Maintenance.

As working environmentalists, OC San's staff is regulated by many agencies, including the United States Environmental Protection Agency (U.S. EPA), California Regional Water Quality Control Board (CRWQCB), CalRecycle, the California Air Resources Board, and the South Coast Air Quality Management District (SCAQMD).

OC San operates and is regulated under a National Pollution Discharge Elimination System (NPDES) ocean discharge permit issued by the U.S. EPA and the Santa Ana Regional Water Quality Control Board. This permit was last renewed in August 2021. To maintain OC San's NPDES operating permit, OC San's plants must meet strict conditions set jointly by the regulators. OC San is actively engaged in discussion with the regulators during the renewal process.

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

The treated effluent from the Huntington Beach plant is pumped through a five-mile, 10-foot diameter ocean outfall pipe. The last mile of the outfall is a diffuser section that releases treated water through more than 500 portholes approximately four-and-a-half miles offshore.

In January 2008, the Orange County Water District (OCWD) and OC San began operation of the Groundwater Replenishment System (GWRS), a joint project by the two agencies to provide reclaimed water for percolation into the groundwater basin from most of the secondary effluent pumped from the Fountain Valley plant, or approximately 92,300 acre-feet per year.

In May 2015, OCWD completed the initial expansion of GWRS that provided an additional 33,000 acre-feet per year of reclaimed water; resulting in the purification of 100 percent of the treated wastewater produced at the Fountain Valley plant.

In November 2019, OCWD and OC San began construction on the final expansion of GWRS and will be completed by 2023. Once completed, the final expansion of GWRS will provide an additional 36,400 acre-feet per year by utilizing reclaimed water produced at OC San's Huntington Beach plant.

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

The County of Orange is bordered on the north by Los Angeles and San Bernardino counties, on the east by Riverside County, on the southeast by San Diego County, and on the west and southwest by the Pacific Ocean. Approximately 42 miles of ocean

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## 2022-23 & 2023-24 Budget

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shoreline provide many beaches, marinas, and other recreational areas for use by residents and visitors.

The climate in the County is mild, with an average rainfall of 13 inches. The mean temperature ranges from a minimum of 47 degrees to a maximum of 82 degrees.

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

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

### ***Economic Outlook***

Two years after the sharp jolt of COVID-related shutdowns, the local economy has yet to fully recover. Repeated flare-ups of the virus affect society. They force businesses and households to restrict their full activity levels resulting in below normal engagements of in-person work, eating out and recreational activities. It thus has a direct impact on economic activity and employment.

Inflation has returned. At a current 8.5 percent, the annualized pace of CPI inflation is at its highest since 1982 and is not just contained to a few items or a handful of sectors. This is partially influenced by high demand and unprecedented supply chain problems.

In spite of the pandemic, inflation, and war; fundamentals of the economy continue to be strong. There are few signs of imbalance in any of the major sectors of the economy; labor markets remain strong, and personal incomes continue to improve. Consumer confidence has suffered, but so far, there is little sign of households pulling back on spending. Growth will slow but should continue for 2022 and we expect the state and Southern California region to gain employment. The average unemployment rate for California to expected to decline to 5 percent in

2022 compared to 7.3 percent in 2021. The rate for Orange County is expected to fall to 3.9 percent

versus 6.0 percent, for Los Angeles County 5.6 percent from 8.9 percent, and for the Inland Empire to 4.7 percent from 7.4 percent for 2022 versus 2021, respectively.

Based on a survey of purchasing managers, the California Composite Index, measuring overall manufacturing activity in the state, increased from 63.9 in the first quarter to 64.6 in the second quarter, indicating that the manufacturing sector is expected to grow at a higher rate in the second quarter of this year. "The purchasing managers' report continued supply chain disruptions in many industries including Textile Mill Products, Printing, Chemicals and Fabricated Metal Products. The Russia-Ukraine war has pushed grain and metal prices even higher. No improvement is expected in the short-term on the labor shortage situation," said Dr. Raymond Sfeir, director of the purchasing managers' survey. Production is expected to grow at a higher rate, while inventories of purchased materials is expected to increase at a lower rate in the second quarter. The index for commodity prices has reached an all-time high at 96.3. Only 0.4 percent of purchasing managers expect a decrease in commodity prices in the second quarter. Passing higher production costs to the consumers is now pervading most industries.

However, in the face of rising inflation and the Fed's aggressive tightening, general economic conditions are expected to become less conducive to growth in late 2022 and 2023. Slow growth and lower employment gains locally will be the cost to bring inflation under control. Higher mortgage rates will dampen the housing market with the price of a median single-family home increasing by 3 to 4 percent in 2022 and by even a smaller amount in 2023, after a remarkable appreciation over the previous two years.

The combined issues of war, rapid rate hikes, labor shortages, persistent supply disruptions, higher energy and materials costs, inflation and COVID-19 flare-ups lead to an unsettled economy over the next two years.



# Fiscal Policy

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

# 2022-23 & 2023-24 Budget

<i>Fiscal Policy Statement</i>	<i>Completed</i>	<i>In Progress</i>	<i>Comments</i>
OC San will maintain all physical assets at a level adequate to protect OC San’s capital investment and to minimize future maintenance and replacement costs.	✓		
OC San will project equipment replacement and maintenance needs for the next five years and will update this projection each year. From this projection a maintenance and replacement schedule will be developed and followed.	✓		
OC San will avoid budgetary and accounting procedures that balance the current budget at the expense of future budgets.	✓		
OC San will forecast its expenditures and revenues for each of the next five years and will update this forecast at least annually.	✓		
<b>Revenue Policies</b>			
Because revenues are sensitive to both local and regional economic conditions, revenue estimates adopted by the Board of Directors must be conservative.	✓		
Staff will estimate annual revenues by an objective, analytical process that utilizes trend, judgmental, and statistical analysis as appropriate.	✓		
Ad valorem property tax revenues of OC San will be first dedicated to debt service.	✓		
Sewer Service User Fees will be projected for each of the next ten years and this projection will be updated annually.	✓		
<b>Expenditure Policies</b>			
OC San will maintain a level of expenditures that provides for the health, safety and welfare of the residents of the community.	✓		
OC San will set fees and user charges at a level that fully supports the total direct and indirect costs of operations, capital improvements, and debt service requirements not covered by reserves.	✓		
<b>Capital Improvements Budget Policies</b>			
OC San will make all capital improvements in accordance with an adopted and funded capital improvement program. The adopted capital improvement program will be based on need.	✓		
OC San will develop an annual five-year plan for capital improvements, including design, development, implementation, and operating and maintenance costs.	✓		A 20-year CIP Plan is maintained by OC San.

# Fiscal Policy

<i>Fiscal Policy Statement</i>	<i>Completed</i>	<i>In Progress</i>	<i>Comments</i>
All capital improvement projects approved in the annual operating budget are approved at the budgeted amounts through the completion of the project. The Board of Directors approves both the individual project total budget and the projected cash outlays for all capital improvement projects for the current fiscal year.	✓		
Staff will identify which capital projects may have a significant impact on on-going operating and maintenance costs and estimate the impact as the project is developed.	✓		
Staff will identify the estimated on-going future Operating and Maintenance costs, as well as staffing requirements upon completion for each capital project proposal before it is submitted to the Board of Directors for approval.	✓		
OC San will use intergovernmental assistance and other outside resources whenever possible to fund capital improvements providing that these improvements are consistent with the Capital Improvement Plan and OC San's priorities, and that the future operating and maintenance costs of these improvements have been included in the budget.	✓		
Staff will coordinate development of the capital improvement budget with the development of the operating budget. All operations and maintenance resources required to implement the CIP have been considered and appropriately reflected in the operating budget for the year the CIP is to be implemented.	✓		
Cost tracking for components of the capital improvement program will be updated quarterly to ensure project completion against budget and established time lines.	✓		
<b><i>Asset Management Policy</i></b>			
In order to provide for the systematic planning, acquisition, deployment, utilization control, and decommissioning of capital assets, the following policies have been established:			
<ul style="list-style-type: none"> <li>• The condition, performance, utilization, and cost of assets will be recorded to the asset level.</li> </ul>	✓		
<ul style="list-style-type: none"> <li>• A detailed, planned maintenance program is in place to ensure that the assets, facilities and systems perform to their design criteria and meet their design lives.</li> </ul>	✓		
<ul style="list-style-type: none"> <li>• A system is in place to blend planned and unplanned activity to optimize the cost against the asset performance requirements.</li> </ul>	✓		

# 2022-23 & 2023-24 Budget

<i>Fiscal Policy Statement</i>	<i>Completed</i>	<i>In Progress</i>	<i>Comments</i>
<ul style="list-style-type: none"> <li>Reliability Centered Maintenance techniques will be used to optimize the maintenance plans and to identify any alterations that are economically justified.</li> </ul>	✓		Completed for critical and high value assets.
<ul style="list-style-type: none"> <li>Current levels of asset management service in terms of quantity and quality of service including condition, function/size/type, regulatory requirements, reliability, and repair response times have been determined and documented.</li> </ul>	✓		
<ul style="list-style-type: none"> <li>The full economic cost is charged on all asset management activities.</li> </ul>	✓		
<ul style="list-style-type: none"> <li>Asset Management maintains appropriate budget and funding strategies that match the needs of the business to ensure sustainability.</li> </ul>	✓		
<ul style="list-style-type: none"> <li>Planning Division considers the real growth of OC San's service area and the way in which demands for service will change in the future, including population, unit demand, and changing regulatory requirements.</li> </ul>	✓		
<ul style="list-style-type: none"> <li>Monitoring and reporting are performed on the condition, performance, and functionality of OC San's assets against prescribed service levels and regulatory requirements.</li> </ul>	✓		Conditions and performance of assets are reported annually through the Asset Management Plan.
<ul style="list-style-type: none"> <li>An assessment of the relative risks, costs and benefits is derived for all investments in capital works, maintenance, and operations.</li> </ul>	✓		
<ul style="list-style-type: none"> <li>Individual asset management decisions are made only when the cost of all programs has been analyzed and the funding needs of the whole organization is known together with the knowledge of its impact on rates.</li> </ul>	✓		
<ul style="list-style-type: none"> <li>Necessary renewal programs to sustain the existing levels of service and condition of assets, as identified through the best appropriate process, is approved ahead of new capital works and services.</li> </ul>	✓		
<ul style="list-style-type: none"> <li>New capital assets for new works and services are approved only with the commitment of the recurrent (operations and maintenance) funding necessary to sustain the new works and services.</li> </ul>	✓		

# Fiscal Policy

<i>Fiscal Policy Statement</i>	<i>Completed</i>	<i>In Progress</i>	<i>Comments</i>
<b><i>Fleet Management Policy</i></b>			
Vehicles and equipment will be operated, maintained, and appropriate to the assigned task to ensure the lowest total cost of ownership. The following policies have been established:			
• Vehicles will be operated to ensure the highest utilization rate possible.	✓		
• Vehicles may be replaced when they are 7 years old or have accumulated 75,000 miles, or at the optimal replacement cycle per industry best practice. Vehicle utilization rates will assist in determining vehicle acquisition needs.	✓		
• Rightsizing of fleet will coincide with the budget preparation process biennially.	✓		
• Alternative fuels will be incorporated to remain regulatory compliant.	✓		
• Electric carts are to be utilized for in-plant use only.	✓		
<b><i>Short-Term Debt Policies</i></b>			
OC San may use short-term debt to cover temporary or emergency cash flow shortages. All short-term borrowing will be subject to Board approval by resolution.	✓		
OC San may utilize Board approved intra-agency loans rather than outside debt instruments to meet short-term cash needs. Intra-agency loans will be permitted only if an analysis of the affected Revenue Areas indicates funds are available and the use of these funds will not impact current operations. The principal, along with interest at the prevailing rate as established by OC San's Treasurer, will be paid to the lending Revenue Area.	✓		
<b><i>Long-Term Debt Policies</i></b>			
Proceeds from long-term debt will <u>not</u> be used for current on-going operations.	✓		
Before any new debt is issued, the impact of debt service payments on total annual fixed costs will be analyzed.	✓		
Develop and maintain a board adopted debt policy.	✓		

# 2022-23 & 2023-24 Budget

<i>Fiscal Policy Statement</i>	<i>Completed</i>	<i>In Progress</i>	<i>Comments</i>
<p><b>Accumulated Funds &amp; Reserve Policies</b>            A cash flow reserve will be established to fund operations, maintenance, and certificates of participation expenses for the first half of the fiscal year, prior to the receipt of the first installment of the property tax allocation and the sewer service user fees which are collected as a separate line item on the property tax bill. The level of this criterion will be established as the sum of an amount equal to six months operations and maintenance expenses and the total of the annual debt (COP) service payments due in August each year.</p>	✓		
<p>An operating contingency reserve will be established to provide for non-recurring operating expenditures that were not anticipated when the annual budget was considered and adopted. The level of this criterion will be established at an amount equal to ten percent of the current fiscal year's annual operating budget.</p>	✓		
<p>A capital improvement reserve will be maintained to fund annual increments of the capital improvement program. The target level for this criterion has been established at one half of the average annual cash outlay of the capital improvement program through the year 2030. Levels higher and lower than the target can be expected while the long-term financing and capital improvement programs are being finalized.</p>	✓		
<p>A renewal/replacement reserve will be maintained to provide funding to replace or refurbish the current collection, treatment and recycling facilities at the end of their useful economic lives. The current replacement value of these facilities is estimated to be \$11.6 billion. The reserve criterion level had been established at \$75 million.</p>	✓		
<p>Catastrophic loss, or self-insurance, reserves will be maintained for property damage including fire, flood, and earthquake, for general liability, and for workers' compensation. This reserve criterion is intended to work with purchased insurance policies, FEMA and State disaster reimbursements. Based on the plant infrastructure replacement value, the level of this criterion has been set to fund OC San's non-reimbursed costs, estimated to be \$100 million.</p>	✓		
<p>A debt service reserve will be maintained at ten percent of the outstanding certificate of participation (COP) issues. Other debt service reserves are required to be under the control of a Trustee by the provisions of the COP issues. These funds are not available for the general needs of OC San and must be maintained at specified levels.</p>	✓		

# Fiscal Policy

<i>Fiscal Policy Statement</i>	<i>Completed</i>	<i>In Progress</i>	<i>Comments</i>
<b><i>Investment Policies</i></b>			
OC San's Treasurer will annually submit an investment policy to the Board of Directors for review and adoption.	✓		
The investment policy will emphasize safety and liquidity before yield.	✓		
<b><i>Accounting, Auditing, and Financial Reporting</i></b>			
OC San's accounting and financial reporting systems will be maintained in conformance with generally accepted accounting principles and standards promulgated by the Governmental Accounting Standards Board.	✓		
A capital asset system will be maintained to identify all OC San assets, their condition, historical cost, replacement value, and useful life.	✓		
Quarterly financial reports will be submitted to the Board of Directors and will be made available to the public.	✓		
Full disclosure will be provided in the general financial statements and bond representations.	✓		
OC San will maintain a good credit rating in the financial community.	✓		OC San's AAA rating was reaffirmed with the \$81.6 million 2022A Revenue Refunding debt issuance.
An annual audit will be performed by an independent public accounting firm with the subsequent issue of an official Annual Comprehensive Financial Report, including an audit opinion and a management letter.	✓		

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## **2022-23 & 2023-24 Budget**

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# GFOA Best Practices and Advisories

<i>GFOA Best Practices and Advisories</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
<b><i>Accounting and Financial Reporting Best Practices</i></b>				
Multiple Auditors	✓			
Offering Statements and the Independent Auditor's Role	✓			
Meeting and Exceeding Minimum GAAP Financial Reporting Requirements	✓			
Policies and Procedures Documentation	✓			
Control Over Items That Are Not Capitalized	✓			
Capitalization Thresholds for Capital Assets	✓			
Inventories of Tangible Capital Assets		✓		
Municipal Solid Waste Management and Full-Cost Accounting		✓		OC San does not provide solid waste services.
Measuring the Full Cost of Government Service	✓			
Indirect Cost Allocation	✓			
Disaster Recovery Cost Documentation	✓			
Disaster Recovery for Technology	✓			
Grants Administration	✓			
Accounting for Leases			✓	
Internal Control Deficiencies in Audits	✓			
Internal Control Environment	✓			
Internal Control for Grants	✓			
Internal Control and Management Involvement	✓			
Whistleblowing	✓			
Nonauthoritative Considerations in the Preparation of an Annual Comprehensive Financial Report	✓			
Website Posting of Financial Documents	✓			

# 2022-23 & 2023-24 Budget

<i>GFOA Best Practices and Advisories</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
Meeting and Exceeding Minimum GAAP Financial Reporting Requirements	✓			
Fund Accounting Applications	✓			
Timely Financial Reporting	✓			
Departmental Reports and Management's Discussion and Analysis	✓			
Departmental Reports and Supplementary Information	✓			
Popular Reporting of Financial Information		✓		
Periodic Disclosure and the Annual Comprehensive Financial Report	✓			
Budgetary Comparisons as Part of the Basic Financial Statements		✓		Not required for proprietary fund types. Budget to actual comparisons included in unaudited quarterly financial reports.
Tax Abatement Transparency		✓		OC San does not have tax abatement agreements.
Accounting and Financial Reporting for Fiduciary Activities		✓		OC San does not have fiduciary activities.
Special Revenue Funds Used for Budgeting, but Not Financial Reporting		✓		OC San does not have special revenue funds.
Securities Lending Transactions in Financial Statements		✓		OC San does not have securities lending transactions.
<b><i>Budgeting Best Practices</i></b>				
Achieving a Structurally Balanced Budget	✓			
Adopting Financial Policies	✓			
Fund Balance Guidelines for the General Fund		✓		OC San only has proprietary fund types - established a formal policy on the level of unrestricted net position.
Working Capital Targets for Enterprise Funds	✓			
Establishment of Strategic Plans	✓			
Long-Term Financial Planning	✓			

# GFOA Best Practices and Advisories

<i>GFOA Best Practices and Advisories</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
Role of the Finance Officer in Supporting Fiscal Sustainability	✓			
Establishing an Effective Grants Policy		✓		
Establishing Government Charges and Fees	✓			
Pricing Internal Services	✓			
Evaluating Service Delivery Alternatives	✓			
Financial Forecasting in the Budget Preparation Process	✓			
Inflationary Indices in Budgeting	✓			
The Use of Trend Data and Comparative Data for Financial Analysis	✓			
Basis of Accounting versus Budgetary Basis		✓		OC San does not use a budgetary basis of accounting.
Effective Budgeting of Salary and Wages	✓			
Public Engagement in the Budget Process	✓			
Role of the Finance Officer in Collective Bargaining	✓			
Strategies for Managing Health-Care Costs	✓			
Budget Monitoring	✓			
Performance Measures	✓			
Accurately Displaying Total Expenditures in Budget Presentations (Budget Consolidation)	✓			
Capital Budget Presentation	✓			
Departmental Presentation in the Operating Budget Document	✓			
Making the Budget Document Easier to Understand	✓			
The Statistical/Supplemental Section of the Budget Document	✓			

# 2022-23 & 2023-24 Budget

<i>GFOA Best Practices and Advisories</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
Website Posting of Financial Documents	✓			
<b>Capital Planning and Infrastructure Best Practices</b>				
Capital Asset Management	✓			
Role of the Finance Director in Capital Asset Management	✓			
Strategies for Establishing Capital Asset Renewal and Replacement Reserve Policies	✓			
Capital Planning Policies	✓			
Environmentally Responsible Practices in Capital Planning	✓			
Coordinating Economic Development and Capital Planning	✓			
Multi-Year Capital Planning	✓			
Master Plans and Capital Improvement Planning	✓			
Technology in Capital Planning and Management	✓			
Communicating Capital Improvement Strategies	✓			
Capital Budget Presentation	✓			
Establishing an Economic Development Incentive Policy		✓		OC San does not use economic development incentives.
Coordinating Economic Development and Capital Planning	✓			
Role of the Finance Officer in Economic Development	✓			
Creation, Implementation, and Evaluation of Tax Increment Financing		✓		OC San does not utilize tax increment financing.
Evaluating And Selecting Economic Development Projects		✓		OC San does not have economic development projects.
Negotiating Economic Development Agreements	✓			
Administering Economic Development Agreements	✓			

# GFOA Best Practices and Advisories

<i>GFOA Best Practices and Advisories</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
Monitoring Economic Development Performance	✓			
<b><i>Treasury and Investment Management Best Practices</i></b>				
Investment Policy	✓			
Investment Program for Public Funds	✓			
Diversifying the Investment Portfolio	✓			
Collateralizing Public Deposits	✓			
Government Relationships with Securities Dealers	✓			
Investment and Management of Bond Proceeds	✓			
Mark-to-Market Reporting for Public Investment Portfolios	✓			
Monitoring the Value of Securities in Repurchase Agreements	✓			
Managing Market Risk in Investment Portfolios	✓			
Using Benchmarks to Assess Portfolio Risk and Return	✓			
Selection and Review of Investment Advisors	✓			
Using Safekeeping and Third-Party Custodian Services	✓			
Local Government Investment Pools	✓			
Establishing a Policy for Repurchase Agreements	✓			
Ensuring the Safety of Reverse Repurchase Agreements	✓			
Using Commercial Paper in Investment Portfolios	✓			
Use of Derivatives and Structured Investments by State and Local Governments for Non-Pension Fund Investment Portfolios		✓		OC San investment policy does not allow derivative investments.
Securities Lending Programs for Non-Pension Fund Portfolios	✓			

# 2022-23 & 2023-24 Budget

<i>GFOA Best Practices and Advisories</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
Receivables and Handling Receipts in the Treasury Office	✓			
Payments Made by Governments	✓			
Using Cash Forecasts for Treasury and Operations Liquidity	✓			
Abstain from Using and Investing in Cryptocurrency for Government Operations	✓			
Bank Account Fraud Prevention	✓			
Payments Made by Governments	✓			
Use of Lockbox Services		✓		OC San does not have sufficient cash-related transactions to use lockbox services. The majority of revenues are collected on the property tax roll.
Accepting Payment Cards and Selection of Payment Card Service Providers		✓		
Payment Consolidation Services		✓		
Using Remote Deposit Capture	✓			
Procurement of Financial Services	✓			
Due Diligence on Bank and Treasury Management Providers	✓			
Using Purchasing Cards to Streamline the Purchasing Process	✓			
Revenue Control Policy	✓			
Using Mutual Funds for Cash Management Purposes	✓			
Receivables and Handling Receipts in the Treasury Office	✓			
Using Cash Forecasts for Treasury and Operations Liquidity	✓			
Electronic Vendor Fraud	✓			
<b>Debt Management Best Practices</b>				
Issuer's Role in Selection of Underwriter's Counsel	✓			
Types of Legal Counsel	✓			

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## GFOA Best Practices and Advisories

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<i>GFOA Best Practices and Advisories</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
Selecting and Managing Municipal Advisors	✓			
Selecting Bond Counsel	✓			
Selecting and Managing Underwriters for Negotiated Bond Sales	✓			
Issuing Taxable Debt	✓			
Bank Loans and Direct Placements	✓			
Evaluating the Sale and Securitization of Property Tax Liens	✓			
Using Variable Rate Debt Instruments	✓			
Pension Obligation Bonds	✓			
Use of Debt-Related Derivatives Products	✓			
Refunding Municipal Bonds	✓			
Debt Issuance Transaction Costs	✓			
Expenses Charged by Underwriters in Negotiated Sales	✓			
Issuing Taxable Debt	✓			
Pricing Bonds in a Negotiated Sale	✓			
Selecting and Managing the Method of Sale of Bonds	✓			
Using Credit Rating Agencies	✓			
Underwriter Disclaimers in Official Statements	✓			
“ESG” Best Practice - “E” Environmental	✓			
“ESG” Best Practice - “G” Governance	✓			
“ESG” Best Practice - “S” Social	✓			
Maintaining an Investor Relations Program	✓			
Understanding Your Continuing Disclosure Responsibilities	✓			
Using Technology for Disclosure	✓			

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# 2022-23 & 2023-24 Budget

<i>GFOA Best Practices and Advisories</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
Primary Market Disclosure	✓			
Voluntary Disclosure	✓			
Marketing Municipal Bonds as Green, Sustainable, Social, or Other Alternatively Designated Bonds	✓			
Debt Management Policy	✓			
Refunding Municipal Bonds	✓			
Investment and Management of Bond Proceeds	✓			
Post-Issuance Policies and Procedures	✓			
Debt Service Payment Procedures	✓			
Managing Build America and other Direct Subsidy Bonds	✓			
<b><i>Pension and Benefit Administration Best Practices</i></b>				
Sustainable Pension Benefit Tiers	✓			
Developing a Policy to Participate in Securities Litigation Class Actions	✓			
Developing a Policy for Retirement Plan Design Options	✓			
OPEB Governance and Administration	✓			
Governance of Public Employee Postretirement Benefits Systems	✓			
Preparing an Effective Summary Plan Description	✓			
Educating Employees about the Adequacy of Retirement Benefits	✓			
Selecting Third-Party Investment Professionals for Pension Fund Assets	✓			
The Use of Early Retirement Incentives	✓			
Deferred Retirement Option Plans	✓			
In-Kind Asset Transfer to Defined Benefit Pension Plans	✓			



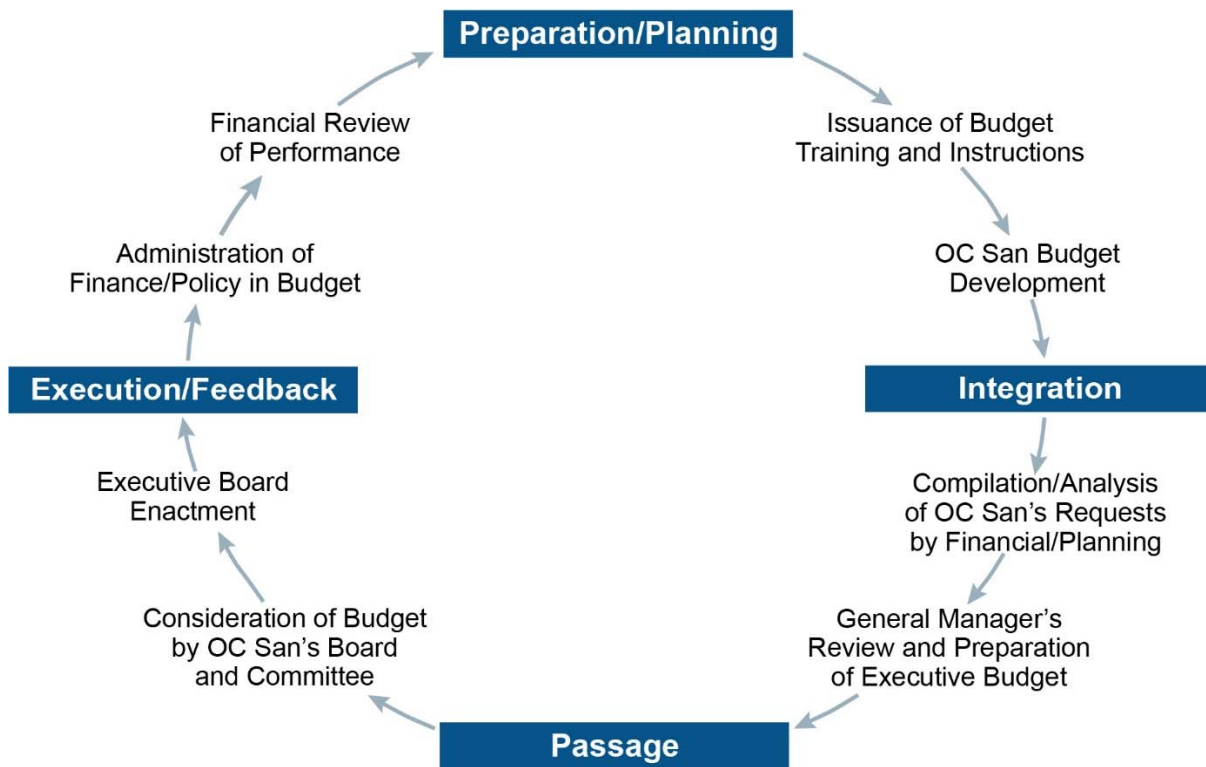
# GFOA Best Practices and Advisories

<i>GFOA Best Practices and Advisories</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
Asset Allocation for Defined Benefit Plans	✓			
Core Elements of a Funding Policy	✓			
Design Elements of Defined Benefit Retirement Plans	✓			
Enhancing Reliability of Actuarial Valuations for Pension Plans	✓			
Hybrid Retirement Plan Design	✓			
Investment Fee Guidelines for External Management of Defined Benefit Plans	✓			
Investment Policies for Defined Benefit Plans	✓			
The Role of the Actuarial Valuation Report in Plan Funding	✓			
Sustainable Funding Practices for Defined Benefit Pensions and Other Postemployment Benefits (OPEB)	✓			
Pension Obligation Bonds	✓			
Responsible Management and Design Practices for Defined Benefit Pension Plans	✓			
Asset Allocation for Defined Contribution Plans		✓		OC San does not have a defined contribution plan.
Defined Contribution Retirement Plan Design		✓		
Hybrid Retirement Plan Design		✓		
Monitoring and Disclosure of Fees for Defined Contribution Plans		✓		
Participant Education Guidance for Defined Contribution Plans		✓		
Defined Contribution Plan Fiduciary Responsibility		✓		
Brokerage Window Options for Defined Contribution Plans		✓		
Establishing and Administering an OPEB Trust		✓		OC San does not have an OPEB trust fund. Pay-as-you-go method utilized.

# 2022-23 & 2023-24 Budget

<i>GFOA Best Practices and Advisories</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
OPEB Governance and Administration		✓		
Ensuring Other Postemployment Benefits (OPEB) Sustainability	✓			
Sustainable Funding Practices for Defined Benefit Pensions and Other Postemployment Benefits (OPEB)	✓			
Core Elements of a Funding Policy	✓			
Other Postemployment Benefits (OPEB) Bonds	✓			
Communicating Health-Care Benefits to Employees and Retirees	✓			
Strategic Health-Care Plan Design	✓			
Complying with the Affordable Care Act	✓			
Patient Protection and Affordable Care Act Compliance	✓			
Investment Policies for Tax-Deferred Retirement Savings Plans		✓		
Investment Policies for Defined Benefit Plans		✓		
Investment Fee Guidelines for External Management of Defined Benefit Plans		✓		
Selecting Third-Party Investment Professionals for Pension Fund Assets	✓			
Commission Recapture Programs		✓		
Procuring Actuarial Services	✓			
Actuarial Audits	✓			
Disclosures of Pension Funding Obligations in Official Statements	✓			
<b><i>Risk Assessment Best Practices</i></b>				
Enterprise Risk Management	✓			
Business Preparedness and Continuity Guidelines	✓			
Disaster Preparedness	✓			

# Overview of the Budget Process



## Budget Process

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

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

OC San's annual budget preparation process begins in January of each year and concludes in June upon its adoption. However, the entire budget process extends beyond one year and overlaps with the preceding budget and the subsequent budget. As shown in the chart above, the budget process consists of four major parts. These parts occur at various stages throughout the year as follows:

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

Budget Kick-off Meeting	- January 25
Department Budget Submissions	- February 22
Preliminary Budget Review	- March 7-10
General Manager Budget Review	- March 21-24
Presentation to Board Committees	- June 1 & 8
Public Hearing & Board Adoption	- June 22

## Team Approach

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

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# 2022-23 & 2023-24 Budget

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

## **The Process**

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

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

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

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

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

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

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

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

### **1. Budget Adjustment**

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

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

### **2. Budget Amendment**

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

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

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

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

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

# Budget Assumptions

## **FY 2022-23 and FY 2023-24 Proposed Budget Assumptions**

### *Economic Assumptions*

- Inflation for the Los Angeles-Long Beach-Anaheim Orange County has seen a percentage increase in consumer price index (CPI-U) of 6.6% for 2021. A 5.0 percent inflation factor will be used for FY 2022-23.

A 3.0 percent inflation factor will also be used for FY 2023-24.

### *Revenue Assumptions*

- Based upon the proposed Sewer Service Fee Rate Schedule to be approved by the Board in March 2018, the single-family residence (SFR) rate will increase by \$4 (1.2 percent) to \$347 in FY 2022-23, which is less than the projected CPI.
- Note that each \$1 increase in the SFR rate generates approximately \$900,000 per year.
- The capital facilities capacity charge (CFCC) fee captures only those infrastructure costs that relate to additional capacity. The proposed CFCC fee to be approved by the Board in March 2018 will increase by seven percent for FY 2022-23. Other infrastructure costs such as improved treatment, rehabilitation, refurbishment, and replacement, will be supported through user fees.
- Given the Facilities Master Plan adopted in December 2017, a rate study was completed in December 2017 to ensure that the CFCC fee methodology remains equitable and to confirm that an appropriate share of system costs would be recovered from new development.
- Revenues will be budgeted to reflect little growth in Equivalent Dwelling Unit (EDU) connections that have remained flat over the past five years.
- Permit user rates for flow will increase by 3.6 percent, Biochemical Oxygen Demand (BOD) will increase by 0.5 percent and Total Suspended Solids (TSS) will increase by 2.7 percent for FY 2022-23 based upon the Rate Study completed in December 2017.
- Annexation fees capture both the net current assets and the equivalent property tax allocations totaling \$4,235 per acre.

- Annexable property in OC San's service area sphere is minimal; consequently, no FY 2022-23 income from annexation fees is anticipated.
- Property tax revenues are preliminarily estimated to increase by approximately 3.0 percent from FY 2021-22 to \$106,300,000.

A 2.0 percent annual increase in Assessed Value is authorized by the state constitution and is included in the increases noted above. The additional increase in assessed value is from authorized increases to market value when property is sold at a higher value.

- Earnings on the investment of OC San's operating cash and reserves will be budgeted at 1.0 percent of the average cash and investment balance projected for the fiscal year.
- No additional debt issuance is scheduled for FY 2022-23.

### *Operating Assumptions*

- Operating expenses are expected to increase from the adopted FY 2020-21 budget of \$184 million.
- Average daily flows are projected at 185 mgd for FY 2022-23 and 185 mgd for FY 2023-24. The FY 2022-23 flow projection of 185 mgd reflects an increase of 4 mgd from the actual for the first 5 months of the current year and is 1 mgd above the final actual flow for FY 2020-21.

### *Employee/Staffing Assumptions*

- Staffing level is expected to increase in support of the Capital Improvement Program. The total FY 2021-22 authorized staffing level is 639.00 FTEs, excluding Management Discretion positions.
- Vacant positions as of 12/31/21 are budgeted at 50 percent of step 1 for the remainder of FY 2021-22 and at 100 percent of step 2 for FY 2022-23.
- New positions will be projected at 100 percent of step 1 for FY 2022-23.

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## 2022-23 & 2023-24 Budget

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- A 3.0 percent vacancy factor on authorized positions has been budgeted for FY 2022-23. The actual vacancy factor is currently running at 4.4 percent, but is on a downward trend due to the streamlined recruitment processes now in place. This vacancy factor accounts for time spent for recruitment and turnover.
- The Memorandums of Understanding (MOUs) for the OCEA, the Local 501, and the Supervisor and Professional (SPMT) groups expire on June 30, 2022. Anticipated salary adjustments will be included in the budget for all employee bargaining units.
- Retirement costs for employees enrolled in Orange County Employees Retirement System (OCERS) Plan H (264 employees) are estimated at a rate of 13.46 percent of the employee's base salary for FY 2022-23, up from 13.22 percent in FY 2021-22. The rates for Plan H include OC San's pickup of 3.5 percent of employees' required contributions.

Employees enrolled in OCERS Plan B (54 employees) are estimated at a rate of 13.25 percent of the employee's base salary for FY 2022-23, up from 11.23 percent in FY 2021-22.

All employees hired on or after January 1, 2013, are enrolled in OCERS Plan U (298 employees) and are estimated at a rate of 9.86 percent for FY 2022-23, down from 9.88 percent in FY 2021-22. Interns are not enrolled in OCERS, so their retirement benefits are calculated at 6.2 percent (FICA rate).

- Other employee benefits and insurances will be budgeted to increase in FY 2022-23 by moderate but yet to be determined amounts.

### *Materials, Supplies & Services Assumptions*

- The proposed operating budget will continue to reflect an emphasis on safety, security, and maintenance of plant assets and infrastructure.
- An amount equal to half of one percent of the Operating materials and services budget will be a contingency for prior year re-appropriations. Since the current year's budget lapses on June 30, a contingency is needed in the succeeding budget year for goods or services ordered at the end of one budget year but not delivered until the following year.

- An amount equal to 0.85 percent of the Operating materials and services budget will be the General Manager's contingency budget. These funds will be allocated to appropriate line items during the year after requests and justifications for unanticipated needs are approved by the General Manager.
- Resource needs for strategic initiatives will be included in the budget.

### *Capital Improvement Program Assumptions*

- The FY 2022-23 and FY 2023-24 cash flow budget, based on the most current Validated Capital Improvement Program (CIP), is the target.
- The baseline CIP cash flow for FY 2022-23 is \$284.6 million and for FY 2023-24 is \$329.3 million.
- Continual evaluation of the CIP by the Asset Management Team may result in deferral or reduction of some projects and a resultant increase in O&M repair costs for materials and services, if the net cash flow impact is a decrease.
- For the first five months of FY 2021-22, \$41.0 million of the \$224.6 million CIP budget, approximately 18.3 percent, was expended.

### *Debt Financing*

- OC San will issue new debt in the form of Certificates of Participation (COP) as needed to fund the CIP and to maintain reserves.
- No additional debt issuance is scheduled for FY 2022-23 and FY 2023-24.
- Debt will only be used for CIP and capital expenses, not for operating expenses.
- Capital financing plans no longer include future borrowings over the next ten years as the approved user fee schedule is considered sufficient.
- Borrowing is proposed only for facilities which do not add capacity and that are funded by all users for replacement, rehabilitation, and improved treatment.
- Upon COP's becoming callable or maturing, a determination will be made as to the benefit of paying off the obligation or refinancing the debt.

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# Budget Assumptions

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## *Reserve Assumptions*

The existing reserve policy is summarized as follows:

- A cash flow criterion will be established to fund operations, maintenance and certificates of participation expenses for the first half of the fiscal year, prior to receipt of the first installment of the property tax allocation and sewer service user fees which are collected as a separate line item on the property tax bill. The level of this criterion will be established as the sum of an amount equal to six months operations and maintenance expenses and the total of the annual debt (COP) service payments due in August each year.
- An operating contingency criterion will be established to provide for non-recurring expenditures that were not anticipated when the annual budget and sewer service fees were considered and adopted. The level of this criterion will be established at an amount equal to ten percent of the annual operating budget.
- A capital improvement criterion will be maintained to fund annual increments of the capital improvement program. The long-term target is for one half of the capital improvement program to be funded from borrowing and for one half to be funded from current revenues and reserves. With this program in mind, the target level of this criterion has been established at one-half of the average annual capital improvement program over the next ten years.
- A catastrophic loss, or self-insurance, criterion will be maintained for property damage including fire, flood and earthquake, for general liability and for workers' compensation. This criterion is intended to work with purchased insurance policies, FEMA disaster reimbursements and State disaster reimbursements. The potential infrastructure loss from a major earthquake, of which OC San currently has limited outside insurance coverage of \$25 million, has been estimated to be as high as \$1.3 billion. The level of this criterion has been set at \$100 million should such a catastrophic event occur. This criterion amount will assist OC San with any short-term funding needs until Federal and State assistance becomes available.
- Accumulated capital funds will be set aside for certain specific, short-term capital improvements as the need and availability arise.
- A capital replacement/renewal criterion has been established to provide thirty percent of the funding to replace or refurbish the current collection, treatment and disposal facilities at the end of their useful economic lives.
- Based on the Facilities Evaluation Report completed in December 2017, the current replacement value of these facilities is estimated to be \$3.85 billion for the collection facilities and \$7.75 billion for the treatment and disposal facilities. The criterion level has been established at \$75 million, which will be augmented by interest earnings and a small portion of the annual sewer user fee, in order to meet projected needs through the year 2030.
- Provisions of the various certificates of participation (COP) issues require debt service reserves to be under the control of the Trustee for that issue. These reserve funds are not available for the general needs of OC San and must be maintained at specified levels. The current level of required COP service reserves is projected to be \$19.3 million.
- Accumulated funds exceeding the levels specified by OC San policy will be maintained for future capital improvements and rate stabilization. These funds will be applied to future years' needs in order to maintain rates or to moderate annual fluctuations. There is no established target for this criterion.

## *Miscellaneous*

- The budget document will be in a bi-annual format with two, one-year budgets presented for FY 2022-23 and FY 2023-24.
- The budget worksheets for operating costs will contain one column for FY 2022-23 and one column for FY 2023-24. The column will represent all collection, treatment, and disposal/reuse costs.

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# Accounting System & Budgetary Control

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## ***Accounting System and Budgetary Control***

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

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

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

### ***Basis of Accounting***

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

### ***Budgetary Basis of Accounting***

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

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

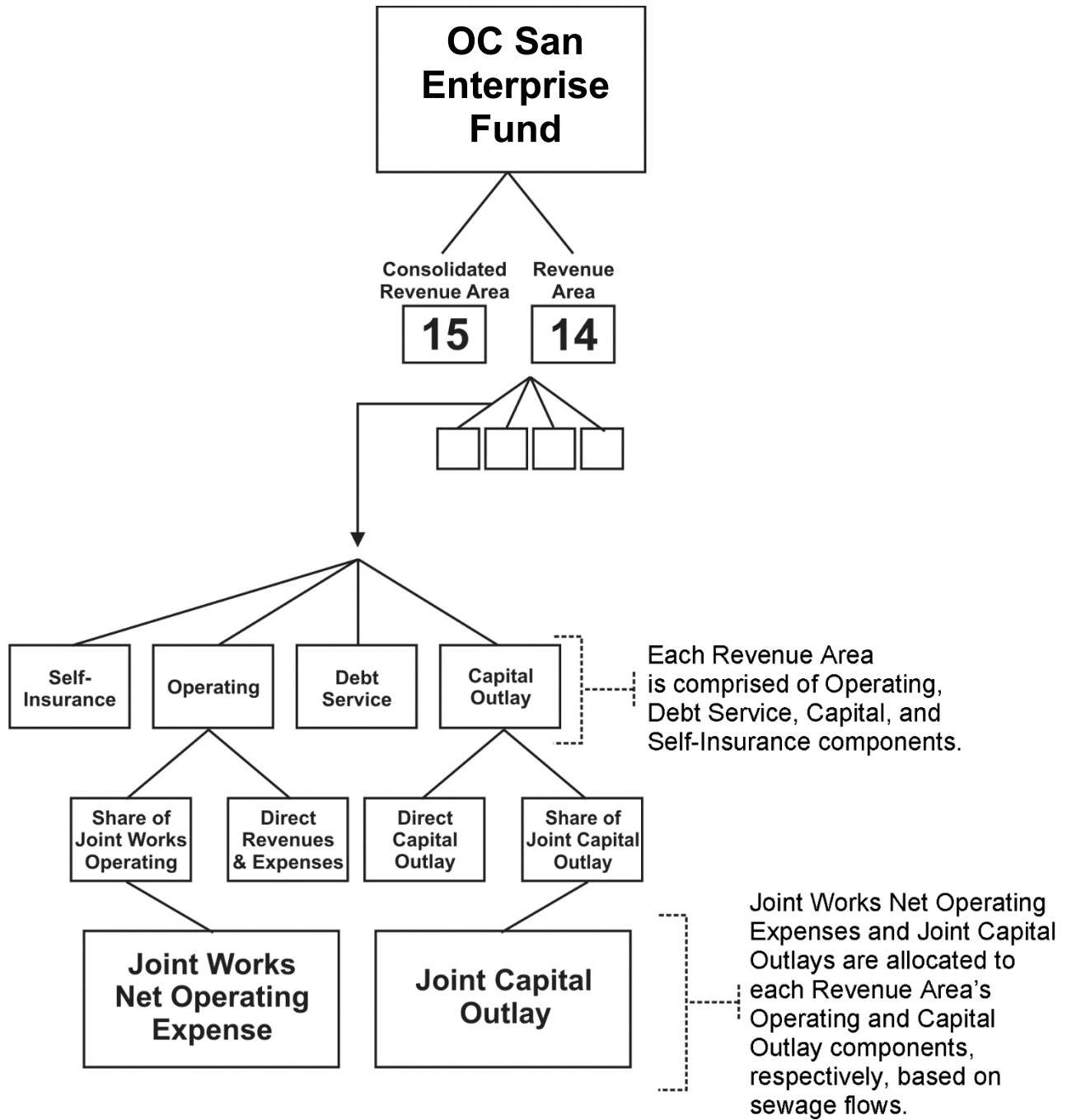
### ***Internal Controls***

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

### ***Budgetary Control***

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

## Orange County Sanitation District Fund Structure Diagram



# Revenue Sources

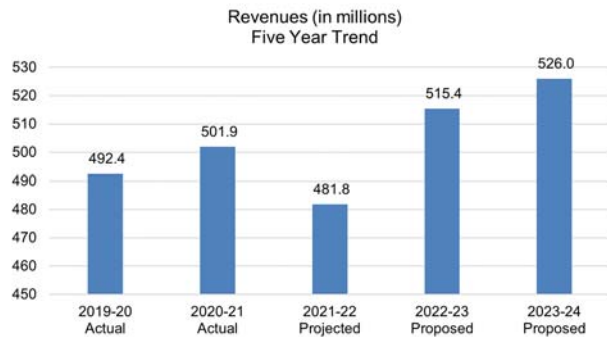
## Revenue Sources

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

- User Fees
- Property Taxes
- Industrial Waste Permit User Fees
- Interest Earnings
- Debt Proceeds

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

The following graph summarizes revenues from all sources for OC San over the past two fiscal years, the current year, and through the following two proposed budget years:



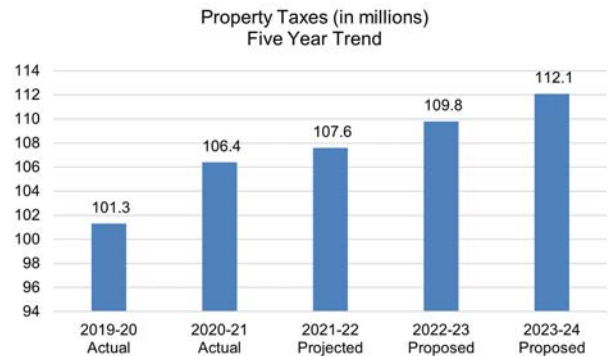
Total revenues decreased from \$501.9 million in FY 2020-21 to a projected \$481.8 million in FY 2021-22, or \$20.1 million. This decrease was due mostly to: a decrease in investment and interest earnings of \$22.9 million.

In FY 2022-23, revenues are being proposed at \$515.4 million, an increase of \$21.9 million, or 4.4 percent over the prior year budget. This increase is primarily attributable to the increases of \$6.7 million in general user fees, and \$7.6 million in property taxes revenue.

In FY 2023-24, revenues are being proposed at \$526.0 million, an increase of \$10.6 million, or 2.1 percent over the prior year. This increase is primarily attributable to an increase in user fees that is expected to generate an additional \$11.2 million. Property tax revenue is expected to generate an additional increase of \$2.3 million, or another projected increase of 2.0 percent over the prior year.

## Property Taxes

The County is permitted by State law (Proposition 13) to levy taxes at one percent of full market value (at time of purchase) and can increase the assessed value no more than two percent per year. OC San receives a share of this basic levy proportionate to the amount that 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.

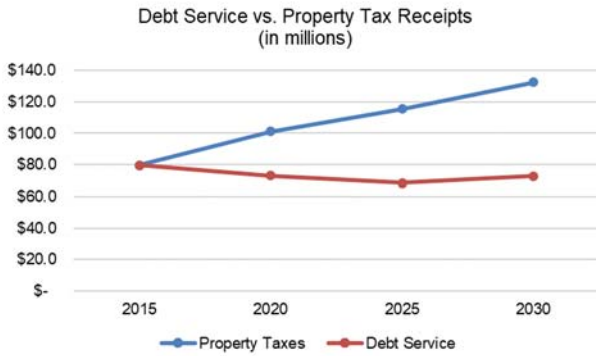


OC San's annual share of the one percent ad valorem property tax levy is first dedicated for the payment of COP debt service. The apportionment of the ad valorem tax is pursuant to the Revenue Program adopted in April 1979 to comply with regulations of the Environmental Protection Agency, the State Water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

As shown in the graph above, property tax revenues increased from \$106.4 million in FY 2020-21 to a projected \$107.6 million in FY 2021-22, primarily due to the robust economy and strong housing and commercial property markets beginning. Property tax revenues are now being projected to increase 2.0 percent per year through FY 2023-24.

Historically OC San's property tax revenues exceeded OC San's debt service obligations. This trend should continue with debt service obligations leveling off and no new planned COP debt issuances.

# 2022-23 & 2023-24 Budget



## User Fees

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

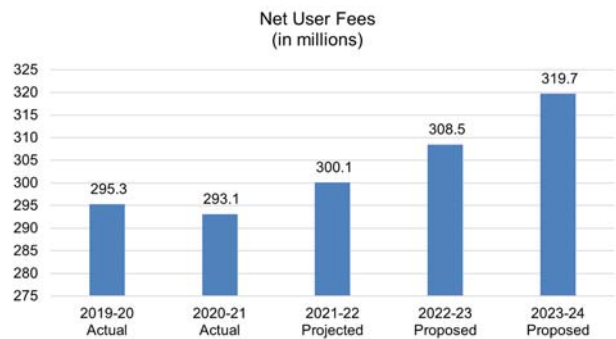
In addition, the Consolidated Revenue Area charges industrial and commercial user fees to customers discharging high-strength or high-volume wastes into the sewer systems. Revenue Area No. 14 needs are funded by IRWD. Previously OC San had been able to avoid or minimize user fee increases by reducing operational costs through reorganizing and streamlining agency operations. As a result of the capital improvement program expansion and the rehabilitation and refurbishment of existing facilities, annual increases in user fees are required.

In 2007, OC San staff conducted strategic planning workshops with the Board of Directors to layout a capital program to deliver the levels of service desired by the Board of Directors. These levels of service and resulting capital projects are included in OC San's Strategic Plan that were most recently updated in November 2021. The original effort was reinforced through the adoption of a new Master Plan in December 2017, a planning effort to define OC San's goals, responsibilities, and requirements over the next 20 years, and includes projections through the assumed "build-out" of OC San's service area to the year 2050. Incorporating the 2017 Master Plan into the CIP validation for FY 2022-23, the current CIP includes projects outlays of \$3.1 billion over the next ten years.

In March of 2018, following a Proposition 218 notice process, the Board approved sewer rate increases for each year over the next five years averaging approximately 1.2 percent a year. These increases

are necessary to balance the funding of operating expenses and capital improvements with current revenues and existing debt, and to minimize the increase in rates over an extended period of time.

The impact of this five-year sewer fee schedule has increased the single family residence user fee rate, on average, 1.2 percent a year from \$335 in FY 2018-19 to \$347 in FY 2022-23, including a rate hold in FY 2020-21. These rate increases by OC San are still well below the average annual sewer rate of \$523 being charged throughout the State according to the 2018 California Wastewater Charge Survey by the State Water Resources Control Board.



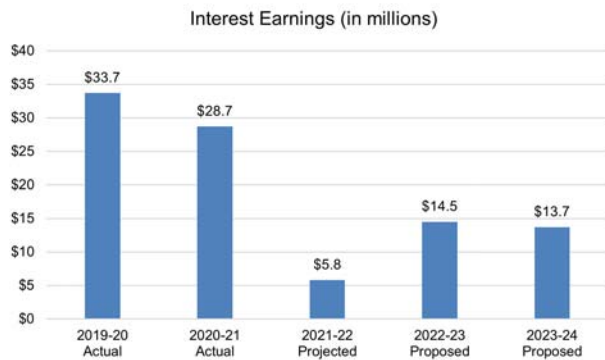
## Interest Earnings

Interest earnings are generated from the investment of accumulated reserves consisting of a cash flow/contingency, a capital improvement, a capital replacement/refurbishment, and a self-insurance reserve, all projected to total \$989.0 million on July 1, 2022.

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

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

# Revenue Sources



OC San's investment policy is structured conservatively towards liquidity to avoid having to sell investments at a loss and having unrealized losses become realized losses. Total return on investments were 4.5 percent in FY 2019-20 and 0.2 percent in FY 2020-21. However, interest and investment earnings are projected to be approximately negative 2.5 percent in FY 2021-22 due to the effects on the markets and economy from the coronavirus pandemic.

OC San is proposing an interest earnings rate of 1.0 percent in both FY 2022-23 and FY 2023-24 to generate earnings of \$14.5 million and \$13.7 million, on annual average investment portfolio projections, with fiscal year end balances of \$959.4 million and \$884.3 million in FY 2022-23 and FY 2023-24, respectively.

### **Debt Proceeds**

Over the next ten years, OC San is projecting an additional \$3.1 billion in future treatment plant and collection system capital refurbishments. In order to minimize annual sewer rate increases in the long-term, all of these refurbishments are being proposed to be funded from user fees with no issuances of new money debt issuances.

### **Teeter Plan**

In June 1993, the County of Orange adopted the Teeter Plan pursuant to Sections 4701 through 4717 of the California Revenue and Taxation Code. The Teeter Plan is an alternative method of distribution of revenues from the secured property tax roll to local participating agencies.

OC San participates in the Teeter Plan program and receives its full share of property tax and user fees from the secured roll, whether or not these taxes and user fees have been collected. The Teeter Plan provides OC San with stable and timely cash flow without the collection risk. The County, in exchange

for assuming the collection risk, receives the delinquent taxes and user fees, penalties and interest for the defaulted properties when paid.

As of April 30, 2022, OC San has received \$400,128,453 in tax and user fees from the County, or 97.1 percent of the total tax and user fee levy.

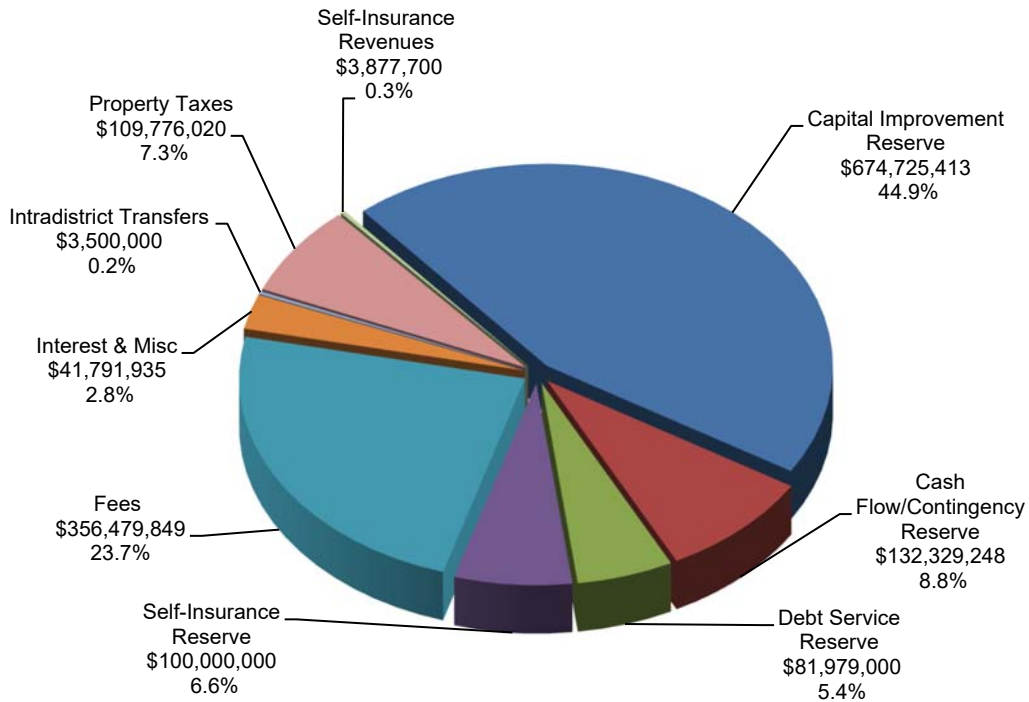
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## **2022-23 & 2023-24 Budget**

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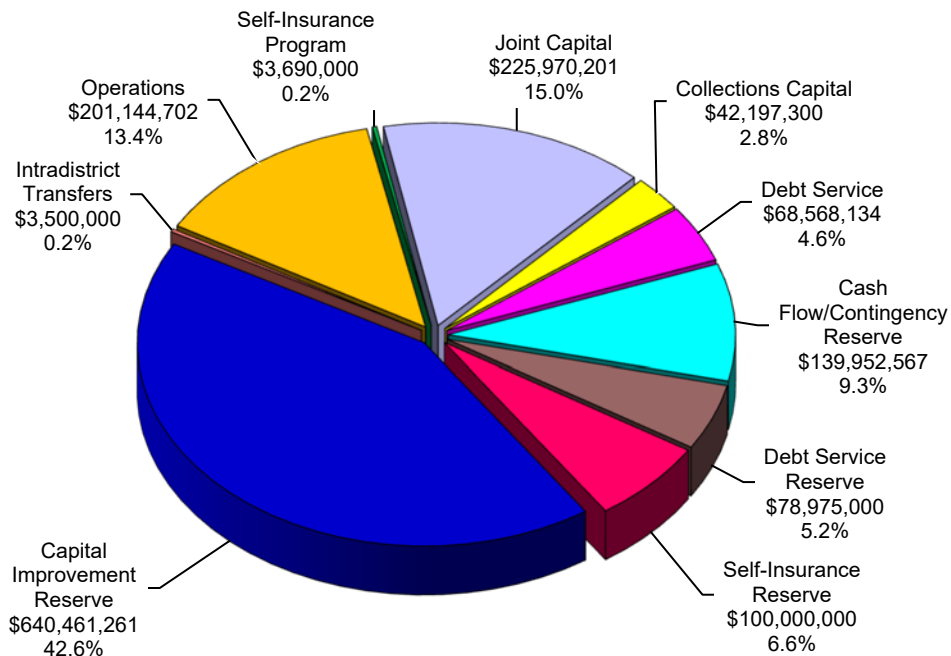
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## Where the Money Comes From – FY 2022-23



**FY 2022-23 Total Funding Sources - \$1,504,459,165**

## Where the Money Goes – FY 2022-23



**FY 2022-23 Total Funding Uses - \$1,504,459,165**

# 2022-23 & 2023-24 Budget

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## Funding Sources by Category FY 2022-23

	Consolidated Revenue Area	Revenue Area 14	Total Sources
Beginning Accum. Funds & Reserves	\$ 895,798,144	\$ 93,235,517	\$ 989,033,661
Services Fees	15,457,848	14,563,942	30,021,790
User Fees	308,534,310	-	308,534,310
Capital Facilities Capacity Charge	17,923,749	-	17,923,749
Capacity Rights	-	-	-
Debt Proceeds	-	-	-
Property Taxes	105,540,020	4,236,000	109,776,020
Intradistrict Transfers	3,500,000	-	3,500,000
Insurance In-Lieu Premiums	3,798,200	79,500	3,877,700
Interest and Other Revenue	39,938,435	1,853,500	41,791,935
Subtotal	494,692,562	20,732,942	515,425,504
Total Sources	<u>\$ 1,390,490,706</u>	<u>\$ 113,968,459</u>	<u>\$ 1,504,459,165</u>



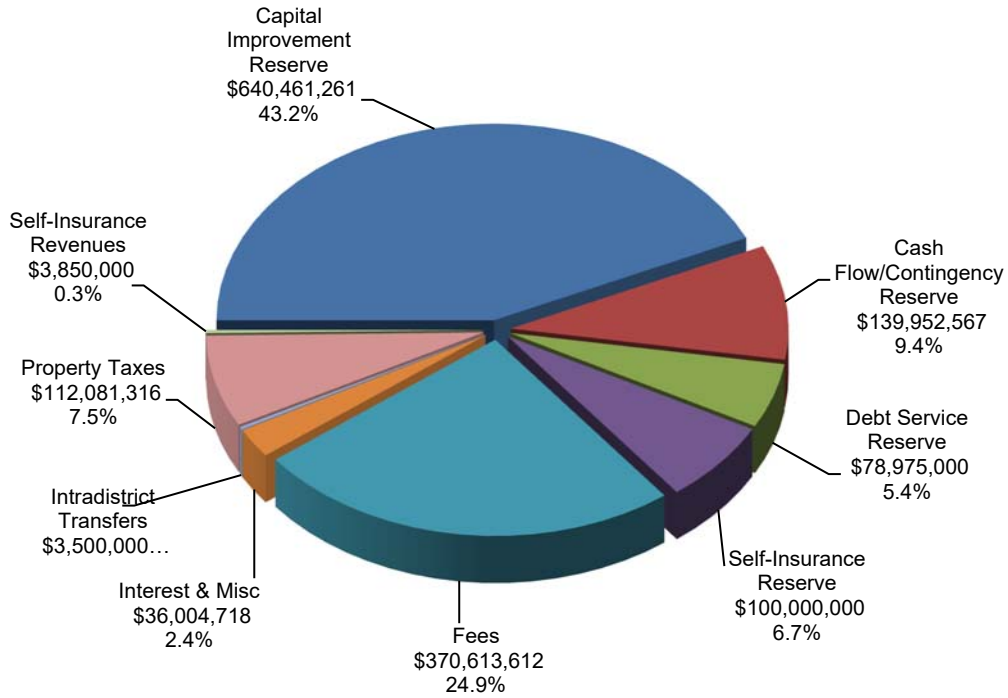
# Funding Uses by Category

## Funding Uses by Category FY 2022-23

	Consolidated Revenue Area	Revenue Area 14	Total Uses
Directors' Fees	\$ 176,748	\$ 3,552	\$ 180,300
Salaries & Benefits	109,756,762	2,834,520	112,591,282
Administrative Expenses	2,196,459	56,720	2,253,179
Printing & Publications	788,952	20,380	809,332
Training & Meetings	1,131,866	29,230	1,161,096
Operating Materials and Supplies	23,698,047	612,010	24,310,057
Contractual Expenses	19,634,922	507,080	20,142,002
Professional Expenses	7,628,171	197,000	7,825,171
Research & Monitoring	1,633,270	42,180	1,675,450
Repairs & Maintenance	31,326,354	809,020	32,135,374
Utilities	12,480,938	322,330	12,803,268
Self-Insurance Requirements	3,614,300	75,700	3,690,000
Other Materials, Supplies, & Services	5,868,851	151,570	6,020,421
Cost Allocation	(20,240,510)	(521,720)	(20,762,230)
Joint Works Capital Improvement Program	218,016,000	7,954,201	225,970,201
Collection System Capital Improvement Prog.	42,197,300	-	42,197,300
Debt Service	68,568,134	-	68,568,134
Long Term Debt Reduction	-	-	-
Intradistrict Transfers	-	3,500,000	3,500,000
Joint Equity Sale to IRWD	-	-	-
Subtotal	528,476,564	16,593,773	545,070,337
Ending Accum. Funds & Reserves	862,014,142	97,374,686	959,388,828
Total Uses	<u>\$ 1,390,490,706</u>	<u>\$ 113,968,459</u>	<u>\$ 1,504,459,165</u>

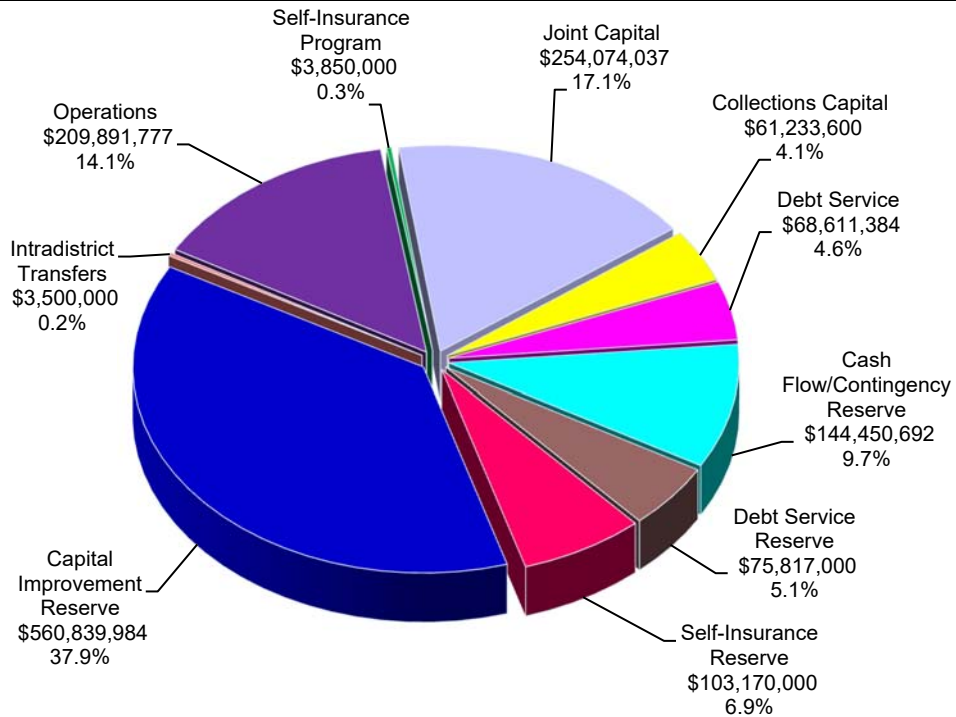
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## Where the Money Comes From – FY 2023-24



**FY 2023-24 Total Funding Sources - \$1,485,438,474**

## Where the Money Goes – FY 2023-24



**FY 2023-24 Total Funding Uses - \$1,485,438,474**

# 2022-23 & 2023-24 Budget

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## Funding Sources by Category FY 2023-24

	Consolidated Revenue Area	Revenue Area 14	Total Sources
Beginning Accum. Funds & Reserves	\$ 862,014,142	\$ 97,374,686	\$ 959,388,828
Services Fees	15,974,786	16,418,468	32,393,254
User Fees	319,687,358	-	319,687,358
Capital Facilities Capacity Charge	18,533,000	-	18,533,000
Capacity Rights	-	-	-
Debt Proceeds	-	-	-
Property Taxes	109,623,316	2,458,000	112,081,316
Intradistrict Transfers	3,500,000	-	3,500,000
Insurance In-Lieu Premiums	3,774,900	75,100	3,850,000
Interest and Other Revenue	34,207,818	1,796,900	36,004,718
Subtotal	505,301,178	20,748,468	526,049,646
Total Sources	<u>\$ 1,367,315,320</u>	<u>\$ 118,123,154</u>	<u>\$ 1,485,438,474</u>

# Funding Uses by Category

## Funding Uses by Category FY 2023-24

	Consolidated Revenue Area	Revenue Area 14	Total Uses
Directors' Fees	\$ 176,784	\$ 3,516	\$ 180,300
Salaries & Benefits	115,233,224	2,961,490	118,194,714
Administrative Expenses	2,149,468	55,240	2,204,708
Printing & Publications	378,407	9,730	388,137
Training & Meetings	1,104,285	28,380	1,132,665
Operating Materials and Supplies	25,350,889	651,520	26,002,409
Contractual Expenses	20,802,720	534,630	21,337,350
Professional Expenses	7,377,135	189,590	7,566,725
Research & Monitoring	1,707,483	43,880	1,751,363
Repairs & Maintenance	32,938,419	846,520	33,784,939
Utilities	12,244,286	314,680	12,558,966
Self-Insurance Requirements	3,771,100	78,900	3,850,000
Other Materials, Supplies, & Services	6,274,611	161,260	6,435,871
Cost Allocation	(21,104,991)	(541,379)	(21,646,370)
Joint Works Capital Improvement Program	245,130,600	8,943,437	254,074,037
Collection System Capital Improvement Prog.	61,233,600	-	61,233,600
Debt Service	68,611,384	-	68,611,384
Long Term Debt Reduction	-	-	-
Intradistrict Transfers	-	3,500,000	3,500,000
Joint Equity Sale to IRWD	-	-	-
Subtotal	583,379,404	17,781,394	601,160,798
Ending Accum. Funds & Reserves	783,935,916	100,341,760	884,277,676
Total Uses	<u>\$ 1,367,315,320</u>	<u>\$ 118,123,154</u>	<u>\$ 1,485,438,474</u>

# 2022-23 & 2023-24 Budget

DESCRIPTION OR ACCOUNT TITLE	ACTUAL 2020-21	APPROVED 2021-22	PROJECTED 2021-22	PROPOSED 2022-23	PROPOSED 2023-24
BEGINNING ACCUM. FUNDS & RESERVES	\$ 880,788,375	\$ 971,304,483	\$ 964,225,021	\$ 989,033,661	\$ 959,388,828
<u>OPERATING REVENUES</u>					
General Sewer Service User Fees	293,106,000	301,839,390	300,128,000	308,534,310	319,687,358
Permitted User Fees	9,912,000	12,621,177	12,356,349	12,500,918	12,897,197
IRWD Assessments	11,424,624	10,748,984	4,759,188	5,063,872	5,259,057
SAWPA Assessments	2,978,000	2,653,000	3,080,817	3,018,000	3,138,000
Interest	28,664,000	14,516,000	5,751,000	14,504,000	13,725,000
Miscellaneous Receipts	10,469,660	21,191,230	24,218,000	27,287,935	22,279,718
Operating Revenue Subtotal	356,554,284	363,569,781	350,293,354	370,909,035	376,986,330
<u>NON-OPERATING REVENUES</u>					
Property Tax Allocation	85,818,991	90,108,240	92,184,549	94,028,240	95,546,147
Redevelopment Agency Pass Thru	12,524,009	13,106,000	15,439,000	15,747,780	16,535,169
Subtotal-Taxes	98,343,000	103,214,240	\$107,623,549	109,776,020	112,081,316
Capital Facilities Capacity Charge	21,037,000	16,739,034	17,205,244	17,923,749	18,533,000
Sale of Capacity Rights, SAWPA & SSBSD	-	-	-	-	-
Capital Assessment (IRWD)	4,247,376	7,905,000	3,685,628	9,439,000	11,099,000
Non-Operating Revenue Subtotal	123,627,376	127,858,274	128,514,421	137,138,769	141,713,316
<u>INTRADISTRICT REVENUES</u>					
Annual Intradistrict Joint Equity Purchase/Sale	19,682,194	-	-	3,500,000	3,500,000
<u>FINANCING REVENUES</u>					
Sale of Certificates of Participation	-	163,775,355	277,584,153	-	-
Financing Revenues Subtotal	-	163,775,355	277,584,153	-	-
<u>SELF INSURANCE REVENUES</u>					
Workers' Comp SFI	695,296	628,800	869,700	651,700	810,000
General Liability SFI	1,299,998	1,471,000	2,147,100	3,226,000	3,040,000
Subtotal-Self Insurance	1,995,294	2,099,800	3,016,800	3,877,700	3,850,000
Total Revenues	501,859,148	657,303,210	759,408,728	515,425,504	526,049,646
TOTAL AVAILABLE FUNDING	\$ 1,382,647,523	\$ 1,628,607,693	\$ 1,723,633,749	\$1,504,459,165	\$ 1,485,438,474

# Budget Resources

DESCRIPTION OR ACCOUNT TITLE	ACTUAL 2020-21	APPROVED 2021-22	PROJECTED 2021-22	PROPOSED 2022-23	PROPOSED 2023-24
<u>OPERATING REQUIREMENTS</u>					
Directors' Fees	\$ 190,810	\$ 182,300	\$ 180,300	\$ 180,300	\$ 180,300
Salaries & Benefits	90,370,425	107,919,540	104,948,334	112,591,282	118,194,714
Administrative Expense	1,744,271	2,064,546	2,255,097	2,253,179	2,204,708
Printing & Publications	239,948	420,350	325,131	809,332	388,137
Training & Meetings	341,473	906,798	420,551	1,161,096	1,132,665
Operating Materials & Supplies	19,754,626	21,964,434	21,718,771	24,310,057	26,002,409
Contractual Expense	17,290,078	19,144,782	17,593,314	20,142,002	21,337,350
Professional Expense	4,131,939	6,920,852	5,230,310	7,825,171	7,566,725
Research & Monitoring	1,052,470	1,547,700	1,087,170	1,675,450	1,751,363
Repairs & Maintenance	33,739,490	29,717,346	34,755,234	32,135,374	33,784,939
Utilities	9,789,488	9,329,726	10,909,564	12,803,268	12,558,966
Other Materials, Supplies, & Services	4,012,530	5,545,580	3,963,023	6,020,421	6,435,871
Cost Allocation	(20,923,231)	(21,713,080)	(20,807,530)	(20,762,230)	(21,646,370)
Subtotal- Operating	161,734,317	183,950,874	182,579,269	201,144,702	209,891,777
<u>CAPITAL IMPROVEMENTS</u>					
Joint Works Capital Improvements	117,653,336	185,426,586	166,883,927	225,970,201	254,074,037
Collection System Capital Improvements	43,530,405	40,485,093	36,436,584	42,197,300	61,233,600
Annual Intradistrict Joint Equity Purchase/Sale	20,227,264	3,500,000	-	3,500,000	3,500,000
Subtotal- Capital Improvements	181,411,005	229,411,679	203,320,511	271,667,501	318,807,637
<u>FINANCING REQUIREMENTS</u>					
Certificate of Participation Service	73,128,973	70,731,000	345,430,608	68,568,134	68,611,384
Long Term Debt Reduction	-	163,775,355	-	-	-
Subtotal-Financing Req	73,128,973	234,506,355	345,430,608	68,568,134	68,611,384
<u>SELF INSURANCE REQUIREMENTS</u>					
Workers' Comp SFI	208,016	628,800	796,600	790,000	810,000
General Liability SFI	1,940,191	1,471,000	2,473,100	2,900,000	3,040,000
Subtotal-Self Insurance	2,148,207	2,099,800	3,269,700	3,690,000	3,850,000
TOTAL REQUIREMENTS	418,422,502	649,968,708	734,600,088	545,070,337	601,160,798
REVENUES OVER / (UNDER) REQUIREMENTS	83,436,646	7,334,502	24,808,640	(29,644,833)	(75,111,152)
ENDING ACCUM. FUNDS & RESERVES	\$ 964,225,021	\$ 978,638,985	\$ 989,033,661	\$ 959,388,828	\$ 884,277,676

# 2022-23 & 2023-24 Budget

## BUDGET RESOURCES BY REVENUE AREA - FY 2022-23

DESCRIPTION OR ACCOUNT TITLE	Consolidated Revenue Area Proposed	Rev Area 14 Proposed	Total Proposed
BEGINNING ACCUM. FUNDS & RESERVES	\$ 895,798,144	\$ 93,235,517	\$ 989,033,661
<u>OPERATING REVENUES</u>			
General Sewer Service User Fees	308,534,310	-	308,534,310
Permitted User Fees	12,500,918	-	12,500,918
O & M Joint Operating Assessment Service Fees (IRWD)		3,486,002	3,486,002
O & M Collection System Assessment Service Fees (IRWD)		1,577,870	1,577,870
O & M Sludge Disposal Assessment Service Fees (IRWD)	-	-	-
SAWPA Assessments	2,956,930	61,070	3,018,000
Interest	13,109,000	1,395,000	14,504,000
Miscellaneous Receipts	26,829,435	458,500	27,287,935
Operating Revenue Subtotal	363,930,593	6,978,442	370,909,035
<u>NON-OPERATING REVENUES</u>			
Property Tax Allocation	90,400,240	3,628,000	94,028,240
Redevelopment Agency Pass Thru	15,139,780	608,000	15,747,780
Subtotal-Taxes	105,540,020	4,236,000	109,776,020
Capital Facilities Capacity Charge	17,923,749	-	17,923,749
Sale of Capacity Rights, SAWPA & SSBSD	-	-	-
Capital Assessment (IRWD)	-	9,439,000	9,439,000
Non-Operating Revenue Subtotal	123,463,769	13,675,000	137,138,769
<u>INTRADISTRICT REVENUES</u>			
Annual Intradistrict Joint Equity Purchase/Sale	3,500,000	-	3,500,000
<u>FINANCING REVENUES</u>			
Sale of Certificates of Participation	-	-	-
Intradistrict Loans, Advances & Repayments	-	-	-
Financing Revenues Subtotal	-	-	-
<u>SELF INSURANCE REVENUES</u>			
Workers' Comp SFI	638,300	13,400	651,700
General Liability SFI	3,159,900	66,100	3,226,000
Subtotal-Self Insurance	3,798,200	79,500	3,877,700
Total Revenues	494,692,562	20,732,942	515,425,504
TOTAL AVAILABLE FUNDING	\$ 1,390,490,706	\$ 113,968,459	\$ 1,504,459,165



# Budget Resources

DESCRIPTION OR ACCOUNT TITLE	Consolidated Revenue Area Proposed	Rev Area 14 Proposed	Total Proposed
<u>OPERATING REQUIREMENTS</u>			
Directors' Fees	\$ 176,748	\$ 3,552	\$ 180,300
Salaries & Benefits	109,756,762	2,834,520	112,591,282
Administrative Expense	2,196,459	56,720	2,253,179
Printing & Publications	788,952	20,380	809,332
Training & Meetings	1,131,866	29,230	1,161,096
Operating Materials and Supplies	23,698,047	612,010	24,310,057
Contractual Expense	19,634,922	507,080	20,142,002
Professional Expense	7,628,171	197,000	7,825,171
Research & Monitoring	1,633,270	42,180	1,675,450
Repairs & Maintenance	31,326,354	809,020	32,135,374
Utilities	12,480,938	322,330	12,803,268
Other Materials, Supplies, & Services	5,868,851	151,570	6,020,421
Cost Allocation	(20,240,510)	(521,720)	(20,762,230)
Subtotal- Operating	196,080,830	5,063,872	201,144,702
<u>CAPITAL IMPROVEMENTS</u>			
Joint Works Capital Improvements	218,016,000	7,954,201	225,970,201
Collection System Capital Improvements	42,197,300	-	42,197,300
Annual Intradistrict Joint Equity Purchase/Sale	-	3,500,000	3,500,000
Subtotal- Capital Improvements	260,213,300	11,454,201	271,667,501
<u>FINANCING REQUIREMENTS</u>			
Certificate of Participation Service	68,568,134	-	68,568,134
Long Term Debt Reduction	-	-	-
Subtotal- Financing Requirements	68,568,134	-	68,568,134
<u>SELF INSURANCE REQUIREMENTS</u>			
Workers' Comp SFI	773,800	16,200	790,000
General Liability SFI	2,840,500	59,500	2,900,000
Subtotal- Self Insurance	3,614,300	75,700	3,690,000
<u>OTHER CASH OUTLAYS</u>			
Joint Equity Sale to IRWD	-	-	-
Subtotal- Other Cash Outlays	-	-	-
<b>TOTAL REQUIREMENTS</b>	<b>528,476,564</b>	<b>16,593,773</b>	<b>545,070,337</b>
<b>REVENUES EXCEEDING REQUIREMENTS</b>	<b>(33,784,002)</b>	<b>4,139,169</b>	<b>(29,644,833)</b>
<b>ENDING ACCUMULATED FUNDS &amp; RESERVES</b>	<b>\$ 862,014,142</b>	<b>\$ 97,374,686</b>	<b>\$ 959,388,828</b>

# 2022-23 & 2023-24 Budget

## BUDGET RESOURCES BY REVENUE AREA - FY 2023-2024

DESCRIPTION OR ACCOUNT TITLE	Consolidated Revenue Area Proposed	Rev Area 14 Proposed	Total Proposed
BEGINNING ACCUM. FUNDS & RESERVES	\$ 862,014,142	\$ 97,374,686	\$ 959,388,828
<u>OPERATING REVENUES</u>			
General Sewer Service User Fees	319,687,358	-	319,687,358
Permitted User Fees	12,897,197	-	12,897,197
O & M Joint Operating Assessment Service Fees (IRWD)	-	3,667,487	3,667,487
O & M Collection System Assessment Service Fees (IRWD)	-	1,591,570	1,591,570
O & M Sludge Disposal Assessment Service Fees (IRWD)	-	-	-
SAWPA Assessments	3,077,589	60,411	3,138,000
Interest	12,318,000	1,407,000	13,725,000
Miscellaneous Receipts	21,889,818	389,900	22,279,718
Operating Revenue Subtotal	369,869,962	7,116,368	376,986,330
<u>NON-OPERATING REVENUES</u>			
Property Tax Allocation	93,451,147	2,095,000	95,546,147
Redevelopment Agency Pass Thru	16,172,169	363,000	16,535,169
Subtotal-Taxes	109,623,316	2,458,000	112,081,316
Capital Facilities Capacity Charge	18,533,000	-	18,533,000
Sale of Capacity Rights, SAWPA & SSBSD	-	-	-
Capital Assessment (IRWD)	-	11,099,000	11,099,000
Non-Operating Revenue Subtotal	128,156,316	13,557,000	141,713,316
<u>INTRADISTRICT REVENUES</u>			
Annual Intradistrict Joint Equity Purchase/Sale	3,500,000	-	3,500,000
<u>FINANCING REVENUES</u>			
Sale of Certificates of Participation	-	-	-
Intradistrict Loans, Advances & Repayments	-	-	-
Financing Revenues Subtotal	-	-	-
<u>SELF INSURANCE REVENUES</u>			
Workers' Comp SFI	794,200	15,800	810,000
General Liability SFI	2,980,700	59,300	3,040,000
Subtotal-Self Insurance	3,774,900	75,100	3,850,000
Total Revenues	505,301,178	20,748,468	526,049,646
TOTAL AVAILABLE FUNDING	\$ 1,367,315,320	\$ 118,123,154	\$ 1,485,438,474

# Budget Resources

DESCRIPTION OR ACCOUNT TITLE	Consolidated Revenue Area Proposed	Rev Area 14 Proposed	Total Proposed
<u>OPERATING REQUIREMENTS</u>			
Directors' Fees	\$ 176,784	\$ 3,516	\$ 180,300
Salaries & Benefits	115,233,224	2,961,490	118,194,714
Administrative Expense	2,149,468	55,240	2,204,708
Printing & Publications	378,407	9,730	388,137
Training & Meetings	1,104,285	28,380	1,132,665
Operating Materials and Supplies	25,350,889	651,520	26,002,409
Contractual Expense	20,802,720	534,630	21,337,350
Professional Expense	7,377,135	189,590	7,566,725
Research & Monitoring	1,707,483	43,880	1,751,363
Repairs & Maintenance	32,938,419	846,520	33,784,939
Utilities	12,244,286	314,680	12,558,966
Other Materials, Supplies, & Services	6,274,611	161,260	6,435,871
Cost Allocation	(21,104,991)	(541,379)	(21,646,370)
Subtotal- Operating	204,632,720	5,259,057	209,891,777
<u>CAPITAL IMPROVEMENTS</u>			
Joint Works Capital Improvements	245,130,600	8,943,437	254,074,037
Collection System Capital Improvements	61,233,600	-	61,233,600
Annual Intradistrict Joint Equity Purchase/Sale	-	3,500,000	3,500,000
Subtotal- Capital Improvements	306,364,200	12,443,437	318,807,637
<u>FINANCING REQUIREMENTS</u>			
Certificate of Participation Service	68,611,384	-	68,611,384
Long Term Debt Reduction	-	-	-
Subtotal-Financing Req	68,611,384	-	68,611,384
<u>SELF INSURANCE REQUIREMENTS</u>			
Workers' Comp SFI	793,400	16,600	810,000
General Liability SFI	2,977,700	62,300	3,040,000
Subtotal-Self Insurance	3,771,100	78,900	3,850,000
<u>OTHER CASH OUTLAYS</u>			
Joint Equity Sale to IRWD	-	-	-
Subtotal- Other Cash Outlays	-	-	-
TOTAL REQUIREMENTS	583,379,404	17,781,394	601,160,798
REVENUES EXCEEDING REQUIREMENTS	(78,078,226)	2,967,074	(75,111,152)
ENDING ACCUMULATED FUNDS & RESERVES	\$ 783,935,916	\$ 100,341,760	\$ 884,277,676

# 2022-23 & 2023-24 Budget

## Projected Reserves at June 30, 2022, 2023 and 2024

	Projected 6/30/2022	Proposed 6/30/2023	Proposed 6/30/2024
Cash Flow Requirements			
Operating Expenses	\$ 91,290,000	\$ 100,572,000	\$ 104,946,000
COP Payments	22,781,248	19,266,567	18,515,692
Operating Contingencies	18,258,000	20,114,000	20,989,000
Capital Improvement Program	612,210,413	565,461,261	483,461,984
Catastrophe & Self Insurance	100,000,000	100,000,000	103,170,000
Sub-total	844,539,661	805,413,828	731,082,676
Capital Replacement & Refurbishment	62,515,000	75,000,000	77,378,000
COP Service Required Reserves	81,979,000	78,975,000	75,817,000
Total	\$ 989,033,661	\$ 959,388,828	\$ 884,277,676

### Accumulated Funds and Reserves Policy

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

An operating contingency criterion has been established to provide for non-recurring operating expenditures that were not anticipated when the annual budget was considered and adopted. The level of this criterion will be established at an amount equal to ten percent of the current fiscal year's annual operating budget.

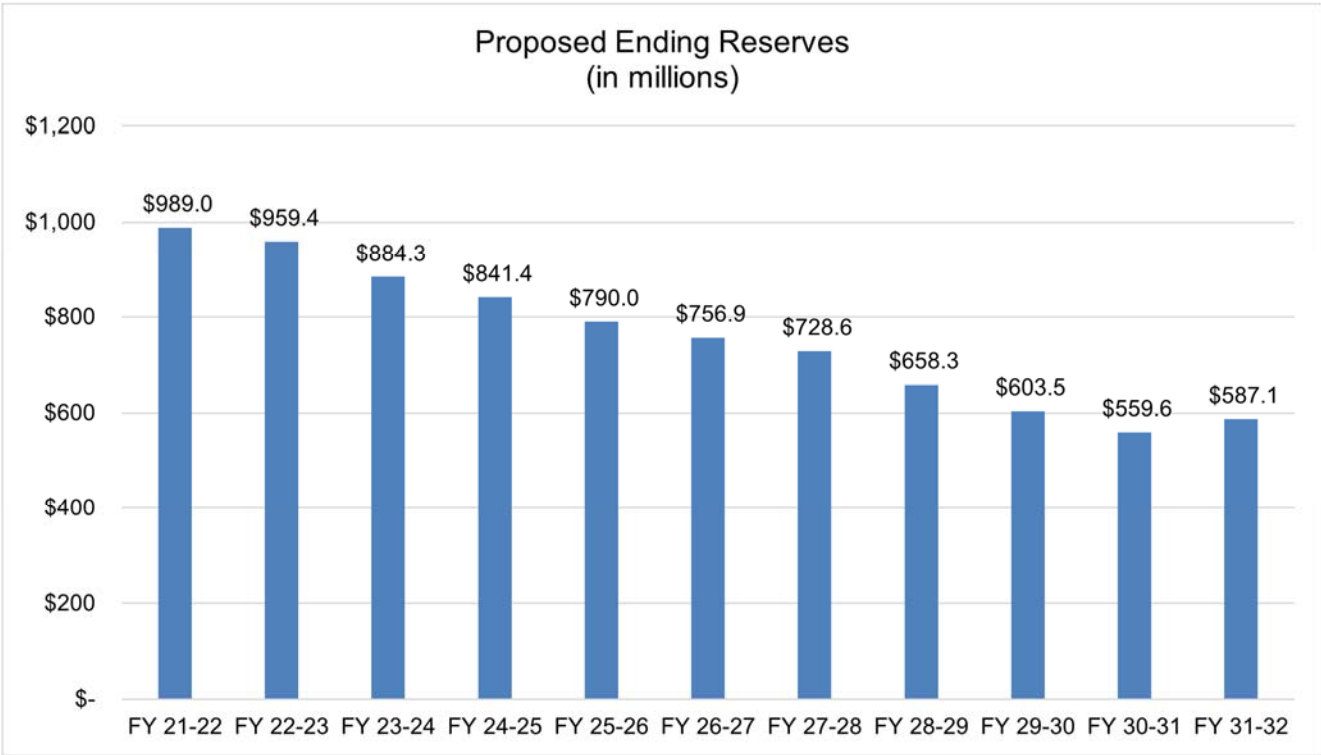
A capital improvement criterion has been maintained to fund annual increments of the capital improvement program. The target level of this criterion has been

established at one half of the average annual cash outlay of the capital improvement program through the year 2030. Levels higher and lower than the target can be expected while the long-term financing and capital improvement programs are being finalized.

A catastrophic loss or self-insurance criterion has been maintained for property damage including fire, flood, and earthquake, for general liability and for workers' compensation. This reserve criterion is intended to work with purchased insurance policies, FEMA, and State disaster reimbursements. Based on the plant infrastructure replacement value, the level of this criterion has been set to fund OC San's non-reimbursed costs, estimated to be \$100 million

A capital replacement/renewal criterion policy has been established to provide funding to replace or refurbish the current collection, treatment, and recycling facilities at the end of their useful economic lives. The current replacement value of these facilities is estimated to be \$11.6 billion. The reserve criterion level had been established at \$75 million.

# Projected Reserves



A debt service criterion policy has been established at ten percent of the outstanding certificate of participation (COP) issues. Other debt service reserves are required to be under the control of a Trustee by the provisions of the certificate of participation (COP) issues. These funds are not available for the general needs of OC San and must be maintained at specified levels.

Accumulated Funds exceeding the targets specified by OC San policy will be maintained for Capital Improvements and Rate Stabilization. These funds will be applied to future years' CIP needs due to the timing of the actual CIP outlays, in order to maintain rates or to moderate annual fluctuations.

This budget approves projects that will incur costs through 2030 and beyond. The reserves that are currently held are needed to fund projects starting in the FY 2022-23 and FY 2023-24 budget years.

# 2022-23 & 2023-24 Budget

## Orange County Sanitation District Consolidated Cash Flow Projections

Ref	Description	Preliminary 22-23	Preliminary 23-24	Preliminary 24-25	Preliminary 25-26	Preliminary 26-27	Preliminary 27-28
<b>Revenues:</b>							
1	General User Fees	308,534,310	319,687,358	331,833,970	344,050,358	357,271,675	370,569,360
2	Permitted User Fees	12,500,918	12,897,197	13,329,000	13,761,000	14,229,000	14,697,000
3	IRWD Assessments	14,502,872	16,358,057	15,147,000	15,965,000	15,855,000	16,093,000
4	SAWPA Assessments	3,018,000	3,138,000	3,232,000	3,329,000	3,429,000	3,532,000
5	Property Taxes	109,776,020	112,081,316	115,444,000	118,907,000	122,474,000	126,148,000
6	New COP Issues	-	-	-	-	-	-
7	Interest Revenues	14,504,000	13,725,000	12,846,000	12,145,000	11,516,000	11,058,000
8	Capital Facilities Capacity Charges	17,923,749	18,533,000	19,623,000	19,779,000	19,937,000	20,103,000
9	Other Revenues	34,665,635	29,629,718	16,210,000	16,519,000	16,836,000	17,160,000
<b>10</b>	<b>Revenues</b>	<b>515,425,504</b>	<b>526,049,646</b>	<b>527,664,970</b>	<b>544,455,358</b>	<b>561,547,675</b>	<b>579,360,360</b>
<b>Requirements:</b>							
11	Oper & Mtce Exp (3.0% yr)	201,144,702	209,891,777	216,189,000	222,675,000	229,355,000	236,236,000
12	Capital Improvement Program (CIP)	284,617,365	329,320,429	311,961,000	321,793,000	322,826,000	324,754,000
13	Less: CIP Savings & Deferrals	(16,449,864)	(24,012,792)	(32,206,601)	(26,986,247)	(48,638,749)	(45,384,259)
14	Allocation for Future Rehabilitation	-	10,000,000	2,157,931	5,876,342	18,770,192	15,621,644
15	COP Debt Service	68,568,134	68,611,384	68,572,000	68,626,000	68,500,000	72,653,000
16	Reduction of Long-Term Liabilities	-	-	-	-	-	-
17	Other Requirements	7,190,000	7,350,000	3,850,000	3,850,000	3,850,000	3,850,000
<b>18</b>	<b>Requirements</b>	<b>545,070,337</b>	<b>601,160,798</b>	<b>570,523,330</b>	<b>595,834,095</b>	<b>594,662,443</b>	<b>607,730,385</b>
<b>19</b>	<b>Revenues-Requirements</b>	<b>(29,644,833)</b>	<b>(75,111,152)</b>	<b>(42,858,360)</b>	<b>(51,378,737)</b>	<b>(33,114,768)</b>	<b>(28,370,025)</b>
Accumulated Funds:							
20	Beginning of Year	989,033,661	959,388,828	884,277,676	841,419,316	790,040,579	756,925,811
<b>21</b>	<b>End of Year</b>	<b>959,388,828</b>	<b>884,277,676</b>	<b>841,419,316</b>	<b>790,040,579</b>	<b>756,925,811</b>	<b>728,555,786</b>
<b>22</b>	<b>Consolidated Reserve Policy</b>	<b>547,680,567</b>	<b>554,569,000</b>	<b>560,294,000</b>	<b>565,921,000</b>	<b>571,964,000</b>	<b>577,493,000</b>
<b>23</b>	<b>Over (Under) Reserve Policy*</b>	<b>411,708,261</b>	<b>329,708,676</b>	<b>281,125,316</b>	<b>224,119,579</b>	<b>184,961,811</b>	<b>151,062,786</b>
<b>Sewer Service User Fees:</b>							
24	Avg SFR Annual User Fee	\$347	\$358	\$370	\$382	\$395	\$408
25	Percentage Change	1.17%	3.17%	3.35%	3.24%	3.40%	3.29%
26	Equivalent Dw elling Units	923,730	926,501	929,281	932,069	934,865	937,670
27	SFR Connection Fee	\$5,719	\$5,776	\$5,834	\$5,892	\$5,951	\$6,011
28	Outstanding COPs	\$789,750,000	\$758,170,000	\$725,050,000	\$690,220,000	\$653,775,000	\$611,355,000
<u>Reserve Policy</u>							
29	50% Next Year Operating Expense	100,572,000	104,946,000	108,095,000	111,338,000	114,678,000	118,118,000
30	10% Next Year Operating Expense	20,114,000	20,989,000	21,619,000	22,268,000	22,936,000	23,624,000
31	100% Next Year AUG COP Svc.	19,266,567	18,515,692	17,726,192	16,898,192	16,027,442	15,116,317
32	50% average ten-year CIP Balance	153,753,000	153,753,000	153,753,000	153,753,000	153,753,000	153,753,000
33	Debt Svc @ 10% Outstanding COP	78,975,000	75,817,000	72,505,000	69,022,000	65,378,000	61,136,000
34	Self Funded Insurance @ \$100M	100,000,000	103,170,000	106,626,000	110,081,000	113,824,000	117,569,000
35	Repl & Refurb	75,000,000	77,378,000	79,970,000	82,561,000	85,368,000	88,177,000
36	*Reserve Reduction (in accordance with Board action allow ing a \$40M reduction to total re	-	-	-	-	-	-
<b>37</b>	<b>Total</b>	<b>547,680,567</b>	<b>554,568,692</b>	<b>560,294,192</b>	<b>565,921,192</b>	<b>571,964,442</b>	<b>577,493,317</b>
<u>COP Ratios</u>							
38	Sr Lien Coverge, Min 1.25	4.32	4.34	4.26	4.40	4.56	4.45

# Cash Flow Projection

## Orange County Sanitation District Consolidated Cash Flow Projections

Ref	Description	Preliminary 28-29	Preliminary 29-30	Preliminary 30-31	Preliminary 31-32	10-Year Total
<b>Revenues:</b>						
1	General User Fees	383,943,000	397,394,000	411,868,000	426,425,000	3,651,577,031
2	Permitted User Fees	15,166,000	15,635,000	16,140,000	16,645,000	145,000,115
3	IRWD Assessments	18,177,000	18,170,000	18,429,000	16,324,000	165,020,929
4	SAWPA Assessments	3,638,000	3,747,000	3,859,000	3,974,000	34,896,000
5	Property Taxes	129,932,000	133,830,000	137,845,000	141,980,000	1,248,417,336
6	New COP Issues	-	-	-	-	-
7	Interest Revenues	10,324,000	9,393,000	8,659,000	8,537,000	112,707,000
8	Capital Facilities Capacity Charges	20,265,000	20,430,000	20,600,000	20,768,000	197,961,749
9	Other Revenues	17,493,000	17,834,000	18,183,000	18,541,000	203,071,353
<b>10</b>	<b>Revenues</b>	<b>598,938,000</b>	<b>616,433,000</b>	<b>635,583,000</b>	<b>653,194,000</b>	<b>5,758,651,513</b>
<b>Requirements:</b>						
11	Oper & Mtce Exp (4.0% yr)	243,323,000	250,623,000	258,142,000	265,886,000	2,333,465,479
12	Capital Improvement Program (CIP)	353,913,649	308,176,431	251,753,303	249,061,974	3,058,177,151
13	Less: CIP Savings & Deferrals	(45,113,230)	(28,580,844)	1,779,946	(73,536,991)	(339,129,631)
14	Allocation for Future Rehabilitation	40,551,098	64,524,756	92,799,943	105,705,540	356,007,446
15	COP Service	72,652,000	72,650,000	71,141,000	74,731,000	706,704,518
16	Reduction of Long-Term Liabilities	-	-	-	-	-
17	Other Requirements	3,850,000	3,850,000	3,850,000	3,850,000	45,340,000
<b>18</b>	<b>Requirements</b>	<b>669,176,517</b>	<b>671,243,343</b>	<b>679,466,192</b>	<b>625,697,523</b>	<b>6,160,564,963</b>
<b>19</b>	<b>Revenues-Requirements</b>	<b>(70,238,517)</b>	<b>(54,810,343)</b>	<b>(43,883,192)</b>	<b>27,496,477</b>	<b>(401,913,450)</b>
Accumulated Funds:						
20	Beginning of Year	728,555,786	658,317,269	603,506,926	559,623,734	989,033,661
21	End of Year	658,317,269	603,506,926	559,623,734	587,120,211	587,120,211
22	Consolidated Reserve Policy	582,794,000	587,944,000	559,597,000	586,679,000	586,679,000
<b>23</b>	<b>Over (Under) Reserve Policy*</b>	<b>75,523,269</b>	<b>15,562,926</b>	<b>26,734</b>	<b>441,211</b>	<b>441,211</b>
<b>Sewer Service User Fees:</b>						
24	Avg SFR Annual User Fee	\$421	\$434	\$448	\$462	
25	Percentage Change	3.19%	3.09%	3.23%	3.13%	
26	Equivalent Dwelling Units	940,483	943,304	946,134	948,972	
27	SFR Connection Fee	\$6,071	\$6,132	\$6,193	\$6,255	
28	<u>Outstanding COPs</u>	\$566,815,000	\$520,050,000	\$472,455,000	\$418,740,000	
<u>Reserve Policy</u>						
29	50% Next Year Operating	121,662,000	125,312,000	129,071,000	132,943,000	
30	10% Next Year Operating	24,332,000	25,062,000	25,814,000	26,589,000	
31	100% Next Year AUG COP Svc.	14,055,817	12,942,317	11,773,192	10,508,221	
32	50% average ten-year CIP Bal.	153,753,000	153,753,000	153,753,000	153,753,000	
33	DSR @ 10% Outstanding COPs	56,682,000	52,005,000	47,246,000	41,874,000	
34	SFI @ \$57mm	121,319,000	125,068,000	129,108,000	133,149,000	
35	Repl & Refurb @ 2%/yr	90,990,000	93,802,000	96,832,000	99,863,000	
36	*Reserve Reduction	-	-	(34,000,000)	(12,000,000)	
37	Total	582,793,817	587,944,317	559,597,192	586,679,221	
<u>COP Ratios</u>						
38	Sr Lien Coverage, Min 1.25	4.62	4.75	5.02	4.90	

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# Operations Budget Overview

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## **Operating Requirements**

The net operating requirements budget finances the administrative, operations and maintenance, and program costs for collecting, treating, and recycling of wastewater. The departmental budgets are all completely funded by the operating fund. The net operating budget for FY 2022-23 is \$201.1 million and for FY 2023-24 is \$209.9 million.

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

### **Regulatory Requirements**

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

### **Operating Chemicals**

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

- **Coagulants:** Coagulant chemicals are used to enhance primary treatment solids removal, solids dewatering, waste solids thickening, and to control hydrogen sulfide in the digesters.
  - Ferric chloride is an iron salt which is used with anionic polymer to increase the solids removal efficiencies in the primary treatment process and to control hydrogen sulfide levels in the digester gas as required by AQMD Rule 431.1.
  - Cationic polymer is added to digested sludge prior to thickening and dewatering to improve the sludge and water separation process. Cationic polymer is also added to the waste activated sludge dissolved air flotation thickeners to thicken the solids before digestion.
- **Odor Control:** Under septic or anaerobic conditions, sulfate-reducing bacteria can flourish resulting in the accumulation of sulfides in the liquid phase. One of the sulfide forms present is hydrogen sulfide (H<sub>2</sub>S). When released to the vapor phase, this creates the potential for both odor and corrosion problems in the collection system.

- Sodium hydroxide is added in "shock doses" to the sewer trunklines for sulfide control. Sodium hydroxide is added over a period of 30 to 45 minutes at sufficient dosages to elevate the pH level. The high pH slug temporarily inactivates sulfate reducing bacteria and greatly reduces hydrogen sulfide generation.
- The largest costs for collection system odor control are for ferrous chloride, magnesium hydroxide and calcium nitrate. These costs cover continuous treatment for odor control within five trunklines. The contractor(s) provide(s) leased equipment and on-going labor for services such as maintenance, remote monitoring of the chemical feed rates, optimization, and field sampling.
- Sodium hypochlorite, caustic soda, and granular activated carbon are used in plant process scrubbers to treat foul air, comply with SCAQMD permits, and prevent odor complaints.

### **Residuals Management**

These costs are for hauling and beneficial reuse of wastewater solids recovered during the treatment process. Solids treated through the digesters, called biosolids or treated sewage sludge, can be recycled offsite via composting (about 60 percent) or land application on farm fields (about 40 percent). Most of OC San's residuals management costs are for hauling about 21 truckloads (525 tons) of biosolids offsite every day. A smaller component of residuals management cost is non-recyclable grit and screenings waste and sewer debris that must be disposed of at a landfill.

### **Repairs and Maintenance**

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

### **Utilities**

The cost for utilities is a significant component of the operating budget. The largest utility cost incurred by OC San is the electricity that is purchased to supplement generated power to operate the plant processes. The central generation facilities produce approximately 60 percent of the electricity used for running the plants.

# 2022-23 & 2023-24 Budget

## Proposed Budget Comparisons by Department

Department and Division	2021-22 Revised Budget	2021-22 Projected	2022-23 Proposed	Budget Percent Change	2023-24 Proposed	Budget Percent Change
<b>General Manager's Office</b>						
General Management Admin	\$ 1,883,461	\$ 1,446,030	\$ 1,637,010	-13.09%	\$ 1,677,803	2.49%
Board Services	971,245	915,370	1,245,834	28.27%	1,290,934	3.62%
Public Affairs	1,402,096	1,168,690	1,724,830	23.02%	1,464,880	-15.07%
Department subtotal	4,256,802	3,530,090	4,607,674	8.24%	4,433,617	-3.78%
<b>Human Resources Department</b>						
Human Resources	4,449,222	4,555,015	4,668,135	4.92%	4,606,235	-1.33%
Risk Management	4,283,781	4,312,977	4,610,773	7.63%	4,706,723	2.08%
Department subtotal	8,733,003	8,867,992	9,278,908	6.25%	9,312,958	0.37%
<b>Administrative Services Department</b>						
Administrative Services Admin	273,820	606,360	615,905	124.93%	630,720	2.41%
Consolidated Services	7,852,225	6,728,536	8,573,884	9.19%	8,961,070	4.52%
Financial Management	4,265,348	4,166,492	4,440,931	4.12%	4,713,377	6.13%
Contracts, Purch, & Materials Mgmt	4,899,742	4,867,760	5,221,431	6.57%	5,333,857	2.15%
Information Technology	13,709,504	14,411,290	14,975,496	9.23%	15,544,103	3.80%
Department subtotal	31,000,639	30,780,438	33,827,647	9.12%	35,183,127	4.01%
<b>Environmental Services Department</b>						
Environmental Services Admin	4,076,942	4,305,784	5,101,551	25.13%	5,470,443	7.23%
Resource Protection	6,761,792	5,577,190	7,214,640	6.70%	7,577,440	5.03%
Laboratory, Monitoring & Compliance	10,369,367	9,188,063	10,363,375	-0.06%	10,810,635	4.32%
Department subtotal	21,208,101	19,071,037	22,679,566	6.94%	23,858,518	5.20%
<b>Engineering Department</b>						
Engineering Admin	1,382,852	1,415,285	1,382,867	0.00%	1,440,957	4.20%
Planning	4,399,094	4,024,951	4,232,470	-3.79%	4,350,750	2.79%
Project Management	4,300,735	4,410,860	4,499,180	4.61%	4,665,030	3.69%
Design	7,022,705	6,625,320	7,201,590	2.55%	7,503,670	4.19%
Construction Management	7,296,647	6,986,341	8,667,018	18.78%	9,033,468	4.23%
Department subtotal	24,402,033	23,462,757	25,983,125	6.48%	26,993,875	3.89%
<b>Operations &amp; Maintenance Dept.</b>						
O & M Administration	621,180	280,590	672,570	8.27%	709,070	5.43%
Collection Facilities O&M	19,922,006	18,018,762	18,898,442	-5.14%	18,492,199	-2.15%
Fleet Services	2,274,876	2,410,822	2,463,959	8.31%	2,528,914	2.64%
Plant No. 1 Operations	33,618,420	33,805,725	38,003,504	13.04%	39,066,400	2.80%
Plant No. 2 Operations	19,078,603	17,737,749	19,040,302	-0.20%	19,947,440	4.76%
Plant No. 1 Maintenance	24,035,166	26,590,753	26,717,339	11.16%	30,224,389	13.13%
Plant No. 2 Maintenance	16,513,125	18,830,084	19,733,896	19.50%	20,787,640	5.34%
Department subtotal	116,063,376	117,674,485	125,530,012	8.16%	131,756,052	4.96%
<b>Less: Cost Allocation</b>	(21,713,080)	(20,807,530)	(20,762,230)	-4.38%	(21,646,370)	4.26%
<b>Net Operating Requirements</b>	<b>\$ 183,950,874</b>	<b>\$ 182,579,269</b>	<b>\$ 201,144,702</b>	<b>9.35%</b>	<b>\$ 209,891,777</b>	<b>4.35%</b>

# Operations Summary

## Proposed Budget Expense by Category

Description	2021-22 Revised Budget	2021-22 Projected	2022-23 Proposed	Budget Percent Change	2023-24 Proposed	Budget Percent Change
Salaries, Wages & Benefits	\$ 108,101,840	\$ 105,128,634	\$ 112,771,582	4.32%	\$ 118,375,014	4.97%
Administrative Expenses	2,064,546	2,255,097	2,253,179	9.14%	2,204,708	-2.15%
Printing & Publication	420,350	325,131	809,332	92.54%	388,137	-52.04%
Training & Meetings	906,798	420,551	1,161,096	28.04%	1,132,665	-2.45%
Operating Materials & Supplies	21,964,434	21,718,771	24,310,057	10.68%	26,002,409	6.96%
Contractual Services	19,144,782	17,593,314	20,142,002	5.21%	21,337,350	5.93%
Professional Services	6,920,852	5,230,310	7,825,171	13.07%	7,566,725	-3.30%
Research & Monitoring	1,547,700	1,087,170	1,675,450	8.25%	1,751,363	4.53%
Repairs & Maintenance	29,717,346	34,755,234	32,135,374	8.14%	33,784,939	5.13%
Utilities	9,329,726	10,909,564	12,803,268	37.23%	12,558,966	-1.91%
Other Materials, Supplies, and Svc.	5,545,580	3,963,023	6,020,421	8.56%	6,435,871	6.90%
Cost Allocation	(21,713,080)	(20,807,530)	(20,762,230)	-4.38%	(21,646,370)	4.26%
Net Operating Requirements	<u>\$ 183,950,874</u>	<u>\$ 182,579,269</u>	<u>\$ 201,144,702</u>	9.35%	<u>\$ 209,891,777</u>	4.35%
Cost to Collect/Treat 1 Million Gallons	<u>\$ 2,680.72</u>	<u>\$ 2,782.37</u>	<u>\$ 2,978.82</u>	11.12%	<u>\$ 3,108.36</u>	4.35%
Flow, Million Gallons	<u>68,620</u>	<u>65,620</u>	<u>67,525</u>	-1.60%	<u>67,525</u>	0.00%
Flow Per Day, MGD	<u>188.00</u>	<u>179.78</u>	<u>185.00</u>	-1.60%	<u>185.00</u>	0.00%

# 2022-23 & 2023-24 Budget

## Proposed Budget Allocation to Individual Revenue Areas

Revenue Area No.	Total Gallonage Flows, Million Gallons per Year (MG)					
	2021-22 Projected Flow (MG)	Projected Increase (MG)	2022-23 Projected Flow (MG)	Percent of Total	2023-24 Budgeted Flow (MG)	Percent of Total
Consolidated	64,275	1,920	66,195	98.03%	66,205	98.05%
14	1,345	(15)	1,330	1.97%	1,320	1.95%
<b>TOTALS</b>	<b>65,620</b>	<b>1,905</b>	<b>67,525</b>	<b>100.00%</b>	<b>67,525</b>	<b>100.00%</b>

Revenue Area No.	Average Daily Gallonage Flows, Million Gallons per Day (MGD)					
	2021-22 Projected Flow (MGD)	Projected Increase (MGD)	2022-23 Budgeted Flow (MGD)	Percent of Total	2023-24 Budgeted Flow (MGD)	Percent of Total
Consolidated	176	5	181	97.84%	181	97.84%
14	4	-	4	2.16%	4	2.16%
<b>TOTALS</b>	<b>180</b>	<b>5</b>	<b>185</b>	<b>100.00%</b>	<b>185</b>	<b>100.00%</b>

### FY 2022-23 Estimated Allocation of Total Costs to Revenue Areas

Revenue Area No.	Collection Costs	Treatment & Disposal Costs	Total Costs	Total Cost/MG
Consolidated	\$ 38,177,730	\$ 157,903,100	\$ 196,080,830	\$ 2,962.17
14 - O&M	1,577,870	3,486,002	5,063,872	3,807.42
<b>TOTALS</b>	<b>\$ 39,755,600</b>	<b>\$ 161,389,102</b>	<b>\$ 201,144,702</b>	<b>\$ 2,978.82</b>

### FY 2023-24 Estimated Allocation of Total Costs to Revenue Areas

Revenue Area No.	Collection Costs	Treatment & Disposal Costs	Total Costs	Total Cost/MG
Consolidated	\$ 38,509,030	\$ 166,123,690	\$ 204,632,720	\$ 3,090.90
14 - O&M	1,591,570	3,667,487	\$ 5,259,057	3,984.13
<b>TOTALS</b>	<b>\$ 40,100,600</b>	<b>\$ 169,791,177</b>	<b>\$ 209,891,777</b>	<b>\$ 3,108.36</b>

# Operations Summary

## Proposed Budget Net Operating Expense by Line Item

Description	Revised Budget 2021-22	2021-22 Projected	2022-23 Proposed	% Budget Change to 2021-22	2023-24 Proposed	% Budget Change to 2022-23
<b>Salaries, Wages, &amp; Benefits</b>						
<u>Salaries &amp; Wages</u>						
Salaries & Wages	\$ 82,939,020	\$ 80,029,100	\$ 88,436,482	6.63%	\$ 92,667,914	4.78%
<u>Employee Benefits</u>						
Retirement	11,594,420	11,446,954	12,120,500	4.54%	12,588,700	3.86%
Group Insurances	11,962,600	11,846,200	10,742,800	-10.20%	11,473,300	6.80%
Tuition & Certificate Reimb	80,600	85,300	87,000	7.94%	88,700	1.95%
Edu.degrees,Cert. & Lic.	622,400	660,900	621,800	-0.10%	621,800	0.00%
Uniform Rental	113,400	102,200	102,200	-9.88%	102,200	0.00%
Workers' Compensation	518,600	812,080	518,500	-0.02%	690,100	33.10%
Unemployment Insurance	151,500	21,300	21,300	-85.94%	21,300	0.00%
EMT Supplemental Benefits	119,300	124,600	121,000	1.42%	121,000	0.00%
Salaries, Wages, & Benefits	108,101,840	105,128,634	112,771,582	4.32%	118,375,014	4.97%
<b>Materials, Supplies, &amp; Services</b>						
<u>Administrative Expenses</u>						
Memberships	708,350	690,985	689,610	-2.65%	691,410	0.26%
Office Exp - Supplies	65,971	48,661	60,343	-8.53%	61,789	2.40%
Postage	50,750	35,667	35,720	-29.62%	40,830	14.31%
Books & Publications	38,685	30,760	41,698	7.79%	41,978	0.67%
Forms	590	-	608	3.05%	626	2.96%
Small Computer Items	950,500	1,163,900	1,005,500	5.79%	1,147,375	14.11%
Minor Furniture & Fixtures	249,700	285,124	419,700	68.08%	220,700	-47.41%
<u>Printing &amp; Publication</u>						
Repro-In-House	235,350	138,960	185,432	-21.21%	184,687	-0.40%
Printing-Outside	42,750	18,410	404,850	847.02%	29,900	-92.61%
Notices & Ads	142,200	167,711	219,000	54.01%	173,500	-20.78%
Photo Processing	50	50	50	0.00%	50	0.00%
<u>Meetings &amp; Training</u>						
Meetings	113,590	19,466	127,446	12.20%	130,782	2.62%
Training	793,208	401,085	1,033,650	30.31%	1,001,883	-3.07%
<u>Operating Materials &amp; Supplies</u>						
Chem. Coagulants	10,670,543	11,204,746	12,103,086	13.43%	12,585,600	3.99%
Odor Control	7,593,709	6,548,983	7,843,286	3.29%	9,059,578	15.51%
Disinfection	133,000	163,080	198,500	49.25%	162,500	-18.14%
Chemicals - Cogen Op.	317,000	305,000	350,000	10.41%	384,000	9.71%
Miscellaneous Chemicals	120,000	42,000	85,000	-29.17%	96,000	12.94%
Odor & Corrosion Control	50,000	20,000	50,000	0.00%	50,000	0.00%
Gas, Diesel, & Oil	623,372	795,400	805,385	29.20%	826,510	2.62%
Tools	676,155	598,690	865,500	28.00%	840,500	-2.89%
Safety Equipment/tools	747,620	1,025,990	933,332	24.84%	891,214	-4.51%
Solv,Paint,Janitor Supplies	113,606	126,126	134,986	18.82%	144,464	7.02%
Lab Chemicals & Supplies	660,249	642,126	680,319	3.04%	692,827	1.84%
Misc. Operating Supplies	182,680	170,130	184,163	0.81%	192,716	4.64%
Property Tax Fees	76,500	76,500	76,500	0.00%	76,500	0.00%
<u>Contractual Services</u>						
Solids Removal	13,100,000	12,030,000	13,740,000	4.89%	14,790,000	7.64%
Other Waste Disp.	988,500	968,500	1,217,200	23.14%	1,248,200	2.55%
Groundskeeping	200,000	177,040	200,000	0.00%	200,000	0.00%
Janitorial	640,280	650,000	659,488	3.00%	679,273	3.00%
Outside Lab Services	356,590	221,500	357,000	0.11%	352,000	-1.40%
Oxygen Plant Oper	370,000	415,000	476,000	28.65%	561,000	17.86%
County Service Fee	503,672	503,672	518,782	3.00%	534,345	3.00%
Temporary Services	607,000	433,470	574,400	-5.37%	578,400	0.70%
Security Services	1,600,000	1,716,007	1,716,007	7.25%	1,716,007	0.00%
Other	778,740	478,125	683,125	-12.28%	678,125	-0.73%

# 2022-23 & 2023-24 Budget

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

Description	Budget 2021-22	2021-22 Projected	2022-23 Proposed	% Budget Change to 2021-22	2023-24 Proposed	% Budget Change to 2022-23
<u>Professional Services</u>						
Legal	1,542,600	1,382,370	1,472,000	-4.58%	1,467,000	-0.34%
Audit & Accounting	287,800	227,800	230,000	-20.08%	230,000	0.00%
Engineering	1,318,000	1,562,460	1,755,000	33.16%	1,760,000	0.28%
Enviro Scientific Consult	679,000	77,000	879,221	29.49%	815,000	-7.30%
Software Prgm Consult	707,000	359,760	710,500	0.50%	723,000	1.76%
Advocacy Efforts	187,975	187,975	181,000	-3.71%	185,000	2.21%
Industrial Hygiene Svcs	100,000	50,000	100,000	0.00%	100,000	0.00%
Labor Negotiation Svc	-	75,000	90,000	n/a	40,000	-55.56%
Other	2,098,477	1,263,945	2,357,450	12.34%	2,196,725	-6.82%
<u>Research &amp; Monitoring</u>						
Environ. Monitoring	797,700	397,170	900,000	12.82%	960,000	6.67%
Air Quality Monitoring	150,000	100,000	220,000	46.67%	220,000	0.00%
Research	600,000	590,000	555,450	-7.43%	571,363	2.86%
<u>Repairs &amp; Maintenance</u>						
Materials & Services	23,380,374	27,072,702	23,295,979	-0.36%	24,568,342	5.46%
Service Maint. Agreements	6,336,972	7,682,532	8,839,395	39.49%	9,216,597	4.27%
<u>Utilities</u>						
Telephone	506,084	502,500	521,267	3.00%	536,905	3.00%
Diesel For Generators	43,000	106,410	55,000	27.91%	60,000	9.09%
Natural Gas	1,005,000	1,212,275	1,577,000	56.92%	1,535,000	-2.66%
Power	6,728,435	8,059,759	9,774,042	45.26%	9,526,223	-2.54%
Water	1,047,207	1,028,620	875,959	-16.35%	900,838	2.84%
<u>Other Operating Costs</u>						
Outside Equip Rental	100,000	37,230	100,000	0.00%	100,000	0.00%
Insurance Premiums	32,900	36,733	42,000	27.66%	47,000	11.90%
Prop & Gen Liab Insurance	2,205,000	2,139,990	2,425,500	10.00%	2,668,050	10.00%
Freight	150,000	148,760	150,000	0.00%	150,000	0.00%
Misc. Operating Expense	623,927	386,550	328,124	-47.41%	345,554	5.31%
Regulatory Operating Fees	1,090,024	1,129,064	1,371,000	25.78%	1,467,800	7.06%
Contingency	818,232	-	925,396	13.10%	959,176	3.65%
Prior year reappropriation	386,317	-	544,351	40.91%	564,221	3.65%
Loss on obsolete inventory	10,000	10,696	-	n/a	-	n/a
Other Non-Oper Expense	129,180	74,000	134,050	3.77%	134,070	0.01%
Materials, Supplies, & Services	97,562,114	98,258,165	109,135,350	11.86%	113,163,133	3.69%
<b>Total Operating Requirements</b>	<b>205,663,954</b>	<b>203,386,799</b>	<b>221,906,932</b>	<b>7.90%</b>	<b>231,538,147</b>	<b>4.34%</b>
<b>Less: Cost Allocation</b>	<b>(21,713,080)</b>	<b>(20,807,530)</b>	<b>(20,762,230)</b>	<b>-4.38%</b>	<b>(21,646,370)</b>	<b>4.26%</b>
<b>Net Operating Requirements</b>	<b>\$ 183,950,874</b>	<b>\$ 182,579,269</b>	<b>\$ 201,144,702</b>	<b>9.35%</b>	<b>\$ 209,891,777</b>	<b>4.35%</b>
<b>Cost to Collect, Treat, &amp; Dispose of 1 Million Gallons</b>	<b>\$ 2,680.72</b>	<b>\$ 2,782.37</b>	<b>\$ 2,978.82</b>		<b>\$ 3,108.36</b>	
<b>Flow, Million Gallons</b>	<b>68,620</b>	<b>65,620</b>	<b>67,525</b>		<b>67,525</b>	
<b>Flow Per Day, MGD</b>	<b>188.00</b>	<b>179.78</b>	<b>185.00</b>		<b>185.00</b>	

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# Notes to Operations Summary

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## **Notes to the FY 2022-23 and FY 2023-24 Operations Budget**

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

**Salaries & Wages:** The proposed budget is set at 647 and 648 Full Time Equivalent (FTE) positions for FY 2022-23 and FY 2023-24, respectively. An increase in salaries and wages is attributable to anticipated salary and benefit adjustments for all employee bargaining units.

**Retirement:** The employees of OC San are members of the Orange County Employees Retirement System. Employees participate in one of three plans depending on hire date: Plan H (older), Plan B, or Plan U (newer, with a lower retirement benefit). The estimated employer's required contribution rate, based on employees' base salaries, has increased for Plan H (264 employees) from 13.22 percent to 13.46 percent and Plan B (54 employees) from 11.23 percent to 13.25 percent, but decreased for Plan U (298 employees) from 9.88 percent to 9.86 percent for FY 2022-23. The contribution rate for Plan H includes OC San's pickup of 3.5 percent of employees' required contributions.

**Group Insurance:** This includes OC San's share of employees' medical and dental insurance plans, and life and disability insurance premiums. It also includes the other post-employment benefits that OC San is obligated to pay for retirees. The group insurance budget approximates \$17,000 per employee.

**Tuition & Certification Reimbursements:** To encourage the self-development and training of employees, OC San has a tuition and certification reimbursement program. This appropriation is set at \$87,000 for FY 2022-23 and \$88,700 for FY 2023-24.

**Development Pay:** To further promote employee efforts that increase job knowledge, skills, and abilities, OC San has established this benefit for employees obtaining educational degrees and job-related certificates and licenses. The budget of \$621,800 for both FY 2022-23 and FY 2023-24 is based on estimated employee participation.

**Uniforms:** This budget projection is for uniforms provided to field and lab employees in accordance with employee MOUs.

**Workers' Compensation:** This item is used to maintain the level of accumulated reserves for workers' compensation self-insurance. The amount recommended is \$518,500 for FY 2022-23 and \$690,100 for FY 2023-24. The total estimated expenditures for the workers' compensation program are set forth in detail in the Self-Insurance section.

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

### **Memberships**

OC San has memberships in agencies, such as the National Association of Clean Water Agencies (NACWA), the National Water Research Institute (NWRI), the Water Environment Research Foundation (WERF), the California Association of Sanitation Agencies (CASA), the Southern California Alliance of Publicly Owned Treatment Works (SCAP), the Association of California Water Agencies (ACWA), and the Center for Demographic Research (CDR), and has a budget of \$689,610 for FY 2022-23 and \$691,410 for FY 2023-24.

### **Administrative Expenses**

These accounts include supplies, postage, technical journals and publications, forms, small office equipment, and small computer items. The small equipment and computer items cost less than \$10,000 per item and exclude items that are capitalized.

### **Printing and Publication**

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

### **Training & Meetings**

This category includes ongoing technical and safety training and materials for staff, required training for computerized plant monitoring, and control systems training to allow for a more adaptive and flexible workforce. Cost savings have been achieved in part through increased use of online training. OC San continues to place an emphasis on safety, technical, leadership, and management training.

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## 2022-23 & 2023-24 Budget

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### **Operating Materials & Supplies**

**Chemical Coagulants:** Chemical coagulants are used to enhance the primary treatment process by increasing the solids removal efficiencies and dewatering and thickening solids for disposal, and are used to control hydrogen sulfide levels in the digester gas.

Due to supply chain and other inflationary pressures, the costs for these chemicals are expected to significantly increase over the next two budget years. The budgeted amounts for FY 2022-23 and FY 2023-24 are \$12.1 million and \$12.6 million, respectively, or an average increase of 15.69 percent over the FY 2021-22 budget.

**Odor Control Chemicals:** OC San uses sodium hydroxide (caustic soda), and bleach as the primary odor control chemicals within the treatment plants' foul air scrubbers. In addition, muriatic acid is an odor control chemical used for cleaning the scrubbers.

Ferrous chloride, magnesium hydroxide, calcium nitrate, and caustic soda are the primary odor control chemicals used within the collection system and work by reducing the generation of hydrogen sulfide in the trunklines. The chemical dosage and costs reflect the established performance level and affects the use of chemicals at the treatment plants.

The odor control budget is \$7.8 million for FY 2022-23 and \$9.1 million for FY 2023-24; an average increase of 11.30 percent from the previously approved budget, based on overall inflationary projections for these chemicals.

**Disinfection Chemicals:** Sodium Hypochlorite (bleach) is used at the treatment plants for the disinfection of plant water and the control of filamentous organisms in activated sludge in the secondary treatment process. OC San's bleach budgets for the purpose of disinfection are \$182,000 in FY 2022-23 and \$151,000 in FY 2023-24, or an average increase of 30.08 percent.

Sodium Bisulfite is used for dechlorination of outfall effluent at Plant No. 2, if required, to ensure that no residual chlorine is discharged into the ocean. The sodium bisulfite budgets are \$11,500 in FY 2022-23 and \$6,500 in FY 2023-24.

**Gasoline, Oil and Fuel:** This group of accounts includes gasoline, oil, and diesel fuel required to

operate stationary treatment plant equipment as well as approximately 300 pieces of major mobile equipment such as cars, trucks, cranes, and generators. Also included in this group of accounts is the cost of fuel for the compressed natural gas station. The cost of the natural gas is partially recovered by selling the compressed natural gas as vehicle fuel to outside users. The volatility in price of gasoline and natural gas are the major impacts to these budgets.

**Other Operating Materials & Supplies:** This group of accounts is for miscellaneous items such as scrubber acids, activated carbon, solvents, cleaners, hardware, janitorial supplies, tools, safety equipment, laboratory supplies, and property taxes that are required to operate and maintain existing and expanding facilities. This group of accounts is expected to remain relatively the same during FY 2022-23 and FY 2023-24.

### **Contractual Services**

The major component of this category is biosolids removal and transportation costs. Contracts have been executed with firms for agricultural reuse of residual solids and composting for biosolids disposal. The total costs budgeted for solids removal is \$13.7 million for FY 2022-23 and \$14.8 million for FY 2023-24. Even though solids have been dried above original targets due to the success of the centrifuges over the belt presses, increased costs in fuel and disposal contracts offset the savings from reduced tonnage being hauled away.

This category also includes appropriations for other waste removal, janitorial, groundskeeping and security services, county service fees, temporary employment services to level out periodic increases in staff workload, long-term leaves, and position vacancies, outside laboratory services, manhole rehabilitation, and industrial line and outfall inspection and cleaning services.

### **Professional Services**

This group of accounts includes General Counsel, special labor counsel, engineering, advocacy efforts, audit and accounting services, software program consulting, and other technical consulting services.

### **Research and Monitoring**

The costs in this category consist of contract services to carry out the extensive ocean monitoring program required by EPA Region IX under the provisions of OC San's NPDES permit, air quality monitoring costs, OC San's contribution to the Southern California Coastal Water Research Project (SCCWRP) being



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## Notes to Operations Summary

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conducted under a joint powers agreement with other Southern California municipal dischargers, operating costs for OC San's ocean monitoring vessel, and provides for operational and ocean research and evaluation to develop optimum operating parameters in the treatment plants. Overall, this category of costs is expected to increase slightly from the need to outsource taxonomy and mooring services, resulting in FY 2022-23 and FY 2023-24 budgets of \$1.7 million and \$1.8 million, respectively.

### **Repairs and Maintenance**

The majority of the materials and services budgets support the maintenance of the collection system and the treatment plants. This includes street overlays and manhole raising, manhole cover purchases, surveying services, easement improvements, equipment maintenance, and outsourced service contracts and maintenance agreements. The FY 2022-23 and FY 2023-24 budgets include repairs and maintenance costs totaling \$32.1 million and \$33.8 million, respectively.

Materials and services for FY 2022-23 and FY 2023-24 include Bushard Diversion structure repair, Sunflower Trunkline liner repairs, secondary clarifier rehabilitation, digester repairs, pump motor drive control replacements, and other maintenance work including digester cleaning, cable replacements, and outfall repairs.

Service agreements for FY 2022-23 and FY 2023-24 include Information Technology maintenance, support, and licenses and disaster recovery and cybersecurity hardware and software, Operations & Maintenance service contracts for crane certification, engine monitoring systems, door and gate maintenance, scale, fire extinguisher, and fire sprinkler certification, uninterruptible power supply electrical maintenance, scaffolding, and tree trimming.

### **Utilities**

The cost for utilities is a significant component of the operating budget. The overall cost for utilities is anticipated to be \$12.8 million and \$12.6 million for the FY 2022-23 and FY 2023-24 budgets, respectively.

**Natural Gas:** Natural gas is purchased to supplement the digester gas that is used to run the central generation facilities. The total natural gas budget is \$1.6 million for FY 2022-23 and \$1.5 million for FY 2023-24.

**Electricity:** Electricity is the largest utility cost incurred by OC San. Purchased electricity is used to run the plant processes, support buildings, and pump stations. In FY 2022-23, OC San will start procuring electricity under the Southern California Edison (SCE) Direct Access program from a third-party supplier, and SCE will be paid only for delivering the electricity. This arrangement will expose OC San to rates that vary according to frequently changing market conditions rather than having a constant rate specified in SCE's published rate schedules, but should result in savings long-term. The estimated consumption and resulting costs for electrical energy purchased from Southern California Edison for the plant processes and support buildings are \$9.1 million and \$8.8 million for FY 2022-32 and FY 2023-24, respectively, excluding contingencies and electricity requirements of all outlying pump stations. This estimate includes normal operations of CenGen and assumes \$400,000 in savings due to battery utilization at Plant No. 1. The total budgeted amount for purchased electricity is \$9.7 million and \$9.5 million for the FY 2022-23 and FY 2023-24 budgets, respectively.

### **Other Operating Costs**

**Insurance Premiums:** Other than the budget of \$42,000 for FY 2022-23 and \$47,000 for FY 2023-24 in the operating section to insure OC San's ocean vessel, the cost for general liability and property insurance premiums is budgeted entirely within the Self-Insurance section.

**Property & General Liability In-Lieu Insurance Premium:** This item is used to maintain the level of accumulated reserves for property and general liability self-insurance. The recommended budgeted is \$2.4 million for FY 2022-23 and \$2.7 million for FY 2023-24. The total estimated expenditures for the insurance program are set forth in detail in the Self-Insurance section.

**Other Operating & Non-Operating Expenses:** Expenses not chargeable elsewhere, such as annual regulatory fees assessed by SCAQMD and SWRCB, freight, obsolete inventory write-off, and other miscellaneous items are recorded within these groups of accounts.

### **Cost Allocation**

This represents direct labor and benefit charge-outs and materials, supplies, and services cost allocation to the capital projects where the related work is performed.

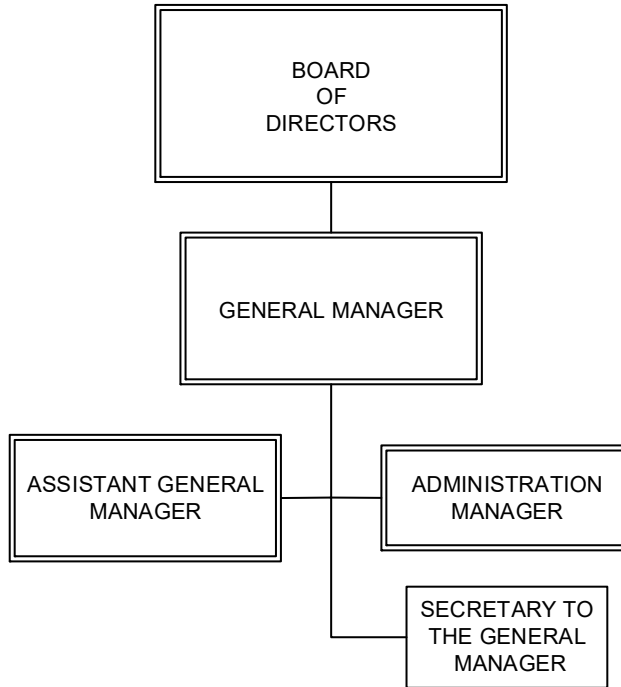
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## **2022-23 & 2023-24 Budget**

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### ***Net Operating Requirements***

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



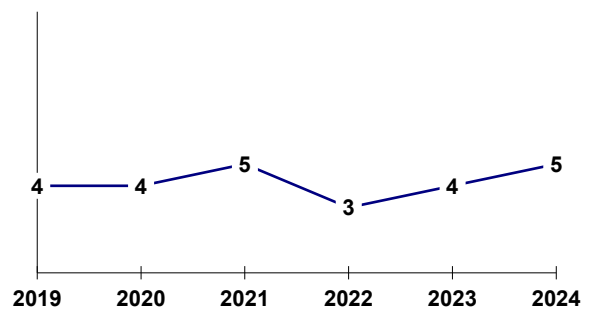
**Staffing Trends**

**2022-23 & 2023-24 Authorized FTE Positions\***

Executive Managers	2.0
Manager	1.0
Supervisors / Professionals	1.0

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**Total** **4.0**



\*Second Assistant General Manager will be moved from Division 210 in FY 2023-24.

# 2022-23 & 2023-24 Budget

## Service Description

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

### 2021-22 Performance Objectives

- ◆ Create a new Two-Year Strategic Plan & recommend for Board Adoption.
- ◆ Manage operating expenditures to within 96% to 100% of the approved budget.
- ◆ Ensure OC San does not exceed 639 FTEs.
- ◆ Create a new Work Plan for Fiscal Year 2021-22.

### 2021-22 Performance Results

- ◆ A Two-Year Strategic Plan was created and approved by the Board of Directors in November 2021.
- ◆ Due to COVID, all planned expenditures did not occur.
- ◆ Current FTE count is 603.
- ◆ New Work Plan approved by the Board of Directors in August 2021.

### 2022-23 & 2023-24 Performance Objectives

- ◆ Create a new Work Plan for Fiscal Year 2022-23 and 2023-24.
- ◆ Update Two-Year Strategic Plan & Recommend for Board Adoption in FY 2023-2024.
- ◆ Managing operating expenditures to within 96% to 100% of the approved budget.
- ◆ Ensure OC San does not exceed 647 FTEs.

### Performance Measures

Summary	2020-21 Actual	2021-22 Projected	2022-23 Proposed	2023-24 Proposed	Justification
◆ Create a new Strategic Plan	100%	100%	100%	100%	Board Approval
◆ Operating expenditures	Achieved	Achieved	Achieve	Achieve	Board Approval
◆ Do not exceed authorized FTEs	Achieved	Achieved	Achieve	Achieve	Board approval
◆ Create a Work Plan	N/A	N/A	Achieve	Achieve	Board Approval

# General Management Administration

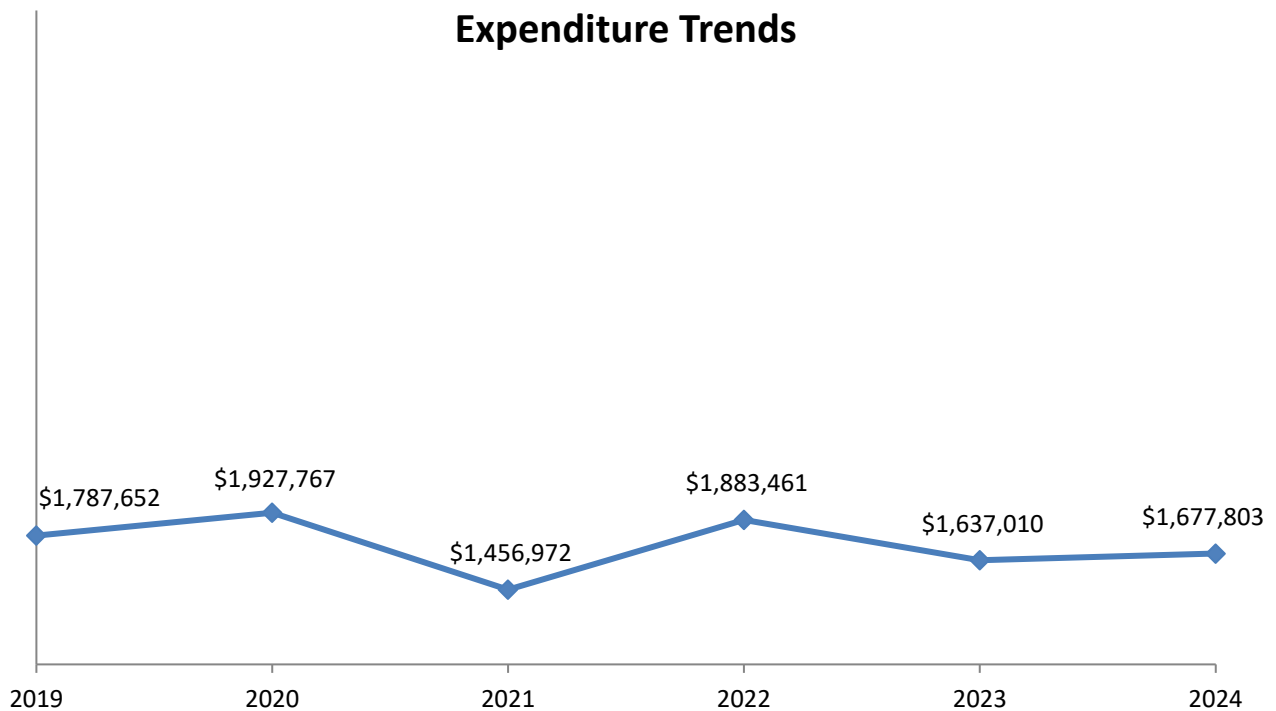
## Budget Overview

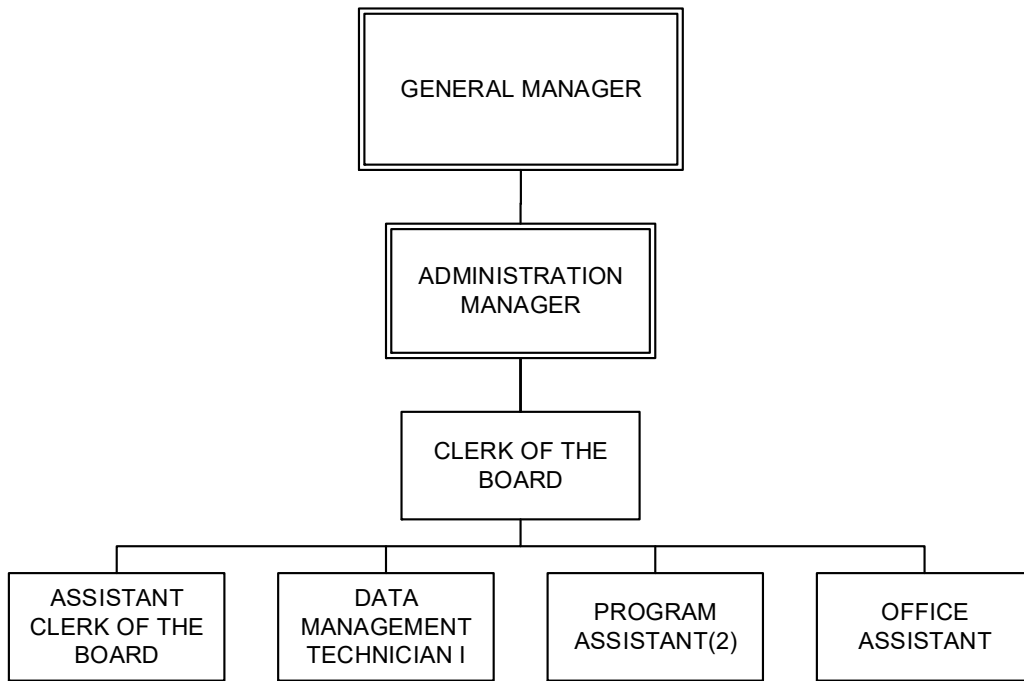
The FY 2022-23 & FY 2023-24 budgets for the General Management Administration Division reflect a decrease of 13% and an increase of 2% over the prior year, respectively. The FY 2022-23 decrease is primarily due to a decrease in legal services. The FY 2023-24 increase is primarily due to increases in personnel expenses.

<b>2021-22 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 1,883,461</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments	44,484
Change in OCERS retirement costs	9,140
Change in group insurance costs	(2,200)
Other benefit cost adjustments	(6,400)
<b>Other Cost Adjustments:</b>	
Decrease in memberships	(19,520)
Decrease in printing & publications	(1,500)
Increase in training & meetings	3,595
Decrease in legal services	(274,000)
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(50)
<b>2022-23 Proposed Budget - Total Operating Requirements</b>	<b>\$ 1,637,010</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	31,000
Change in OCERS retirement costs	4,500
Change in group insurance costs	4,200
Other benefit cost adjustments	1,100
<b>Other Cost Adjustments:</b>	
No other significant cost changes	
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(7)
<b>2023-24 Proposed Budget - Total Operating Requirements</b>	<b>\$ 1,677,803</b>

## 2022-23 & 2023-24 Budget

Operating Expenses By Category	2020-21 Actual	2021-22 Budget	2021-22 Projected	2022-23 Proposed	Budget % Change	2023-24 Proposed	Budget % Change
Personnel	\$ 947,810	\$ 1,030,176	\$ 1,055,200	\$ 1,075,200	4.37%	\$ 1,116,000	3.79%
Supplies	270,296	353,685	283,240	336,210	(4.94%)	336,203	0.00%
Professional & Contractual Services	238,771	499,000	107,450	225,000	(54.91%)	225,000	0.00%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	95	600	140	600	0.00%	600	0.00%
<b>Total</b>	<b>\$ 1,456,972</b>	<b>\$ 1,883,461</b>	<b>\$ 1,446,030</b>	<b>\$ 1,637,010</b>	<b>(13.09%)</b>	<b>\$ 1,677,803</b>	<b>2.49%</b>



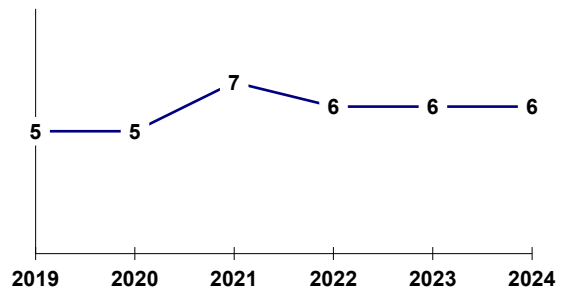


Staffing Trends

**2022-23 & 2023-24 Authorized FTE Positions**

Supervisors / Professionals	2.0
Technical Staff	1.0
Administrative / Clerical	3.0

**Total** **6.0**



# 2022-23 & 2023-24 Budget

## Service Description

The mission of the Board Services Division is to provide exceptional customer service and support to the Board of Directors, OC San Staff and the general public through the Clerk of the Board's office. The Clerk's office promotes public trust and ensures transparency by: accurately recording and preserving the legislative actions of OC San; safeguarding the vital, historic and permanent records of OC San as their official custodian; preparing and publishing agendas and notices in accordance with legal requirements; receiving and responding to requests for records, acts as filing officer for Statement of Economic Interest filings; receiving and processing summons, subpoenas and complaints filed against OC San; and maintaining rosters of the Board of Directors, appointed committees and historical events.

### 2021-22 Performance Objectives

- ◆ Maintain OC San Transparency Certificate of Excellence.
- ◆ Timely responses to Public Records Requests within allotted regulatory guidelines.
- ◆ Maintain compliance: OC San Conflict of Interest Code filings and Mandatory training (Ethics and Harassment).
- ◆ Publish and distribute agenda packets to the Board of Directors one week prior to meeting.
- ◆ Advise key staff of items approved or denied after Board of Directors Meeting.

### 2021-22 Performance Results

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

### 2022-23 & 2023-24 Performance Objectives

- ◆ Mail Board agenda packages six calendar days prior to Committee and Board meetings, 100% of the time, unless otherwise authorized by the General Manager.
- ◆ Maintain accurate records of official actions taken by the Board of Directors and post those actions to website by 5:00 p.m. the day following a meeting.
- ◆ Respond to 95% of public records requests within 7 business days.
- ◆ Maintain legal compliance with various federal, state and local laws (Brown Act, Political Reform Act, etc.).
- ◆ Maintain OC San Transparency Certificate of Excellence (SDLF).

### Performance Measures

Summary	Performance Measures				Justification
	2020-21 Actual	2021-22 Projected	2022-23 Proposed	2023-24 Proposed	
◆ Board Agenda Packages	100%	100%	100%	100%	In-House Standard
◆ Maintain and post accurate Records of Board Actions	100%	100%	100%	100%	Legal Compliance
◆ Respond to 95% of public requests within 7 business days	100%	100%	100%	100%	In-House Standard
◆ Maintain Legal Compliance	100%	100%	100%	100%	Legal Compliance
◆ Maintain OC San Transparency Certificate of Excellence	100%	100%	100%	100%	In-House Standard



# Board Services

## Budget Overview

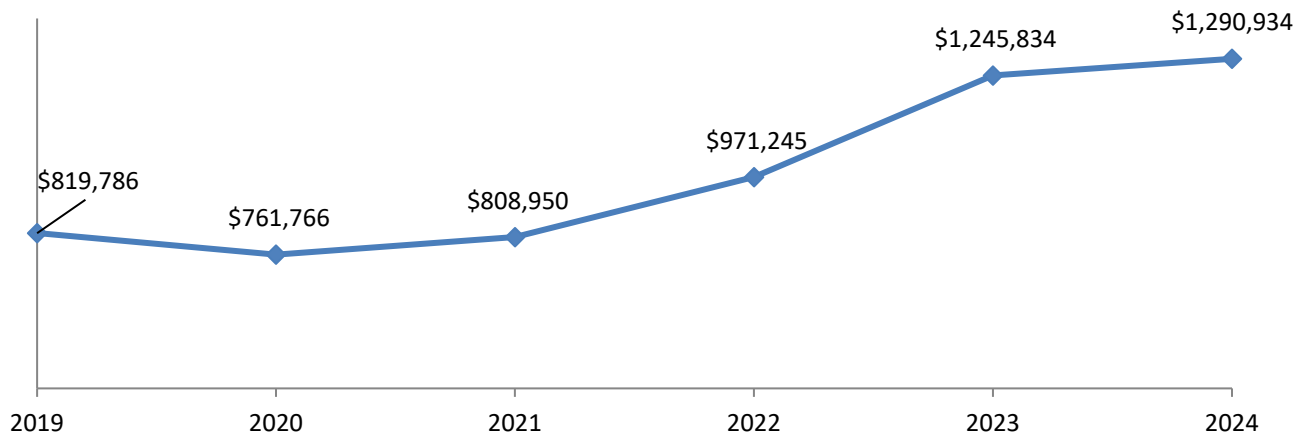
The FY 2022-23 & FY 2023-24 budgets for the Board Services Division reflect an increase of 28% and an increase of 4% over the prior year, respectively. The FY 2022-23 increase is primarily due to an increase in professional services and personnel expenses. The FY 2023-24 increase is primarily due to personnel expenses and other operating supplies and expenses.

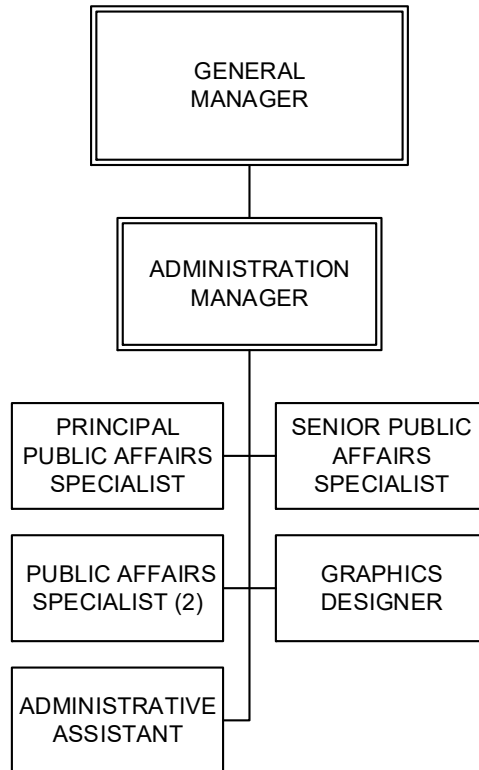
<b>2021-22 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 971,245</b>
<i>Salaries for Position Changes:</i>	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
<i>Changes in Personnel Expenses:</i>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	51,360
Change in OCERS retirement costs	6,070
Change in group insurance costs	1,200
Other benefit cost adjustments	1,200
<i>Other Cost Adjustments:</i>	
Decrease in postage	(15,000)
Increase in books & publications	5,000
Increase in notices and ads	18,800
Increase in temporary services	10,000
Increase in other professional services	187,704
Increase in other operating expenses	7,800
<i>Aggregate change in Other Categories:</i>	
Aggregate change in other materials, supplies, and services	455
<b>2022-23 Proposed Budget - Total Operating Requirements</b>	<b>\$ 1,245,834</b>
<i>Changes in Personnel Expenses:</i>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	22,900
Change in OCERS retirement costs	2,700
Change in group insurance costs	7,100
Other benefit cost adjustments	1,900
<i>Other Cost Adjustments:</i>	
Increase in postage	5,000
Increase in notices & ads	2,000
Increase in training & meetings	2,300
Increase in other operating expenses	1,200
<i>Aggregate change in Other Categories:</i>	
Aggregate change in other materials, supplies, and services	-
<b>2023-24 Proposed Budget - Total Operating Requirements</b>	<b>\$ 1,290,934</b>

## 2022-23 & 2023-24 Budget

Operating Expenses By Category	2020-21 Actual	2021-22 Budget	2021-22 Projected	2022-23 Proposed	Budget % Change	2023-24 Proposed	Budget % Change
Personnel	\$ 701,125	\$ 778,970	\$ 789,500	\$ 838,800	7.68%	\$ 873,400	4.12%
Supplies	55,163	86,455	61,750	95,710	10.70%	105,010	9.72%
Professional & Contractual Services	21,676	75,000	28,000	272,704	263.61%	272,704	0.00%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	30,986	30,820	36,120	38,620	25.31%	39,820	3.11%
<b>Total</b>	<b>\$ 808,950</b>	<b>\$ 971,245</b>	<b>\$ 915,370</b>	<b>\$ 1,245,834</b>	<b>28.27%</b>	<b>\$ 1,290,934</b>	<b>3.62%</b>

### Expenditure Trends



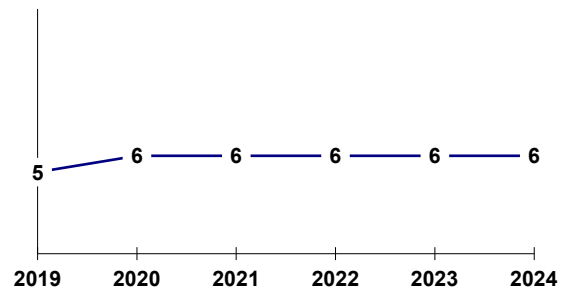


Staffing Trends

**2022-23 & 2023-24 Authorized FTE Positions**

Supervisors / Professionals	4.0
Administrative / Clerical	2.0

**Total** **6.0**



# 2022-23 & 2023-24 Budget

## Service Description

The Public Affairs Division provides services and implements programs to meet the communications and legislative needs of both internal and external audiences for the Orange County Sanitation District. The division plans and implements media relations, website content, community relations, community education and outreach, employee newsletter, intranet development, corporate identity program, collateral material and graphics development, presentation development, crisis communications and legislative affairs. The goal is to create a comprehensive communications program that promotes clear and transparent communications with all identified audiences and to promote the understanding of OC San's mission to protect public health and the environment.

### 2021-22 Performance Objectives

- ◆ Provide services and implement programs that meet the communications needs of OC San's internal audiences by producing a minimum of 100 internal communication pieces.
- ◆ Provide services and implement programs that meet communications needs of OC San's external audiences by reaching a minimum of 5,000 people.
- ◆ Support General Manager activities and provide information to Board of Directors through the General Manager's monthly report, monthly city/agency specific briefing reports.
- ◆ Proactive engagement in legislative advocacy efforts that could impact OC San and the industry.

### 2021-22 Performance Results

- ◆ At mid-year, this goal has already been completed and exceeded. To date, over 430 pieces of internal communication have been produced.
- ◆ Produced and circulated daily articles on The San Box, weekly 3 Things to Know emails, monthly news in Digester, and bi-monthly stories in Pipeline Newsletter.
- ◆ At Mid-Year, this goal has already been met and exceeded. Over 12 printed pieces of external communication have been produced and distributed reaching over 58,000 people and over 80,000 via our social media platforms.
- ◆ Conducted over 14 virtual tours and participated in 4 speaking engagements reaching almost 200 people. Distributed two toolkits to our member agencies on topics promoting OC San Programs.
- ◆ Prepared monthly key messages and talking points for the Board Members and the General Manager.
- ◆ Prepared /presented reports on division efforts to OC San Legislative and Public Affairs Committee.
- ◆ Prepared the GM Monthly Report.
- ◆ Monitoring over one hundred bills. Have also submitted five federal and two state position letters.

### 2022-23 & 2023-24 Performance Objectives

- ◆ Provide services and implement programs that meet the communications needs of OC San's internal audiences by producing a minimum of 500 internal communication pieces.
- ◆ Provide services and implement programs that meet communications needs of OC San's external audiences by reaching a minimum of 25,000 people.
- ◆ Support General Manager activities and provide information to Board of Directors through the General Manager's monthly report, monthly city/agency specific briefing reports.
- ◆ Proactive engagement in legislative advocacy efforts that could impact OC San and the industry.

### Performance Measures

Summary	2020-21 Actual	2021-22 Projected	2022-23 Proposed	2023-24 Proposed	Justification
◆ Internal Services and Programs	Achieved	Achieved	Achieve	Achieve	Board Approved PAO Strategic Plan
◆ External Services and Programs	Achieved	Achieved	Achieve	Achieve	Board Approved PAO Strategic Plan
◆ Board of Directors and GM Support	Achieved	Achieved	Achieve	Achieve	Board Approved PAO Strategic Plan
◆ Legislative Advocacy	Achieved	Achieved	Achieve	Achieve	Board Approved PAO Strategic Plan

# Public Affairs

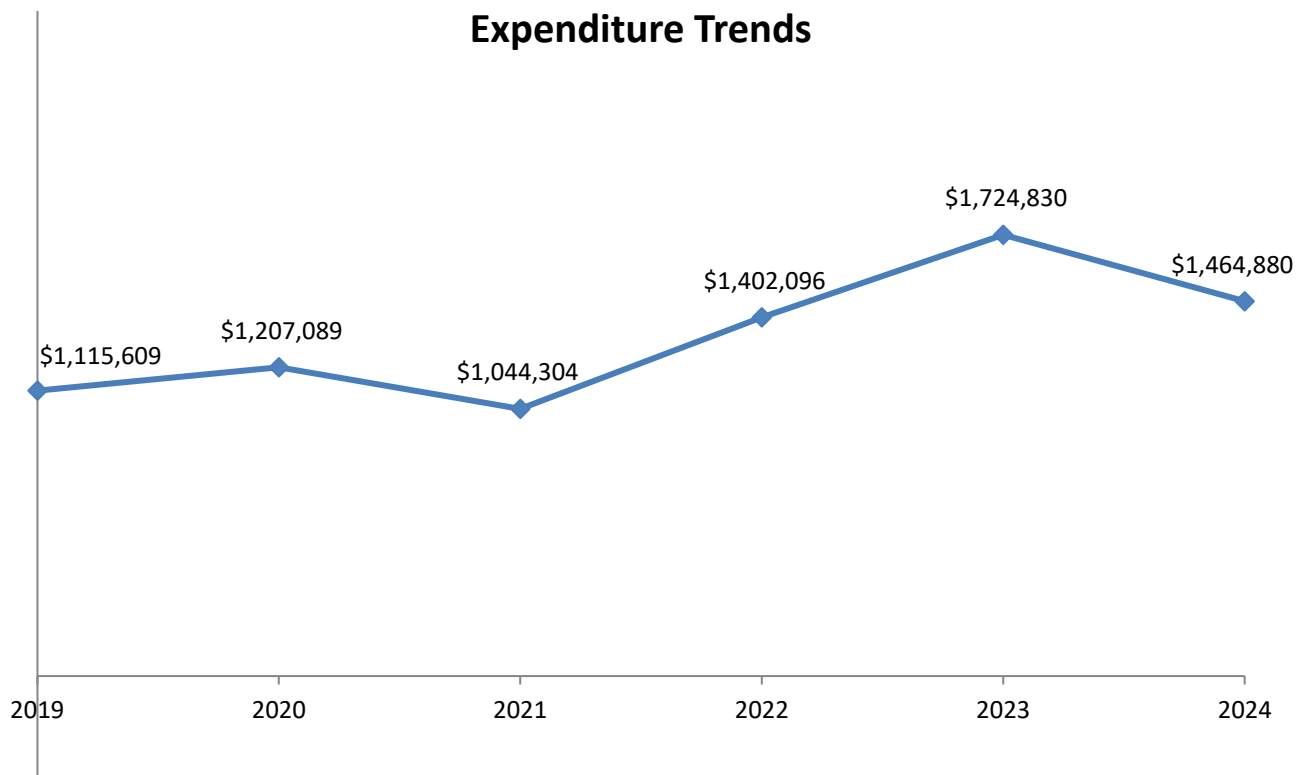
## Budget Overview

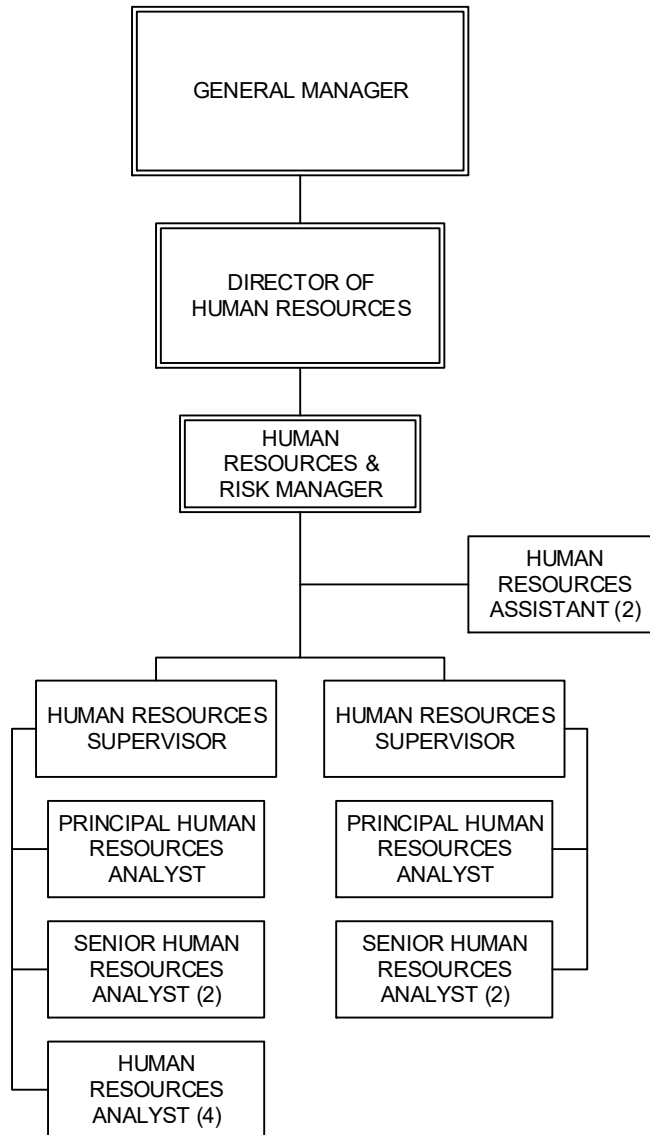
The FY 2022-23 & FY 2023-24 budgets for the Public Affairs Division reflect an increase of 23% and a decrease of 15% from the prior year, respectively. The increase and decrease are primarily due to printing and publication, and partially offset in FY 2023-24 with an increase in other professional services.

<b>2021-22 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 1,402,096</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	7,024
Change in OCERS retirement costs	7,600
Change in group insurance costs	17,400
Other benefit cost adjustments	(9,200)
<b>Other Cost Adjustments:</b>	
Increase in printing & publications	359,500
Decrease in training & meetings	(10,700)
Increase in tools	5,000
Decrease in temporary services	(60,000)
Increase in advocacy efforts	8,600
Decrease in other professional services	(24,500)
Increase in other operating supplies	22,450
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(440)
<b>2022-23 Proposed Budget - Total Operating Requirements</b>	<b>\$ 1,724,830</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	26,000
Change in OCERS retirement costs	3,100
Change in group insurance costs	6,400
Other benefit cost adjustments	1,600
<b>Other Cost Adjustments:</b>	
Decrease in printing & publications	(375,000)
Increase in training & meetings	14,450
Decrease in tools	(2,000)
Increase in advocacy efforts	4,000
Increase in other professional services	52,000
Increase in other operating supplies	9,500
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	-
<b>2023-24 Proposed Budget - Total Operating Requirements</b>	<b>\$ 1,464,880</b>

# 2022-23 & 2023-24 Budget

Operating Expenses By Category	2020-21 Actual	2021-22 Budget	2021-22 Projected	2022-23 Proposed	Budget % Change	2023-24 Proposed	Budget % Change
Personnel	\$ 729,409	\$ 879,376	\$ 847,800	\$ 902,200	2.60%	\$ 939,300	4.11%
Supplies	48,612	79,280	42,850	432,640	445.71%	70,090	(83.80%)
Professional & Contractual Services	201,431	352,400	217,900	276,500	(21.54%)	332,500	20.25%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	64,852	91,040	60,140	113,490	24.66%	122,990	8.37%
<b>Total</b>	<b>\$ 1,044,304</b>	<b>\$ 1,402,096</b>	<b>\$ 1,168,690</b>	<b>\$ 1,724,830</b>	<b>23.02%</b>	<b>\$ 1,464,880</b>	<b>(15.07%)</b>





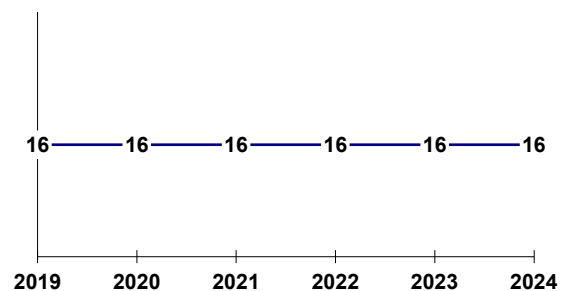
**2022-23 & 2023-24 Authorized FTE Positions**

Executive Manager	1.0
Manager	1.0
Supervisors / Professionals	12.0
Administrative / Clerical	2.0

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**Total** **16.0**

**Staffing Trends**



# 2022-23 & 2023-24 Budget

## Service Description

The mission of the Human Resources Administration Division is to attract, motivate and retain a successful workforce by providing competitive compensation and benefits programs, administering a fair and consistent staffing program, ensuring consistency in the application of policies and procedures, and conducting these and associated activities in accordance with state and federal regulations. These programs are administered by providing a high level of customer service, operating efficiently, and providing professional consultation on human resources matters.

### 2021-22 Performance Objectives

- ◆ Complete agency-wide Classification & Compensation Study by FY 2021-22.
- ◆ Continue with the development and implementation of effective workforce planning/development and succession planning strategies.
- ◆ Engage in labor contract negotiations with all unions in FY 2021-22.
- ◆ Meet the training level of service of 45 hours per employee.
- ◆ Manage the department's budget to within 96% to 100% of the approved budget.

### 2021-22 Performance Results

- ◆ Estimated to be complete by the end of FY 2021-22.
- ◆ Implemented, continuous.
- ◆ Currently in process.
- ◆ Estimate will meet the performance measure.
- ◆ Estimated to stay within budget.

### 2022-23 & 2023-24 Performance Objectives

- ◆ Complete all labor negotiations with all units by 6/30/22 and implement the changes effective FY 2022-23 and through the end of the approved contract duration.
- ◆ Expand OC San U training offerings to outside agencies to two per year and continue to offer one employee training session per month for OC San employees.
- ◆ Evaluate and determine agency needs for a centralized training program by 6/30/2022 and implement the changes effective FY 2022-23.
- ◆ Meet the training level of service of 45 hours per employee.
- ◆ Manage the department's budget to within 96% to 100% of the approved budget.

### Performance Measures

Summary	2020-21 Actual	2021-22 Projected	2022-23 Proposed	2023-24 Proposed	Justification
◆ Approved Labor Contracts	Sustain	Sustain	Implement	Sustain	HR Work Plan
◆ Workforce Planning/Workforce development	Sustain	Sustain	Sustain	Sustain	OC San Strategic Plan
◆ Training Level of Service	Below	In-Progress	Sustain	Sustain	Level of Service
◆ Manage Budget	Met	In-Progress	96-100%	96-100%	In-House Standard



# Human Resources Administration

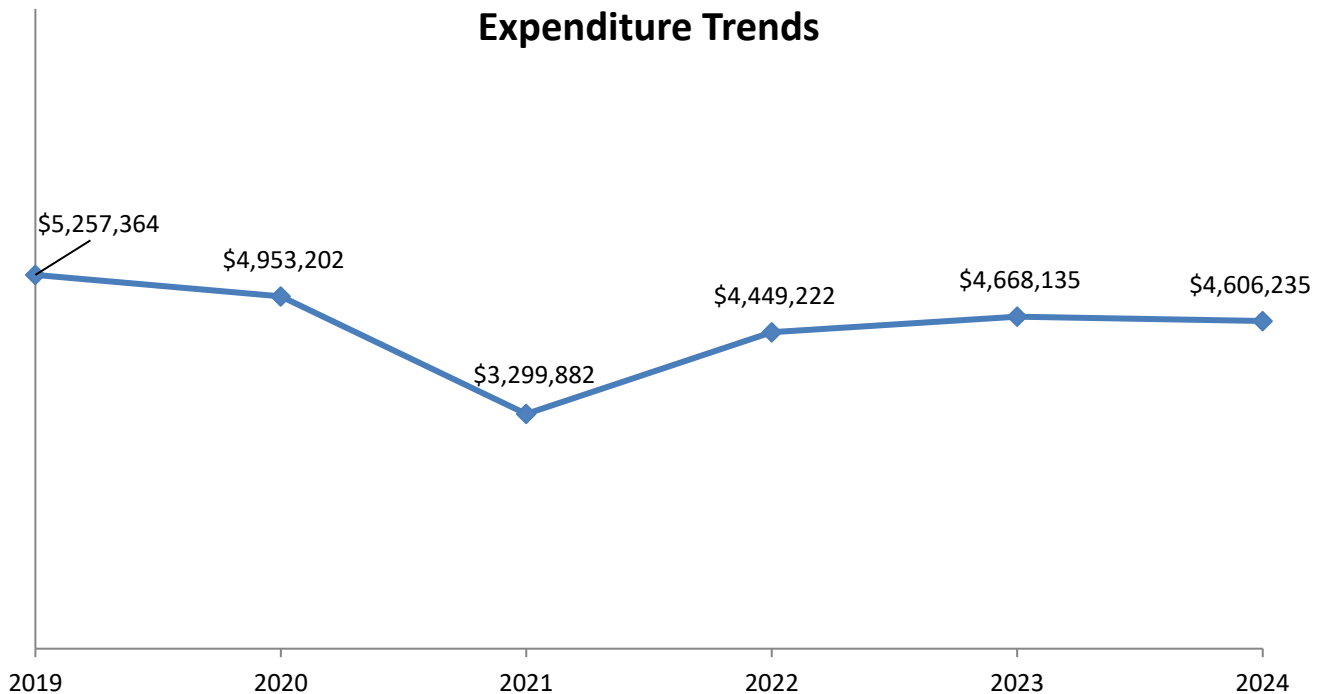
## Budget Overview

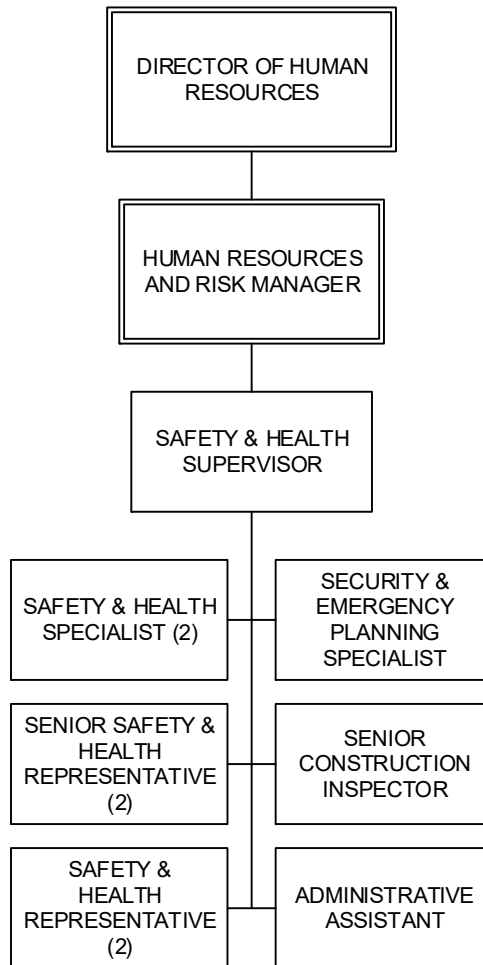
The FY 2022-23 & FY 2023-24 budgets for the Human Resources Administration Division reflect an increase of 5% and a decrease of 1% from the prior year, respectively. The increase and decrease are primarily due to personnel expenses, notices and ads, legal services, and labor negotiation services, and is partially offset in FY 2022-23 by a decrease in other professional services.

<b>2021-22 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 4,449,222</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	152,628
Change in retirement costs	37,820
Change in group insurance costs	(36,300)
Other benefit cost adjustments	(10,000)
<b>Other Cost Adjustments:</b>	
Increase in notices & ads	50,000
Increase in training & meetings	38,465
Increase in legal services	100,000
Increase in labor negotiation services	90,000
Decrease in other professional services	(218,000)
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	14,300
<b>2022-23 Proposed Budget - Total Operating Requirements</b>	<b>\$ 4,668,135</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	73,900
Change in retirement costs	10,300
Change in group insurance costs	17,000
Other benefit cost adjustments	5,900
<b>Other Cost Adjustments:</b>	
Decrease in notices & ads	(50,000)
Decrease in training & meetings	(44,000)
Decrease in labor negotiation services	(50,000)
Decrease in other professional services	(25,000)
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	-
<b>2023-24 Proposed Budget - Total Operating Requirements</b>	<b>\$ 4,606,235</b>

# 2022-23 & 2023-24 Budget

Operating Expenses By Category	2020-21 Actual	2021-22 Budget	2021-22 Projected	2022-23 Proposed	Budget % Change	2023-24 Proposed	Budget % Change
Personnel	\$ 2,522,042	\$ 2,911,652	\$ 3,022,410	\$ 3,055,800	4.95%	\$ 3,162,900	3.50%
Supplies	53,573	200,705	188,580	288,720	43.85%	194,720	(32.56%)
Professional & Contractual Services	697,148	1,232,125	1,293,025	1,204,125	(2.27%)	1,129,125	(6.23%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	27,119	104,740	51,000	119,490	14.08%	119,490	0.00%
<b>Total</b>	<b>\$ 3,299,882</b>	<b>\$ 4,449,222</b>	<b>\$ 4,555,015</b>	<b>\$ 4,668,135</b>	<b>4.92%</b>	<b>\$ 4,606,235</b>	<b>(1.33%)</b>





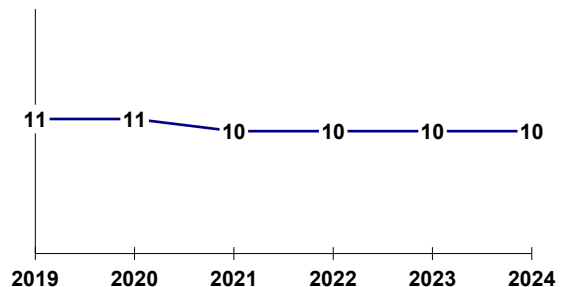
**Staffing Trends**

**2022-23 & 2023-24 Authorized FTE Positions**

Supervisors / Professionals	8.0
Administrative / Clerical	2.0

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**Total** **10.0**



# 2022-23 & 2023-24 Budget

## Service Description

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

### 2021-22 Performance Measures

- ◆ Safety Compliance Training.
- ◆ Continue to develop and enhance Job Safety Analysis (JSA's).
- ◆ Contractor Safety.
- ◆ Safety Management System Evaluation & Monitoring.
- ◆ Implement Physical Security Plans.
- ◆ Emergency Response Exercises.

### 2021-22 Performance Results

- ◆ Ongoing
- ◆ Ongoing
- ◆ Ongoing
- ◆ Ongoing
- ◆ Ongoing
- ◆ Ongoing

### 2022-23 & 2023-24 Performance Objectives

- ◆ Ensure 100% of Safety Compliance Training is completed.
- ◆ Develop and enhance JSA's for high-risk work activities.
- ◆ Contractor Orientation, Evaluation & Safety Audits to reduce injuries and accidents.
- ◆ Third Party Safety Audit of Safety Program to ensure compliance.
- ◆ Continue to monitor Safety & Health Management System through Safety Indicators to reduce injuries to employees.
- ◆ Implementation of Physical Security Plans & Measures.
- ◆ Conduct Emergency Response Exercises on a regular basis.

### Performance Measures

Summary	Performance Measures				Justification
	2020-21 Actual	2021-22 Projected	2022-23 Proposed	2023-24 Proposed	
◆ Safety Compliance Training	100%	100%	100%	100%	OC San Strategic Plan
◆ Develop JSA's	Ongoing	Ongoing	100%	Planned	OSHA Safety Requirement
◆ Contractor Safety	Completed	Ongoing	Planned	Planned	Continuous Improvement
◆ Third Party Safety Audits	Completed	Planned	Planned	Planned	Continuous Improvement
◆ Implement Leading Safety Indicators	Completed	Ongoing	Planned	Planned	Continuous Improvement
◆ Emergency Response	Completed	Planned	Planned	Planned	OSHA Safety Requirement
◆ Security Recommendations	Completed	Ongoing	Planned	Planned	Continuous Improvement

# Risk Management/Safety/Security

## Budget Overview

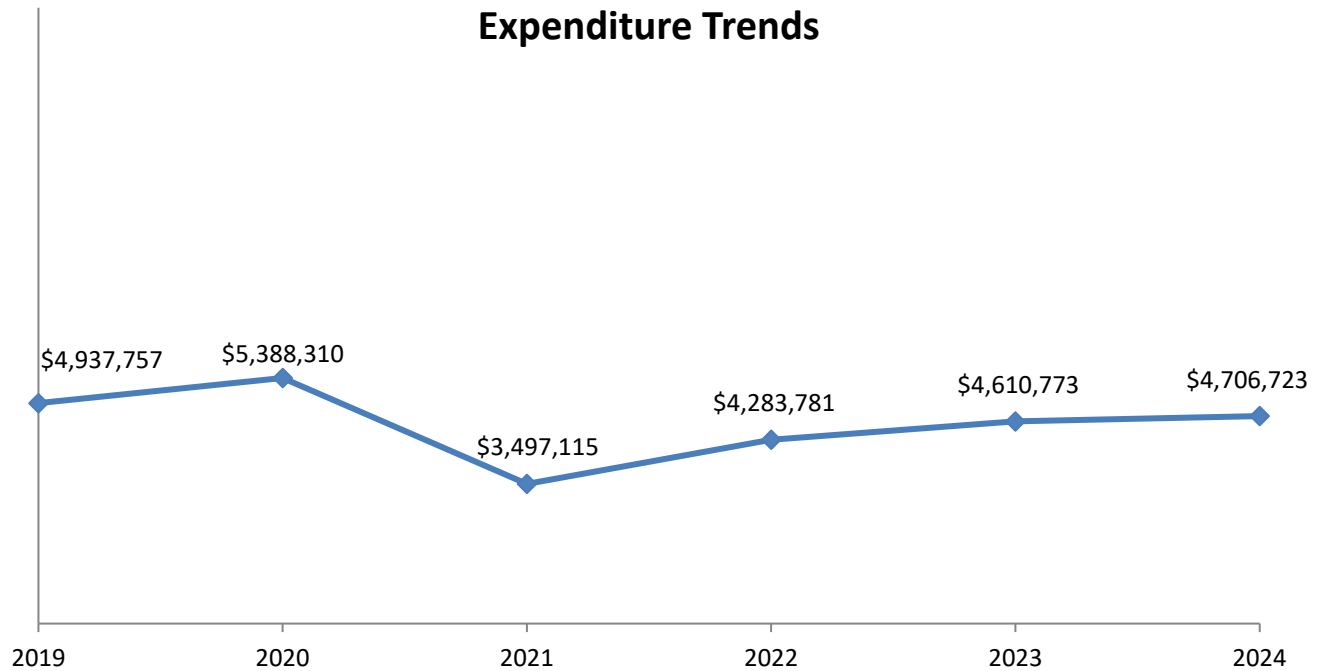
The FY 2022-23 & FY 2023-24 budgets for the Risk Management/Safety/Security Division reflect an increase of 8% and an increase of 2% over the prior year, respectively. The increase in FY 2022-23 is primarily due to an increase in personnel expenses, other wastewater disposal, and security services. The increase in FY 2023-24 is primarily due to an increase in personnel expenses.

<b>2021-22 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 4,283,781</b>
<i><b>Salaries for Position Changes:</b></i>	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
<i><b>Changes in Personnel Expenses:</b></i>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	99,100
Change in OCERS retirement costs	7,990
Change in group insurance costs	(36,700)
Other benefit cost adjustments	(5,000)
<i><b>Other Cost Adjustments:</b></i>	
Decrease in training & meetings	(48,365)
Increase in other wastewater disposal	183,700
Increase in security services	116,007
Increase in other operating supplies	18,200
<i><b>Aggregate change in Other Categories:</b></i>	
Aggregate change in other materials, supplies, and services	(7,940)
<b>2022-23 Proposed Budget - Total Operating Requirements</b>	<b>\$ 4,610,773</b>
<i><b>Changes in Personnel Expenses:</b></i>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	73,600
Change in OCERS retirement costs	7,300
Change in group insurance costs	10,000
Other benefit cost adjustments	2,400
<i><b>Other Cost Adjustments:</b></i>	
Increase in memberships	2,650
<i><b>Aggregate change in Other Categories:</b></i>	
Aggregate change in other materials, supplies, and services	-
<b>2023-24 Proposed Budget - Total Operating Requirements</b>	<b>\$ 4,706,723</b>

# 2022-23 & 2023-24 Budget

Operating Expenses By Category	2020-21 Actual	2021-22 Budget	2021-22 Projected	2022-23 Proposed	Budget % Change	2023-24 Proposed	Budget % Change
Personnel	\$ 1,189,759	\$ 1,460,110	\$ 1,456,770	\$ 1,525,500	4.48%	\$ 1,618,800	6.12%
Supplies	323,316	617,825	709,660	569,800	(7.77%)	572,450	0.47%
Professional & Contractual Services	1,960,854	2,155,496	2,106,007	2,455,203	13.90%	2,455,203	0.00%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	8,353	14,050	16,500	15,550	10.68%	15,550	0.00%
Utilities	-	-	-	-	-	-	-
Other	14,833	36,300	24,040	44,720	23.20%	44,720	0.00%
<b>Total</b>	<b>\$ 3,497,115</b>	<b>\$ 4,283,781</b>	<b>\$ 4,312,977</b>	<b>\$ 4,610,773</b>	<b>7.63%</b>	<b>\$ 4,706,723</b>	<b>2.08%</b>

## Expenditure Trends

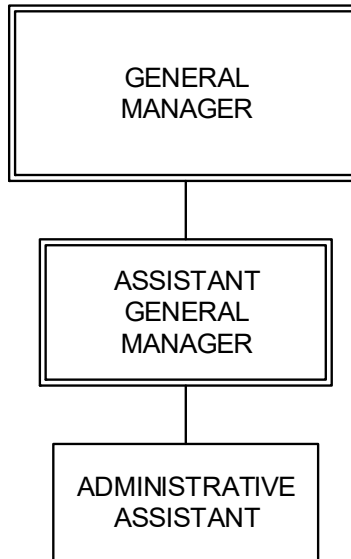


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# Administrative Services Administration

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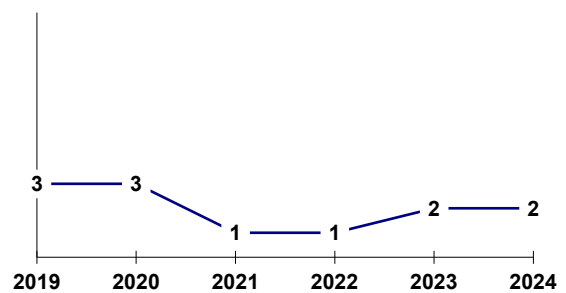
210



Staffing Trends

### 2022-23 & 2023-24 Authorized FTE Positions\*

Executive Manager	1.0
Administrative / Clerical	1.0
<hr/>	
<b>Total</b>	<b>2.0</b>



\*Assistant General Manager will be moved to Division 110 in FY 2023-24. Director of Finance and Administrative Services beginning in FY 2023-24.

# 2022-23 & 2023-24 Budget

## Service Description

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

### 2021-22 Performance Measures

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

### 2021-22 Performance Results

- ◆ Submittal completed in time for placement on secured property tax bills.
- ◆ All Treasury investments in compliance 100% of the time.
- ◆ Solicitation schedules upheld at 100% completion.

### 2022-23 & 2023-24 Performance Objectives

- ◆ Submit annual sewer service fees (SSF) within property parcel database to the County by August 10<sup>th</sup>.
- ◆ Comply with the California State Government Code 100% of the time with all treasury investments.
- ◆ Coordinate and uphold solicitation schedules in support of planned projects and emergency procurements.

### Performance Measures

Summary	2020-21 Actual	2021-22 Projected	2022-23 Proposed	2023-24 Proposed	Justification
◆ Submit SSF to the County by August 10 <sup>th</sup> .	Yes	Yes	Expected	Expected	In-House Standard
◆ Investment Compliance	100%	100%	100%	100%	In-House Standard
◆ Uphold Solicitation Schedules	100%	100%	100%	100%	In-House Standard



# Administrative Services Administration

## Budget Overview

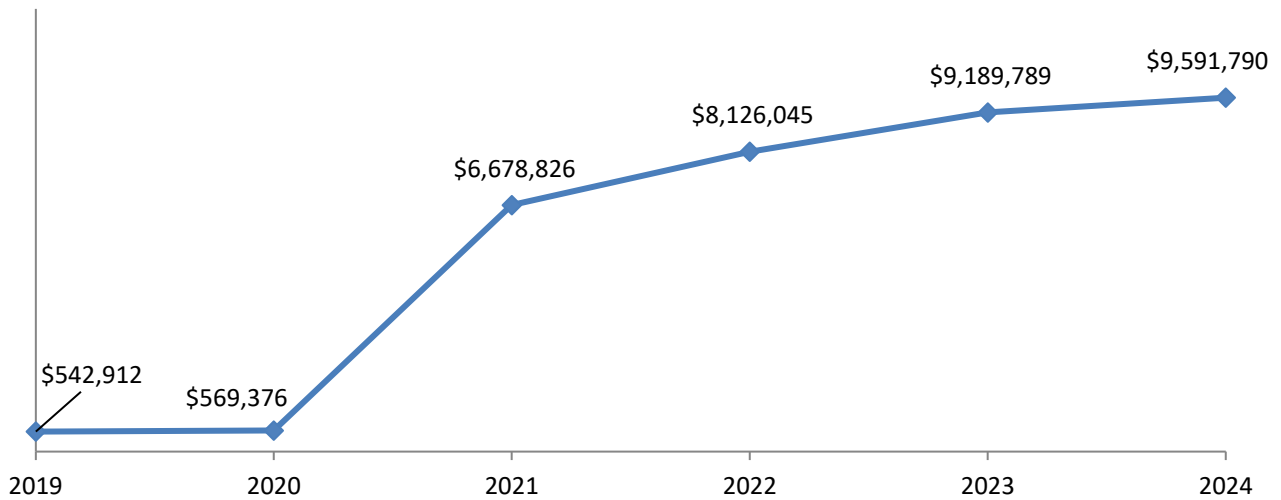
The FY 2022-23 & FY 2023-24 budgets for the Administrative Services Administration & Consolidated Service Divisions reflect an increase of 13% and an increase of 4% over the prior year, respectively. The increases are primarily due to general manager contingency & prior year reappropriation, property & general liability insurance, and utility costs being reallocated to Administrative Services Administration & Consolidated Service Divisions.

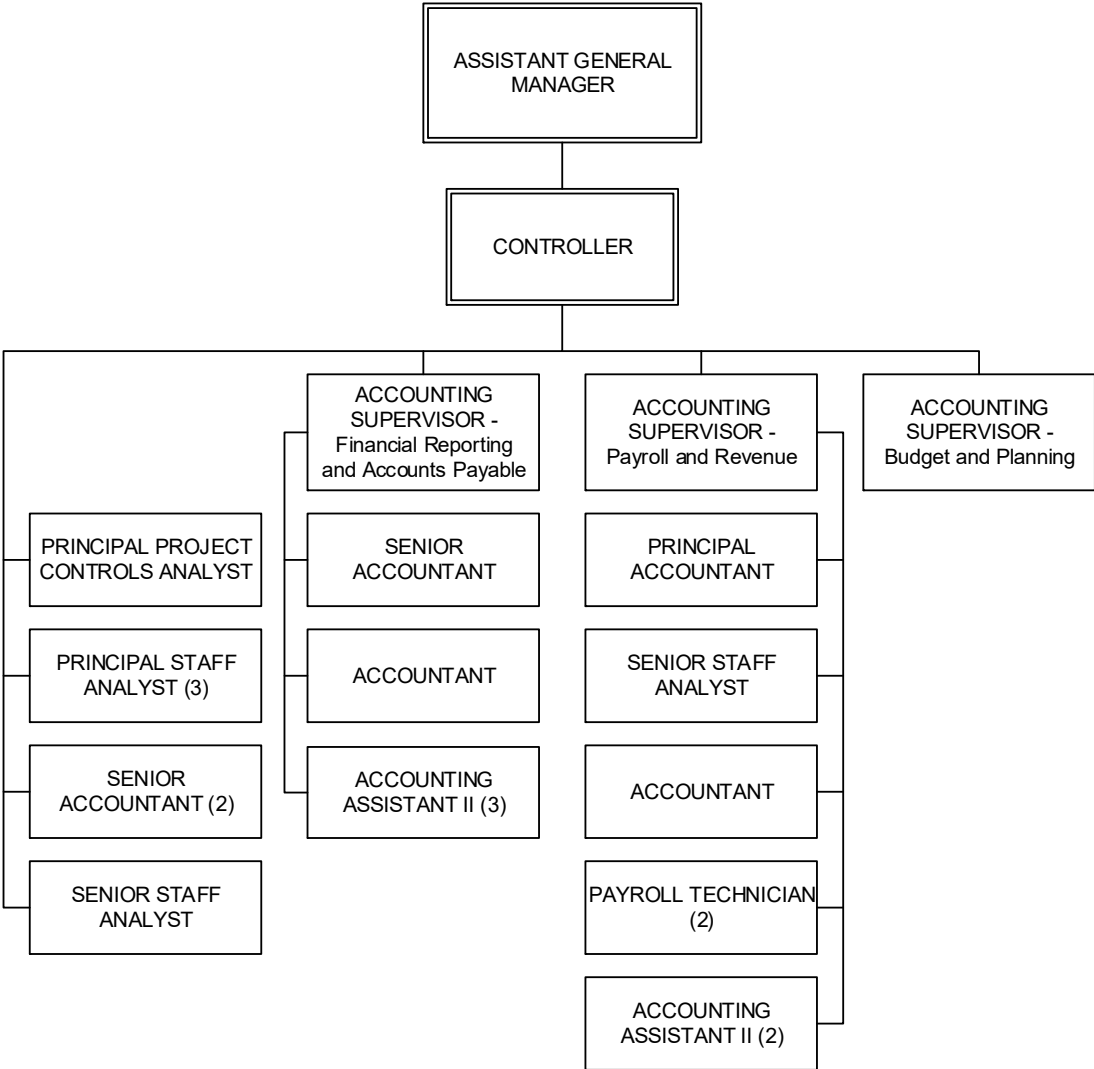
<b>2021-22 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 8,126,045</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	255,900
Change in OCERS retirement costs	161,070
Change in group insurance costs	(900)
Other benefit cost adjustments	1,900
<b>Other Cost Adjustments:</b>	
Increase in trainings & meetings	2,405
Increase in contractual services	34,318
Increase in legal expense	40,000
Decrease in repairs & maintenance services	(18,821)
Increase in utilities	87,164
Increase in property & general liability insurance	220,500
Increase in misc. operating expense	25,000
Increase in general manager contingency & reappropriation	265,198
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(9,990)
<b>2022-23 Proposed Budget - Total Operating Requirements</b>	<b>\$ 9,189,789</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	12,700
Change in OCERS retirement costs	1,900
Change in group insurance costs	2,100
Other benefit cost adjustments	500
<b>Other Cost Adjustments:</b>	
Decrease in trainings & meetings	(2,405)
Increase in contractual services	35,348
Increase in utilities	55,638
Increase in property & general liability insurance	242,550
Increase in general manager contingency & reappropriation	53,650
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	20
<b>2023-24 Proposed Budget - Total Operating Requirements</b>	<b>\$ 9,591,790</b>

# 2022-23 & 2023-24 Budget

Operating Expenses By Category	2020-21 Actual	2021-22 Budget	2021-22 Projected	2022-23 Proposed	Budget % Change	2023-24 Proposed	Budget % Change
Personnel	\$ 1,770,291	\$ 1,766,730	\$ 2,070,754	\$ 2,184,700	23.66%	\$ 2,201,900	0.79%
Supplies	13,185	76,850	77,130	79,265	3.14%	76,880	(3.01%)
Professional & Contractual Services	1,364,006	1,473,952	1,455,582	1,548,270	5.04%	1,583,618	2.28%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	99,821	101,000	81,000	(18.85%)	81,000	0.00%
Utilities	1,297,026	1,289,103	1,464,010	1,376,267	6.76%	1,431,905	4.04%
Other	2,234,318	3,419,589	2,166,420	3,920,287	14.64%	4,216,487	7.56%
<b>Total</b>	<b>\$ 6,678,826</b>	<b>\$ 8,126,045</b>	<b>\$ 7,334,896</b>	<b>\$ 9,189,789</b>	<b>13.09%</b>	<b>\$ 9,591,790</b>	<b>4.37%</b>

## Expenditure Trends





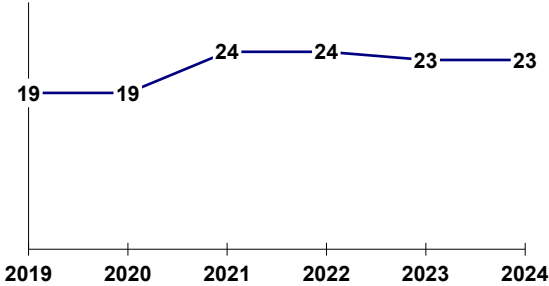
**2022-23 & 2023-24 Authorized FTE Positions**

Manager	1.0
Supervisors / Professionals	15.0
Administrative / Clerical	7.0

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**Total** 23.0

**Staffing Trends**



# 2022-23 & 2023-24 Budget

## Service Description

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

### 2021-22 Performance Objectives

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

### 2021-22 Performance Results

- ◆ Goal was achieved.
- ◆ No more than 30 invoices for payment outstanding longer than 30 days during the completion of any one accounts payable cycle 100% of the time.
- ◆ Sewer service rebate claims were processed within 90 days approximately 70% of the time as a result of methodology changes and staff shortages during COVID.
- ◆ Payroll was processed with an error-free rate of 100% on a bi-weekly and interim basis.
- ◆ All debt service payments were paid electronically, by the due dates, and error free 100% of the time.
- ◆ All treasury investments were in compliance with the California State Government Code 100% of the time.

### 2022-23 & 2023-24 Performance Objectives

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

### Performance Measures

Summary	Performance Measures				Justification
	2020-21 Actual	2021-22 Projected	2022-23 Proposed	2023-24 Proposed	
◆ Financial Reports Issuance Standard	92%	92%	83%	83%	In-House Standard
◆ Accounts Payable Standard	100%	100%	90%	90%	In-House Standard
◆ Sewer Service Refund 90 Day Standard	100%	70%	90%	90%	In-House Standard
◆ Payroll Error Free Standard	100%	100%	99.5%	99.5%	In-House Standard
◆ Debt Service Payment Standard	100%	100%	100%	100%	In-House Standard
◆ Investment Compliance	100%	100%	100%	100%	In-House Standard

# Financial Management

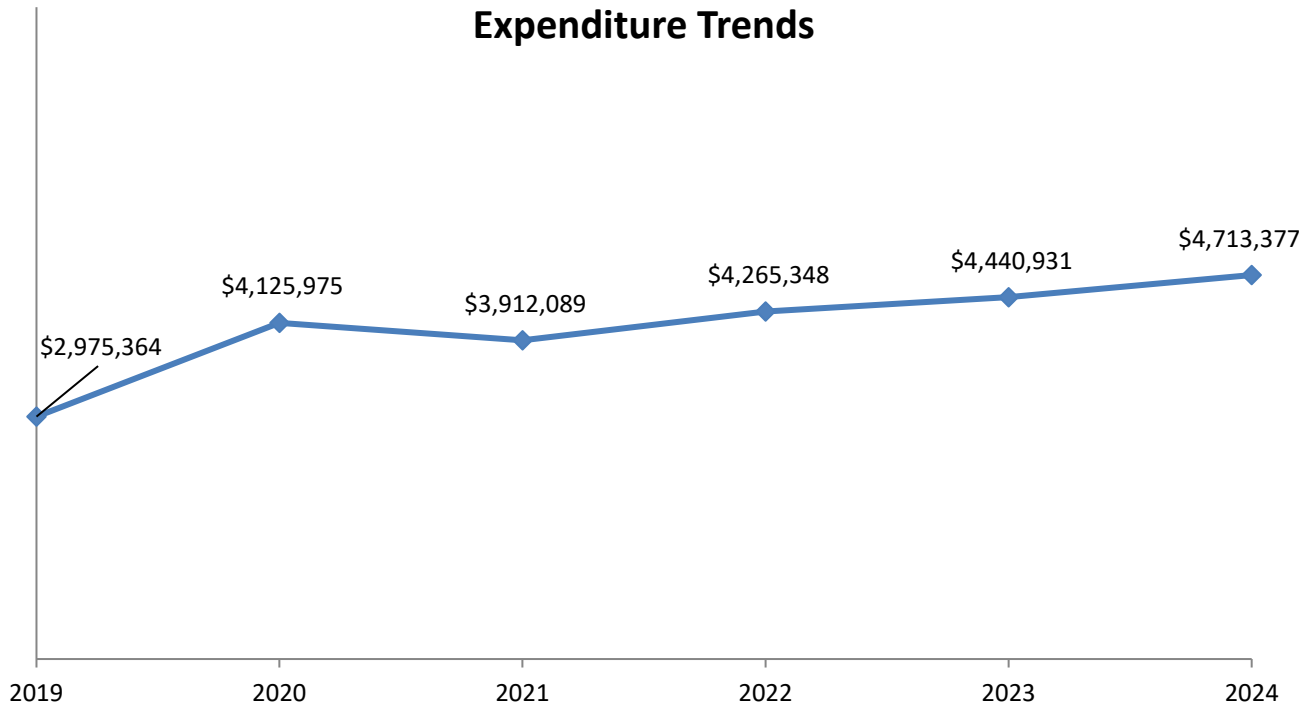
## Budget Overview

The FY 2022-23 & FY 2023-24 budgets for the Financial Management Division reflect an increase of 4% and an increase of 6% over the prior year, respectively. The increase in FY 2022-23 is primarily due to an increase in legal services and other professional services. The increase in FY 2023-24 is primarily due to an increase in personnel expenses and is partially offset by a decrease in other professional services.

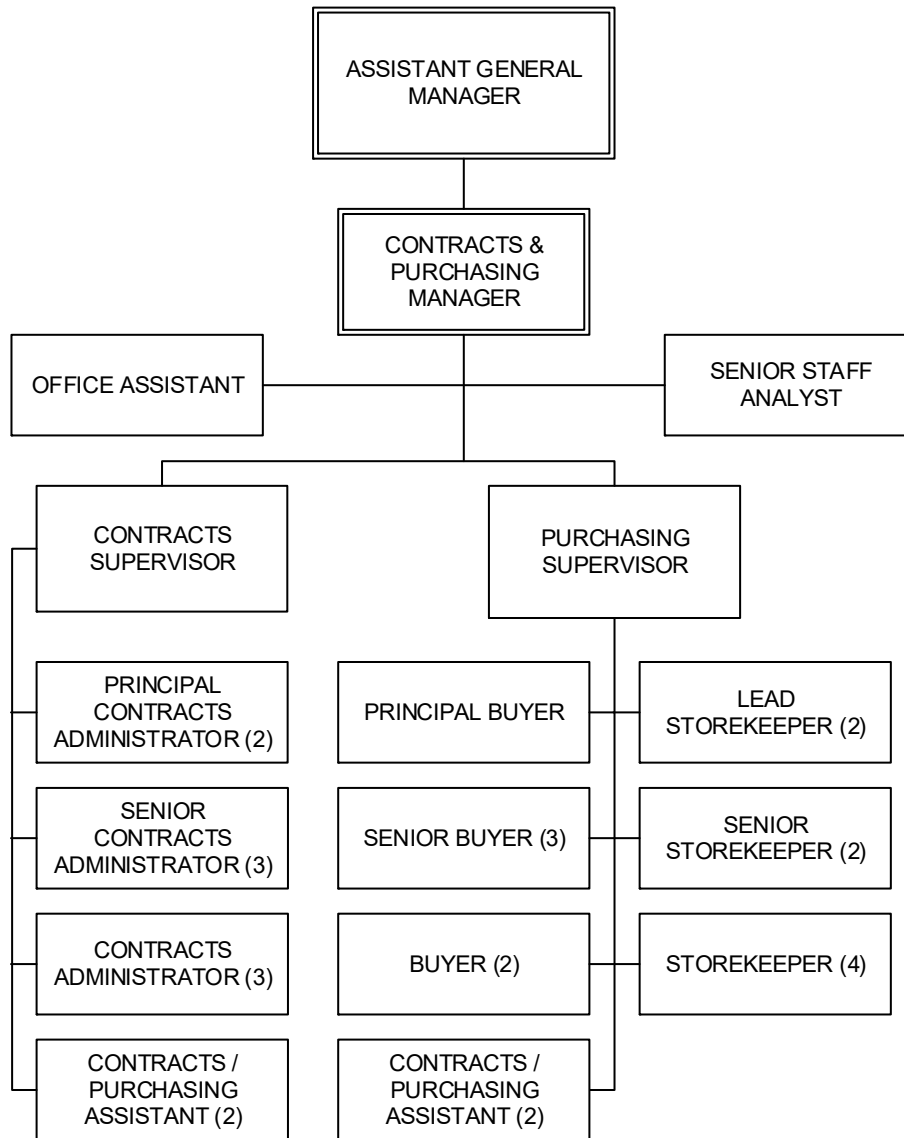
<b>2021-22 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 4,265,348</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	50,232
Change in OCERS retirement costs	18,420
Change in group insurance costs	(56,100)
Other benefit cost adjustments	(6,700)
<b>Other Cost Adjustments:</b>	
Increase in memberships	1,140
Increase in training & meetings	1,095
Increase in other contractual services	5,000
Increase in legal services	22,000
Increase in auditing & accounting	2,200
Increase in other professional services	138,450
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(154)
<b>2022-23 Proposed Budget - Total Operating Requirements</b>	<b>\$ 4,440,931</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	357,332
Change in OCERS retirement costs	40,200
Change in group insurance costs	54,200
Other benefit cost adjustments	6,400
<b>Other Cost Adjustments:</b>	
Increase in training & meetings	6,295
Decrease in other contractual services	(5,000)
Decrease in other professional services	(187,725)
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	744
<b>2023-24 Proposed Budget - Total Operating Requirements</b>	<b>\$ 4,713,377</b>

# 2022-23 & 2023-24 Budget

Operating Expenses By Category	2020-21 Actual	2021-22 Budget	2021-22 Projected	2022-23 Proposed	Budget % Change	2023-24 Proposed	Budget % Change
Personnel	\$ 3,151,747	\$ 3,795,748	\$ 3,677,800	\$ 3,801,600	0.15%	\$ 4,259,732	12.05%
Supplies	22,720	48,095	25,307	50,162	4.30%	57,187	14.00%
Professional & Contractual Services	626,166	420,575	462,575	588,225	39.86%	395,500	(32.76%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	97,694	-	-	-	-	-	-
Utilities	13,410	-	-	-	-	-	-
Other	352	930	810	944	1.51%	958	1.48%
<b>Total</b>	<b>\$ 3,912,089</b>	<b>\$ 4,265,348</b>	<b>\$ 4,166,492</b>	<b>\$ 4,440,931</b>	<b>4.12%</b>	<b>\$ 4,713,377</b>	<b>6.13%</b>



# Contracts, Purchasing, & Materials Management



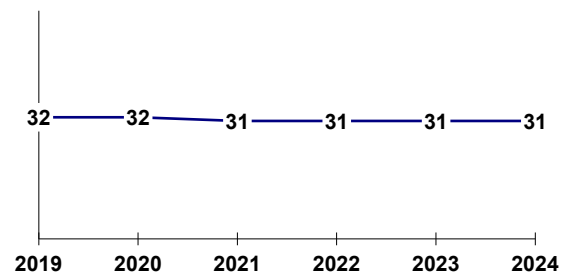
### Staffing Trends

#### 2022-23 & 2023-24 Authorized FTE Positions

Manager	1.00
Supervisors / Professionals	17.00
Administrative / Clerical	13.00

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**Total** 31.00



# 2022-23 & 2023-24 Budget

## Service Description

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

### 2021-22 Performance Objectives

- ◆ Re-implement the cycle count program and maintain a 97% accuracy rate or better.
- ◆ Obtain the 2021 "Achievement of Excellence in Procurement" (AEP) award by meeting all National requirements.
- ◆ Successfully implement a new surplus ordinance.
- ◆ Conduct agency-wide procurement training.
- ◆ Review and track Certificates of Insurance for vendors and contractors.

### 2021-22 Performance Results

- ◆ Achieved.
- ◆ AEP award received.
- ◆ Achieved.
- ◆ In progress.
- ◆ In progress.

### 2022-23 & 2023-24 Performance Objectives

- ◆ Maintain the cycle count program and maintain a 97% accuracy rate or better.
- ◆ Obtain the annual "Achievement of Excellence in Procurement" (AEP) award by meeting all National requirements.
- ◆ Conduct agency-wide procurement training.
- ◆ Review and track Certificates of Insurance for vendors and contractors.

### Performance Measures

Summary	2020-21 Actual	2021-22 Projected	2022-23 Proposed	2023-24 Proposed	Justification
◆ Cycle Count	Achieved	Achieved	Achieve	Achieve	APICS Standard
◆ AEP Award	Obtained	Obtained	Obtain	Obtain	NPI, NAPM, NIGP, & CAPPO standards
◆ Procurement Training	In-Progress	In-Progress	In-Progress	In-Progress	Best Practices
◆ Insurance Tracking	Achieved	Achieved	Achieve	Achieve	Contract Compliance



# Contracts, Purchasing, & Materials Management

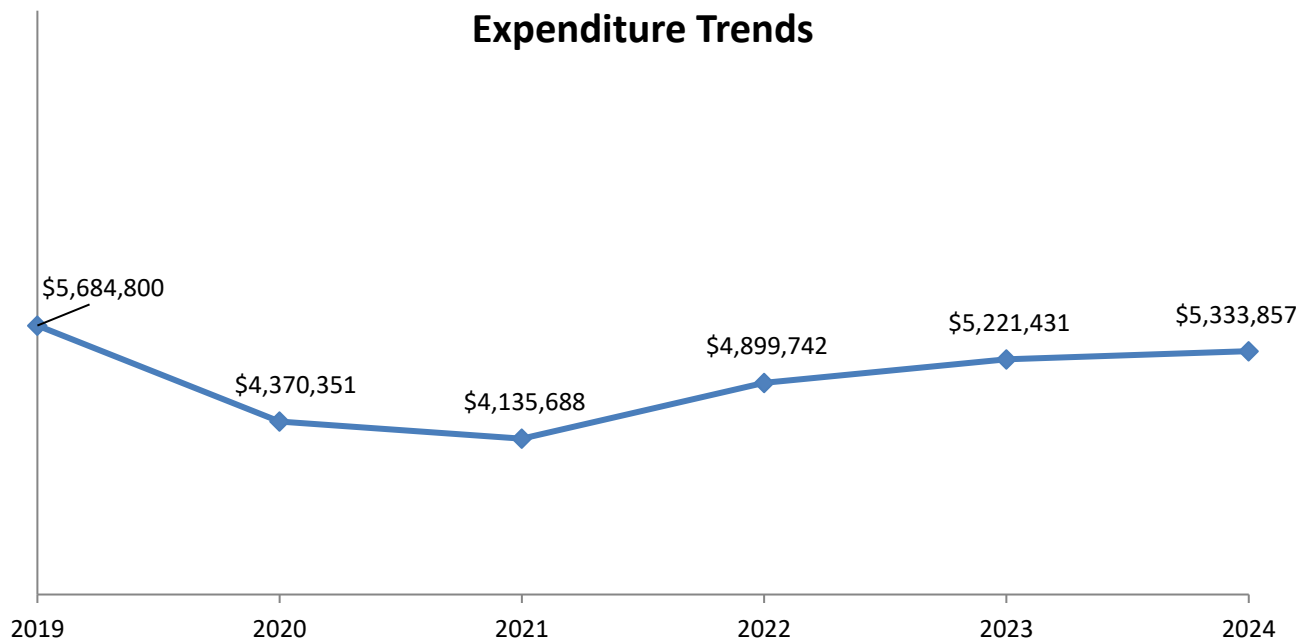
## Budget Overview

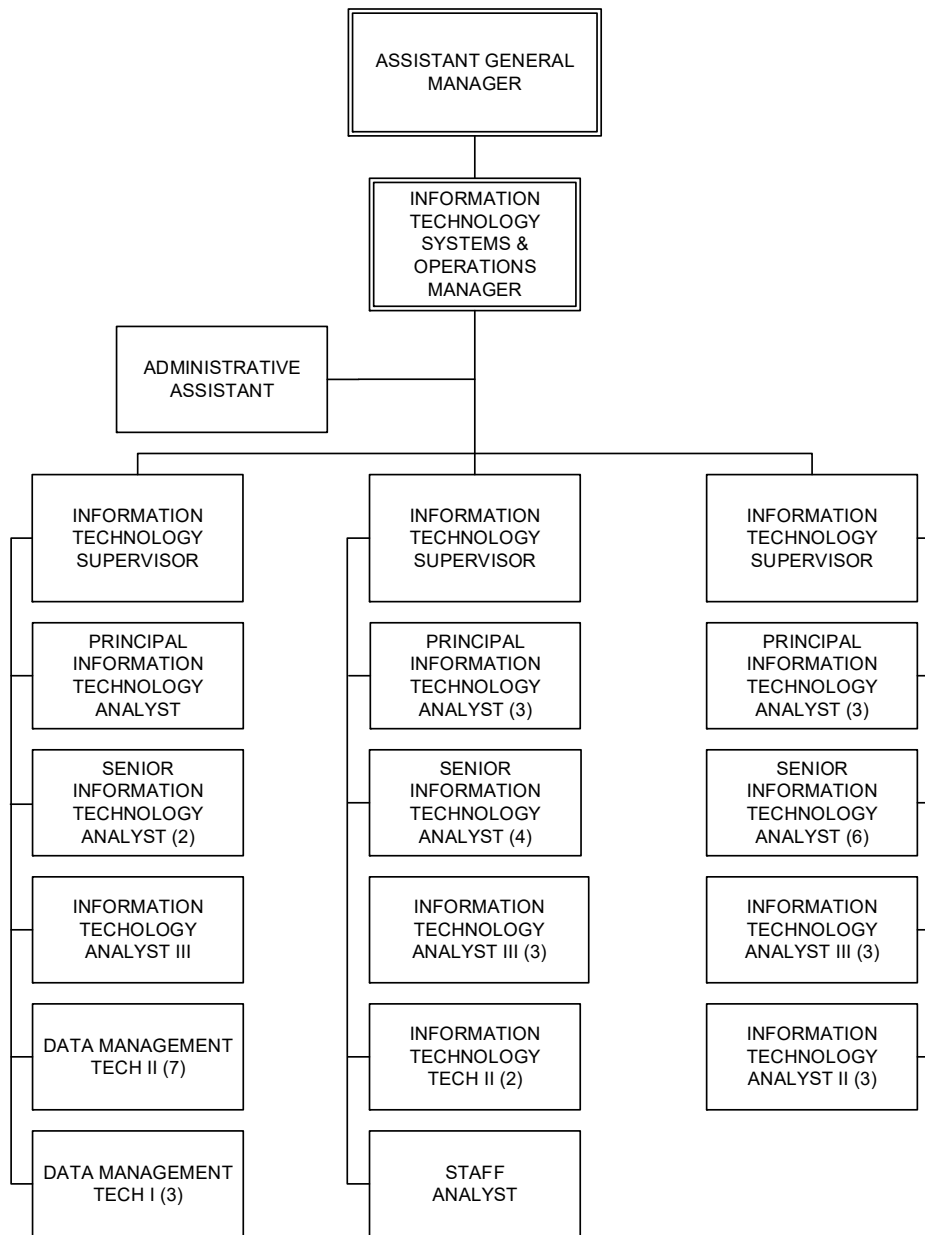
The FY 2022-23 & FY 2023-24 budgets for the Contracts, Purchasing, & Materials Management Division reflect an increase of 7% and an increase of 2% over the prior year, respectively. The increase in FY 2022-23 is primarily due to an increase in personnel expenses, minor furniture and fixtures, and tools. The increase in FY 2023-24 is primarily due to an increase in personnel expenses and is partially offset by a decrease in minor furniture and fixtures.

<b>2021-22 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 4,899,742</b>
<i><b>Salaries for Position Changes:</b></i>	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
<i><b>Changes in Personnel Expenses:</b></i>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	175,664
Change in OCERS retirement costs	20,500
Change in group insurance costs	(56,400)
Other benefit cost adjustments	(17,200)
<i><b>Other Cost Adjustments:</b></i>	
Increase in minor furniture & fixtures	147,500
Decrease in printing & publication	(6,000)
Increase in training & meetings	1,860
Increase in tools	90,000
Decrease in misc. operating supplies	(3,000)
Decrease in temporary services	(25,000)
Increase in software program consulting	1,500
Decrease in misc. operating expenses	(5,000)
<i><b>Aggregate change in Other Categories:</b></i>	
Aggregate change in other materials, supplies, and services	(2,735)
<b>2022-23 Proposed Budget - Total Operating Requirements</b>	<b>\$ 5,221,431</b>
<i><b>Changes in Personnel Expenses:</b></i>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	163,700
Change in OCERS retirement costs	19,500
Change in group insurance costs	34,100
Other benefit cost adjustments	8,500
<i><b>Other Cost Adjustments:</b></i>	
Decrease in minor furniture/fixture	(135,000)
Decrease in training & meetings	(3,324)
Increase in janitorial	9,000
Increase in misc. operating supplies	7,500
Increase in software program consult	1,500
Increase in misc. operating expenses	5,000
<i><b>Aggregate change in Other Categories:</b></i>	
Aggregate change in other materials, supplies, and services	1,950
<b>2023-24 Proposed Budget - Total Operating Requirements</b>	<b>\$ 5,333,857</b>

# 2022-23 & 2023-24 Budget

Operating Expenses By Category	2020-21 Actual	2021-22 Budget	2021-22 Projected	2022-23 Proposed	Budget % Change	2023-24 Proposed	Budget % Change
Personnel	\$ 3,730,729	\$ 4,504,936	\$ 4,415,300	\$ 4,627,500	2.72%	\$ 4,853,300	4.88%
Supplies	96,540	69,186	107,410	295,791	327.53%	175,917	(40.53%)
Professional & Contractual Services	141,756	165,000	192,230	141,500	(14.24%)	143,000	1.06%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	(291)	-	1,000	1,000	-	1,000	0.00%
Utilities	-	-	-	-	-	-	-
Other	166,954	160,620	151,820	155,640	(3.10%)	160,640	3.21%
<b>Total</b>	<b>\$ 4,135,688</b>	<b>\$ 4,899,742</b>	<b>\$ 4,867,760</b>	<b>\$ 5,221,431</b>	<b>6.57%</b>	<b>\$ 5,333,857</b>	<b>2.15%</b>





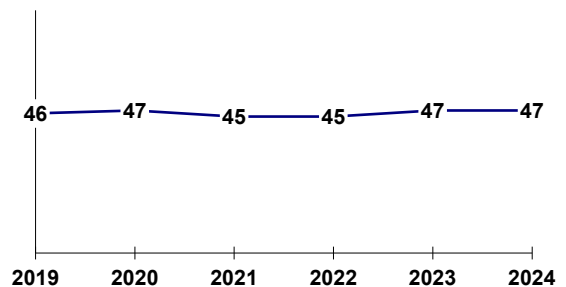
### 2022-23 & 2023-24 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	33.0
Technical Staff	12.0
Administrative / Clerical	1.0

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**Total** 47.0

### Staffing Trends



# 2022-23 & 2023-24 Budget

## Service Description

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

### 2021-22 Performance Objectives

- ◆ Replace Obsolete Computers.
- ◆ Maintain Safety Scorecard above 90%.
- ◆ Cyber Security Awareness/Protection - better the industry average by 15%.
- ◆ Manage Operating Budget between 96%-100% of approved budget.

### 2021-22 Performance Results

- ◆ Replaced 12% of computer inventory.
- ◆ The Safety Scorecard is at 100%.
- ◆ OC San's phish-prone percentage has decreased and is 1.8% better than industry average.
- ◆ Currently spent 88% of approved budget.

### 2022-23 & 2023-24 Performance Objectives

- ◆ Replace obsolete desktop, mobile and server computers.
- ◆ Maintain a Safety Scorecard above 95% for overall score.
- ◆ Cyber Security Awareness/Protection – report on the overall effectiveness of the phishing campaign and better the industry average.
- ◆ Replace 30% of obsolete network infrastructure for OC San's office computing.
- ◆ Manage Operating Budget between 96% and 100% of approved budget.

### Performance Measures

Summary	2020-21 Actual	2021-22 Projected	2022-23 Proposed	2023-24 Proposed	Justification
◆ Replace Obsolete Desktop, Mobile, and Server Computers	12%	20%	20% of total computers	20% of total computers	Rotate Desktops Every 5 Years, Mobiles 3 Years
◆ Maintain a Safety Scorecard above 95% for Overall Score	100%	100%	95%	95%	In-House Standard
◆ Cyber Security Awareness/Protection	1.8%	1.8%	>1%	>1%	GM Workplan
◆ Replace Obsolete Network Infrastructure for OC San's Office Computing	N/A	N/A	50%	50%	Cyber security and system availability
◆ Manage Operating Budget	88%	95%	96-100%	96-100%	In-House Standard

# Information Technology

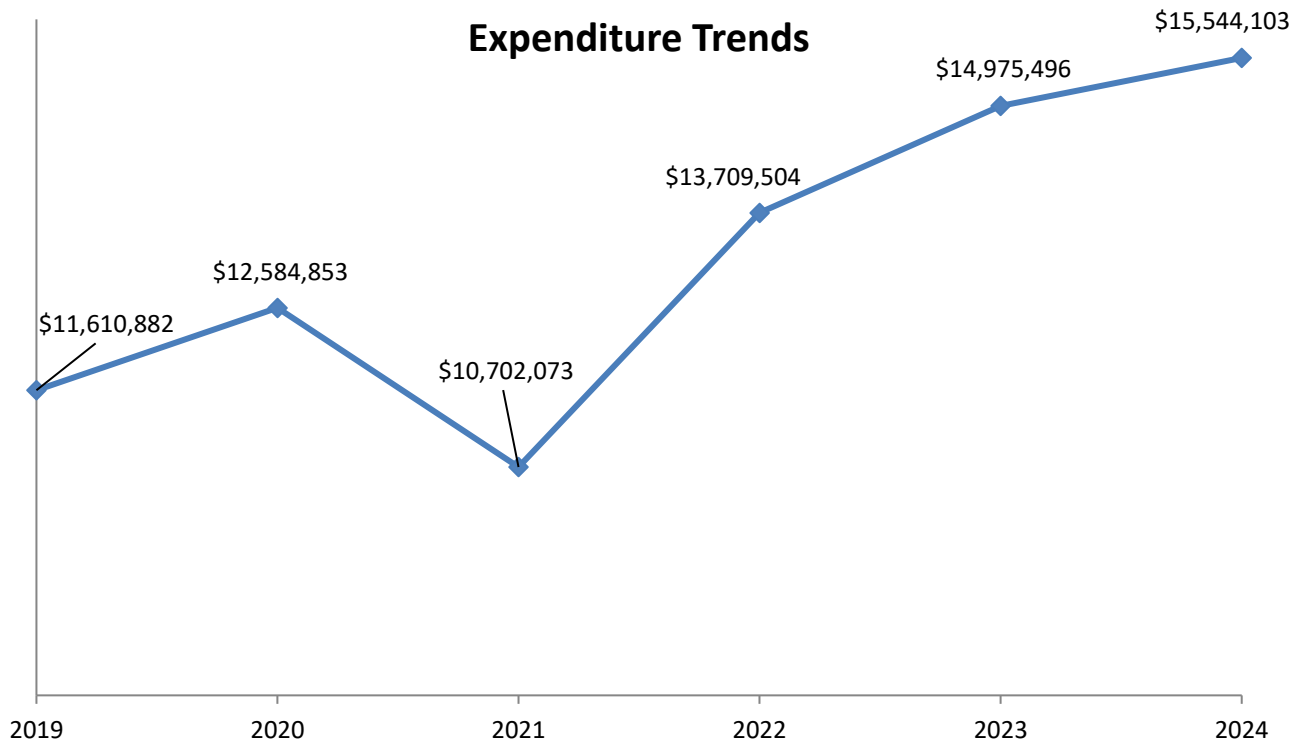
## Budget Overview

The FY 2022-23 & FY 2023-24 budgets for the Information Technology Division reflect an increase of 9% and an increase of 4% over the prior year, respectively. The increases are primarily due to personnel expenses, small computer items, and service maintenance agreements, and is partially offset in FY 2023-24 by a decrease in other professional services.

<b>2021-22 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 13,709,504</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	107,493
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	442,224
Change in OCERS retirement costs	27,310
Change in group insurance costs	(100,100)
Other benefit cost adjustments	(2,100)
<b>Other Cost Adjustments:</b>	
Increase in small computer items	50,000
Decrease in printing & publication	(38,000)
Increase in training & meetings	47,260
Decrease in temporary services	(80,000)
Decrease in software program consulting	(57,000)
Increase in other professional services	28,812
Increase in service maintenance agreements	840,183
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(90)
<b>2022-23 Proposed Budget - Total Operating Requirements</b>	<b>\$ 14,975,496</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	303,500
Change in OCERS retirement costs	34,200
Change in group insurance costs	49,100
Other benefit cost adjustments	11,900
<b>Other Cost Adjustments:</b>	
Increase in small computer items	141,875
Decrease in other professional services	(178,000)
Increase in service maintenance agreements	206,032
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	-
<b>2023-24 Proposed Budget - Total Operating Requirements</b>	<b>\$ 15,544,103</b>

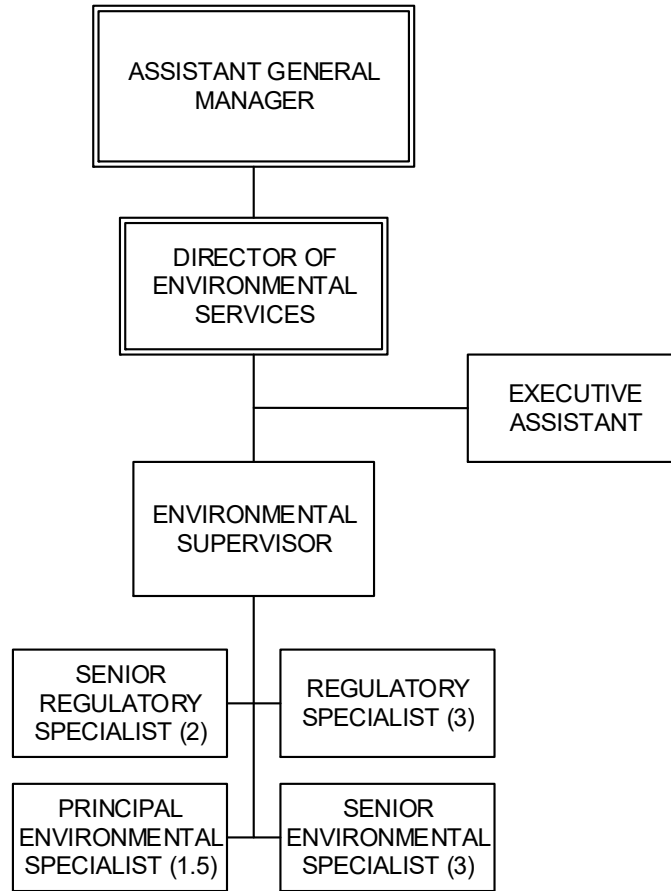
# 2022-23 & 2023-24 Budget

Operating Expenses By Category	2020-21 Actual	2021-22 Budget	2021-22 Projected	2022-23 Proposed	Budget % Change	2023-24 Proposed	Budget % Change
Personnel	\$ 6,487,593	\$ 7,727,166	\$ 7,840,900	\$ 8,201,993	6.14%	\$ 8,600,693	4.86%
Supplies	953,417	1,303,360	1,321,440	1,362,530	4.54%	1,504,405	10.41%
Professional & Contractual Services	394,226	1,146,188	375,170	1,038,000	(9.44%)	860,000	(17.15%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	2,837,597	3,480,450	4,845,100	4,320,633	24.14%	4,526,665	4.77%
Utilities	-	-	-	-	-	-	-
Other	29,240	52,340	28,680	52,340	0.00%	52,340	0.00%
<b>Total</b>	<b>\$ 10,702,073</b>	<b>\$ 13,709,504</b>	<b>\$ 14,411,290</b>	<b>\$ 14,975,496</b>	<b>9.23%</b>	<b>\$ 15,544,103</b>	<b>3.80%</b>



# Environmental Services Administration

610



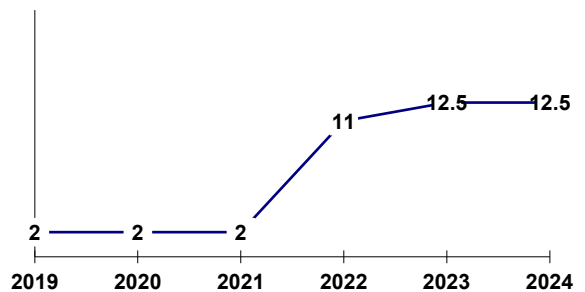
## 2022-23 & 2023-24 Authorized FTE Positions

Executive Manager	1.0
Supervisors / Professionals	10.5
Administrative / Clerical	1.0

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**Total** 12.5

Staffing Trends



# 2022-23 & 2023-24 Budget

## Service Description

Environmental Services Administration and Regulatory Compliance provides leadership, support and management oversight for the Department to accomplish OC San's Strategic Plan and departmental annual goals. The Regulatory Compliance group is tasked with ensuring adherence to environmental regulations and permit conditions for ocean discharge, air emissions and biosolids/solids management. The team actively advocates for responsible and pragmatic environmental regulations relevant to wastewater treatment and resource recovery.

### 2021-22 Performance Objectives

- ◆ Manage operating expenditures to within 96% to 100% of the approved budget.
- ◆ Ensure that reporting divisions achieve 90% of individual performance objectives.
- ◆ Ensure all environmental compliance reporting requirements are met on or before required submission date 100% of the time.
- ◆ Audit Environmental Permits: Quarterly, semiannually, annually, every 2 years.

### 2021-22 Performance Results

- ◆ On track to meet goal of 96-100%
- ◆ All objectives were met.
- ◆ On track.
- ◆ On track.

### 2022-23 & 2023-24 Performance Objectives

- ◆ Manage operating expenditures to within 96% to 100% of the approved budget.
- ◆ Ensure that reporting divisions achieve 90% of individual performance objectives.
- ◆ Ensure all environmental compliance reporting requirements are met on or before required submission date 100% of the time.
- ◆ Conduct audits of all major environmental permits within adopted audit schedule: quarterly, semiannually, annually, every 2 years.

### Performance Measures

Summary	2020-21 Actual	2021-22 Projected	2022-23 Proposed	2023-24 Proposed	Justification
◆ Manage Budget	100%	96-100%	96-100%	96-100%	In-House Standard
◆ Department Performance Objectives	≥ 90%	≥ 90%	≥ 90%	≥ 90%	In-House Standard & Permit Requirement
◆ Compliance Reporting Requirements	100%	95%	100%	100%	Required by Permit
◆ Audit Environmental Permits Quarterly, Semiannually, Annually and Every 2 Years	100%	100%	100%	100%	In-House Standard & permit Requirement



# Environmental Services Administration

## Budget Overview

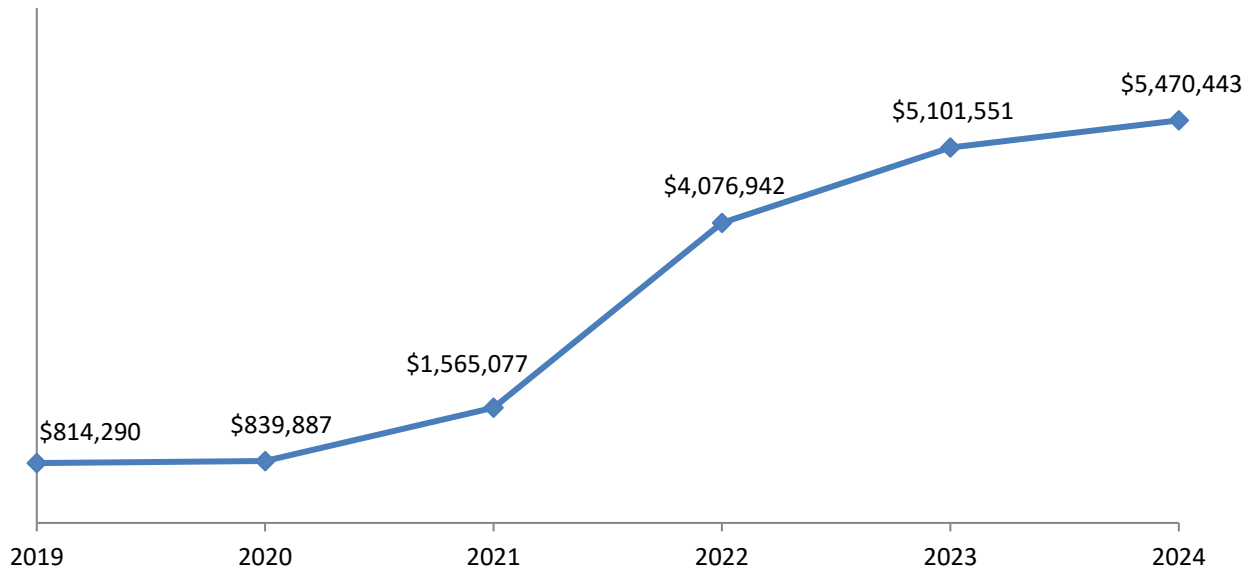
The FY 2022-23 & FY 2023-24 budgets for the Environmental Services Administration Division reflect an increase of 25% and an increase of 7% over the prior year, respectively. The increase in FY 2022-23 is primarily due to an increase in personnel expenses, training and meetings, environmental scientific consulting, and regulatory operating fees. The increase in FY 2023-24 is primarily due to an increase in personnel expenses, other professional services, and regulatory operating fee, and is partially offset by a decrease in environmental scientific consulting.

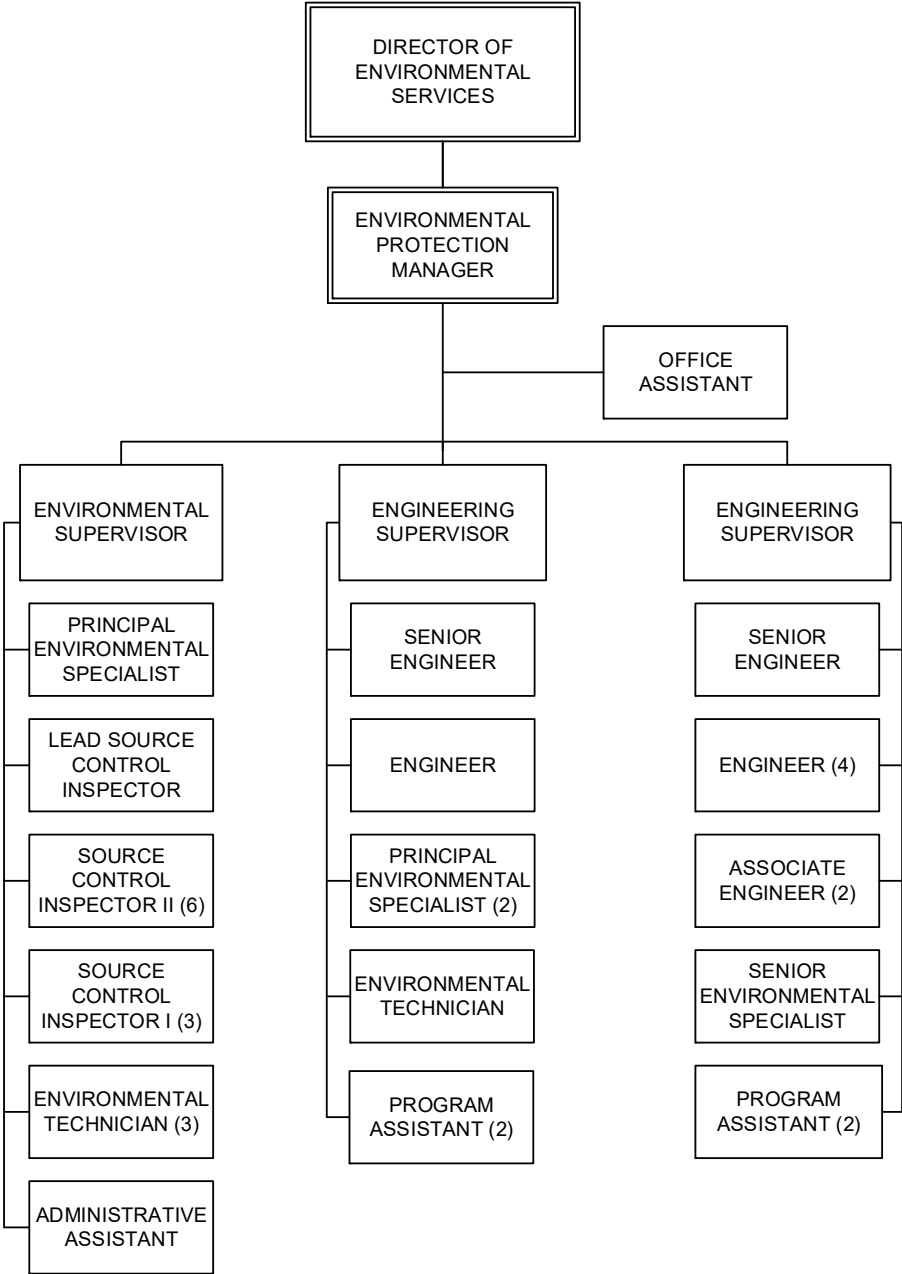
<b>2021-22 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 4,076,942</b>
<i><b>Salaries for Position Changes:</b></i>	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
<i><b>Changes in Personnel Expenses:</b></i>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	430,252
Change in OCERS retirement costs	24,560
Change in group insurance costs	(149,600)
Other benefit cost adjustments	4,500
<i><b>Other Cost Adjustments:</b></i>	
Increase in memberships	4,230
Increase in training & meetings	92,903
Increase in legal services	50,000
Increase in enviro scientific consulting	259,221
Decrease in advocacy efforts	(15,575)
Increase in other professional services	8,082
Increase in research & monitoring	50,450
Increase in regulatory operating fees	265,476
<i><b>Aggregate change in Other Categories:</b></i>	
Aggregate change in other materials, supplies, and services	110
<b>2022-23 Proposed Budget - Total Operating Requirements</b>	<b>\$ 5,101,551</b>
<i><b>Changes in Personnel Expenses:</b></i>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	118,500
Change in OCERS retirement costs	12,900
Change in group insurance costs	3,600
Other benefit cost adjustments	500
<i><b>Other Cost Adjustments:</b></i>	
Decrease in memberships	(3,600)
Increase in training & meetings	3,500
Decrease in environmental scientific consulting	(64,221)
Increase in other professional services	190,000
Increase in research & monitoring	15,913
Increase in regulatory operating fees	91,800
<i><b>Aggregate change in Other Categories:</b></i>	
Aggregate change in other materials, supplies, and services	-
<b>2023-24 Proposed Budget - Total Operating Requirements</b>	<b>\$ 5,470,443</b>

# 2022-23 & 2023-24 Budget

Operating Expenses By Category	2020-21 Actual	2021-22 Budget	2021-22 Projected	2022-23 Proposed	Budget % Change	2023-24 Proposed	Budget % Change
Personnel	\$ 1,196,087	\$ 2,017,188	\$ 2,318,600	\$ 2,326,900	15.35%	\$ 2,462,400	5.82%
Supplies	1,259	137,737	118,465	234,720	70.41%	234,620	(0.04%)
Professional & Contractual Services	-	182,493	179,195	484,221	165.34%	610,000	25.98%
Research & Monitoring	367,148	700,000	650,000	750,450	7.21%	766,363	2.12%
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	583	1,039,524	1,039,524	1,305,260	25.56%	1,397,060	7.03%
<b>Total</b>	<b>\$ 1,565,077</b>	<b>\$ 4,076,942</b>	<b>\$ 4,305,784</b>	<b>\$ 5,101,551</b>	<b>25.13%</b>	<b>\$ 5,470,443</b>	<b>7.23%</b>

## Expenditure Trends



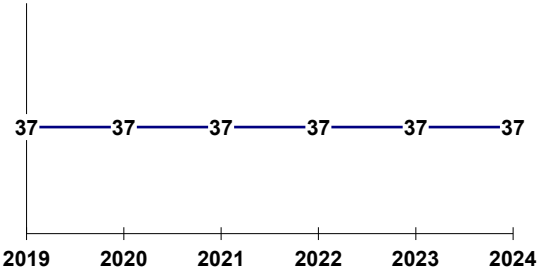


2022-23 & 2023-24 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	16.0
Technical Staff	14.0
Administrative / Clerical	6.0

**Total** 37.0

Staffing Trends



# 2022-23 & 2023-24 Budget

## Service Description

Resource Protection provides local enforcement of federal pretreatment regulations and ensures continuous improvement in OC San's enhanced source control program to sustain water reclamation and beneficial biosolids reuse. The division conducts its industrial and non-industrial source control activities in a cost effective and legally defensible manner to protect OC San's assets, employees, public health and the environment.

### 2021-22 Performance Objectives

- ◆ Meet 100% of regulatory deadlines for required pretreatment program reports.
- ◆ Implement Ordinance terms and conditions, enforcing prohibitions (e.g., stormwater, slug discharges, etc.).
- ◆ Issue and renew 100% of the industrial wastewater permits prior to the expiration date.
- ◆ Complete all assigned inspections and monitoring of Class I industrial permit holders.
- ◆ Support of GWRS, special projects and routine monitoring requirements.

### 2021-22 Performance Results

- ◆ To date 100% compliance.
- ◆ To date 100% compliance.
- ◆ Staff issued and renewed 100% of the industrial wastewater permits prior to the expiration dates.
- ◆ Staff completed all assigned inspections and monitoring of Class I industrial permit holders.
- ◆ Staff is supporting GWRS, special projects and routine monitoring requirements.

### 2022-23 & 2023-24 Performance Objectives

- ◆ Ensure the division's expenditures are managed to 96-100% of proposed budget.
- ◆ Meet 100% of regulatory deadlines for required pretreatment program reports.
- ◆ Implement Ordinance terms and conditions, enforcing prohibitions (e.g., stormwater, slug discharges, etc.).
- ◆ Issue and renew 100% of the regular industrial wastewater discharge permits on time.
- ◆ Complete all required inspections and monitoring of Class I industrial permittees.
- ◆ Support GWRS and conduct special projects and routine monitoring requirements.

### Performance Measures

Summary	2020-21 Actual	2021-22 Projected	2022-23 Proposed	2023-24 Proposed	Justification
◆ Manage Division Budget	84%	85%	100%	100%	In-House Standard
◆ Meet 100% of Regulatory Deadlines (Reports)	100%	100%	100%	100%	NPDES Permit Requirement
◆ Implement Ordinance	100%	100%	100%	100%	Federal Pretreatment Requirement
◆ Industrial Permit Issuance/Renewal	100%	100%	100%	100%	Federal Rule and Permit Requirement
◆ Inspections/Monitoring	100%	100%	100%	100%	Federal Rule and Permit Requirement
◆ Support GWRS, special projects, and routine monitoring.	100%	100%	100%	100%	Joint Agreement

# Resource Protection

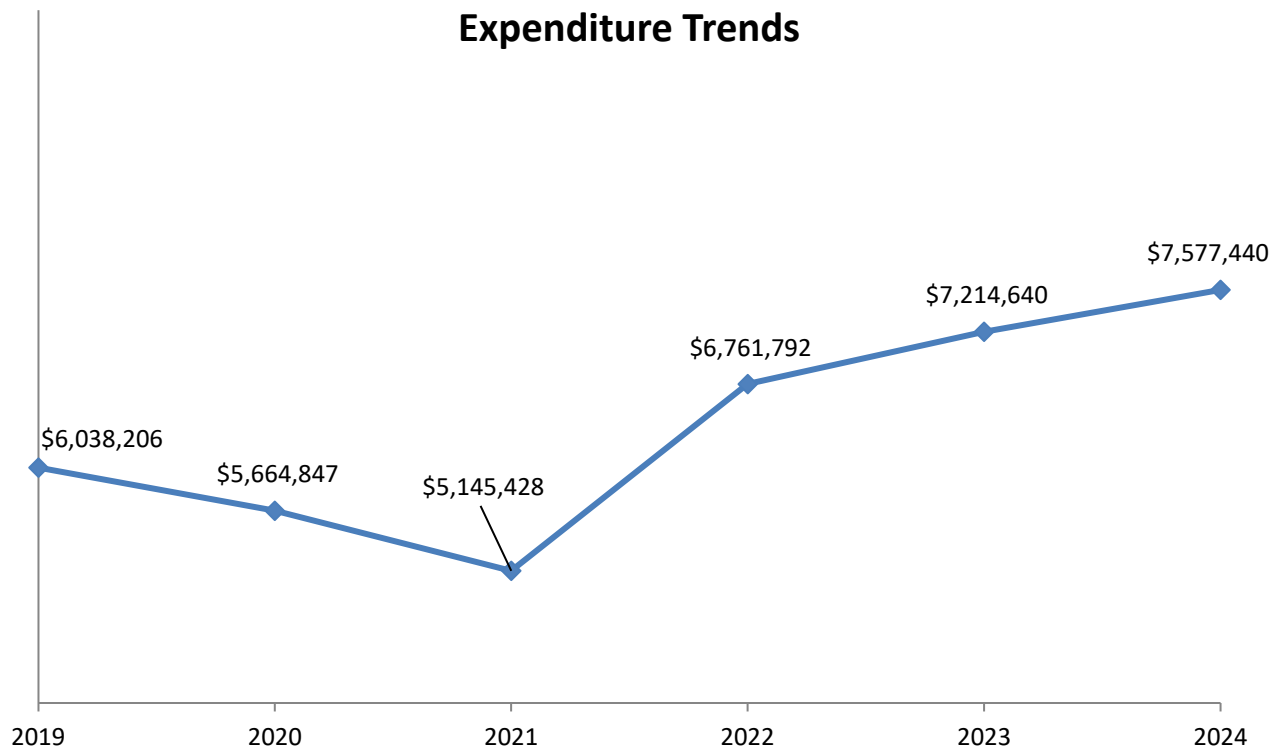
## Budget Overview

The FY 2022-23 & FY 2023-24 budget for the Resource Protection Division reflects an increase of 7% and an increase of 5% over the prior year, respectively. The increase in FY 2022-23 is primarily due to an increase in personnel expenses, tools, and engineering services. The increase in FY 2023-24 is primarily due to an increase in personnel expenses.

<b>2021-22 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 6,761,792</b>
<i><b>Salaries for Position Changes:</b></i>	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
<i><b>Changes in Personnel Expenses:</b></i>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	286,548
Change in OCERS retirement costs	(31,420)
Change in group insurance costs	(85,300)
Other benefit cost adjustments	(22,400)
<i><b>Other Cost Adjustments:</b></i>	
Decrease in training & meetings	(2,450)
Increase in tools	127,000
Increase in safety equipment/tools	36,000
Increase in lab chemicals & supplies	2,000
Increase in temporary services	50,000
Increase in legal services	25,000
Increase in engineering services	125,000
Decrease in enviro scientific consulting	(52,000)
Decrease in repairs & mainenance materials	(2,000)
<i><b>Aggregate change in Other Categories:</b></i>	
Aggregate change in other materials, supplies, and services	(3,130)
<b>2022-23 Proposed Budget - Total Operating Requirements</b>	<b>\$ 7,214,640</b>
<i><b>Changes in Personnel Expenses:</b></i>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	311,400
Change in OCERS retirement costs	31,200
Change in group insurance costs	40,900
Other benefit cost adjustments	9,800
<i><b>Other Cost Adjustments:</b></i>	
Increase in printing & publications	2,500
Increase in training & meetings	4,500
Decrease in tools	(25,000)
Decrease in safety equipment/tools	(15,000)
Increase in lab chemicals & supplies	2,500
<i><b>Aggregate change in Other Categories:</b></i>	
Aggregate change in other materials, supplies, and services	-
<b>2023-24 Proposed Budget - Total Operating Requirements</b>	<b>\$ 7,577,440</b>

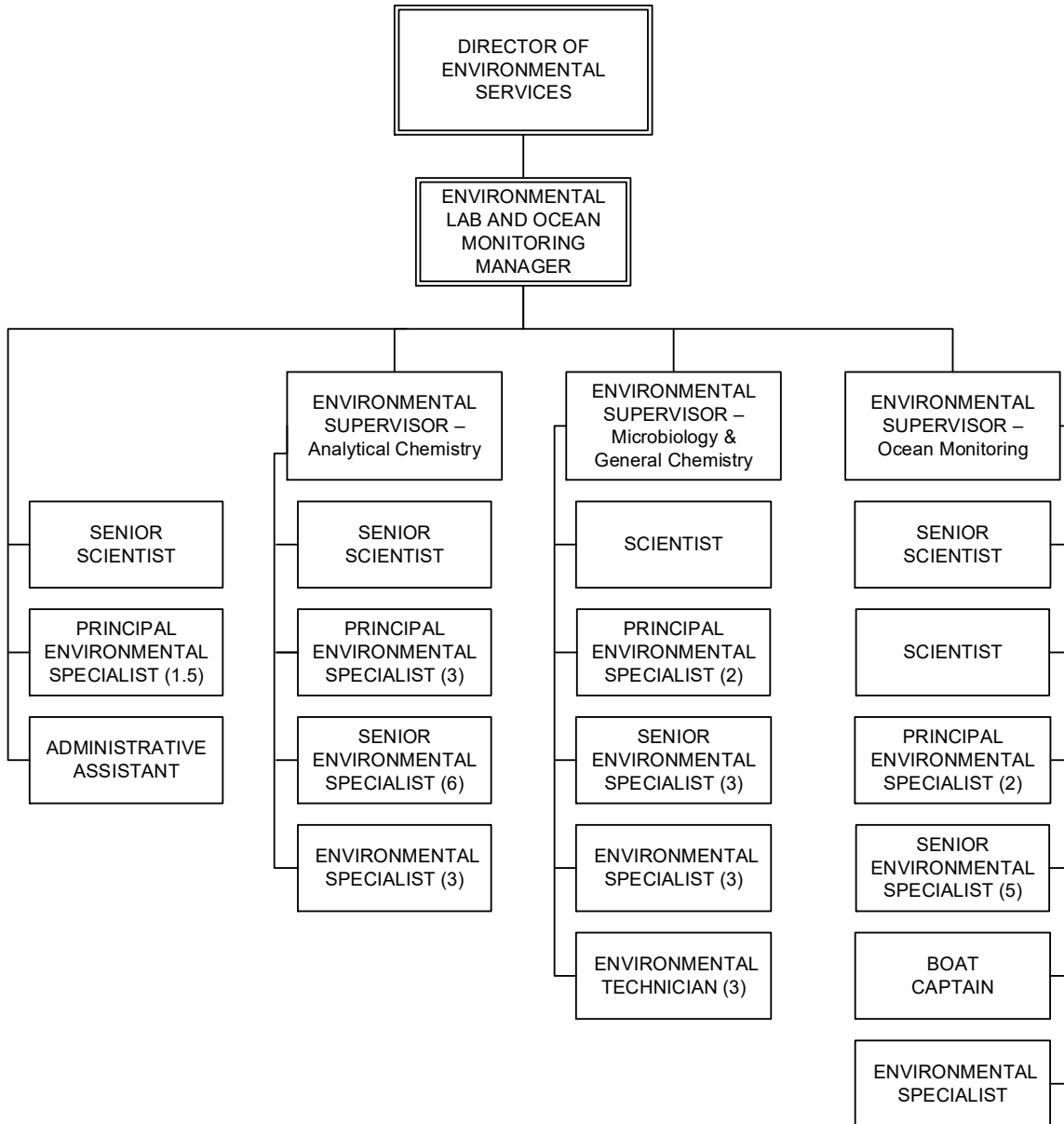
## 2022-23 & 2023-24 Budget

Operating Expenses By Category	2020-21 Actual	2021-22 Budget	2021-22 Projected	2022-23 Proposed	Budget % Change	2023-24 Proposed	Budget % Change
Personnel	\$ 4,648,910	\$ 5,836,672	\$ 5,192,900	\$ 5,984,100	2.53%	\$ 6,377,400	6.57%
Supplies	291,721	156,580	152,750	315,600	101.56%	285,100	(9.66%)
Professional & Contractual Services	193,435	753,600	216,600	902,000	19.69%	902,000	0.00%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	11,267	14,000	14,000	12,000	(14.29%)	12,000	0.00%
Utilities	-	-	-	-	-	-	-
Other	95	940	940	940	0.00%	940	0.00%
<b>Total</b>	<b>\$ 5,145,428</b>	<b>\$ 6,761,792</b>	<b>\$ 5,577,190</b>	<b>\$ 7,214,640</b>	<b>6.70%</b>	<b>\$ 7,577,440</b>	<b>5.03%</b>



# Laboratory, Monitoring & Compliance

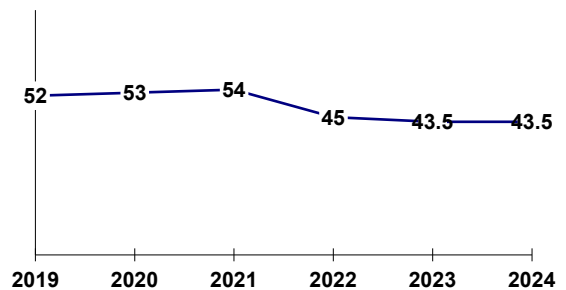
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## Staffing Trends

### 2022-23 & 2023-24 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	38.5
Technical Staff	3.0
Administrative / Clerical	1.0
<b>Total</b>	<b>43.5</b>



# 2022-23 & 2023-24 Budget

## Service Description

Environmental Laboratory and Ocean Monitoring provides sampling, ocean and treatment process monitoring, laboratory analysis, and oceanographic research services to OC San's operations and to protect receiving water quality. The division is responsible for collaborating with OC San's coastal monitoring partners and advancing analytical innovation in key regulatory areas such as compounds of emerging concern and toxic air contaminants.

### 2021-22 Performance Objectives

- ◆ Continued efficiency improvement as measured by internal standards and industry benchmarking with regional laboratories.
- ◆ Successful performance on proficiency test standards to maintain lab accreditations.
- ◆ Manage operating expenditures to within 96% to 100% of the approved budget.
- ◆ Support GWRS, special projects, and routine monitoring requirements.
- ◆ Meet all NPDES Permit requirements.

### 2021-22 Performance Results

- ◆ On track
- ◆ On track
- ◆ On track to meet goal of 96-100%
- ◆ On track
- ◆ On track

### 2022-23 & 2023-24 Performance Objectives

- ◆ Continue efficiency improvements as measured by internal standards and benchmarks.
- ◆ Successful performance on proficiency test standards 100% correctly in no more than two attempts and achieve no less than 95% correct results on first attempt.
- ◆ Manage operating expenditures to within 96% to 100% of the approved budget.
- ◆ Support of GWRS, special projects and routine monitoring requirements.
- ◆ Meet all NPDES Permit monitoring and reporting requirements.

### Performance Measures

Summary	2020-21 Actual	2021-22 Projected	2022-23 Proposed	2023-24 Proposed	Justification
◆ Laboratory Productivity	100%	100%	100%	100%	In-House Standard
◆ Laboratory Accreditation	100%	100%	100%	100%	Maintain Lab Accreditations
◆ Manage Budget	86%	96-100%	96-100%	96-100%	In-House Standard
◆ Support Initiatives and Projects	100%	100%	100%	100%	In-House Standard
◆ Permit Compliance	100%	100%	100%	100%	Required by Permit



# Laboratory, Monitoring & Compliance

## Budget Overview

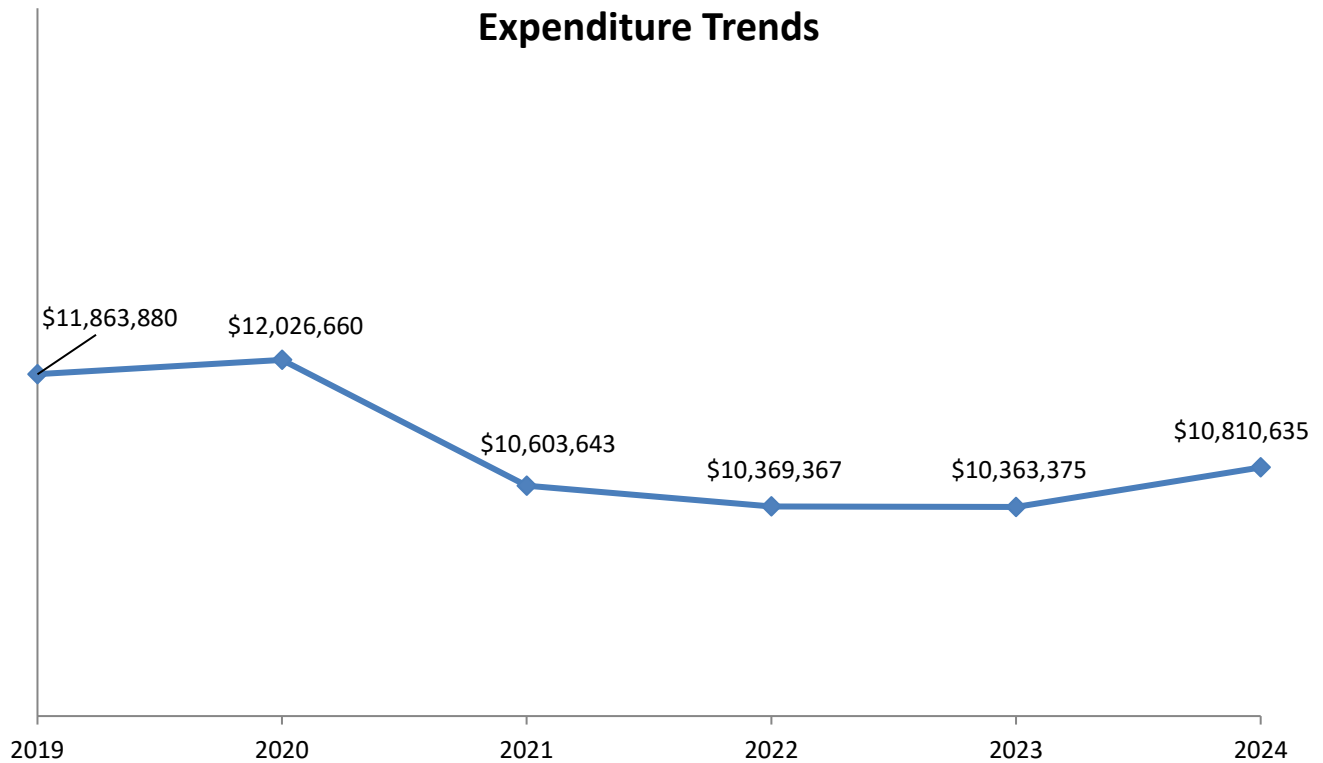
The FY 2022-23 & FY 2023-24 budgets for the Laboratory, Monitoring & Compliance Division reflect a decrease of 1% and an increase of 4% over the prior year, respectively. The FY 2022-23 decrease is primarily due to a decrease in audit and accounting services, and misc. operating expenses, and is partially offset by increases in personnel expenses, temporary services, and environmental research and monitoring. The FY 2023-24 increase is primarily due to increases in personnel expenses, and environmental research and monitoring.

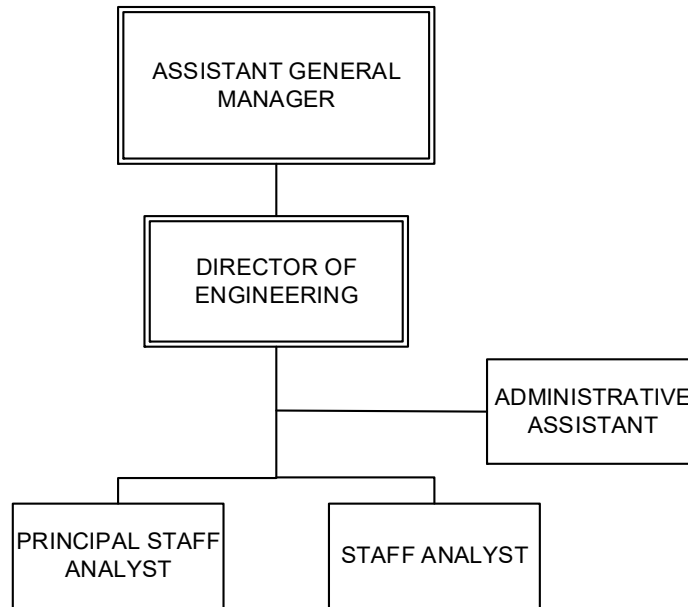
<b>2021-22 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 10,369,367</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	170,284
Change in OCERS retirement costs	460
Change in group insurance costs	25,200
Other benefit cost adjustments	(8,500)
<b>Other Cost Adjustments:</b>	
Decrease in minor furniture & fixtures	(6,500)
Increase in lab chemicals & supplies	18,901
Increase in temporary services	66,400
Decrease in legal services	(5,000)
Decrease in audit & accounting services	(60,000)
Increase in environmental research & monitoring	77,300
Increase in repairs & maintenance services	5,000
Increase in service maintenance agreements	47,520
Increase in insurance premiums	9,100
Decrease in misc. operating expenses	(364,500)
Increase in regulatory operating fees	25,000
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(6,657)
<b>2022-23 Proposed Budget - Total Operating Requirements</b>	<b>\$ 10,363,375</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	256,400
Change in OCERS retirement costs	30,100
Change in group insurance costs	57,500
Other benefit cost adjustments	14,300
<b>Other Cost Adjustments:</b>	
Increase in meeting & training	6,810
Increase in gas, diesel, & oil	2,000
Increase in lab chemicals & supplies	10,000
Increase in environmental research & monitoring	60,000
Increase in insurance premiums	5,000
Increase in regulatory operating fees	5,000
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	150
<b>2023-24 Proposed Budget - Total Operating Requirements</b>	<b>\$ 10,810,635</b>

# 2022-23 & 2023-24 Budget

Operating Expenses By Category	2020-21 Actual	2021-22 Budget	2021-22 Projected	2022-23 Proposed	Budget % Change	2023-24 Proposed	Budget % Change
Personnel	\$ 7,062,428	\$ 7,518,456	\$ 7,183,400	\$ 7,705,900	2.49%	\$ 8,064,200	4.65%
Supplies	644,211	681,171	630,140	692,935	1.73%	711,895	2.74%
Professional & Contractual Services	547,622	501,590	327,000	496,400	(1.03%)	496,400	0.00%
Research & Monitoring	685,322	847,700	437,170	925,000	9.12%	985,000	6.49%
Repairs & Maintenance	303,056	366,910	352,480	420,000	14.47%	420,000	0.00%
Utilities	-	-	-	-	-	-	-
Other	1,361,004	453,540	257,873	123,140	(72.85%)	133,140	8.12%
<b>Total</b>	<b>\$ 10,603,643</b>	<b>\$ 10,369,367</b>	<b>\$ 9,188,063</b>	<b>\$ 10,363,375</b>	<b>(0.06%)</b>	<b>\$ 10,810,635</b>	<b>4.32%</b>

### Expenditure Trends





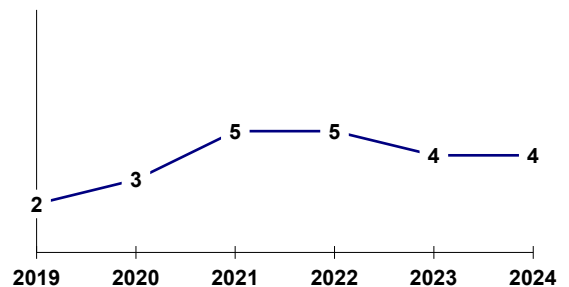
**Staffing Trends**

**2022-23 & 2023-24 Authorized FTE Positions**

Executive Manager	1.0
Supervisors / Professionals	2.0
Administrative / Clerical	1.0

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**Total** 4.0



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# 2022-23 & 2023-24 Budget

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## Service Description

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

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### 2021-22 Performance Objectives

- ◆ Expend 90-100% of budgeted net CIP outlay.
- ◆ Ensure expenditures are managed to 90 - 100% of the proposed budgets.
- ◆ Ensure reporting divisions achieve 90% of individual performance objectives.
- ◆ Prepare and maintain 20-yr agency-wide capital plan.

### 2021-22 Performance Results

- ◆ 91.2% as of December 31, 2021.
  - ◆ Projected to be less than 90%.
  - ◆ Projected to be > 90%
  - ◆ Yes.
- 

### 2022-23 & 2023-24 Performance Objectives

- ◆ Expend 85-105% of the budgeted net CIP outlay.
  - ◆ Ensure expenditures are managed to 90 – 100% of the proposed budgets.
  - ◆ Ensure reporting divisions achieve 90% of individual performance objectives.
- 

### Performance Measures

Summary	2020-21 Actual	2021-22 Projected	2022-23 Proposed	2023-24 Proposed	Justification
◆ Net CIP Outlay	107%	85-105%	85-105%	85-100%	In-House Standard
◆ Manage Operating Budget	47%	~60%	90-100%	90-100%	In-House Standard
◆ Division Performance Objectives	95%	~92%	90% min	90% min	In-House Standard

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# Engineering Administration

## Budget Overview

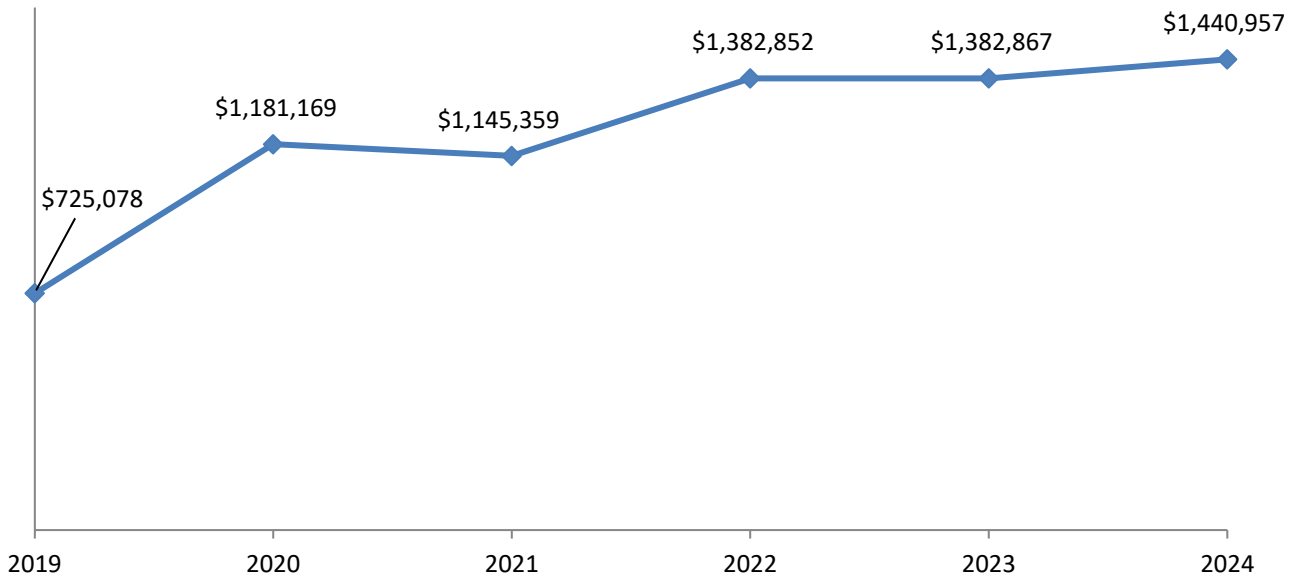
The FY 2022-23 & FY 2023-24 budgets for the Engineering Administration Division reflect 0% and an increase of 4% over the prior year, respectively. The FY 2022-23 increases and decreases offset and no significant percentage change occurs. The FY 2023-24 increase is primarily due to increases in personnel expenses, and environmental research and monitoring.

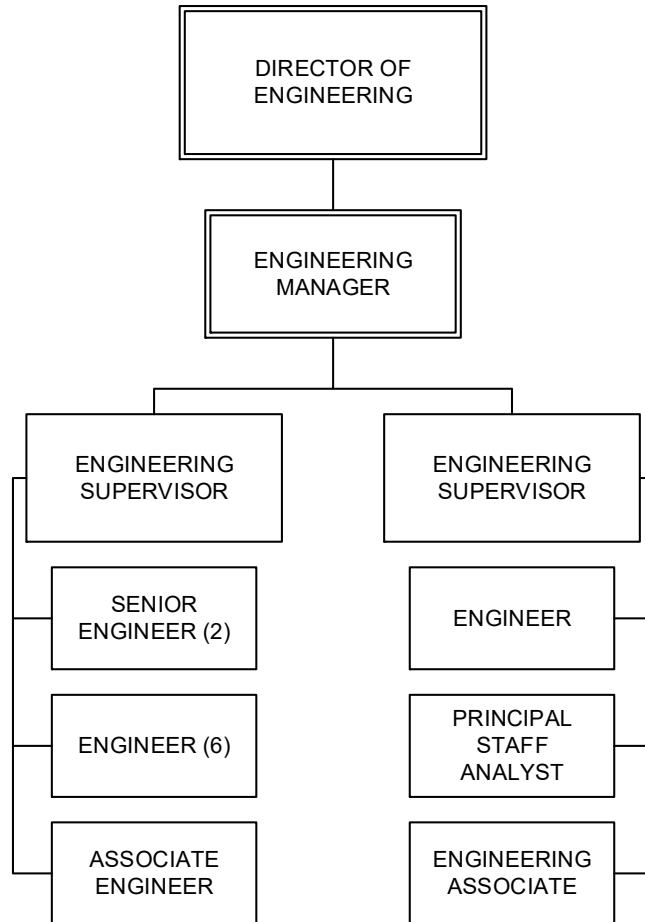
<b>2021-22 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 1,382,852</b>
<i><b>Salaries for Position Changes:</b></i>	
Transfer of Positions from/(to) Other Divisions	(107,493)
New or (decreased) FTE	-
<i><b>Changes in Personnel Expenses:</b></i>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	116,808
Change in OCERS retirement costs	3,820
Change in group insurance costs	(12,400)
Other benefit cost adjustments	800
<i><b>Other Cost Adjustments:</b></i>	
No other significant cost changes	
<i><b>Aggregate change in Other Categories:</b></i>	
Aggregate change in other materials, supplies, and services	(1,520)
<b>2022-23 Proposed Budget - Total Operating Requirements</b>	<b>\$ 1,382,867</b>
<i><b>Changes in Personnel Expenses:</b></i>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	46,700
Change in OCERS retirement costs	5,800
Change in group insurance costs	6,700
Other benefit cost adjustments	1,600
<i><b>Other Cost Adjustments:</b></i>	
No other significant cost changes	
<i><b>Aggregate change in Other Categories:</b></i>	
Aggregate change in other materials, supplies, and services	(2,710)
<b>2023-24 Proposed Budget - Total Operating Requirements</b>	<b>\$ 1,440,957</b>

# 2022-23 & 2023-24 Budget

Operating Expenses By Category	2020-21 Actual	2021-22 Budget	2021-22 Projected	2022-23 Proposed	Budget % Change	2023-24 Proposed	Budget % Change
Personnel	\$ 1,142,663	\$ 1,378,272	\$ 1,412,700	\$ 1,379,807	0.11%	\$ 1,440,607	4.41%
Supplies	2,696	4,520	2,525	3,060	(32.30%)	350	(88.56%)
Professional & Contractual Services	-	-	-	-	-	-	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	-	60	60	-	(100.00%)	-	-
<b>Total</b>	<b>\$ 1,145,359</b>	<b>\$ 1,382,852</b>	<b>\$ 1,415,285</b>	<b>\$ 1,382,867</b>	<b>0.00%</b>	<b>\$ 1,440,957</b>	<b>4.20%</b>

## Expenditure Trends





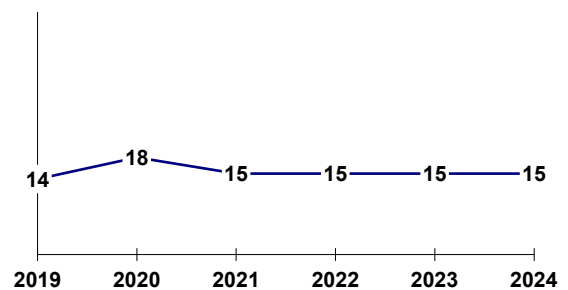
Staffing Trends

2022-23 & 2023-24 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	13.0
Administrative / Clerical	1.0

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**Total** 15.0



# 2022-23 & 2023-24 Budget

## Service Description

The mission of the Planning Division is to provide asset management of OC San’s assets and to develop a long-term Capital Improvement Program (CIP) to ensure availability of adequate, reliable, and cost-effective infrastructure, while protecting the environment, addressing growth within our service area, and promoting comprehensive watershed management; provide recycling and resiliency strategies; and establish partnerships with the public and private sectors to resolve complex issues. The Planning Division also has a mission to research new technologies and treatment processes; perform hydraulic modeling; review and process connection permits; process utility requests, process annexations, and inter-agency agreements in an expeditious manner to best serve the public and protect OC San assets.

### 2021-22 Performance Objectives

- ◆ Ensure the division’s expenditures are managed to 90-100% of proposed budget.
- ◆ Facilitate the project Clearinghouse.
- ◆ Maintain a 20-year CIP.
- ◆ Respond to 100% of environmental correspondence within 45 days.
- ◆ Complete the Facilities Master Plan Program Environmental Impact Report (EIR).
- ◆ Prepare and publish an Asset Management Plan annually.

### 2021-22 Performance Results

- ◆ Projected to be less than 90%.
- ◆ Yes, meetings occur biweekly.
- ◆ Yes, updated on an annual basis.
- ◆ Yes.
- ◆ Final EIR was filed with the Board of Directions December 2020.
- ◆ Most recent Asset Management Plan was completed December 2021.

### 2022-23 & 2023-24 Performance Objectives

- ◆ Ensure the division’s operational expenditures are managed to 90-100% of proposed budget.
- ◆ Expand 85-105% of the budgeted annual net CIP outlay.
- ◆ Respond to 100% of environmental correspondence within 45 days.
- ◆ Complete utility requests within five business days of receipt.

### Performance Measures

Summary	2020-21 Actual	2021-22 Projected	2022-23 Proposed	2023-24 Proposed	Justification
◆ Manage Division Budget	63%	~75%	90-100%	90-100%	In-House Standard
◆ Net CIP Outlay	107%	85-105%	85-105%	85-105%	In-House Standard
◆ Environmental Response	< 45 days	< 45 days	< 45 days	< 45 days	In-House Standard
◆ Complete Utility Requests	≤ 5 days	≤ 5 days	≤ 5 days	≤ 5 days	In-House Standard



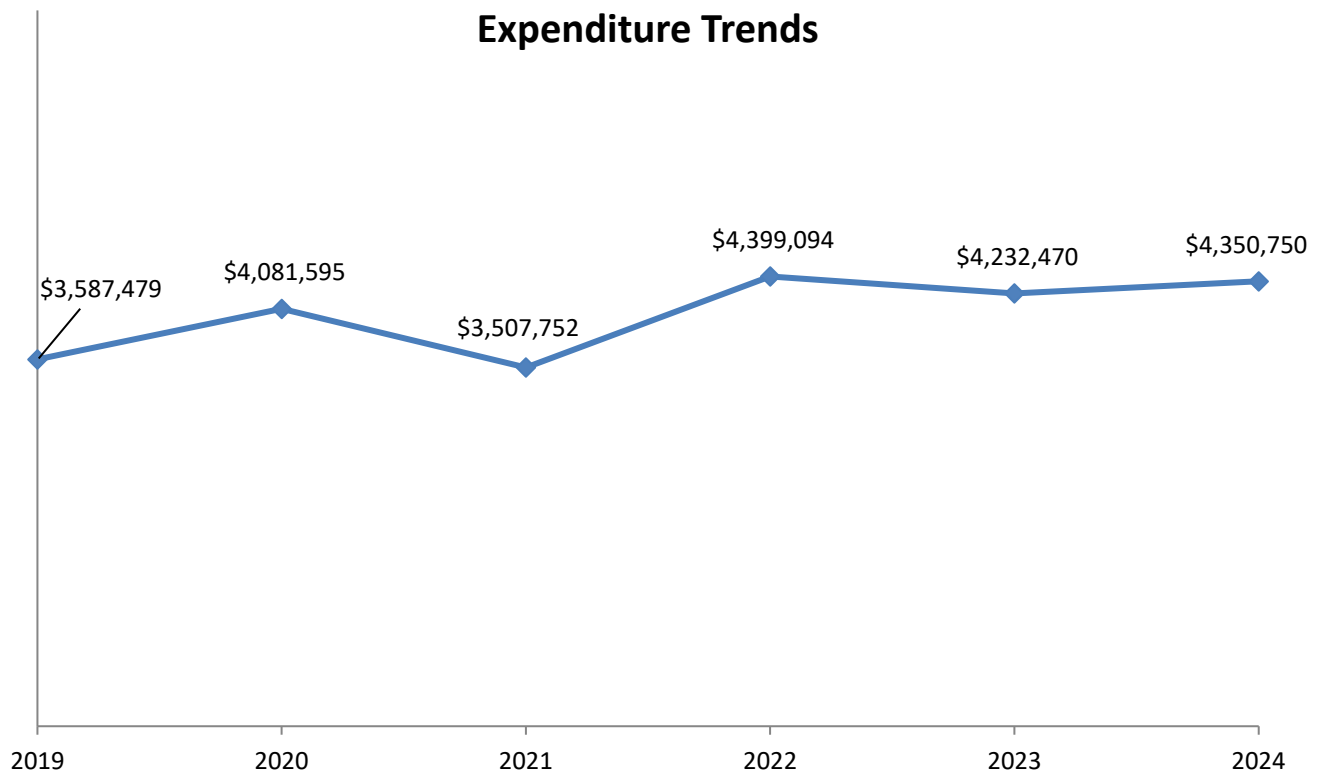
## Budget Overview

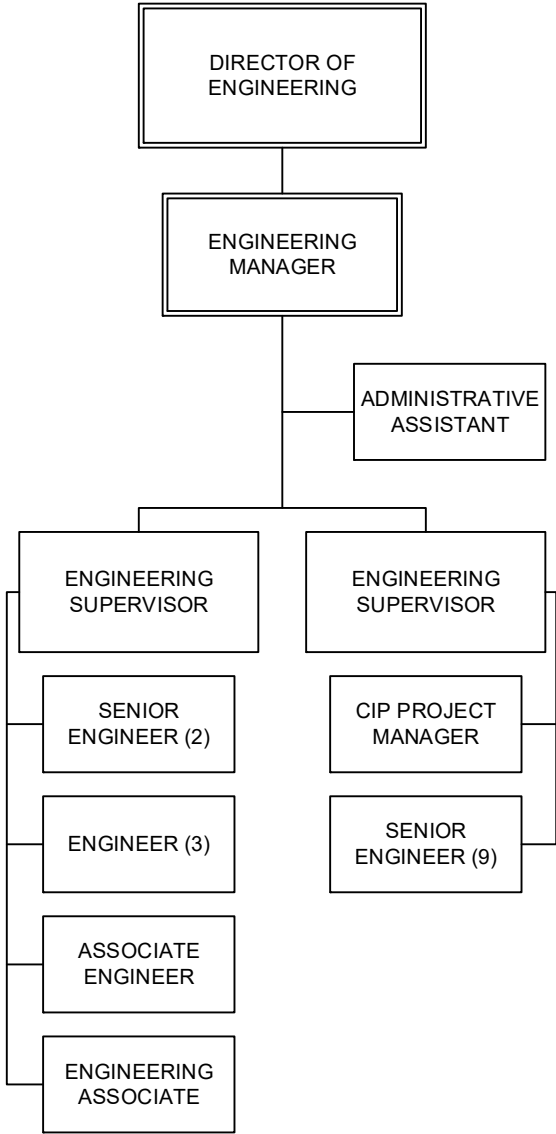
The FY 2022-23 & FY 2023-24 budgets for the Planning Division reflect a decrease of 4% and an increase of 3% over the prior year, respectively. The FY 2022-23 decrease is primarily due to a decrease in other contractual services. The FY 2023-24 increase is primarily due to increases in personnel expenses.

<b>2021-22 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 4,399,094</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	18,036
Change in OCERS retirement costs	6,660
Change in group insurance costs	(49,800)
Other benefit cost adjustments	2,300
<b>Other Cost Adjustments:</b>	
Decrease in minor furniture & fixtures	(2,800)
Increase in training & meetings	1,275
Decrease in safety equipment/tools	(2,250)
Decrease in other contractual services	(100,615)
Decrease in legal services	(28,000)
Decrease in regulatory operating fees	(11,000)
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(430)
<b>2022-23 Proposed Budget - Total Operating Requirements</b>	<b>\$ 4,232,470</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	91,300
Change in OCERS retirement costs	10,500
Change in group insurance costs	15,200
Other benefit cost adjustments	3,700
<b>Other Cost Adjustments:</b>	
Decrease in meetings & training	(2,430)
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	10
<b>2023-24 Proposed Budget - Total Operating Requirements</b>	<b>\$ 4,350,750</b>

# 2022-23 & 2023-24 Budget

Operating Expenses By Category	2020-21 Actual	2021-22 Budget	2021-22 Projected	2022-23 Proposed	Budget % Change	2023-24 Proposed	Budget % Change
Personnel	\$ 2,434,264	\$ 2,881,504	\$ 2,962,800	\$ 2,858,700	(0.79%)	\$ 2,979,400	4.22%
Supplies	285,714	157,125	148,021	153,020	(2.61%)	150,600	(1.58%)
Professional & Contractual Services	787,658	1,348,615	873,550	1,220,000	(9.54%)	1,220,000	0.00%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	137	100	-	-	(100.00%)	-	-
Utilities	-	-	-	-	-	-	-
Other	(21)	11,750	40,580	750	(93.62%)	750	0.00%
<b>Total</b>	<b>\$ 3,507,752</b>	<b>\$ 4,399,094</b>	<b>\$ 4,024,951</b>	<b>\$ 4,232,470</b>	<b>(3.79%)</b>	<b>\$ 4,350,750</b>	<b>2.79%</b>



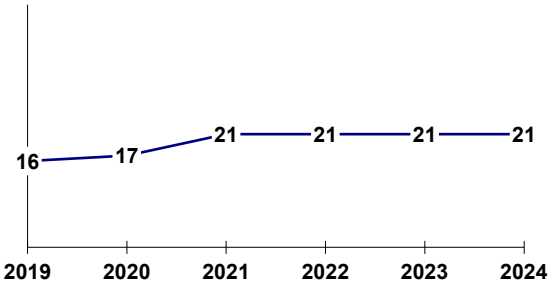


Staffing Trends

2022-23 & 2023-24 Authorized FTE Positions

Manager	1.00
Supervisors / Professionals	18.00
Administrative / Clerical	2.00

**Total 21.00**



# 2022-23 & 2023-24 Budget

## Service Description

The mission of the Project Management Division is to deliver high quality, reliable and cost-effective project solutions to enable OC San to meet all treatment and regulatory goals.

### 2021-22 Performance Objectives

- ◆ Ensure the division's expenditures are managed to 90-100% of proposed budget.
- ◆ Expend 85-105% of budgeted net CIP outlay.
- ◆ Manage non-construction costs for active projects to < 37.5% of construction costs.
- ◆ Maintain a Combine Advertising Variance of <30 days late.
- ◆ Maintain a Combined Completion Variance of <120 days late.

### 2021-22 Performance Results

- ◆ Projected to be less than 90%.
- ◆ Projected to be 91.2% as of December 31, 2021.
- ◆ Projected to be 33.9%.
- ◆ Projected to be 5 days late.
- ◆ Projected to be 99 days late.

### 2022-23 & 2023-24 Performance Objectives

- ◆ Ensure the Division's operational expenditures are managed to 90-100% of proposed budget.
- ◆ Expend 85-105% of the budgeted annual net CIP Outlay.
- ◆ Maintain or improve CIP program non-construction cost for active projects at 35% or less.

### Performance Measures

Summary	2020-21 Actual	2021-22 Projected	2022-23 Proposed	2023-24 Proposed	Justification
◆ Manage Operating Budget	63%	~35%	90-100%	90-100%	In-House Standard
◆ Net CIP Outlay	107%	85-105%	85-105%	85-105%	In-house Standard
◆ Construction Costs < 35%	35.6%	~33.9%	< 35%	< 35%	In-House Standard

# Project Management

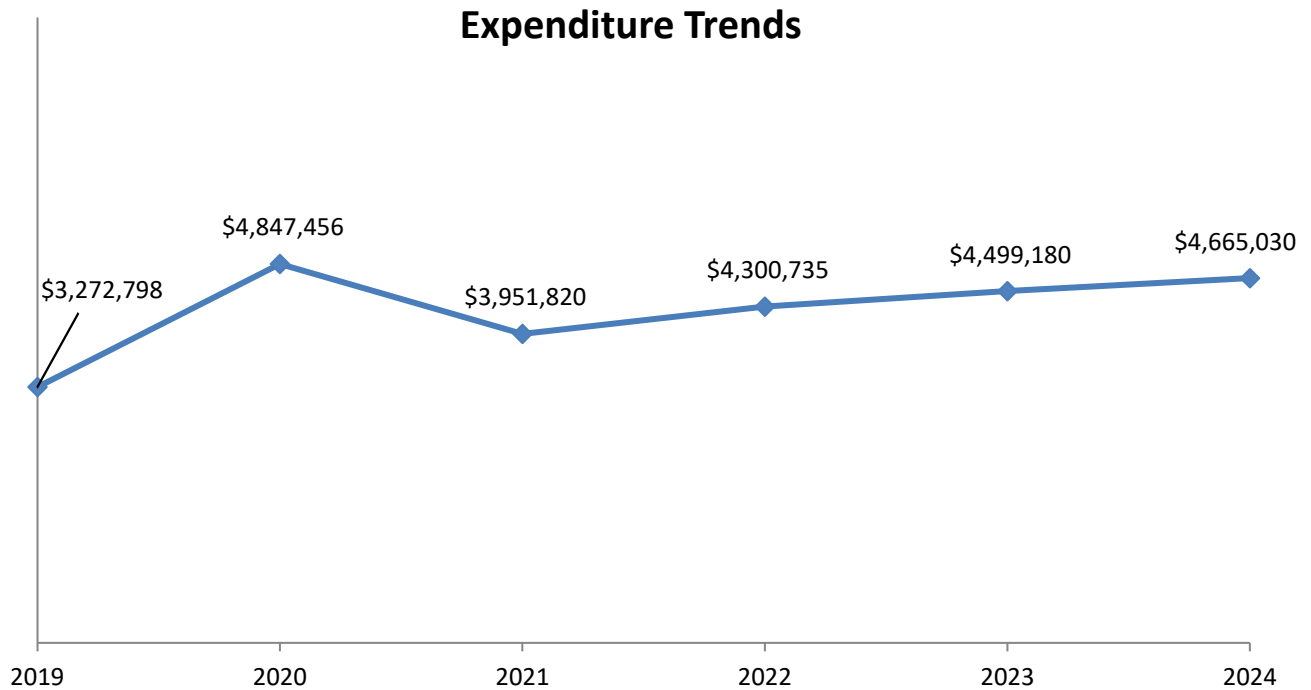
## Budget Overview

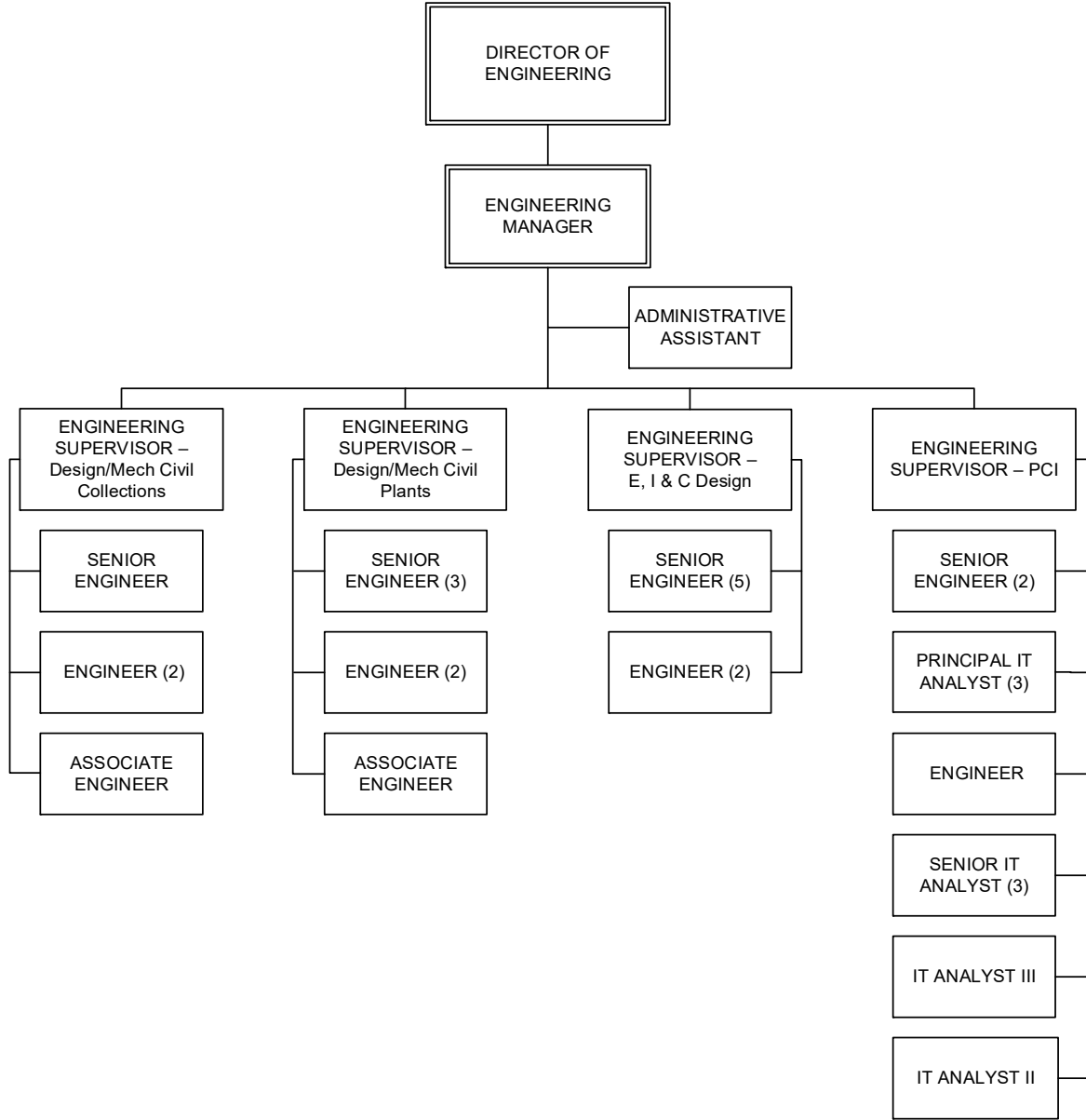
The FY 2022-23 & FY 2023-24 budgets for the Project Management Office Division reflect an increase of 5% and an increase of 4% over the prior year, respectively. The increases are primarily due to an increase in personnel expenses.

<b>2021-22 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 4,300,735</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	202,360
Change in OCERS retirement costs	40,870
Change in group insurance costs	(32,400)
Other benefit cost adjustments	(1,800)
<b>Other Cost Adjustments:</b>	
Decrease in printing & publication	(2,950)
Increase in training & meetings expense	2,600
Decrease in engineering services	(8,000)
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(2,235)
<b>2022-23 Proposed Budget - Total Operating Requirements</b>	<b>\$ 4,499,180</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	121,100
Change in OCERS retirement costs	15,200
Change in group insurance costs	23,700
Other benefit cost adjustments	5,800
<b>Other Cost Adjustments:</b>	
No other significant cost changes	
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	50
<b>2023-24 Proposed Budget - Total Operating Requirements</b>	<b>\$ 4,665,030</b>

# 2022-23 & 2023-24 Budget

Operating Expenses By Category	2020-21 Actual	2021-22 Budget	2021-22 Projected	2022-23 Proposed	Budget % Change	2023-24 Proposed	Budget % Change
Personnel	\$ 3,931,584	\$ 4,275,570	\$ 4,402,600	\$ 4,484,600	4.89%	\$ 4,650,400	3.70%
Supplies	8,047	16,765	7,860	14,580	(13.03%)	14,630	0.34%
Professional & Contractual Services	11,647	8,000	-	-	(100.00%)	-	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	542	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	-	400	400	-	(100.00%)	-	-
<b>Total</b>	<b>\$ 3,951,820</b>	<b>\$ 4,300,735</b>	<b>\$ 4,410,860</b>	<b>\$ 4,499,180</b>	<b>4.61%</b>	<b>\$ 4,665,030</b>	<b>3.69%</b>



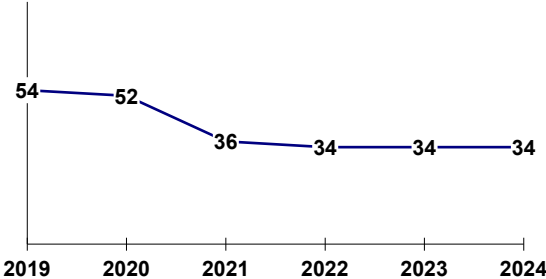


**Staffing Trends**

**2022-23 & 2023-24 Authorized FTE Positions**

Manager	1.0
Supervisors / Professionals	32.0
Administrative / Clerical	1.0

**Total 34.0**



# 2022-23 & 2023-24 Budget

## Service Description

The mission of the Design Division is to ensure that all projects are designed to be reliable, maintainable, and operable at optimum lifecycle costs in accordance with OC San's Engineering Design Guidelines and industry standards and codes. This division provides construction support services to ensure projects conform with the contract documents. The division also provides control systems that are highly reliable, safe, secure, online, and available to monitor, record, control, and operate our facilities.

### 2021-22 Performance Objectives

- ◆ Ensure the division's expenditures are managed to 90-100% of proposed budget.
- ◆ Reduce program change order performance towards goal of < 5.5%.
- ◆ Assure all mission critical real-time SCADA systems are online and available > 99.9%.
- ◆ SCADA system programming complete and bench tested prior to functional acceptance testing.
- ◆ New electrical equipment is properly modeled and equipment is properly configured and tested prior to energization.
- ◆ Division Injury Rate < 2.9 to support OC San goal of < 5.7.
- ◆ Routinely update standards and design guidelines.

### 2021-22 Performance Results

- ◆ Projected to be less than 90%.
- ◆ 5.79% as of December 31, 2021.
- ◆ Expected to be 100%.
- ◆ Expected to be 100%.
- ◆ Expected to be 100%.
- ◆ Projected to be 0.0.
- ◆ ≥ 26 annually.

### 2022-23 & 2023-24 Performance Objectives

- ◆ Ensure division's expenditures are managed to 90-100% of proposed budget.
- ◆ Update 12 standards and design guidelines.
- ◆ Ensure mission critical real-time control systems are online and available greater than 99.9% (8hr/year of unplanned downtime).
- ◆ Complete control system programming prior to functional acceptance testing.

### Performance Measures

Summary	2020-21 Actual	2021-22 Projected	2022-23 Proposed	2023-24 Proposed	Justification
◆ Manage Division Budget	41%	< 90%	90-100%	90-100%	In-House Standard
◆ Update 12 Standards and Design Guidelines	25	> 26	12	12	In-House Standard
◆ Control Systems Availability	100%	100%	99.9%	99.9%	In-House Standard
◆ Complete Control System Programming	100%	100%	> 98%	> 98%	In-House Standard



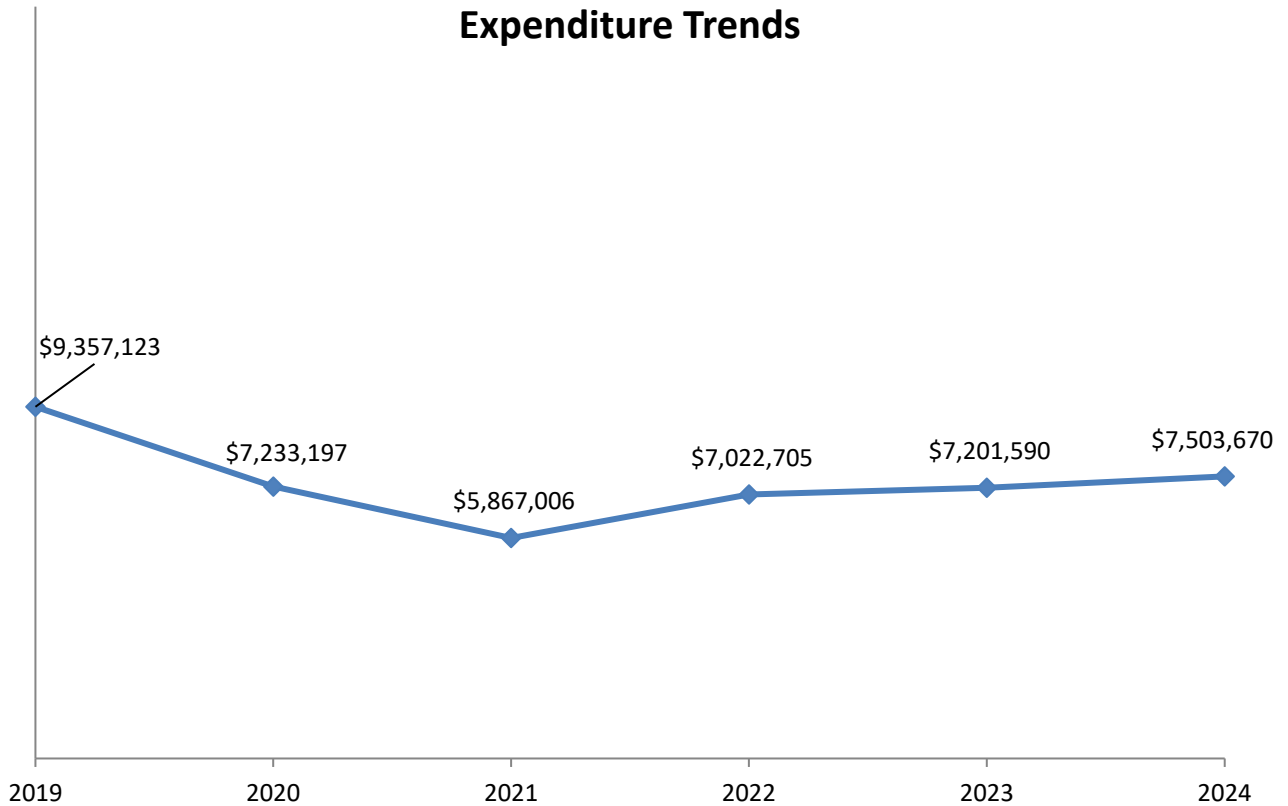
## Budget Overview

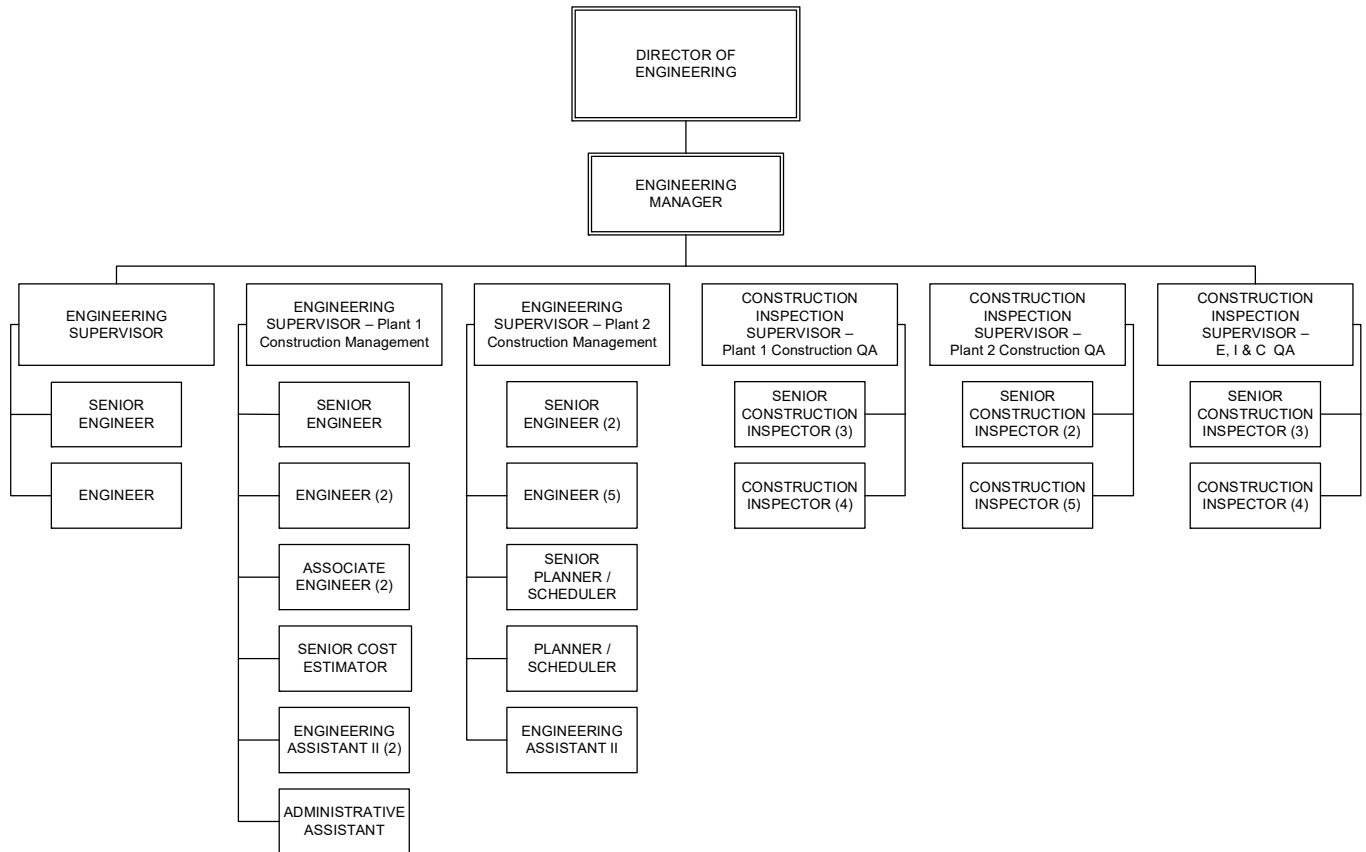
The FY 2022-23 & FY 2023-24 budgets for the Design Division reflects an increase of 3% and an increase of 4% over the prior year, respectively. The FY 2022-23 increase is primarily due to an increase in personnel expenses and software program consulting. The FY 2023-24 increase is primarily due to increases in personnel expenses.

<b>2021-22 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 7,022,705</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	146,640
Change in OCERS retirement costs	(13,560)
Change in group insurance costs	(35,800)
Other benefit cost adjustments	(4,100)
<b>Other Cost Adjustments:</b>	
Increase in small computer items	4,500
Decrease in minor furniture & fixture	(2,500)
Increase in meeting & training	31,655
Decrease in op materials & supplies	(3,300)
Increase in software program consulting	59,000
Decrease in repairs & maintenance	(2,500)
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(1,150)
<b>2022-23 Proposed Budget - Total Operating Requirements</b>	<b>\$ 7,201,590</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	240,500
Change in OCERS retirement costs	26,800
Change in group insurance costs	40,400
Other benefit cost adjustments	9,800
<b>Other Cost Adjustments:</b>	
Decrease in meeting & training	(26,440)
Increase in software program consulting	11,000
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	20
<b>2023-24 Proposed Budget - Total Operating Requirements</b>	<b>\$ 7,503,670</b>

# 2022-23 & 2023-24 Budget

Operating Expenses By Category	2020-21 Actual	2021-22 Budget	2021-22 Projected	2022-23 Proposed	Budget % Change	2023-24 Proposed	Budget % Change
Personnel	\$ 5,755,277	\$ 6,823,520	\$ 6,479,600	\$ 6,916,700	1.37%	\$ 7,234,200	4.59%
Supplies	70,824	86,785	41,730	116,150	33.84%	89,710	(22.76%)
Professional & Contractual Services	40,038	105,000	102,000	164,000	56.19%	175,000	6.71%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	159	3,500	200	1,000	(71.43%)	1,000	0.00%
Utilities	-	-	-	-	-	-	-
Other	708	3,900	1,790	3,740	(4.10%)	3,760	0.53%
<b>Total</b>	<b>\$ 5,867,006</b>	<b>\$ 7,022,705</b>	<b>\$ 6,625,320</b>	<b>\$ 7,201,590</b>	<b>2.55%</b>	<b>\$ 7,503,670</b>	<b>4.19%</b>





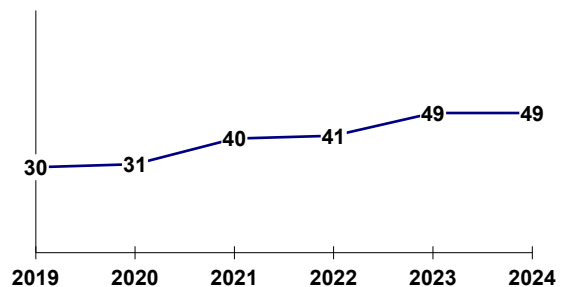
Staffing Trends

**2022-23 & 2023-24 Authorized FTE Positions**

Manager	1.0
Supervisors / Professionals	23.0
Administrative / Clerical	25.0

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**Total** 49.0



# 2022-23 & 2023-24 Budget

## Service Description

The mission of the Construction Management Division is to provide construction management services so that OC San engineering projects are safely constructed in accordance with all applicable codes and standards and are fully inspected to be compliant with the contract documents while minimizing impacts to operations, maintenance, local agencies, and the public.

### 2021-22 Performance Objectives

- ◆ Ensure division's budget expenditures are managed to 90-100% of proposed budget.
- ◆ Manage change orders to a CIP Change Order Management Plan goal of 5.5%.
- ◆ No sewer spills on CIP collections projects.
- ◆ Division injury incident rate < 2.9 to support OC San goal of < 5.7.
- ◆ Update Construction Management guide manual based on current practices.
- ◆ Implement Project Management Information Systems to replace existing system.

### 2021-22 Performance Results

- ◆ Projected to be greater than 100%.
- ◆ 5.79% as of December 31, 2021
- ◆ No spills.
- ◆ Projected to be 0.0.
- ◆ Manual has been updated.
- ◆ New system is in implementation.

### 2022-23 & 2023-24 Performance Objectives

- ◆ Ensure division's expenditures are managed to within 90-100% of proposed budget.
- ◆ Respond to public complaints or inquiries regarding construction projects within 1 day.
- ◆ Reduce program change order performance towards Change Order Management Plan goal of 5%.
- ◆ No employee injuries resulting in lost workdays on construction projects.
- ◆ No spills or odor incidents related to construction projects.

### Performance Measures

Summary	2020-21 Actual	2021-22 Projected	2022-23 Proposed	2023-24 Proposed	Justification
◆ Manage Operating Budget	49%	~ 130%	90-100%	90-100%	In-House Standard
◆ Respond to Public	< 1 day	< 1 day	< 1 day	< 1 day	In-House Standard
◆ Change Order Rate	5.82%	5.79%	< 5.5%	< 5%	In-House Standard
◆ No Injuries	0	0	0	0	In-House Standard
◆ No Sewer Spills	0	0	0	0	In-House Standard

# Construction Management

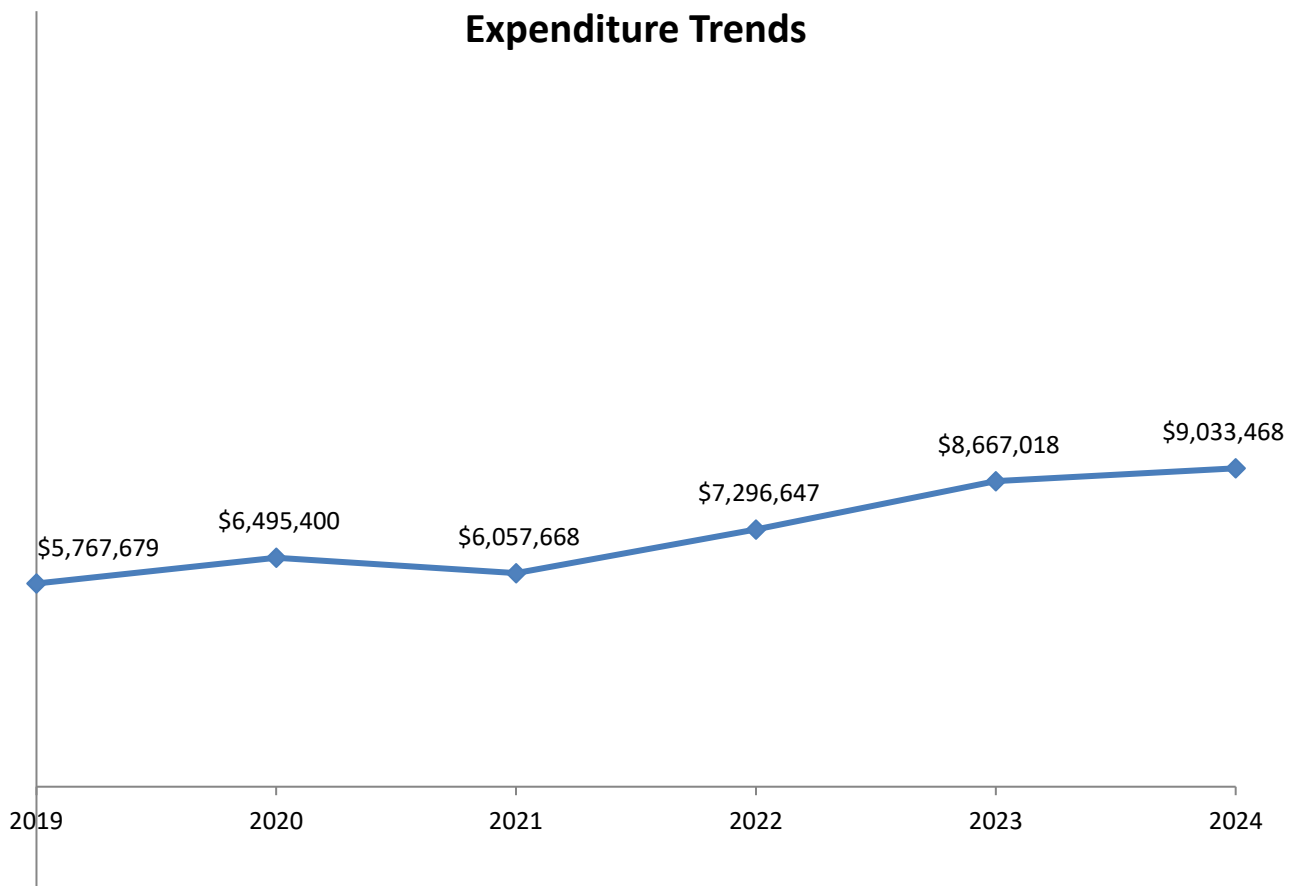
## Budget Overview

The FY 2022-23 & FY 2023-24 budgets for the Construction Management Division reflect an increase of 19% and an increase of 4% over the prior year, respectively. The increases are primarily due to an increase in personnel expenses, which includes 7 new FTE's in FY 2022-23.

<b>2021-22 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 7,296,647</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	917,228
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	381,628
Change in OCERS retirement costs	65,500
Change in group insurance costs	29,900
Other benefit cost adjustments	(500)
<b>Other Cost Adjustments:</b>	
Decrease in minor furniture & fixture	(11,000)
Decrease in legal services	(10,000)
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(2,385)
<b>2022-23 Proposed Budget - Total Operating Requirements</b>	<b>\$ 8,667,018</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	279,600
Change in OCERS retirement costs	28,800
Change in group insurance costs	49,900
Other benefit cost adjustments	12,200
<b>Other Cost Adjustments:</b>	
Increase in minor furniture & fixture	4,000
Decrease in meeting & training	(2,200)
Decrease in legal services	(5,000)
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(850)
<b>2023-24 Proposed Budget - Total Operating Requirements</b>	<b>\$ 9,033,468</b>

# 2022-23 & 2023-24 Budget

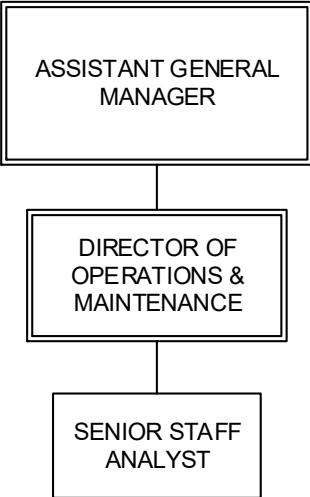
Operating Expenses By Category	2020-21 Actual	2021-22 Budget	2021-22 Projected	2022-23 Proposed	Budget % Change	2023-24 Proposed	Budget % Change
Personnel	\$ 6,003,873	\$ 7,207,572	\$ 6,869,300	\$ 8,601,328	19.34%	\$ 8,971,828	4.31%
Supplies	32,907	57,955	31,941	44,450	(23.30%)	45,400	2.14%
Professional & Contractual Services	20,379	30,000	85,000	20,000	(33.33%)	15,000	(25.00%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	509	300	100	400	33.33%	400	0.00%
Utilities	-	-	-	-	-	-	-
Other	-	820	-	840	2.44%	840	0.00%
<b>Total</b>	<b>\$ 6,057,668</b>	<b>\$ 7,296,647</b>	<b>\$ 6,986,341</b>	<b>\$ 8,667,018</b>	<b>18.78%</b>	<b>\$ 9,033,468</b>	<b>4.23%</b>



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# Operations and Maintenance Administration

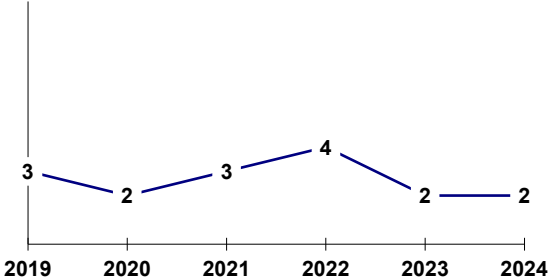
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**2022-23 & 2023-24 Authorized FTE Positions**

Executive Manager	1.00
Supervisors / Professionals	1.00
<hr/>	
<b>Total</b>	<b><u>2.00</u></b>

**Staffing Trends**



# 2022-23 & 2023-24 Budget

## Service Description

The mission of the Operations and Maintenance Administration Division is to provide leadership and support, as well as management oversight and development of the department. Rate payer owned facilities and assets managed by the O&M Divisions have a replacement value that exceeds \$11 billion. The Director, as a member of the Executive Management Team, provides counsel and expertise in developing the necessary strategies to maintain alignment with OC San’s Strategic Plan, Levels of Service, and annual divisional work plans. The Director and staff also proactively network with OC San member cities, sewer agencies and regional regulators on operational issues.

### 2021-22 Performance Objectives

- ◆ Achieve 100% compliance with water, solids, air, and energy permits and regulatory requirements.
- ◆ Achieve 100% compliance level of 90 - 100% of the Levels of Service targets.
- ◆ Manage operating expenditures to within 96 - 100% of approved budget for the Department.

### 2021-22 Performance Results

- ◆ Achieved 100% compliance with water, solids, air, and energy permits and regulatory requirements.
- ◆ Achieved 100% compliance level of 90 - 100% of the Levels of Service targets.
- ◆ Managed operating expenditures to 100% of approved budget for the Department.

### 2022-2023 & 2023-24 Performance Objectives

- ◆ Achieve 100% compliance with water, solids, air, and energy permits and regulatory requirements.
- ◆ Achieve 100% compliance level of 90 - 100% of the Levels of Service targets.
- ◆ Manage operating expenditures to within 96 - 100% of approved budget for the Department.

### Performance Measures

Summary	2020-21 Actual	2021-22 Projected	2022-22 Proposed	2023-24 Proposed	Justification
◆ Compliance with Permits & Regulatory Requirements	100%	100%	100%	100%	In-House Standard
◆ Levels of Service Compliance	100%	90%	100%	100%	In-House Standard
◆ Manage Budget	97.9%	100%	96-100%	96-100%	In-House Standard



# Operations and Maintenance Administration

## Budget Overview

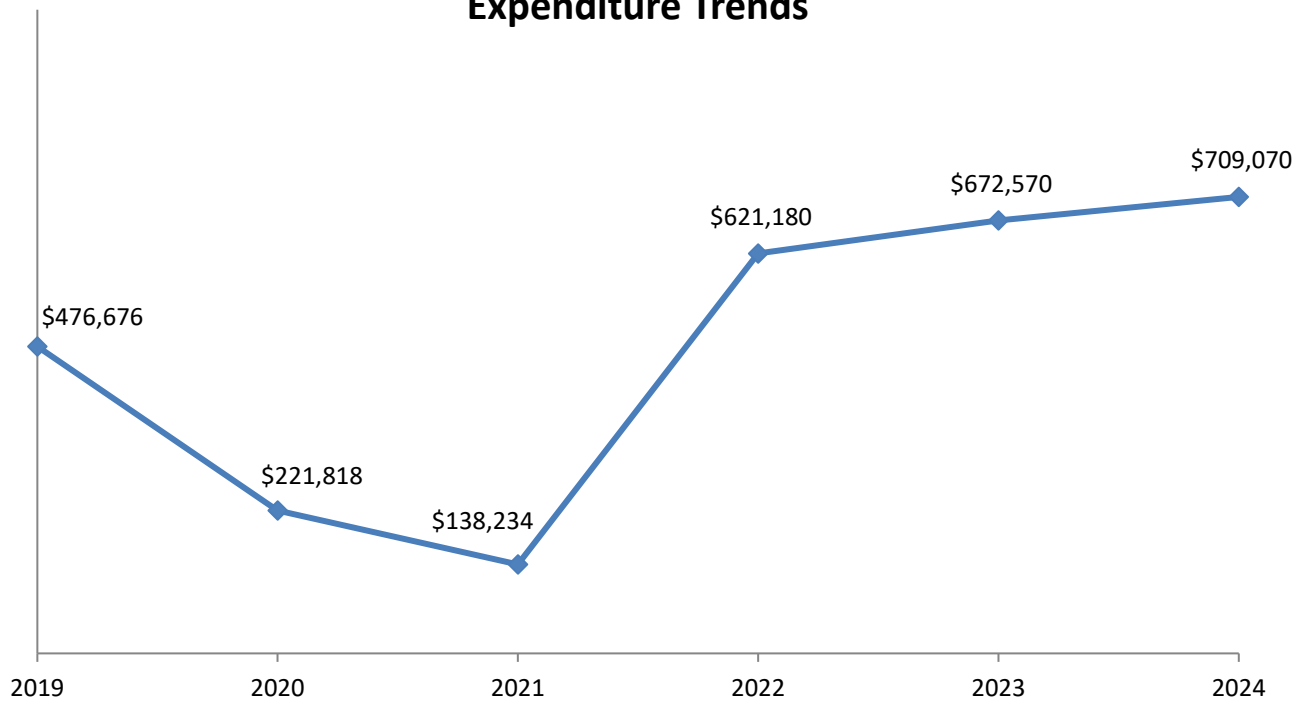
The FY 2022-23 & FY 2023-24 budget for the Operations and Maintenance Administration Division reflect an increase of 8% and an increase of 5% over the prior year, respectively. The increases are primarily due to an increase in personnel expenses.

<b>2021-22 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 621,180</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	3,800
Change in OCERS retirement costs	22,940
Change in group insurance costs	7,400
Other benefit cost adjustments	6,700
<b>Other Cost Adjustments:</b>	
Increase in temporary services	6,000
Increase in legal services	4,400
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	150
<b>2022-23 Proposed Budget - Total Operating Requirements</b>	<b>\$ 672,570</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	24,600
Change in OCERS retirement costs	3,800
Change in group insurance costs	3,300
Other benefit cost adjustments	800
<b>Other Cost Adjustments:</b>	
Increase in temporary services	4,000
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	-
<b>2023-24 Proposed Budget - Total Operating Requirements</b>	<b>\$ 709,070</b>

# 2022-23 & 2023-24 Budget

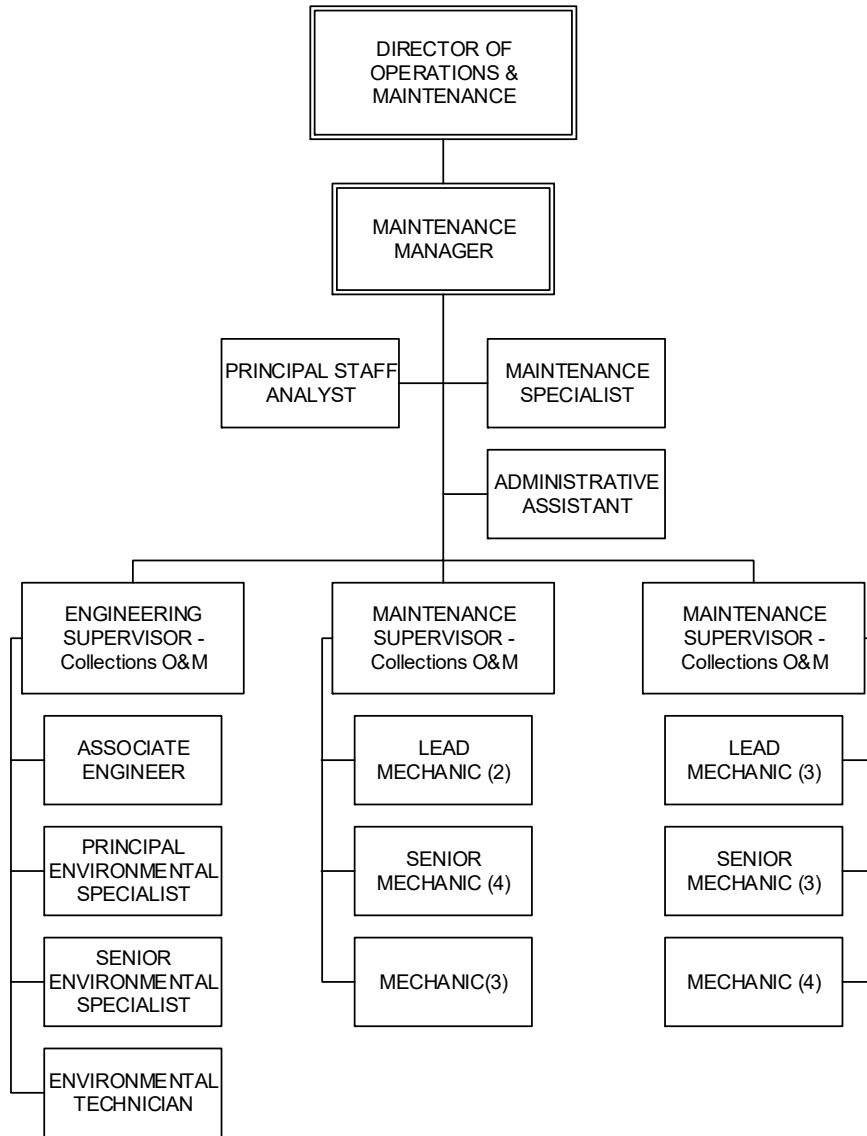
Operating Expenses By Category	2020-21 Actual	2021-22 Budget	2021-22 Projected	2022-23 Proposed	Budget % Change	2023-24 Proposed	Budget % Change
Personnel	\$ 129,557	\$ 546,060	\$ 279,500	\$ 586,900	7.48%	\$ 619,400	5.54%
Supplies	-	1,980	-	2,530	27.78%	2,530	0.00%
Professional & Contractual Services	5,002	72,600	1,000	83,000	14.33%	87,000	4.82%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	3,612	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	63	540	90	140	(74.07%)	140	0.00%
<b>Total</b>	<b>\$ 138,234</b>	<b>\$ 621,180</b>	<b>\$ 280,590</b>	<b>\$ 672,570</b>	<b>8.27%</b>	<b>\$ 709,070</b>	<b>5.43%</b>

### Expenditure Trends



# Collections Facilities Operations and Maintenance

820

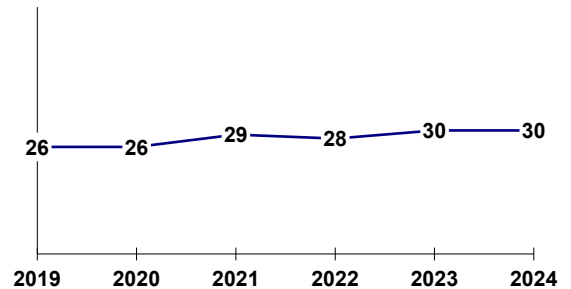


## 2022-23 & 2023-24 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	8.0
Operations & Maintenance	19.0
Technical Staff	1.0
Administrative / Clerical	1.0

**Total** 30.0

## Staffing Trends



# 2022-23 & 2023-24 Budget

## Service Description

Maintenance and cleaning of gravity sewer lines, pump stations, and odor and corrosion control of the regional collection system.

### 2021-22 Performance Objectives

- ◆ Achieve 100% compliance with water, solids, air, and energy permits and regulatory requirements.
- ◆ Achieve 100% compliance level of 90 - 100% of the Levels of Service targets.
- ◆ Manage operating expenditures to within 96 - 100% of approved budget.
- ◆ Achieve greater than 90% compliance with the safety scorecard.

### 2021-22 Performance Results

- ◆ Achieved 100% compliance with water, solids, air, and energy permits and regulatory requirements.
- ◆ Achieved 100% compliance level of 90 - 100% of the Levels of Service targets.
- ◆ Managed operating expenditures to 90% of approved budget.
- ◆ Achieved 100% compliance with the safety scorecard.

### 2022-23 & 2023-24 Performance Objectives

- ◆ Achieve 100% compliance with water, solids, air, and energy permits and regulatory requirements.
- ◆ Achieve 100% compliance level of 90 - 100% of the Levels of Service targets.
- ◆ Manage operating expenditures to within 96 - 100% of approved budget.
- ◆ Achieve greater than 95% compliance with the safety scorecard.

### Performance Measures

Summary	2020-21 Actual	2021-22 Projected	2022-23 Proposed	2023-24 Proposed	Justification
◆ Compliance with Permits & Regulatory Requirements	< 100%	100%	100%	100%	In-House Standard
◆ Levels of Service Compliance	100%	100%	100%	100%	In-House Standard
◆ Manage Budget	89.0%	90.2%	96-100%	96-100%	In-House Standard
◆ Compliance with Safety Scorecard	100%	95%	95%	95%	In-House Standard

# Collections Facilities Operations and Maintenance

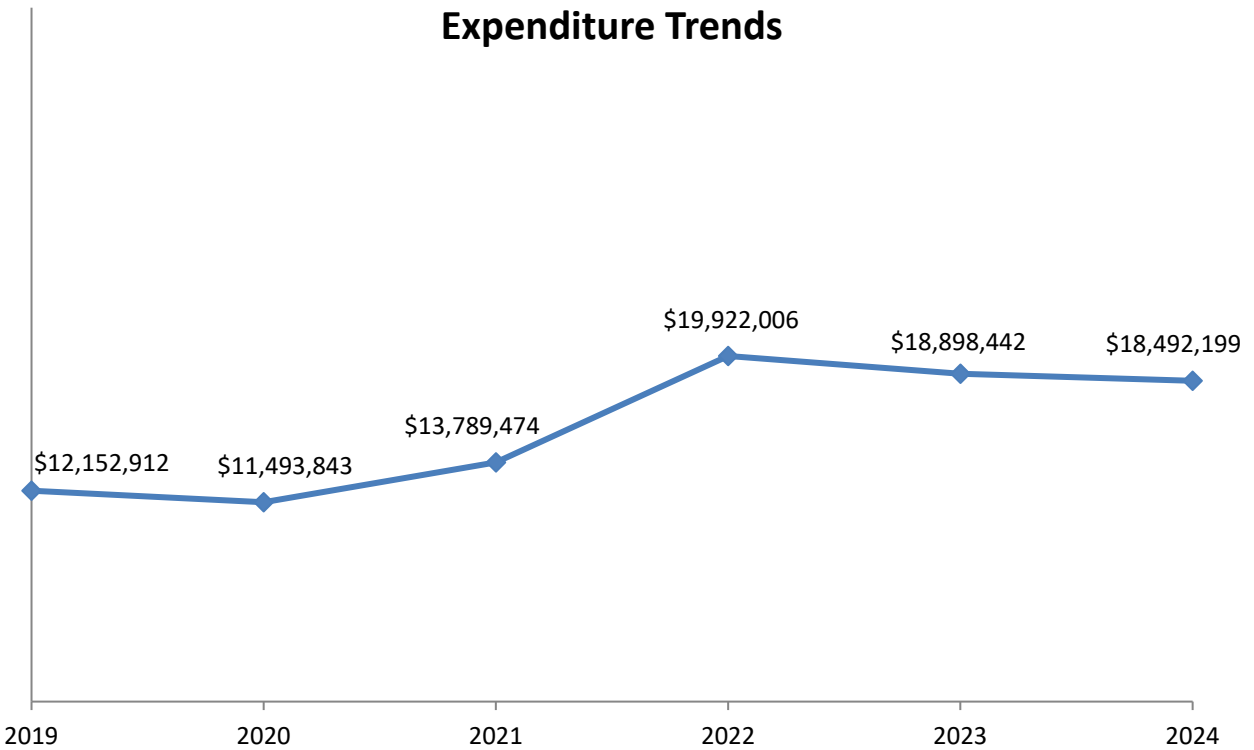
## Budget Overview

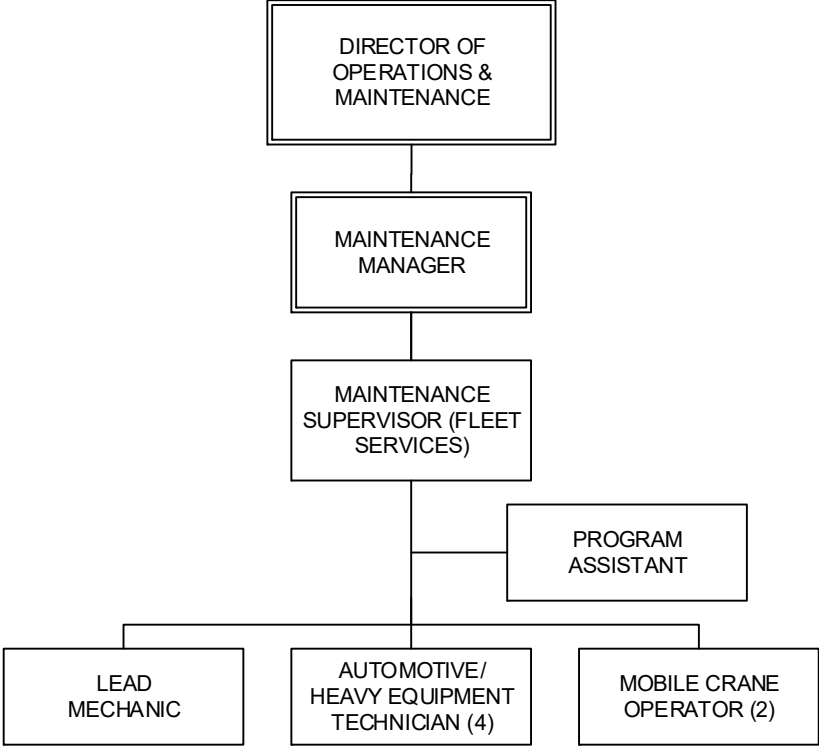
The FY 2022-23 & FY 2023-24 budgets for the Collections Facilities Operations and Maintenance Division reflects a decrease of 5% and a decrease of 2% over the prior year, respectively. The decreases are primarily due to a decrease in repairs and maintenance expenses, and is partially offset in FY 2023-24 by an increase in odor control costs.

<b>2021-22 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 19,922,006</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	241,348
Change in OCERS retirement costs	6,310
Change in group insurance costs	(66,300)
Other benefit cost adjustments	(500)
<b>Other Cost Adjustments:</b>	
Increase in training & meetings	17,660
Increase in odor control	46,777
Decrease in gas, diesel, & oil	(10,373)
Increase in tools	25,845
Increase in safety equipment/tools	50,310
Increase in legal services	5,000
Decrease in engineering services	(60,000)
Increase in other professional services	27,000
Decrease in repairs and maintenance	(1,441,899)
Increase in utilities	132,278
Increase in other operating supplies	2,460
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	520
<b>2022-23 Proposed Budget - Total Operating Requirements</b>	<b>\$ 18,898,442</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	159,100
Change in OCERS retirement costs	19,600
Change in group insurance costs	31,100
Other benefit cost adjustments	7,700
<b>Other Cost Adjustments:</b>	
Decrease in training & meetings	(6,800)
Increase in odor control	1,203,792
Increase in gas, diesel, & oil	10,000
Decrease in safety equipment/tools	(28,120)
Decrease in outside lab services	(5,000)
Increase in engineering services	5,000
Decrease in other professional services	(60,000)
Decrease in repairs and maintenance	(1,760,811)
Increase in utilities	14,660
Increase in other operating supplies	1,716
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	1,820
<b>2023-24 Proposed Budget - Total Operating Requirements</b>	<b>\$ 18,492,199</b>

# 2022-23 & 2023-24 Budget

Operating Expenses By Category	2020-21 Actual	2021-22 Budget	2021-22 Projected	2022-23 Proposed	Budget % Change	2023-24 Proposed	Budget % Change
Personnel	\$ 3,491,675	\$ 4,435,442	\$ 4,406,800	\$ 4,616,300	4.08%	\$ 4,833,800	4.71%
Supplies	5,223,960	7,244,191	6,054,250	7,374,910	1.80%	8,555,602	16.01%
Professional & Contractual Services	155,517	213,000	196,560	185,000	(13.15%)	125,000	(32.43%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	4,179,036	7,364,170	6,575,792	5,922,271	(19.58%)	4,161,460	(29.73%)
Utilities	670,237	600,723	718,630	733,001	22.02%	747,661	2.00%
Other	69,049	64,480	66,730	66,960	3.85%	68,676	2.56%
<b>Total</b>	<b>\$ 13,789,474</b>	<b>\$ 19,922,006</b>	<b>\$ 18,018,762</b>	<b>\$ 18,898,442</b>	<b>(5.14%)</b>	<b>\$ 18,492,199</b>	<b>(2.15%)</b>



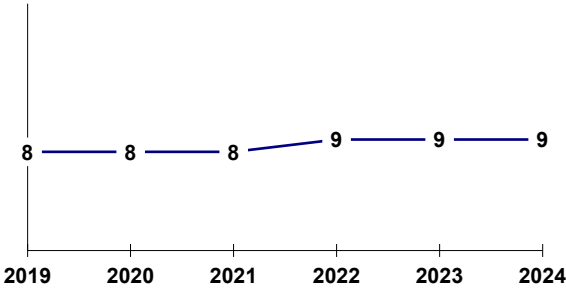


Staffing Trends

2022-23 & 2023-24 Authorized FTE Positions

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

**Total** 9.0



# 2022-23 & 2023-24 Budget

## Service Description

Maintenance of OC San's fleet of vehicles and mobile equipment. Logistics and crane support for O&M.

### 2021-22 Performance Objectives

- ◆ Achieve 100% compliance with water, solids, air, and energy permits and regulatory requirements.
- ◆ Achieve greater than 95% compliance with the safety scorecard.
- ◆ Achieve at least 90% PM compliance for vehicles and equipment.
- ◆ Achieve at least 95% vehicle availability.
- ◆ Decrease average age of fleet over a 5-year period until all fleet vehicles meet the industry standard.

### 2021-22 Performance Results

- ◆ Achieved 100% compliance with state emissions regulations on all mobile equipment and vehicles.
- ◆ Achieved 100% compliance with the safety scorecard.
- ◆ Achieved PM Compliance rate of 94.7%
- ◆ Achieved vehicle availability rate of 97.7%
- ◆ Achieved 5-year goal.

### 2022-23 & 2023-24 Performance Objectives

- ◆ Achieve 100% compliance with water, solids, air, and energy permits and regulatory requirements.
- ◆ Achieve greater than 95% compliance with the safety scorecard.
- ◆ Decrease average age of fleet over a 5-year period until all fleet vehicles meet the industry standard.
- ◆ Achieve at least 90% PM compliance for vehicles and equipment.
- ◆ Achieve at least 95% vehicle availability.

### Performance Measures

Summary	2020-21 Actual	2021-22 Projected	2022-23 Proposed	2023-24 Proposed	Justification
◆ Regulatory Compliance	100%	100%	100%	100%	DOT & State Regulations
◆ Compliance with Safety Scorecard	100%	100%	> 95%	> 95%	In-House Standard
◆ Decrease Fleet Average Age	20%	At Goal			Industry Best Practice
◆ PM Compliance	95%	99%	> 90%	> 90%	In-House Standard
◆ Vehicle Availability	97%	98%	> 95%	> 95%	In-House Standard



# Fleet Services

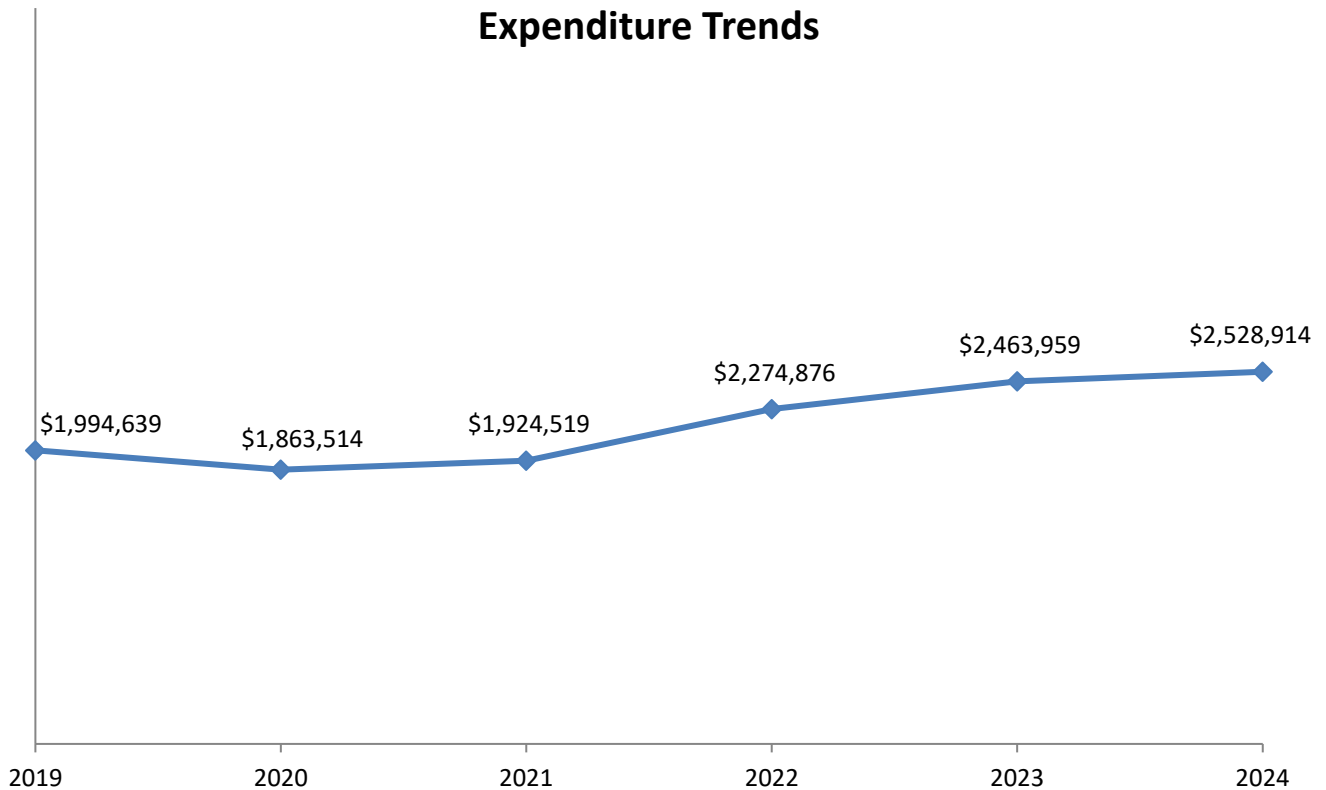
## Budget Overview

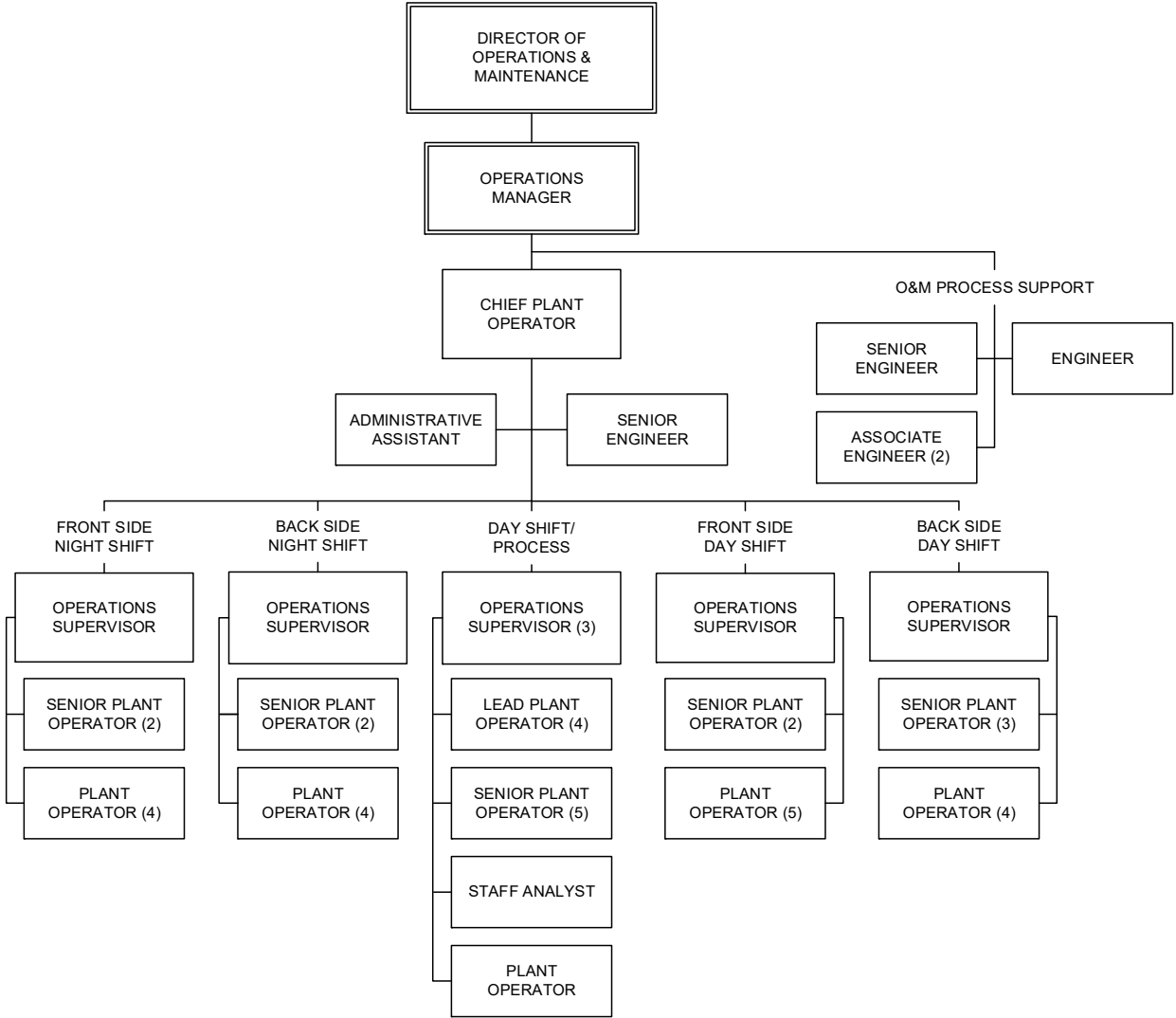
The FY 2022-23 & FY 2023-24 budgets for the Fleet Services Division reflect an increase of 8% and an increase of 3% over the prior year, respectively. The 2022-23 increase is primarily due to an increase in gas, diesel, and oil, and repairs and maintenance, and is partially offset by a decrease in tools. The FY 2023-24 increase is primarily due to increases in personnel expenses.

<b>2021-22 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 2,274,876</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	52,836
Change in OCERS retirement costs	7,110
Change in group insurance costs	(34,900)
Other benefit cost adjustments	(1,200)
<b>Other Cost Adjustments:</b>	
Decrease in memberships	(1,630)
Increase in training & meetings	14,900
Increase in gas, diesel, & oil	89,653
Decrease in tools	(91,000)
Increase in other professional services	7,025
Increase in repairs & maintenance	114,917
Increase in utilities	32,000
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(628)
<b>2022-23 Proposed Budget - Total Operating Requirements</b>	<b>\$ 2,463,959</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	48,300
Change in OCERS retirement costs	5,700
Change in group insurance costs	8,600
Other benefit cost adjustments	2,100
<b>Other Cost Adjustments:</b>	
Decrease in training & meetings	(15,450)
Increase in gas, diesel, & oil	8,625
Increase in tools	2,000
Increase in utilities	5,000
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	80
<b>2023-24 Proposed Budget - Total Operating Requirements</b>	<b>\$ 2,528,914</b>

# 2022-23 & 2023-24 Budget

Operating Expenses By Category	2020-21 Actual	2021-22 Budget	2021-22 Projected	2022-23 Proposed	Budget % Change	2023-24 Proposed	Budget % Change
Personnel	\$ 1,034,080	\$ 1,222,754	\$ 1,271,300	\$ 1,246,600	1.95%	\$ 1,311,300	5.19%
Supplies	336,638	439,463	479,800	450,965	2.62%	446,220	(1.05%)
Professional & Contractual Services	9,539	5,000	7,000	12,025	140.50%	12,025	0.00%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	540,400	533,752	567,332	648,669	21.53%	648,669	0.00%
Utilities	-	23,000	75,000	55,000	139.13%	60,000	9.09%
Other	3,862	50,907	10,390	50,700	(0.41%)	50,700	0.00%
<b>Total</b>	<b>\$ 1,924,519</b>	<b>\$ 2,274,876</b>	<b>\$ 2,410,822</b>	<b>\$ 2,463,959</b>	<b>8.31%</b>	<b>\$ 2,528,914</b>	<b>2.64%</b>





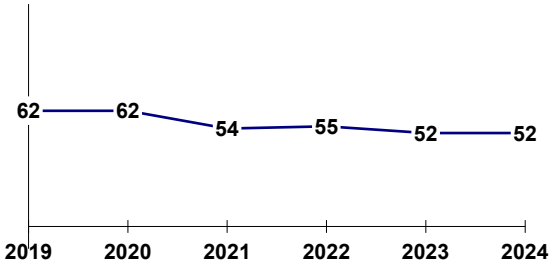
**2022-23 & 2023-24 Authorized FTE Positions**

Manager	1.00
Supervisors / Professionals	14.00
Operations & Maintenance	36.00
Administrative / Clerical	1.00

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**Total** 52.00

**Staffing Trends**



# 2022-23 & 2023-24 Budget

## Service Description

The mission of the Plant No.1 Operations Division is to safely, reliably, and cost effectively operate the plant to meet all regulatory requirements for the land, air, and water environments of Orange County and the 2.6 million residents we serve.

### 2021-22 Performance Objectives

- ◆ Achieve 100% compliance with water, solids, air, and energy permits and regulatory requirements.
- ◆ Achieve 100% compliance level of 90 - 100% of the Levels of Service targets.
- ◆ Manage operating expenditures to within 96 - 100% of approved budget.
- ◆ Achieve greater than 90% compliance with the safety scorecard.

### 2021-22 Performance Results

- ◆ Achieved 100% compliance with water, solids, air, and energy permits and regulatory requirements.
- ◆ Achieved overall 83.3% compliance level of the Levels of Service targets.
- ◆ Managed operating expenditures to 100% of approved budget.
- ◆ Achieved 100% compliance with the safety scorecard.

### 2022-23 & 2023-24 Performance Objectives

- ◆ Achieve 100% compliance with water, solids, air, and energy permits and regulatory requirements.
- ◆ Achieve 100% compliance level of 90 - 100% of the Levels of Service targets.
- ◆ Manage operating expenditures to within 96 - 100% of approved budget.
- ◆ Achieve greater than 90% compliance with the safety scorecard.

### Performance Measures

Summary	2020-21 Actual	2021-22 Projected	2022-23 Proposed	2023-24 Proposed	Justification
◆ Compliance with Permits & Regulatory Requirements	100%	100%	100%	100%	In-House Standard
◆ Levels of Service Compliance	83.3%	83.3%	> 90%	> 90%	In-House Standard
◆ Manage Budget	103.2%	100%	96-100%	96-100%	In-House Standard
◆ Compliance with Safety Scorecard	100%	100%	> 90%	> 90%	In-House Standard

# Plant No. 1 Operations

## Budget Overview

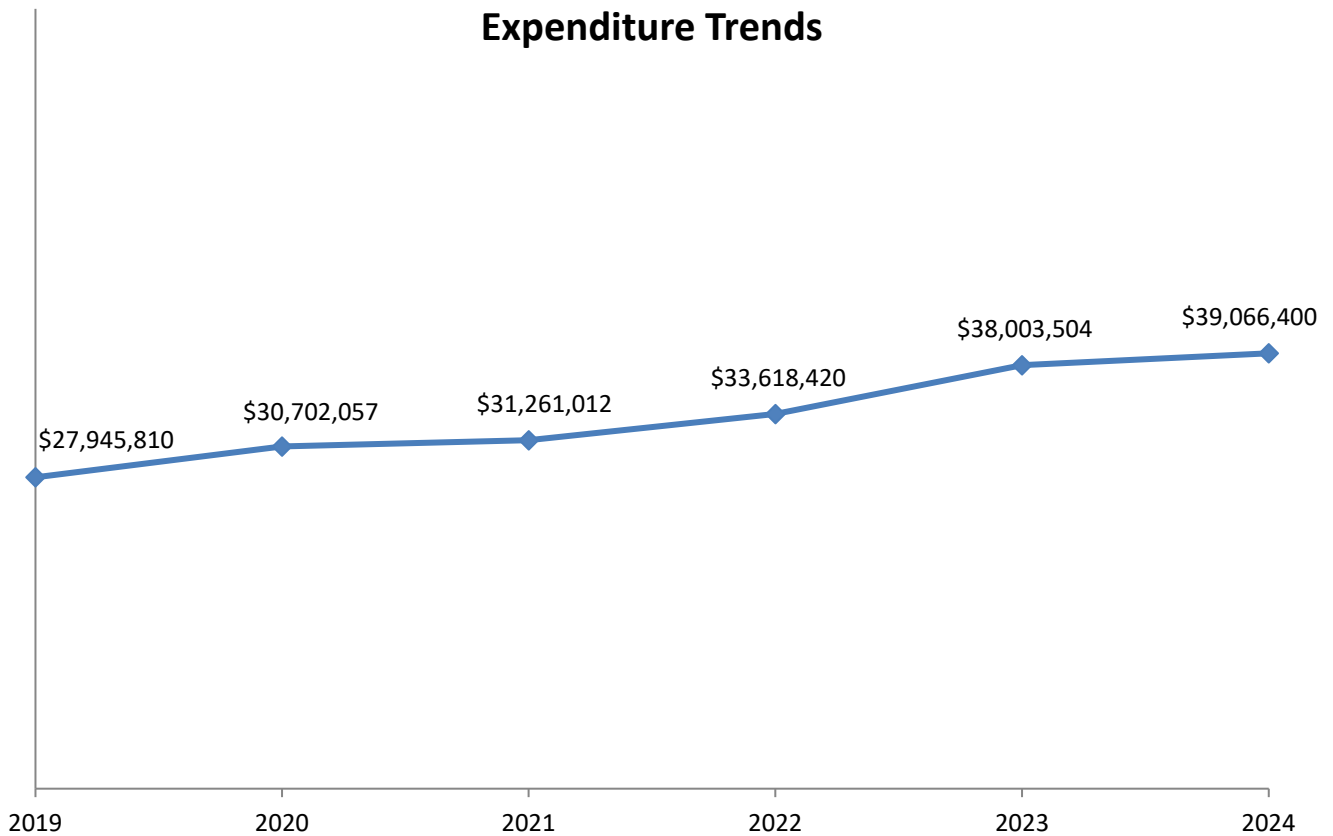
The FY 2022-23 & FY 2023-24 budgets for the Plant No. 1 Operations Division reflect an increase of 13% and an increase of 3% over the prior year, respectively. The FY 2022-23 increase is primarily due to an increase in chemicals coagulants, odor control, solids removal, and utilities, and is partially offset by a decrease in personnel expenses. The FY 2023-24 increase is primarily due to an increase in chemical coagulants, solids removal, and personnel expenses, and is partially offset by a decrease in repairs and maintenance, and utilities.

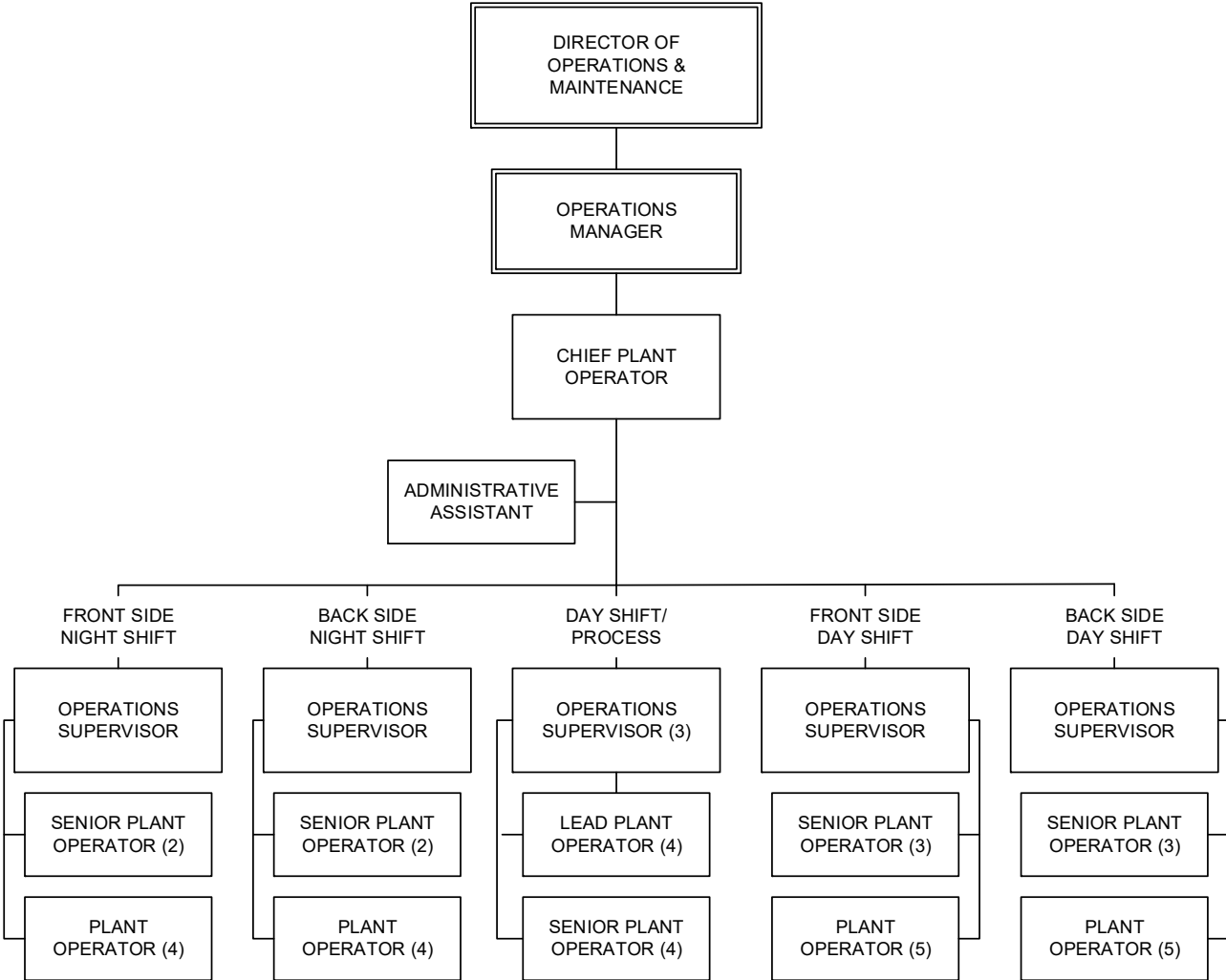
<b>2021-22 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 33,618,420</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	77,320
Change in OCERS retirement costs	(72,880)
Change in group insurance costs	(143,800)
Other benefit cost adjustments	(38,600)
<b>Other Cost Adjustments:</b>	
Decrease in membership	(1,750)
Increase in meeting & training	3,400
Increase in chemical coagulants	1,115,214
Increase in odor control	115,300
Increase in disinfection	31,000
Increase in chemicals - cogen	45,000
Decrease in misc. chemicals	(35,000)
Increase in solids removal	440,000
Increase in grit & screenings disposal	33,000
Decrease in engineering services	(5,000)
Increase in enenergy consulting	50,000
Decrease in repairs & maintenance	(173,000)
Increase in utilities	2,945,900
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(1,020)
<b>2022-23 Proposed Budget - Total Operating Requirements</b>	<b>\$ 38,003,504</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	355,100
Change in OCERS retirement costs	33,300
Change in group insurance costs	58,900
Other benefit cost adjustments	14,300
<b>Other Cost Adjustments:</b>	
Decrease in minor furniture & fixture	(17,500)
Increase in chemicals coagulants	380,276
Increase in odor control	5,500
Decrease in disinfection	(36,000)
Increase in chemicals - cogen	5,000
Increase in misc. chemicals	11,000
Increase in solids removal	660,000
Increase in grit & screenings disposal	27,000
Decrease in repairs & maintenance	(185,000)
Decrease in utilities	(250,400)
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	1,420
<b>2023-24 Proposed Budget - Total Operating Requirements</b>	<b>\$ 39,066,400</b>

# 2022-23 & 2023-24 Budget

Operating Expenses By Category	2020-21 Actual	2021-22 Budget	2021-22 Projected	2022-23 Proposed	Budget % Change	2023-24 Proposed	Budget % Change
Personnel	\$ 8,132,939	\$ 9,430,260	\$ 9,048,800	\$ 9,252,300	(1.89%)	\$ 9,713,900	4.99%
Supplies	8,070,789	8,249,560	8,632,653	9,521,824	15.42%	9,871,520	3.67%
Professional & Contractual Services	8,451,390	9,510,000	8,743,510	10,028,000	5.45%	10,715,000	6.85%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	223,870	478,000	244,000	305,000	(36.19%)	120,000	(60.66%)
Utilities	6,380,929	5,947,400	7,135,122	8,893,300	49.53%	8,642,900	(2.82%)
Other	1,095	3,200	1,640	3,080	(3.75%)	3,080	0.00%
<b>Total</b>	<b>\$31,261,012</b>	<b>\$33,618,420</b>	<b>\$33,805,725</b>	<b>\$38,003,504</b>	<b>13.04%</b>	<b>\$39,066,400</b>	<b>2.80%</b>

**Expenditure Trends**



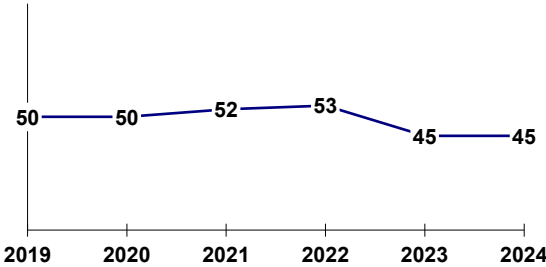


Staffing Trends

2022-23 & 2023-24 Authorized FTE Positions

Supervisors / Professionals	8.0
Operations & Maintenance	36.0
Administrative / Clerical	1.0

**Total** 45.0



# 2022-23 & 2023-24 Budget

## Service Description

The mission of the Plant No.2 Operations Division is to safely, reliably, and cost effectively operate the plant to meet all regulatory requirements for the land, air, and water environments of Orange County and the 2.6 million residents we serve.

### 2021-22 Performance Objectives

- ◆ Achieve 100% compliance with water, solids, air, and energy permits and regulatory requirements.
- ◆ Achieve 100% compliance level of 90 - 100% of the Levels of Service targets.
- ◆ Manage operating expenditures to within 96 - 100% of approved budget.
- ◆ Achieve greater than 90% compliance with the safety scorecard.

### 2021-22 Performance Results

- ◆ Achieved 100% compliance with water, solids, air, and energy permits and regulatory requirements.
- ◆ Achieved overall 100% compliance level of the Levels of Service targets.
- ◆ Managed operating expenditures to 91.4% of approved budget.
- ◆ Achieved 100% compliance with the safety scorecard.

### 2022-23 & 2023-24 Performance Objectives

- ◆ Achieve 100% compliance with water, solids, air, and energy permits and regulatory requirements.
- ◆ Achieve 100% compliance level of 90 - 100% of the Levels of Service targets.
- ◆ Manage operating expenditures to within 96 - 100% of approved budget.
- ◆ Achieve greater than 90% compliance with the safety scorecard.

### Performance Measures

Summary	2020-21 Actual	2021-22 Projected	2022-23 Proposed	2023-24 Proposed	Justification
◆ Compliance with Permits & Regulatory Requirements	100%	100%	100%	100%	In-House Standard
◆ Levels of Service Compliance	83.3%	100%	> 90%	> 90%	In-House Standard
◆ Manage Budget	87.7%	91.2%	96-100%	96-100%	In-House Standard
◆ Compliance with Safety Scorecard	100%	100%	> 90%	> 90%	In-House Standard



# Plant No. 2 Operations

## Budget Overview

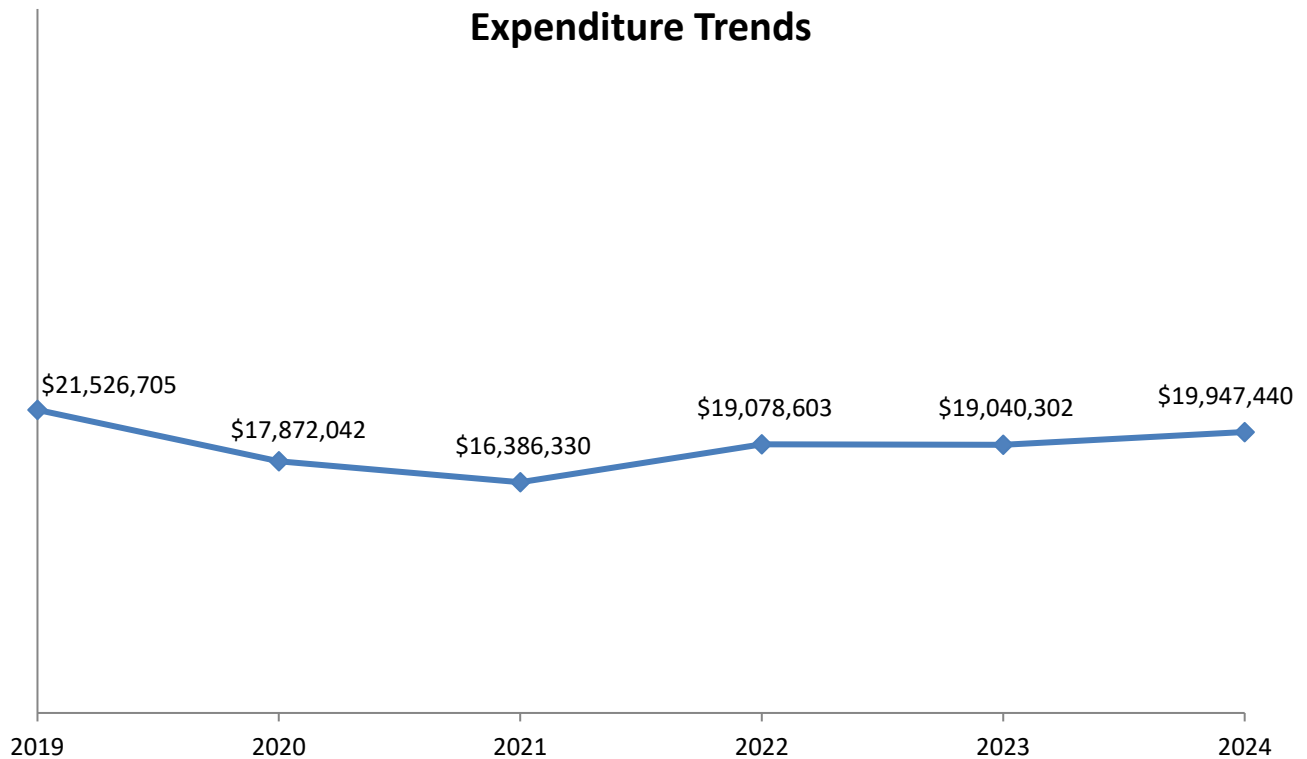
The FY 2022-23 & FY 2023-24 budgets for the Plant No. 2 Operations Division reflect a 0% change and an increase of 4% over the prior year, respectively. The FY 2022-23 increases and decreases offset each other and no significant percentage change occurs. The FY 2023-24 increase is primarily due to increases in personnel expenses, chemicals and coagulants, solids removal, and oxygen plant operations.

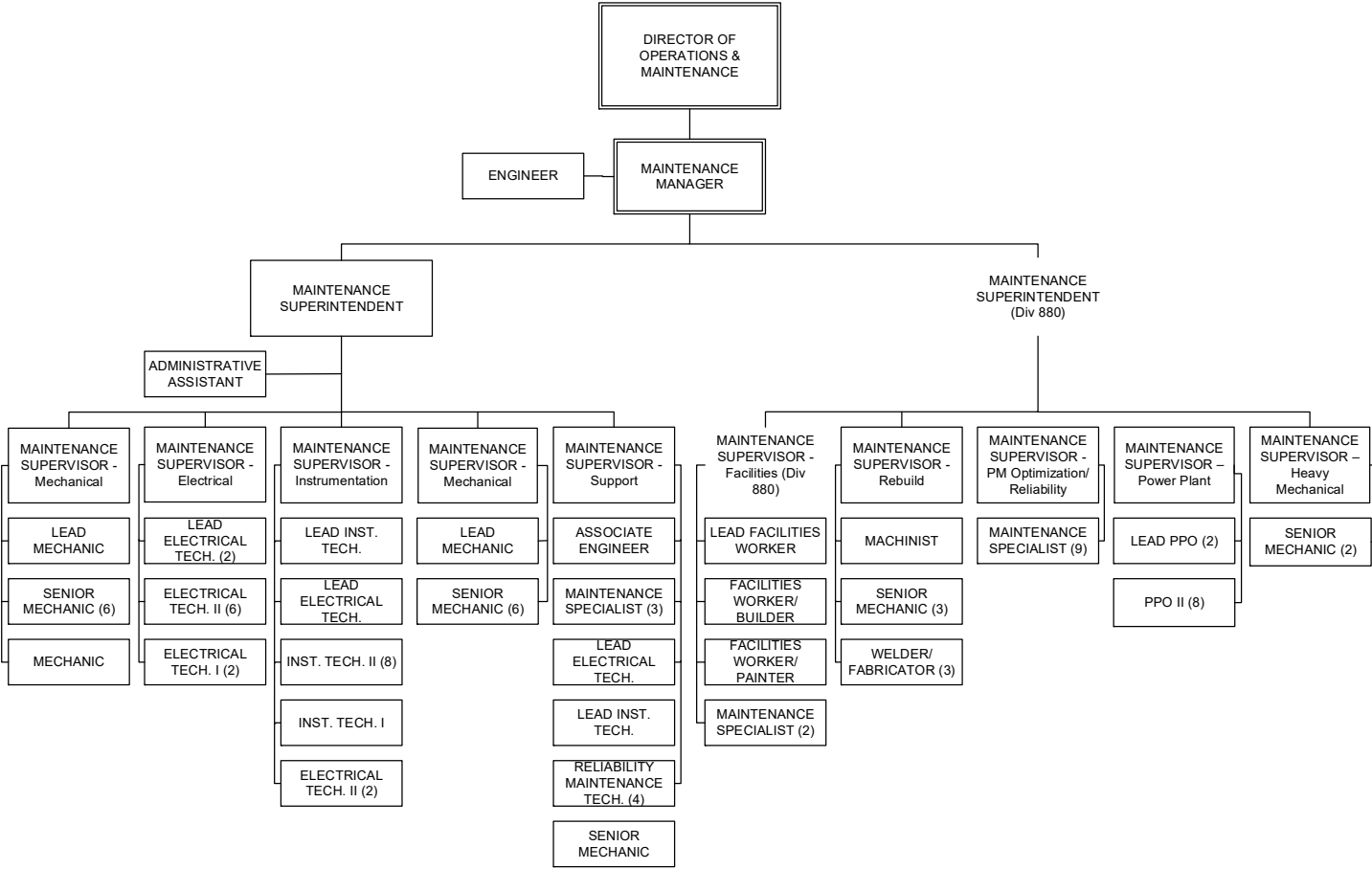
<b>2021-22 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 19,078,603</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(768,428)
Change in OCERS retirement costs	(62,880)
Change in group insurance costs	(151,100)
Other benefit cost adjustments	(20,900)
<b>Other Cost Adjustments:</b>	
Decrease in minor furniture & fixture	(3,450)
Increase in chemicals coagulants	317,329
Increase in odor control	87,500
Increase in disinfection	34,500
Decrease in chemicals - cogen Op.	(12,000)
Decrease in tools	(3,000)
Increase in safety equipment/tools	5,500
Increase in solids removal	200,000
Increase in grit & screenings disposal	12,000
Increase in oxygen plant operations	106,000
Decrease in other professional services	(12,000)
Decrease in repairs & maintenance	(58,000)
Increase in utilities	296,200
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(5,572)
<b>2022-23 Proposed Budget - Total Operating Requirements</b>	<b>\$ 19,040,302</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	260,200
Change in OCERS retirement costs	28,100
Change in group insurance costs	55,600
Other benefit cost adjustments	13,800
<b>Other Cost Adjustments:</b>	
Increase in chemical coagulants	102,238
Increase in odor control	7,000
Increase in chemicals - cogen Op.	29,000
Increase in solids removal	390,000
Increase in grit & screenings disposal	4,000
Increase in oxygen plant operations	85,000
Decrease in utilities	(69,200)
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	1,400
<b>2023-24 Proposed Budget - Total Operating Requirements</b>	<b>\$ 19,947,440</b>

# 2022-23 & 2023-24 Budget

Operating Expenses By Category	2020-21 Actual	2021-22 Budget	2021-22 Projected	2022-23 Proposed	Budget % Change	2023-24 Proposed	Budget % Change
Personnel	\$ 6,838,672	\$ 8,858,308	\$ 7,539,200	\$ 7,855,000	(11.33%)	\$ 8,212,700	4.55%
Supplies	3,690,873	3,922,755	4,062,727	4,343,662	10.73%	4,483,300	3.21%
Professional & Contractual Services	4,293,041	4,730,000	4,548,270	5,036,000	6.47%	5,515,000	9.51%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	147,393	115,000	100,590	57,000	(50.43%)	57,000	0.00%
Utilities	1,415,247	1,449,500	1,485,392	1,745,700	20.43%	1,676,500	(3.96%)
Other	1,104	3,040	1,570	2,940	(3.29%)	2,940	0.00%
<b>Total</b>	<b>\$ 16,386,330</b>	<b>\$ 19,078,603</b>	<b>\$ 17,737,749</b>	<b>\$ 19,040,302</b>	<b>(0.20%)</b>	<b>\$ 19,947,440</b>	<b>4.76%</b>

## Expenditure Trends





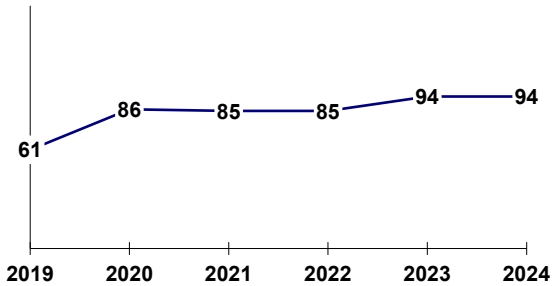
**Staffing Trends**

**2022-23 & 2023-24 Authorized FTE Positions**

Manager	1.0
Supervisors / Professionals	25.0
Operations & Maintenance	67.0
Administrative / Clerical	1.0

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**Total 94.0**



# 2022-23 & 2023-24 Budget

## Service Description

The mission of the Plant 1 Maintenance Division is to protect public health and the environment by providing reliable power distribution, electrical and instrument maintenance, civil facilities and grounds maintenance, and mechanical maintenance to the treatment plant. The division's professional, highly skilled staff use best practices and technology to provide Plant Operations and OC San staff with electrical power, control systems, environmental controls that are safe and on-line; and mechanical, and facilities support to ensure and restore reliability.

### 2021-22 Performance Objectives

- ◆ Achieve 100% compliance with water, solids, air, and energy permits and regulatory requirements.
- ◆ Achieve 100% compliance level of 90 - 100% of the Levels of Service targets.
- ◆ Manage operating expenditures to within 96 - 100% of approved budget.
- ◆ Maintain a Work Order backlog of less than 6 weeks.
- ◆ Achieve greater than 90% compliance with the safety scorecard.
- ◆ Achieve PM compliance of greater than 75%.

### 2021-22 Performance Results

- ◆ Achieved 100% compliance with water, solids, air, and energy permits and regulatory requirements.
- ◆ Achieved 100% compliance level of 90 - 100% of the Levels of Service targets.
- ◆ Managed operating expenditures to 110% of approved budget for the Department.
- ◆ Maintained a Work Order backlog of less than 6 weeks.
- ◆ Achieved 100% on safety scorecard.
- ◆ Achieved PM Compliance of 75%.

### 2022-23 & 2023-24 Performance Objectives

- ◆ Achieve 100% compliance with water, solids, air, and energy permits and regulatory requirements.
- ◆ Achieve 100% compliance level of 90 - 100% of the Levels of Service targets.
- ◆ Manage operating expenditures to within 96 - 100% of approved budget.
- ◆ Maintain a Work Order backlog of less than 5 weeks.
- ◆ Achieve greater than 90% compliance with the safety scorecard.
- ◆ Achieve PM compliance of greater than 75%.

### Performance Measures

Summary	2020-21 Actual	2021-22 Projected	2022-23 Proposed	2023-24 Proposed	Justification
◆ Compliance with Permits & Regulatory Requirements	100%	100%	100%	100%	In-House Standard
◆ Levels of Service Compliance	100%	100%	100%	100%	In-House Standard
◆ Manage Budget	107.5%	110%	96-100%	96-100%	In-House Standard
◆ Work Order Backlog	< 6 weeks	< 6 weeks	< 5 weeks	< 5 weeks	In-House Standard
◆ Safety Scorecard	98%	100%	> 90%	> 90%	In-House Standard
◆ PM Compliance	80.3%	75%	> 75%	> 75%	In-House Standard

# Plant No. 1 Maintenance

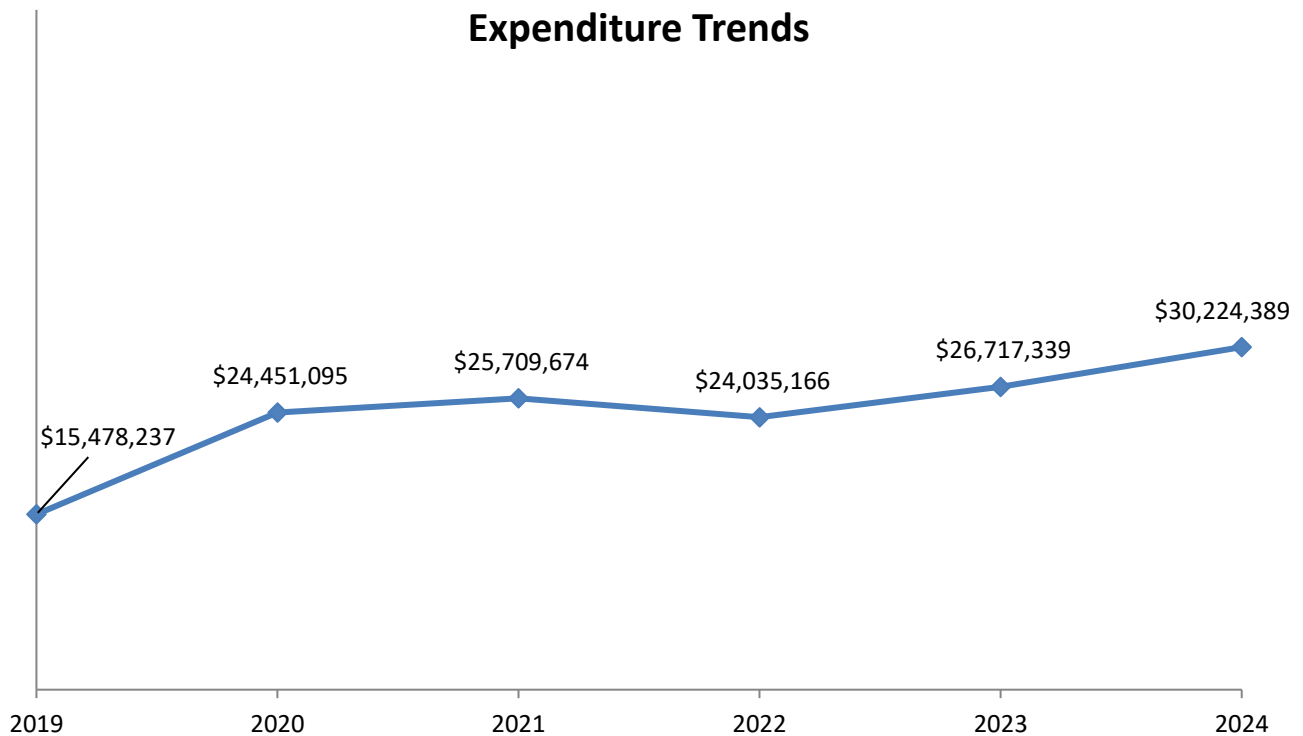
## Budget Overview

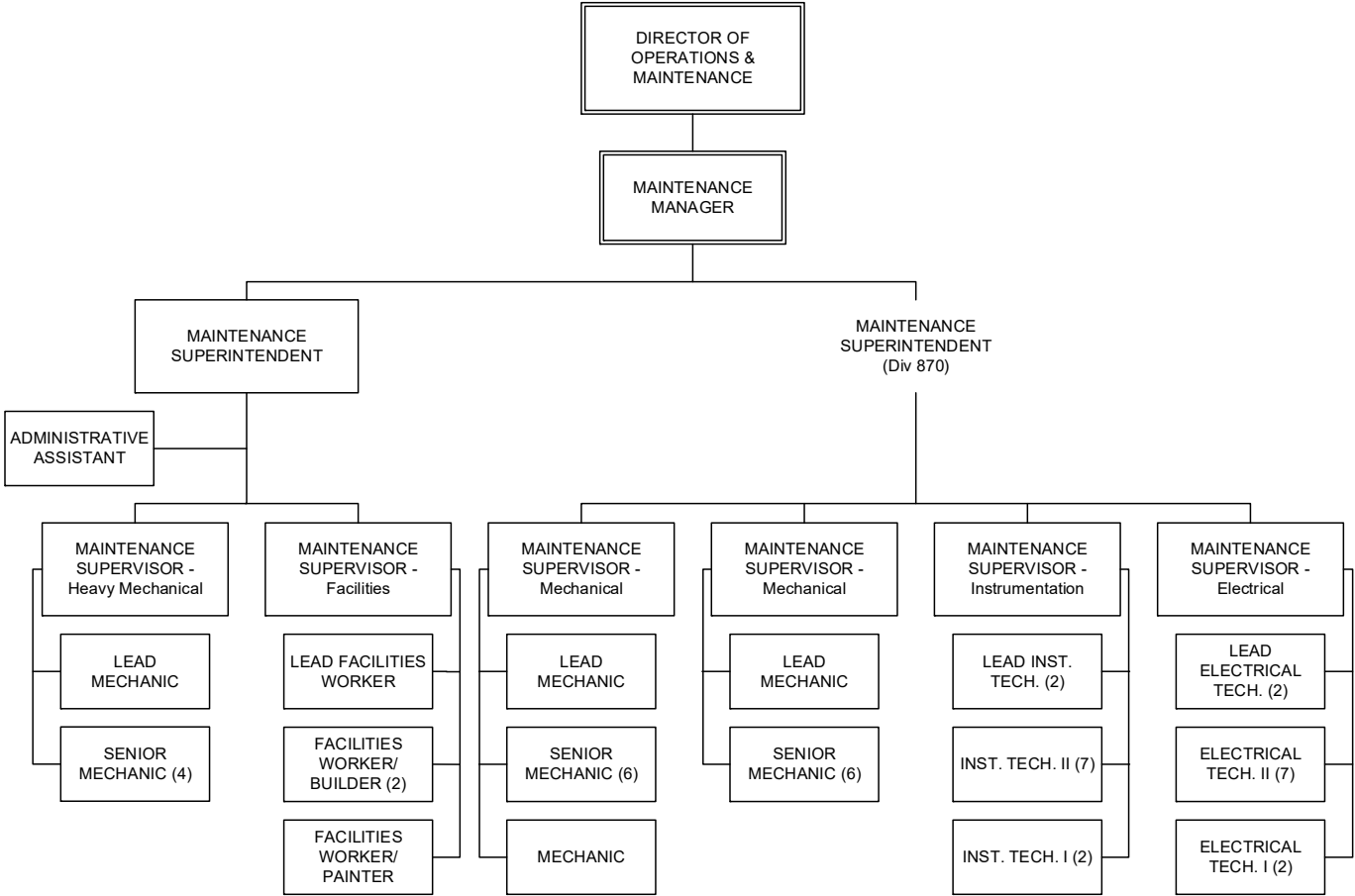
The FY 2022-23 & FY 2023-24 budgets for the Plant No. 1 Maintenance Division reflect an increase of 11% and an increase of 13% over the prior year, respectively. The FY 2022-23 increase is primarily due to an increase in engineering services, repairs and maintenance, and personnel expenses, which includes 1 new FTE. The FY 2023-24 increase is primarily due to an increase in repairs and maintenance, and personnel expenses and adjustments.

<b>2021-22 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 24,035,166</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	149,754
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	1,556,048
Change in OCERS retirement costs	201,730
Change in group insurance costs	(144,200)
Other benefit cost adjustments	14,500
<b>Other Cost Adjustments:</b>	
Increase in memberships	2,440
Increase in minor furniture & fixture	70,000
Increase in printing & publication	6,000
Increase in training & meetings	26,210
Increase in gas, diesel, & oil	70,000
Increase in tools	7,000
Increase in safety equipment/tools	45,000
Increase in janitorial	10,000
Increase in engineering services	235,000
Increase in other professional services	73,000
Increase in repairs & maintenance	366,441
Decrease in utilities	(8,000)
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	1,250
<b>2022-23 Proposed Budget - Total Operating Requirements</b>	<b>\$ 26,717,339</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	517,000
Change in OCERS retirement costs	56,900
Change in group insurance costs	93,300
Other benefit cost adjustments	22,700
<b>Other Cost Adjustments:</b>	
Decrease in minor furniture & fixture	(30,000)
Increase in training & meetings	39,010
Increase in repairs & maintenance	2,809,140
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	(1,000)
<b>2023-24 Proposed Budget - Total Operating Requirements</b>	<b>\$ 30,224,389</b>

# 2022-23 & 2023-24 Budget

Operating Expenses By Category	2020-21 Actual	2021-22 Budget	2021-22 Projected	2022-23 Proposed	Budget % Change	2023-24 Proposed	Budget % Change
Personnel	\$ 10,831,443	\$ 13,069,122	\$ 13,103,000	\$ 14,846,954	13.60%	\$ 15,536,854	4.65%
Supplies	919,261	735,940	830,140	973,540	32.29%	982,550	0.93%
Professional & Contractual Services	792,020	570,000	705,000	878,000	54.04%	877,000	(0.11%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	13,159,251	9,644,404	11,924,682	10,010,845	3.80%	12,819,985	28.06%
Utilities	5,017	8,000	11,410	-	(100.00%)	-	-
Other	2,682	7,700	16,521	8,000	3.90%	8,000	0.00%
<b>Total</b>	<b>\$ 25,709,674</b>	<b>\$ 24,035,166</b>	<b>\$ 26,590,753</b>	<b>\$ 26,717,339</b>	<b>11.16%</b>	<b>\$ 30,224,389</b>	<b>13.13%</b>



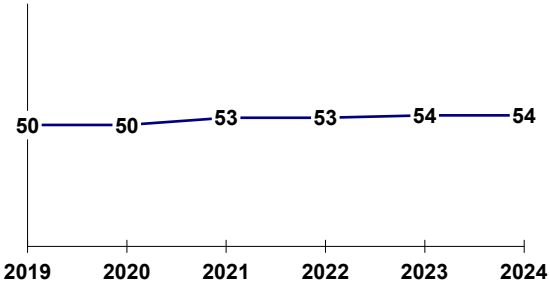


Staffing Trends

2022-23 & 2023-24 Authorized FTE Positions

Supervisors / Professionals	7.0
Operations & Maintenance	46.0
Administrative / Clerical	1.0

**Total** 54.0



# 2022-23 & 2023-24 Budget

## Service Description

The mission of the Plant 2 Maintenance Division is to protect public health and the environment by providing reliable power distribution and asset maintenance to the treatment plants and associated pump stations in outer lying service areas. The division's staff use best practices and technology to provide Collections and Plant Operations with electrical power, control systems, environmental controls as well as mechanical and facilities support to ensure and restore reliability.

### 2021-22 Performance Objectives

- ◆ Achieve 100% compliance with water, solids, air, and energy permits and regulatory requirements.
- ◆ Achieve 100% compliance level of 90 - 100% of the Levels of Service targets.
- ◆ Manage operating expenditures to within 96 - 100% of approved budget.
- ◆ Maintain a Work Order backlog of less than 6 weeks.
- ◆ Achieve greater than 90% compliance with the safety scorecard.
- ◆ Achieve PM compliance of greater than 75%.

### 2021-22 Performance Results

- ◆ Achieved 100% compliance with water, solids, air, and energy permits and regulatory requirements.
- ◆ Achieved 100% compliance level of 90 - 100% of the Levels of Service targets.
- ◆ Managed operating expenditures to 100% of approved budget.
- ◆ Maintained a Work Order backlog of less than 6 weeks.
- ◆ Achieved 100% on safety scorecard.
- ◆ Achieved PM Compliance of 70%.

### 2022-23 & 2023-24 Performance Objectives

- ◆ Achieve 100% compliance with water, solids, air, and energy permits and regulatory requirements.
- ◆ Achieve 100% compliance level of 90 - 100% of the Levels of Service targets.
- ◆ Manage operating expenditures to within 96 - 100% of approved budget.
- ◆ Maintain a Work Order backlog of less than 5 weeks.
- ◆ Achieve greater than 90% compliance with the safety scorecard.
- ◆ Achieve PM compliance of greater than 75%.

### Performance Measures

Summary	2020-21 Actual	2021-22 Projected	2022-23 Proposed	2023-24 Proposed	Justification
◆ Compliance with Permits & Regulatory Requirements	100%	100%	100%	100%	In-House Standard
◆ Levels of Service Compliance	100%	100%	100%	100%	In-House Standard
◆ Manage Budget	98.9%	100%	96-100%	96-100%	In-House Standard
◆ Work Order Backlog	< 6 weeks	< 6 weeks	< 5 weeks	< 5 weeks	In-House Standard
◆ Safety Scorecard	98%	100%	> 90%	> 90%	In-House Standard
◆ PM Compliance	75.7%	70%	> 75%	> 75%	In-House Standard



# Plant No. 2 Maintenance

## Budget Overview

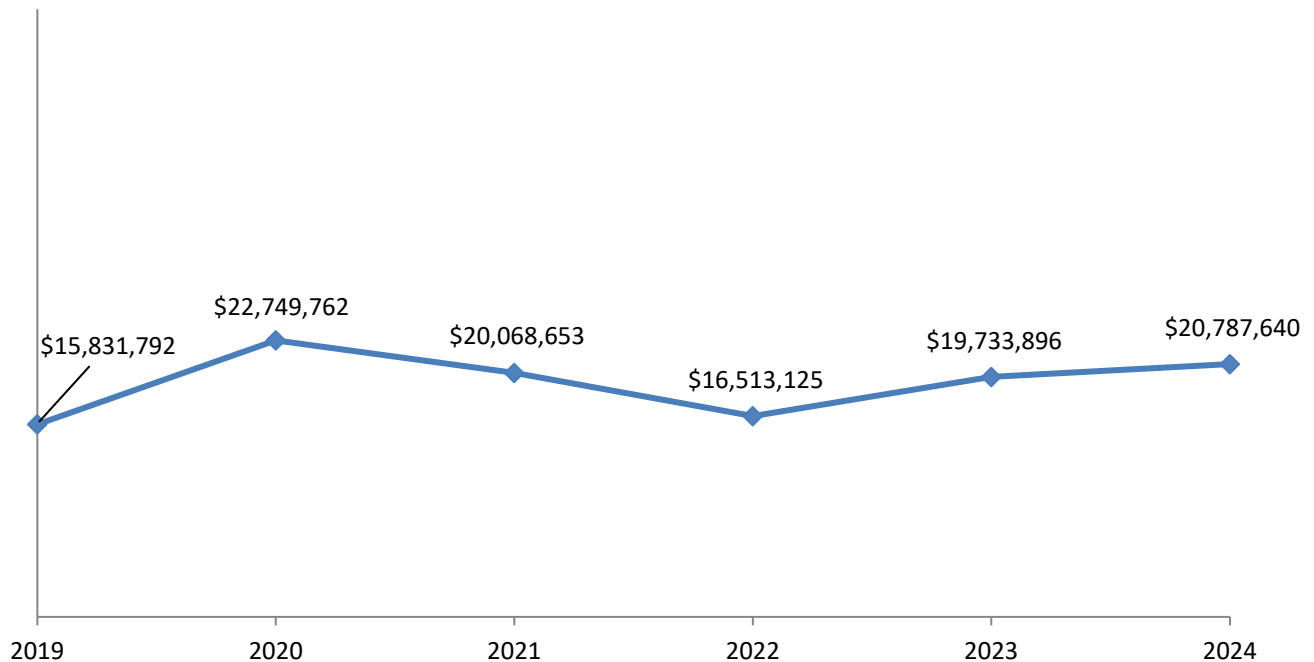
The FY 2022-23 & FY 2023-24 budgets for the Plant No. 2 Maintenance Division reflect an increase of 20% and an increase of 5% over the prior year, respectively. The FY 2022-23 increase is primarily due to an increase in engineering services, repairs and maintenance, and personnel expenses and adjustments. The FY 2023-24 increase is primarily due to an increase in repairs and maintenance, and personnel expenses and adjustments.

<b>2021-22 Adjusted Budget - Total Operating Requirements</b>	<b>\$ 16,513,125</b>
<b>Salaries for Position Changes:</b>	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
<b>Changes in Personnel Expenses:</b>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	251,584
Change in OCERS retirement costs	30,940
Change in group insurance costs	(121,800)
Other benefit cost adjustments	(10,800)
<b>Other Cost Adjustments:</b>	
Decrease in memberships	(1,560)
Decrease in minor furniture & fixture	(22,000)
Increase in printing & publication	5,500
Increase in meeting & training	33,490
Increase in gas, diesel, oil	35,000
Increase in tools	31,000
Increase in safety equipment/tools	50,000
Increase in janitorial	10,000
Increase in other misc. operating supplies	10,000
Increase in engineering services	150,000
Increase in other professional services	43,000
Increase in repairs & maintenance	2,737,117
Decrease in utilities	(12,000)
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	1,300
<b>2022-23 Proposed Budget - Total Operating Requirements</b>	<b>\$ 19,733,896</b>
<b>Changes in Personnel Expenses:</b>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	337,000
Change in OCERS retirement costs	35,800
Change in group insurance costs	57,600
Other benefit cost adjustments	14,000
<b>Other Cost Adjustments:</b>	
Decrease in minor furniture & fixture	(20,000)
Increase in other professional services	49,000
Increase in repairs & maintenance	580,204
<b>Aggregate change in Other Categories:</b>	
Aggregate change in other materials, supplies, and services	140
<b>2023-24 Proposed Budget - Total Operating Requirements</b>	<b>\$ 20,787,640</b>

# 2022-23 & 2023-24 Budget

Operating Expenses By Category	2020-21 Actual	2021-22 Budget	2021-22 Projected	2022-23 Proposed	Budget % Change	2023-24 Proposed	Budget % Change
Personnel	\$ 6,697,278	\$ 7,746,276	\$ 7,481,700	\$ 7,896,200	1.94%	\$ 8,340,600	5.63%
Supplies	664,596	628,160	709,181	780,890	24.31%	761,030	(2.54%)
Professional & Contractual Services	468,695	516,000	601,000	709,000	37.40%	758,000	6.91%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	12,226,905	7,602,889	10,012,458	10,340,006	36.00%	10,920,210	5.61%
Utilities	7,622	12,000	20,000	-	(100.00%)	-	-
Other	3,557	7,800	5,745	7,800	0.00%	7,800	0.00%
<b>Total</b>	<b>\$20,068,653</b>	<b>\$16,513,125</b>	<b>\$18,830,084</b>	<b>\$19,733,896</b>	<b>19.50%</b>	<b>\$20,787,640</b>	<b>5.34%</b>

## Expenditure Trends



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# Self-Insurance Program Overview

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## ***Self-Funded Insurance Plans***

OC San is partially self-insured for general liability and workers' compensation. The General Liability and Property program and the Workers' Compensation program have been in existence since 1979. The annual in-lieu premiums and charges to the Revenue Areas or Operating Divisions are the revenue sources within these programs. Expenses primarily consist of claim settlements, legal fees, and excess loss insurance premiums. Ending Reserve Balances are projected at \$100,000,000 in FY 2022-23 and in FY 2023-24.

## ***General Liability and Property***

- OC San's current outside excess general liability insurance coverage is \$40 million per occurrence with an annual aggregate limit and with a self-insured retention of \$750,000.
- OC San's current property insurance coverage is \$1 billion for perils of fire and \$25 million for perils of flood, subject to a self-insured retention of \$1,000,000. OC San is partially self-insured for earthquake but does carry \$25 million in coverage on 15 key structures with a \$5 million deductible. OC San also has a \$50 million sublimit for builder's risk under the property insurance program to ensure upcoming construction projects are adequately covered.
- In order to maintain a reserve balance of \$100 million for FY 2022-23 and FY 2023-24 for the Property and General Liability program, appropriations for in-lieu premiums charged to the Revenue Areas are recommended at \$2,425,000 and \$2,668,050 for FY 2022-23 and FY 2023-24, respectively.

## ***Workers' Compensation***

- OC San's current excess workers' compensation coverage has unlimited statutory coverage per occurrence and \$4 million employer's liability with a self-insured retention of \$1 million 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 \$518,500 and \$690,100 for FY 2022-23 and FY 2023-24, respectively.

# 2022-23 & 2023-24 Budget

## Total of the Self-Insurance Programs

DESCRIPTION OR ACCOUNT TITLE	2020-21 Actuals	2021-22 Budget	2021-22 Thru 2/28/22	2021-22 Projected	2022-23 Proposed	2023-24 Proposed
<b>Beginning Reserves</b>	\$ 57,518,454	\$ 100,000,000	\$ 100,065,201	\$ 100,065,201	\$ 99,812,300	\$ 100,000,000
<b>Revenues</b>						
In-Lieu Premiums	2,723,800	2,920,000	2,189,998	2,920,000	2,943,500	3,358,150
Miscellaneous Other Revenue	-	-	-	-	-	-
Reserve Contribution	42,419,420	-	-	-	834,200	391,850
Service Department Allocation	96,804	96,804	72,603	96,800	100,000	100,000
<b>Total Revenues</b>	45,240,024	3,016,804	2,262,601	3,016,800	3,877,700	3,850,000
<b>Expenses</b>						
Benefits/Claims	408,859	470,000	293,562	391,400	410,000	420,000
Contractual Services	-	-	-	-	-	-
Legal Services	58,271	120,000	50,149	66,900	100,000	100,000
Professional Services	77,941	80,000	69,329	92,400	90,000	90,000
<b>Subtotal</b>	545,070	670,000	413,040	550,700	600,000	610,000
Policy Premium Expense	2,148,207	2,781,253	2,039,236	2,719,000	3,090,000	3,240,000
<b>Total Expenses</b>	2,693,277	3,451,253	2,452,276	3,269,700	3,690,000	3,850,000
<b>Excess Revenue (Expenses)</b>	42,546,747	(434,449)	(189,675)	(252,900)	187,700	-
<b>Ending Reserves</b>	\$ 100,065,201	\$ 99,565,551	\$ 99,875,526	\$ 99,812,301	\$ 100,000,000	\$ 100,000,000

# Self-Insurance Program

## General Liability and Property Self-Insurance Program

DESCRIPTION OR ACCOUNT TITLE	2020-21 Actuals	2021-22 Budget	2021-22 Thru 2/28/22	2021-22 Projected	2022-23 Proposed	2023-24 Proposed
<b>Beginning Reserves</b>	\$ 55,367,246	\$ 98,000,000	\$ 98,000,000	\$ 98,000,000	\$ 97,674,000	\$ 98,000,000
<b>Revenues</b>						
In-Lieu Premiums	2,205,000	2,140,000	1,604,998	2,140,000	2,425,000	2,668,050
Miscellaneous Other Revenue	-	-	-	-	-	-
Reserve Contribution	42,419,420	-	-	-	791,000	361,950
Service Department Allocation	7,104	-	5,328	7,100	10,000	10,000
<b>Total Revenues</b>	44,631,524	2,140,000	1,610,326	2,147,100	3,226,000	3,040,000
<b>Expenses</b>						
Benefits/Claims	34,549	40,000	3,302	4,400	20,000	20,000
Contractual Services	-	-	-	-	-	-
Legal Services	-	40,000	-	-	40,000	40,000
Professional Services	24,030	20,000	12,079	16,100	20,000	20,000
<b>Subtotal</b>	58,579	100,000	15,381	20,500	80,000	80,000
Policy Premium Expense	1,940,191	2,509,393	1,839,470	2,452,600	2,820,000	2,960,000
<b>Total Expenses</b>	1,998,770	2,609,393	1,854,851	2,473,100	2,900,000	3,040,000
<b>Excess Revenue (Expenses)</b>	42,632,754	(469,393)	(244,525)	(326,000)	326,000	-
<b>Ending Reserves</b>	\$ 98,000,000	\$ 97,530,607	\$ 97,755,475	\$ 97,674,000	\$ 98,000,000	\$ 98,000,000

# 2022-23 & 2023-24 Budget

## Workers' Compensation Self-Insurance Program

DESCRIPTION OR ACCOUNT TITLE	2020-21 Actuals	2021-22 Budget	2021-22 Thru 2/28/22	2021-22 Projected	2022-23 Proposed	2023-24 Proposed
<b>Beginning Reserves</b>	\$ 2,151,208	\$ 2,000,000	\$ 2,065,200	\$ 2,065,200	\$ 2,138,300	\$ 2,000,000
<b>Revenues</b>						
In-Lieu Premiums	518,800	780,000	585,000	780,000	518,500	690,100
Miscellaneous Other Revenue	-	-	-	-	-	-
Reserve Contribution	-	-	-	-	43,200	29,900
Service Department Allocation	89,700	-	67,275	89,700	90,000	90,000
<b>Total Revenues</b>	608,500	780,000	652,275	869,700	651,700	810,000
<b>Expenses</b>						
Benefits/Claims	374,310	430,000	290,260	387,000	390,000	400,000
Contractual Services	-	-	-	-	-	-
Legal Services	58,271	80,000	50,149	66,900	60,000	60,000
Professional Services	53,911	60,000	57,250	76,300	70,000	70,000
<b>Subtotal</b>	486,492	570,000	397,659	530,200	520,000	530,000
Policy Premium Expense	208,016	271,860	199,766	266,400	270,000	280,000
<b>Total Expenses</b>	694,508	841,860	597,425	796,600	790,000	810,000
<b>Excess Revenue (Expenses)</b>	(86,008)	(61,860)	54,850	73,100	(138,300)	-
<b>Ending Reserves</b>	\$ 2,065,200	\$ 1,938,140	\$ 2,120,050	\$ 2,138,300	\$ 2,000,000	\$ 2,000,000

# Capital Improvement Program Overview

## CIP Budget Request Summary

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

CIP projects take several years to complete the planning, design, and construction cycle. The proposed budget for each project covers the life of the project. This budget is reevaluated each year for the purpose of managing annual cash flows. Thus, many of the projects in the CIP Budget for FY 2022-23 and FY 2023-24 are continuing projects that were approved in prior years.

In December 2017, the 2017 Facilities Master Plan was adopted by the Board of Directors. The Master Plan identified a phased 20-year program of capital improvement projects that will allow OC San to maintain reliability and accommodate future growth, as well as meet future regulatory requirements, level of service goals, and strategic initiatives.

This phased 20-year program is only a starting point. The Asset Management Program within the Planning Division continues assessing the condition of OC San's existing assets and systems to ensure these assets and systems can provide the necessary level of service. The Planning Division continues reviewing and updating the ongoing and future CIP to appropriately manage the risks associated with asset or system failure. Projects can be delayed, consolidated or rescoped to help ensure that the CIP is delivered in the most efficient way possible. The Asset Management Program will continue these efforts and will continue to define the future CIP project requirements not currently included on the CIP list but are anticipated within the long-term financial plan to ensure effective and efficient operations.

This year, four new projects are proposed for addition to the FY 2022-23 budget. These are:

- Project No. 2-78: Santa Ana Canyon South River Trunk Rehabilitation
- Project No. J-137: 120-inch Ocean Outfall Rehabilitation
- Project No. P1-141: Administrative Facilities and Power Building 3A Demolition
- Project No. P2-140: Truck Loading Bay Odor Control Improvements at Plant No. 2

OC San staff has also validated all active and future CIP projects to ensure the project scopes of work, schedule and cost estimates are up to date. Through the budget validation process, each project's schedule, staff resources, total project cost, cash flow and risks are assessed to confirm the budgetary requirements. The validated CIP includes 70 active and future capital projects, and five programs, such as:

- Small Construction Projects Program (M-FE)
- Planning Studies Program (M-Studies)
- Research Program (M-Research)
- Operation & Maintenance Capital Program (M-SM-CAP)
- Information Technology Capital Program (M-MC-IT)

The total CIP budget authority has increased by \$35 million as compared to FY 2021-22 approved budget of \$4.3 billion. The changes are summarized below:

FY 2021-22 Approved Total CIP Budget Authority	\$4.3 B
Project Net Changes:	
New	\$98 M
Budget Increases	\$261 M
Budget Decreases	(\$133 M)
Cancellation/Closures	(\$191 M)
Total:	\$35 M
FY 2022-23 Proposed Total CIP Budget Authority	\$4.3 B

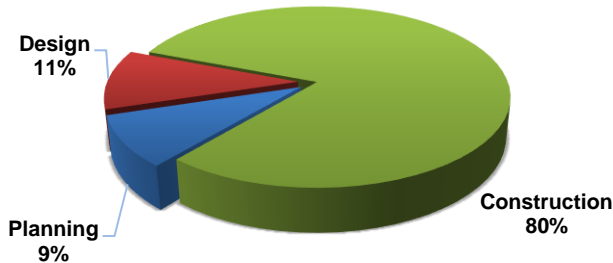
Following is a table of the FY 2022-23 proposed CIP budget:

Description	FY 2022-23 CIP Budget
Capital Improvement Program (CIP)	\$284.6 M
Less: Savings and Deferrals	(\$16.4 M)
Net CIP Outlay	\$268.2 M

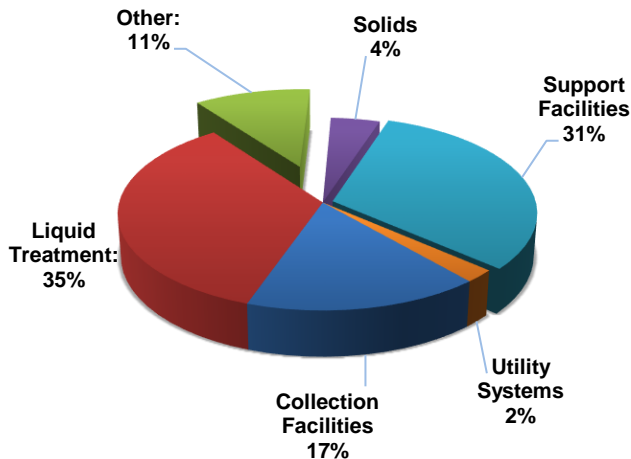
The proposed FY 2022-23 net CIP outlays can be categorized by the project phase, location of the projects in terms of wastewater treatment process, or by the reasons why the projects are needed, i.e., project drivers. Charts showing the distribution of the funds by CIP status, process area, and driver are shown on the following page.

# 2022-23 & 2023-24 Budget

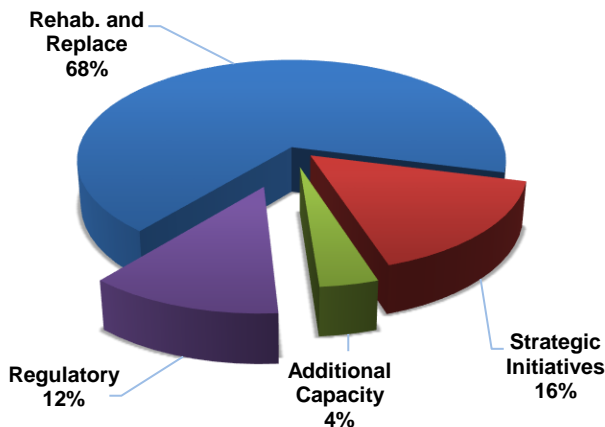
**Projected FY 2022-23 Net CIP Outlay by Project Status**



**Projected FY 2022-23 Net CIP Outlay by Area**



**Projected FY 2022-23 Net CIP Outlay by Project Driver**

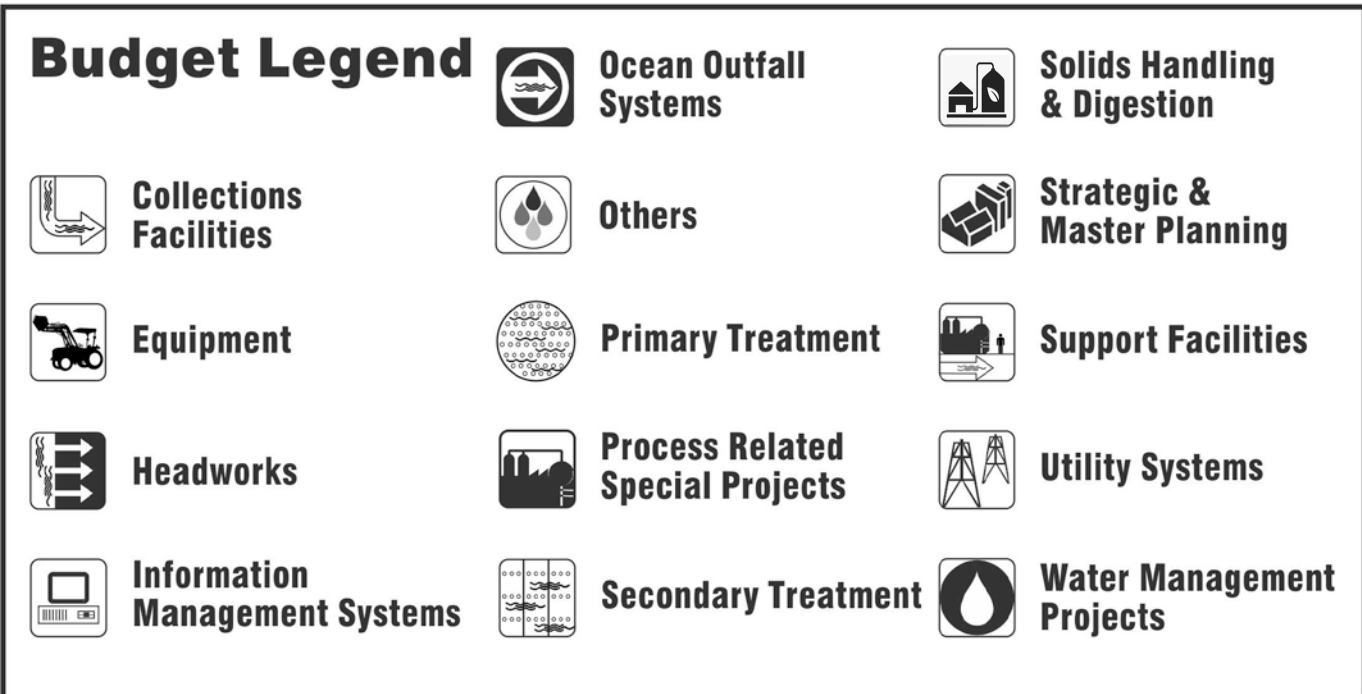
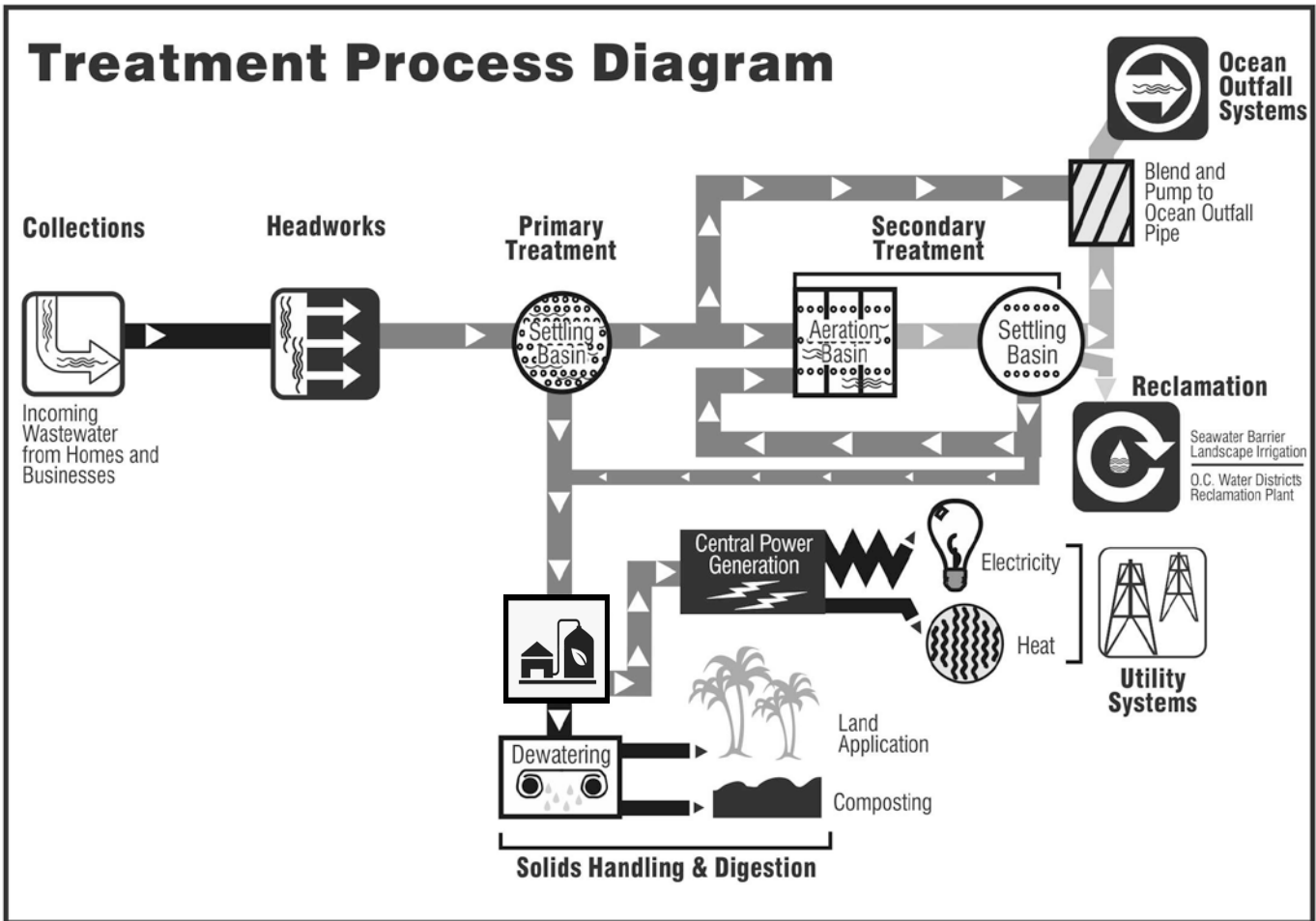


From the charts, it is apparent that construction is the primary area where the FY 2022-23 Outlay will be spent (\$228.4 million). In construction is the Headworks Rehabilitation at Plant No. 1 (Project No. P1-105). The facility is over 30 years old, and a comprehensive refurbishment is required to extend the life of the facility. The project will rehabilitate systems including the metering and diversion structure, the bar screen building, the bin loading building, the main sewage pump station, the grit basins, the primary influent channels, the headworks odor control scrubbers, and electrical power distribution and control systems. This project will also replace the emergency pumping capacity that has been provided by the original headworks pumping system dating back to the 1950s. Construction is anticipated to finish in 2027. The total budgeted cost for this project is \$340 million and the FY 2022-23 expenditures are estimated to be \$35 million.

35% of the FY 2022-23 Net CIP Outlay will be spent on the area that processes liquid treatment. An example is the Primary Treatment Rehabilitation Project (Project No. P2-98) that will replace or rehabilitate the 14 primary clarifiers at Plant No. 2 with associated influent pipes, construct new primary effluent pipes, and rehabilitate and upgrade the odor control systems. These facilities date back to the late 1950s and need seismic and condition-based upgrades. The project as a whole will improve the resiliency of our infrastructure and thus improve our ability to provide service. This is anticipated to be a very long duration project because the need to maintain treatment operations during the project. The final phase of this Project is now under construction and is anticipated to spend \$31 million in FY 2022-23. Construction is scheduled to end in 2026. The total project budget is \$188 million.

Project drivers are dominated by Rehabilitation and Replacement Projects at 68% of FY 2022-23 Net CIP Outlay. The following example is where the driver is 50% Rehabilitation and Replacement and 50% Regulatory. The Headquarters Complex (Project No. P1-128) will build new support facilities across from Plant No. 1 on the north side of Ellis Avenue. Currently, administrative and engineering functions are located primarily at Plant No. 1, and the buildings that house the staff are aging and need replacement. The new Headquarters will be a three-story building for administrative, engineering, resource protection and environmental compliance staff. The project also includes a pedestrian bridge across Ellis Avenue that will link the complex to Plant No.1. Construction is underway and occupancy is planned for late 2023. The total budgeted cost for this project is \$168 million and the FY 2022-23 expenditures are estimated to be \$61 million.



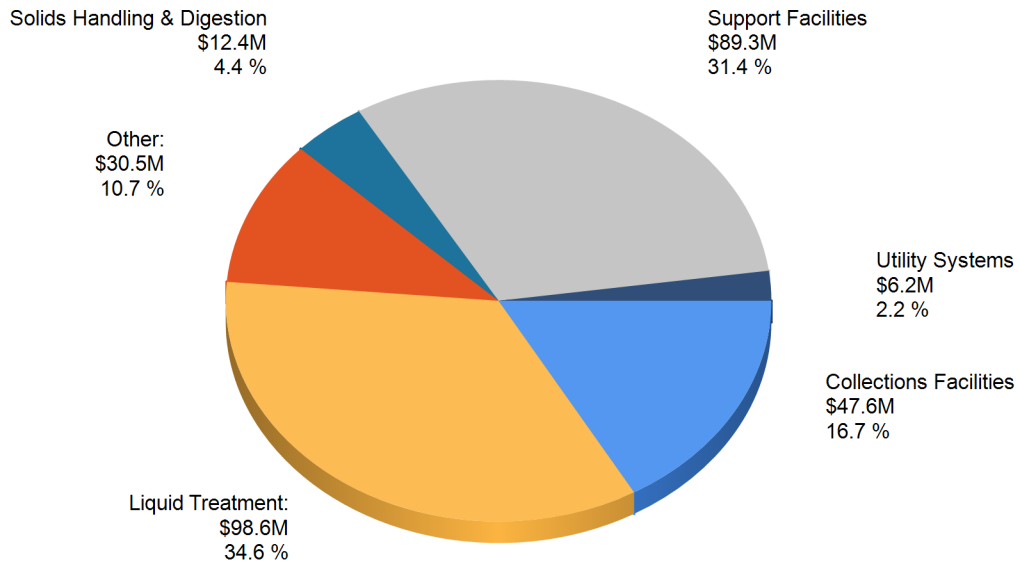


# 2022-23 & 2023-24 Budget

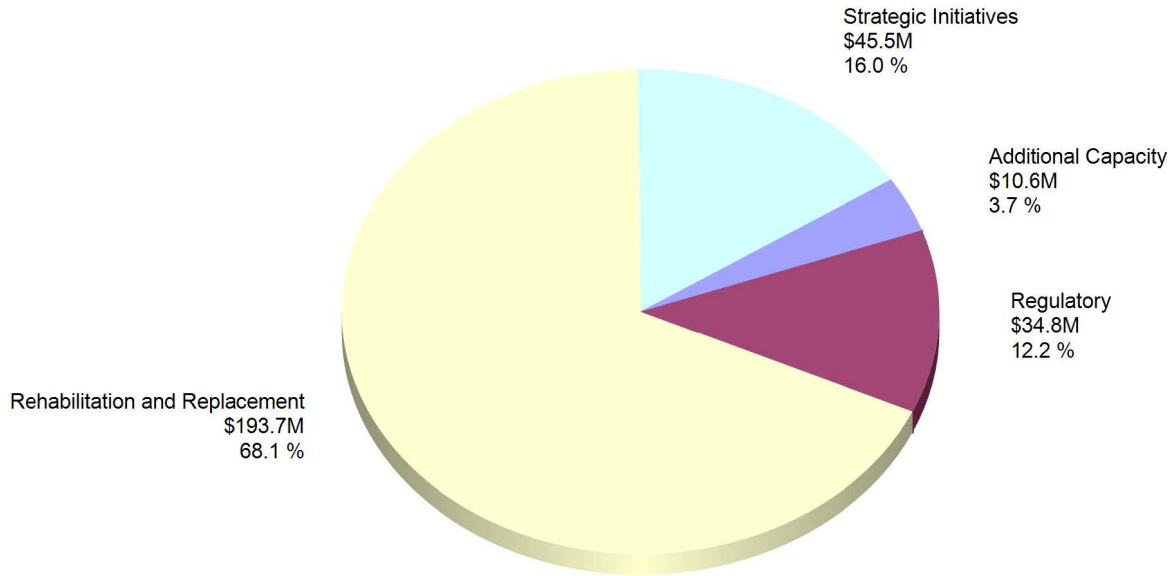
## Project Summary FY 2022-23

Item	Rehabilitation and Replacement	Strategic Initiatives	Additional Capacity	Regulatory	Total Budget
Collections Facilities	\$ 39,308,072	\$ 1,705,539	\$ 6,540,717	\$ 71,348	\$ 47,625,676
Solids Handling & Digestion	9,767,114	2,621,389	-	-	12,388,503
Support Facilities	47,475,209	7,057,441	2,091,698	32,690,609	89,314,957
Utility Systems	5,393,218	810,716	-	-	6,203,934
Liquid Treatment:					
Headworks	34,978,474	4,930,162	-	-	39,908,636
Primary Treatment	34,585,000	1,314,795	-	-	35,899,795
Ocean Outfall Systems	5,204,774	14,980,992	-	-	20,185,766
Secondary Treatment	2,627,003	-	-	-	2,627,003
Liquid Treatment Subtotal	77,395,251	21,225,949	-	-	98,621,200
Other:					
Information Management Systems	9,588,407	2,174,910	-	-	11,763,317
Equipment	1,737,425	1,737,425	1,737,425	1,737,425	6,949,700
Research	-	6,001,774	-	-	6,001,774
Strategic & Master Planning	3,090,823	1,545,412	257,569	257,569	5,151,373
Others	-	324,865	-	-	324,865
Water Management Projects	-	272,062	-	-	272,062
Other Subtotal	14,416,655	12,056,448	1,994,994	1,994,994	30,463,091
<b>Grand Total</b>	<b>\$ 193,755,519</b>	<b>\$ 45,477,482</b>	<b>\$ 10,627,409</b>	<b>\$ 34,756,951</b>	<b>\$ 284,617,361</b>
<b>Less: CIP Savings &amp; Deferrals</b>					<b>(\$16,450,000)</b>
<b>Proposed Net CIP Outlay</b>					<b>\$ 268,167,361</b>

# Summary of Capital Requirements - FY 2022-23



**FY 2022-23 Capital Improvement Program Outlay by Process - \$284.6 Million**  
**Net CIP Outlay - \$268.2 Million**



**FY 2022-23 Capital Improvement Program Outlay by Driver - \$284.6 Million**  
**Net CIP Outlay - \$268.2 Million**

# 2022-23 & 2023-24 Budget

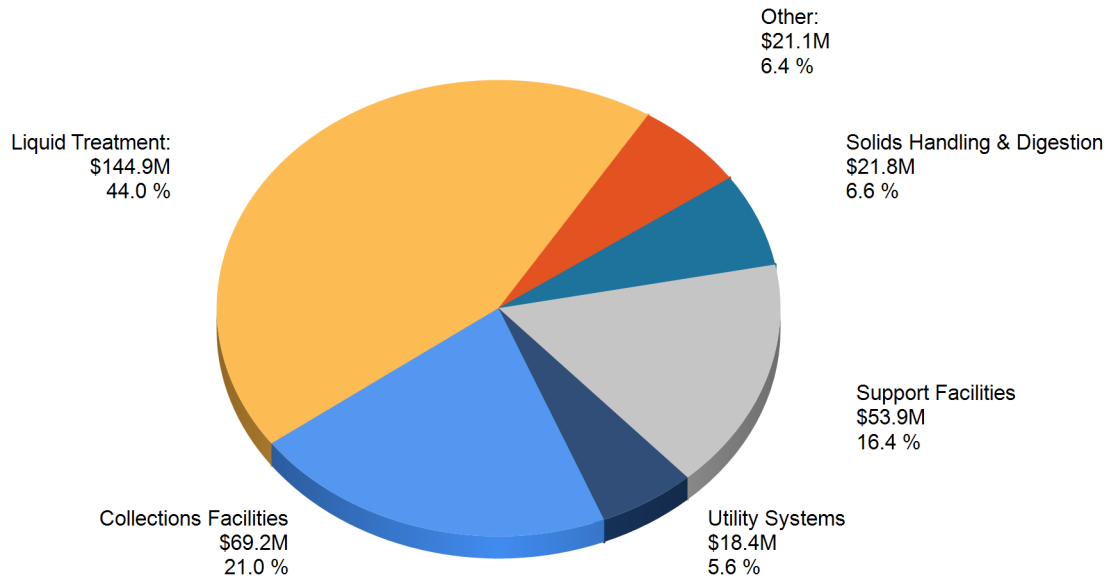
## Project Summary FY 2023-24

Item	Rehabilitation and Replacement	Strategic Initiatives	Additional Capacity	Regulatory	Total Budget Authority
Collections Facilities	\$ 57,139,702	\$ 3,681,585	\$ 8,336,210	\$ -	\$ 69,157,497
Solids Handling & Digestion	16,698,352	5,127,781	-	-	21,826,133
Support Facilities	32,540,601	5,880,456	2,559,989	12,943,621	53,924,667
Utility Systems	16,477,601	1,948,886	-	-	18,426,487
Liquid Treatment:					
Headworks	77,053,946	965,602	-	-	78,019,548
Primary Treatment	41,824,554	2,679,783	-	-	44,504,337
Ocean Outfall Systems	4,898,193	11,528,974	-	-	16,427,167
Secondary Treatment	5,970,792	-	-	-	5,970,792
Liquid Treatment Subtotal	129,747,485	15,174,359	-	-	144,921,844
Other:					
Information Management Systems	7,832,831	209,141	-	-	8,041,972
Equipment	1,962,750	1,962,750	1,962,750	1,962,750	7,851,000
Strategic & Master Planning	2,231,646	1,115,823	185,970	185,970	3,719,409
Research	-	1,451,428	-	-	1,451,428
Others	-	-	-	-	-
Water Management Projects	-	-	-	-	-
Other Subtotal	12,027,227	4,739,142	2,148,720	2,148,720	21,063,809
<b>Grand Total</b>	<b>\$ 264,630,968</b>	<b>\$ 36,552,209</b>	<b>\$ 13,044,919</b>	<b>\$ 15,092,341</b>	<b>\$ 329,320,437</b>
<b>Less: CIP Savings &amp; Deferrals</b>					<b>(\$24,013,000)</b>
<b>Allocation for Future Rehab.</b>					<b>\$10,000,000</b>
<b>Proposed Net CIP Outlay</b>					<b>\$ 315,307,437</b>

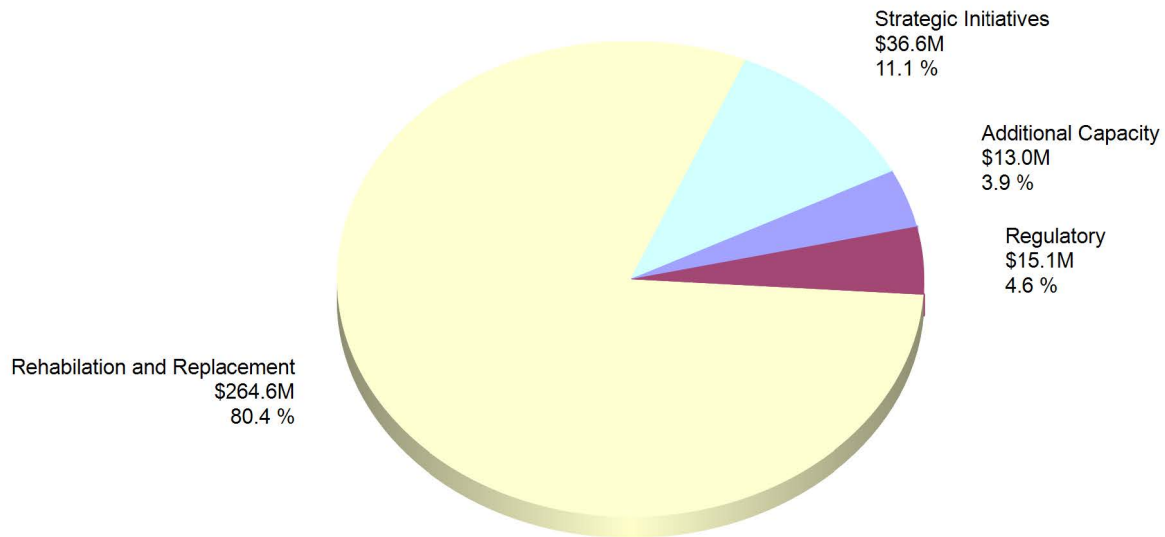
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# Summary of Capital Requirements - FY 2023-24

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**FY 2023-24 Capital Improvement Program Outlay by Process - \$329.3 Million**  
**Net CIP Outlay - \$315.3 Million**



**FY 2023-24 Capital Improvement Program Outlay by Driver - \$329.3 Million**  
**Net CIP Outlay - \$315.3 Million**

# 2022-23 & 2023-24 Budget

## Summary of Capital Requirement - Collection System Improvement Projects

	Project Number	Project Phase 7/1/22	Total Project Budget	Est. Cost to Date 6/30/22	Proposed 2022-23 Outlay	Proposed 2023-24 Outlay	Future Outlay	Project Status
<b>Collections Facilities</b>								
Santa Ana Trunk Sewer Rehab	1-23	Planning	\$ 54,620,000	\$ 140,803	\$ 2,200,761	\$ 1,545,729	\$ 50,732,707	Continuing
Greenville Trunk Impr.	1-24	Planning	48,600,000	42,736	543,619	2,425,600	45,588,045	Continuing
Edinger Pump Station Repl.	11-33	Planning	17,300,000	101,381	653,066	1,215,192	15,330,361	Revised
Slater Pump Station Rehab	11-34	Planning	28,511,000				28,511,000	Future
Taft Branch Impr.	2-49	Design	24,300,000	1,413,098	908,634	1,630,430	20,347,838	Revised
Newhope-Placentia Trunk Repl.	2-72	Const./Impl.	112,000,000	110,394,978	1,605,022			Continuing
Yorba Linda Pump Station Removal & Dosing Station Installation	2-73	Planning	11,266,000			65,408	11,200,592	Future
Santa Ana Canyon South River Trunk Rehab	2-78	Planning	16,276,000			99,337	16,176,663	New
Knott - Miller Holder – Artesia Branch Rehab	3-60	Planning	28,317,000		186,776	697,296	27,432,928	Future
Westminster Blvd Force Main Repl.	3-62	Const./Impl.	43,000,000	35,045,185	5,482,851	2,043,590	428,374	Revised
Rehab of Western Regional Sewers	3-64	Const./Impl.	101,000,000	29,402,055	17,143,810	16,715,893	37,738,242	Revised
Interstate 405 Widening Project Impacts on OCSD Sewers	3-66	Const./Impl.	500,000	428,652	71,348			Revised
Seal Beach Pump Station Repl.	3-67	Design	87,000,000	7,116,092	1,199,570	11,577,545	67,106,793	Continuing
Los Alamitos Sub-Trunk Extension	3-68	Planning	116,799,000				116,799,000	Future
Crystal Cove Pump Station Rehab	5-66	Planning	13,903,000				13,903,000	Future
Bay Bridge Pump Station Repl.	5-67	Design	106,000,000	11,704,731	2,500,809	5,275,140	86,519,320	Revised
Newport Beach Pump Stations Pressurization Impr.	5-68	Design	3,200,000	690,727	1,148,197	1,101,914	259,162	Revised
Fairview Trunk Sewer Rehab	6-20	Planning	19,300,000	123,650	604,156	859,274	17,712,920	Revised
MacArthur Pump Station Rehab	7-63	Planning	9,329,000		50,828	203,386	9,074,786	Future
Main Street Pump Station Rehab	7-64	Planning	37,663,000				37,663,000	Future
Gisler-Red Hill Interceptor & Baker Force Main Rehab	7-65	Design	44,400,000	1,948,184	9,688,402	18,268,937	14,494,477	Revised
Sunflower & Red Hill Interceptor Repairs	7-66	Const./Impl.	7,000,000	3,367,280	3,325,654	307,066		Continuing
MacArthur Force Main Impr.	7-68	Design	7,150,000	586,542	312,173	5,024,553	1,226,732	Revised
North Trunk – Yorba Linda Sub-Trunk Impr.	7-69	Planning	10,854,000			101,207	10,752,793	Future
<b>Collections Facilities Total Budget</b>			<b>948,288,000</b>	<b>202,506,094</b>	<b>47,625,676</b>	<b>69,157,497</b>	<b>628,998,733</b>	

# Summary of Capital Requirements

## Summary of Capital Requirement - Treatment System Improvement Projects

	Project Number	Project Phase 7/1/22	Total Project Budget	Est. Cost to Date 6/30/22	Proposed 2022-23 Outlay	Proposed 2023-24 Outlay	Future Outlay	Project Status
<b>Equipment</b>								
Equipment Purchases	Equipment	Const./Impl.	16,278,248	1,477,548	6,949,700	7,851,000		Revised
<b>Equipment Total</b>			<b>16,278,248</b>	<b>1,477,548</b>	<b>6,949,700</b>	<b>7,851,000</b>		
<b>Headworks</b>								
Headworks Rehab at P1	P1-105	Const./Impl.	340,000,000	79,175,173	34,978,474	77,053,946	148,792,407	Continuing
Headworks Modification at P2 for GWRS Final Expansion	P2-122	Const./Impl.	30,400,000	24,504,236	4,930,162	965,602		Revised
<b>Headworks Total</b>			<b>370,400,000</b>	<b>103,679,409</b>	<b>39,908,636</b>	<b>78,019,548</b>	<b>148,792,407</b>	
<b>Primary Treatment</b>								
Primary Sedimentation Basins No. 3-5 Repl. at P1	P1-126	Planning	183,000,000	722,229	2,729,469	3,209,282	176,339,020	Revised
Primary Sedimentation Basins No. 6-31 Reliability Impr. at P1	P1-133	Design	14,000,000	2,520,744	2,629,590	5,359,566	3,490,100	Continuing
B/C-Side Primary Sedimentation Basins Rehab at P2	P2-133	Planning	306,093,000				306,093,000	Future
Primary Treatment Rehab at P2	P2-98	Const./Impl.	188,000,000	54,233,678	30,540,736	35,935,489	67,290,097	Revised
<b>Primary Treatment Total</b>			<b>691,093,000</b>	<b>57,476,651</b>	<b>35,899,795</b>	<b>44,504,337</b>	<b>553,212,217</b>	
<b>Secondary Treatment</b>								
Activated Sludge-1 Aeration Basin & Blower Rehab at P1	P1-140	Planning	280,000,000	106,664	1,096,586	3,480,928	275,315,822	Revised
Return Activated Sludge Piping Repl. at P2	P2-123	Const./Impl.	10,000,000	8,669,358	1,233,062	97,580		Continuing
Activated Sludge Aeration Basin Rehab at P2	P2-136	Planning	65,600,000	61,375	297,355	2,392,284	62,848,986	Continuing
<b>Secondary Treatment Total</b>			<b>355,600,000</b>	<b>8,837,397</b>	<b>2,627,003</b>	<b>5,970,792</b>	<b>338,164,808</b>	
<b>Solids Handling &amp; Digestion</b>								
Digester Ferric Chloride Piping Repl. at P1	P1-135	Const./Impl.	1,260,000	1,044,329	89,718	125,953		Revised
Interim Food Waste Receiving Facility	P2-124	Design	6,300,000	1,351,468	10,139	16,899	4,921,494	Continuing
TPAD Digester Facility at P2	P2-128	Design	475,000,000	15,182,006	10,444,999	20,101,486	429,271,509	Revised
Digester P, Q, R, & S Repl.	P2-129	Planning	171,359,000				171,359,000	Future
Digesters Rehab at P2	P2-137	Planning	40,632,000	257,843	1,843,647	1,486,783	37,043,727	Continuing
Truck Loading Bay Odor Control Impr. at P2	P2-140	Planning	7,600,000			95,012	7,504,988	New
<b>Solids Handling &amp; Digestion Total</b>			<b>702,151,000</b>	<b>17,835,646</b>	<b>12,388,503</b>	<b>21,826,133</b>	<b>650,100,718</b>	
<b>Ocean Outfall Systems</b>								
Ocean Outfall System Rehab	J-117	Const./Impl.	166,000,000	114,835,325	19,862,965	15,084,374	16,217,336	Continuing
120-inch Ocean Outfall Rehab	J-137	Planning	64,968,000		38,022	686,861	64,243,117	New
Sodium Bisulfite Station Rehab at P2	P2-135	Planning	5,000,000	40,192	167,537	431,387	4,360,884	Revised
Emergency Overflow Pipes & Wingwall Rehab at P2	P2-139	Planning	4,370,000		117,242	224,545	4,028,213	Future
<b>Ocean Outfall Systems Total</b>			<b>240,338,000</b>	<b>114,875,517</b>	<b>20,185,766</b>	<b>16,427,167</b>	<b>88,849,550</b>	
<b>Utility Systems</b>								
Digester Gas Facilities Repl.	J-124	Design	173,000,000	16,051,692	146,143	902,218	155,899,947	Continuing

# 2022-23 & 2023-24 Budget

## Summary of Capital Requirement - Treatment System Improvement Projects

	Project Number	Project Phase 7/1/22	Total Project Budget	Est. Cost to Date 6/30/22	Proposed 2022-23 Outlay	Proposed 2023-24 Outlay	Future Outlay	Project Status
<b>Utility Systems</b>								
Natural Gas Pipelines Repl. at P1 & P2	J-127	Const./Impl.	2,150,000	2,071,174	78,826			Revised
Central Generation Engine Overhauls at P1 & 2	J-135	Planning	44,000,000	5,125,369	1,494,195	8,352,620	29,027,816	Continuing
Power Building Structural Seismic Impr. at P1 & 2	J-136	Planning	5,400,000	35,721	215,186	523,479	4,625,614	Continuing
Electrical Power Distribution System Impr.	J-98	Design	27,700,000	3,408,314	2,119,310	5,283,711	16,888,665	Revised
Central Generation Rehab at P1	P1-127	Planning	33,302,000				33,302,000	Future
Uninterruptible Power Supply Impr. at P1	P1-132	Design	7,000,000	1,394,048	1,931,267	3,016,196	658,489	Continuing
12.47 kV Switchgear Repl. at Central Generation at P1	P1-136	Planning	15,388,000				15,388,000	Future
Industrial Control System & IT Data Center Relocation at P1	P1-138	Planning	5,700,000		219,007	348,263	5,132,730	Future
Central Generation Rehab at P2	P2-119	Planning	53,108,000				53,108,000	Future
<b>Utility Systems Total</b>			<b>366,748,000</b>	<b>28,086,318</b>	<b>6,203,934</b>	<b>18,426,487</b>	<b>314,031,261</b>	
<b>Information Management Systems</b>								
Process Control Systems Upgrades	J-120	Const./Impl.	37,000,000	2,444,131	7,701,063	7,240,320	19,614,486	Continuing
Project Mgmt. Information System	J-128	Const./Impl.	2,280,000	1,609,063	670,937			Continuing
Information Technology Capital Program	M-MC-IT	Const./Impl.	10,000,000	3,092,007	3,007,946	418,281	3,481,766	Revised
EAM Software & Process Implementation	SP-100	Const./Impl.	9,200,000	6,655,514	383,371	383,371	1,777,744	Continuing
<b>Information Management Systems Total</b>			<b>58,480,000</b>	<b>13,800,715</b>	<b>11,763,317</b>	<b>8,041,972</b>	<b>24,873,996</b>	
<b>Strategic &amp; Master Planning</b>								
Planning Studies Program	M-STUDIES	Planning	28,652,000	8,243,536	5,151,373	3,719,409	11,537,682	Revised
<b>Strategic &amp; Master Planning Total</b>			<b>28,652,000</b>	<b>8,243,536</b>	<b>5,151,373</b>	<b>3,719,409</b>	<b>11,537,682</b>	
<b>Water Management Projects</b>								
GWRS Final Expansion Coordination	J-36-2	Const./Impl.	1,399,997	1,127,935	272,062			Revised
<b>Water Management Projects Total</b>			<b>1,399,997</b>	<b>1,127,935</b>	<b>272,062</b>			
<b>Research</b>								
Research Program	M-RESEARCH	Planning	10,000,000	964,764	6,001,774	1,451,428	1,582,034	Revised
<b>Research Total</b>			<b>10,000,000</b>	<b>964,764</b>	<b>6,001,774</b>	<b>1,451,428</b>	<b>1,582,034</b>	
<b>Support Facilities</b>								
Laboratory Repl. at P1	J-133	Planning	100,000,000			923,220	99,076,780	Future
Small Construction Projects Program	M-FE	Const./Impl.	90,000,000	15,241,703	20,916,976	24,676,671	29,164,650	Revised
Operations & Maintenance Capital Program	M-SM-CAP	Const./Impl.	15,622,000	1,145,431	1,629,669	1,689,008	11,157,892	Continuing
Headquarters Complex	P1-128	Const./Impl.	167,500,000	82,374,130	61,197,823	20,767,264	3,160,783	Continuing
South Perimeter Security & Utility Impr. at P1	P1-134	Const./Impl.	8,150,000	4,015,785	3,738,937	395,278		Revised
Support Buildings Seismic Impr. at P1	P1-137	Planning	23,730,000	86,765	769,029	1,604,316	21,269,890	Continuing
Administrative Facilities & Power Building 3A Demolition	P1-141	Planning	8,910,000		62,055	202,542	8,645,403	New



# Summary of Capital Requirements

## Summary of Capital Requirement - Treatment System Improvement Projects

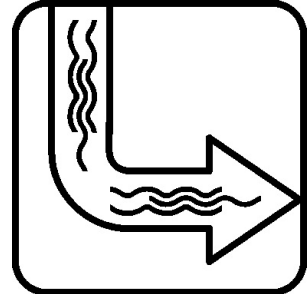
	Project Number	Project Phase 7/1/22	Total Project Budget	Est. Cost to Date 6/30/22	Proposed 2022-23 Outlay	Proposed 2023-24 Outlay	Future Outlay	Project Status
<b>Support Facilities</b>								
Collections Yard Relocation	P2-127	Planning	1,900,000	56,910	168,066	1,296,028	378,996	Continuing
Operations & Maintenance Facility Impr. at P2	P2-138	Planning	84,000,000	201,057	832,402	2,370,340	80,596,201	Revised
<b>Support Facilities Total</b>			<u>499,812,000</u>	<u>103,121,781</u>	<u>89,314,957</u>	<u>53,924,667</u>	<u>253,450,595</u>	
<b>Others</b>								
Capital Improvement Program Mgmt. Services	SP-195	Planning	700,000	375,135	324,865			Continuing
<b>Others Total</b>			<u>700,000</u>	<u>375,135</u>	<u>324,865</u>			
<b>Total Treatment and Disposal Projects</b>			<u>3,325,373,997</u>	<u>458,424,804</u>	<u>230,041,985</u>	<u>252,311,940</u>	<u>2,384,595,268</u>	
<b>Total Collections Facilities</b>			<u>948,288,000</u>	<u>202,506,094</u>	<u>47,625,676</u>	<u>69,157,497</u>	<u>628,998,733</u>	
<b>Capital Equipment Purchases</b>			<u>16,278,248</u>	<u>1,477,548</u>	<u>6,949,700</u>	<u>7,851,000</u>		
<b>Total Capital Improvement Program Budget</b>			<u>\$ 4,289,940,245</u>	<u>\$662,408,446</u>	<u>\$284,617,361</u>	<u>\$329,320,437</u>	<u>\$3,013,594,001</u>	
<b>Less: CIP Savings &amp; Deferrals</b>					(\$16,450,000)	(\$24,013,000)		
<b>Allocation for Future Rehab.</b>						\$10,000,000		
<b>Proposed Net CIP Outlay</b>					<u>\$268,167,361</u>	<u>\$315,307,437</u>		

# 2022-23 & 2023-24 Budget

<b>Project Name &amp; Number</b>	<b>Santa Ana Trunk Sewer Rehabilitation - 1-23</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

This project will rehabilitate a portion of the Santa Ana Trunk sewer north of Interstate 405. This will include rehabilitation of approximately 15,000 feet of large diameter sewers along Alton Avenue and easements crossing MacArthur Boulevard, Harbor Boulevard, Scenic Avenue, Hyland Avenue, Sunflower Avenue in the Cities of Santa Ana and Costa Mesa.



**Collections  
Facilities**

**Justification**

This trunk line is unlined reinforced concrete piping. Physical and video assessments of this sewer indicate there is corrosion in the concrete and rehabilitation must be performed to prevent potential structural failure.

**Financial Consideration**

- The project budget is \$54,620,000
- The project's estimated construction contract cost is \$31,600,000.
- This project will not have an impact on operational budgets.

**Budget Projections**

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	92,170							92,170
Prelim Design	48,145	2,177,609	196,796					2,422,550
Design	154	23,152	1,348,933	1,274,915	249,833			2,896,987
Construction	334				14,645,565	18,833,313	2,914,379	36,393,591
Commissioning								
Close-out							91,640	91,640
Contingency					388,000		12,335,062	12,723,062
<b>Total</b>	<b>140,803</b>	<b>2,200,761</b>	<b>1,545,729</b>	<b>1,274,915</b>	<b>15,283,398</b>	<b>18,833,313</b>	<b>15,341,081</b>	<b>54,620,000</b>

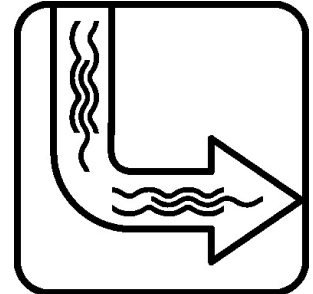
Reimbursable Costs: N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Greenville Trunk Improvements - 1-24</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Continuing</b>

## Description

This project will upsize the Greenville Trunk sewer to increase capacity. This will include installation of pipelines, replacement of manholes and rehabilitation of manholes. The project includes improvements of up to 16,000 feet of sewer along Sullivan Street, Edinger Ave, and Greenville Street in the City of Santa Ana.



## Collections Facilities

## Justification

The need for this project was identified in the Collections Capacity Evaluation Study, Project No. PS15-06. These improvements will accommodate changing flow patterns and potential wet weather surcharges.

## Financial Consideration

- The project budget is \$48,600,000
- The project's estimated construction contract cost is \$28,540,000.
- This project will not have an impact on operational budgets.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	42,736	25,025						67,761
Prelim Design		518,594	2,394,299	8,508				2,921,401
Design			31,301	1,080,336	1,100,575	179,896		2,392,108
Construction						10,064,145	25,920,721	35,984,866
Commissioning								
Close-out							122,422	122,422
Contingency						430,000	6,681,442	7,111,442
<b>Total</b>	<b>42,736</b>	<b>543,619</b>	<b>2,425,600</b>	<b>1,088,844</b>	<b>1,100,575</b>	<b>10,674,041</b>	<b>32,724,585</b>	<b>48,600,000</b>

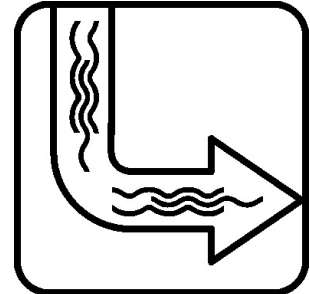
Reimbursable Costs: N/A

# 2022-23 & 2023-24 Budget

<b>Project Name &amp; Number</b>	<b>Edinger Pump Station Replacement - 11-33</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Revised</b>

## Description

This project will replace the existing Edinger Pump Station to meet current building, electrical, and safety codes and to provide safer access to the pump station. The new pump station will be located at a new location near the existing pump station. The existing pump station will be demolished when the new one is complete.



## Collections Facilities

## Justification

Edinger Pump Station was originally constructed in 1968. Although the pumps have recently been replaced, the control systems are rapidly becoming obsolete, and the electrical system does not comply with current codes. In addition, the existing pump station is located below grade, and to access the pump station for maintenance requires blocking off a pedestrian walkway, a bike lane, and a traffic lane.

## Financial Consideration

- The project budget has been increased from \$13,500,000 to \$17,300,000. The increased budget is a result of an updated estimate to complete the work.
- The project's estimated construction contract cost is \$7,870,000.
- This project will not have an impact on operational budgets.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	86,888	10,740						97,628
Prelim Design		642,326	430,466					1,072,792
Design	9,492		784,726	932,542	117,157			1,843,917
Construction	5,001				1,571,791	7,482,719	2,459,923	11,519,434
Commissioning					3,665	152,158	142,701	298,524
Close-out							147,535	147,535
Contingency					160,000		2,160,170	2,320,170
<b>Total</b>	<b>101,381</b>	<b>653,066</b>	<b>1,215,192</b>	<b>932,542</b>	<b>1,852,613</b>	<b>7,634,877</b>	<b>4,910,329</b>	<b>17,300,000</b>

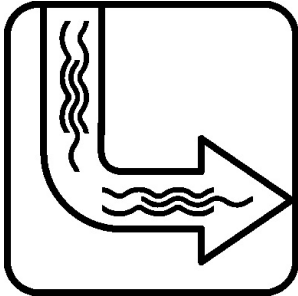
Reimbursable Costs: N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Slater Pump Station Rehabilitation - 11-34</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Future</b>

**Description**

This project will rehabilitate the existing Slater Avenue Pump Station to meet current building, electrical and safety standards. The mechanical piping and pumps will be replaced and the sewage wet-well will be prepared in order to extend the useful life of the pump station. In addition to the improvements to the pump station, both sewer-pipe force-mains currently serving this pump station will be rehabilitated.



**Collections  
Facilities**

**Justification**

Slater Avenue Pump Station and associated force mains was constructed in the late 1990s. This Project is necessary to maintain the pump station's reliability and to be a safe working area for staff in the coming decades before it needs a full replacement.

**Financial Consideration**

- The project budget has been decreased from \$31,000,000 to \$28,511,000. The reduced budget is a result of changes in the project elements identified from recent engineering efforts.
- The project's estimated construction contract cost is \$16,300,000.
- The impacts to operational budgets have not yet been determined.

**Budget Projections**

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design							3,192,000	3,192,000
Construction							20,459,000	20,459,000
Commissioning								
Close-out								
Contingency							4,860,000	4,860,000
<b>Total</b>							<b>28,511,000</b>	<b>28,511,000</b>

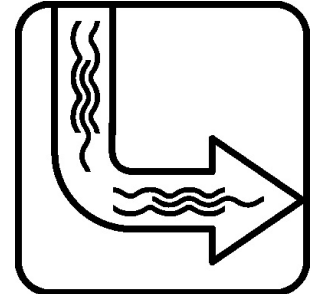
Reimbursable Costs: N/A

# 2022-23 & 2023-24 Budget

<b>Project Name &amp; Number</b>	<b>Taft Branch Improvements - 2-49</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Revised</b>

## Description

This project will upsize the upper reach of the Taft Branch sewer in the City of Orange. This will include replacement of nearly 7,000 feet of pipe and associated manholes along Meats Ave and Taft Avenue. It includes a new alignment of 3,400 feet on Sacramento St. and Taft Ave to alleviate existing manhole access issues. The project will also include a swap of regional and local sewers. 2,700 feet of existing OC San facilities on Tustin Ave will be transferred to the City of Orange and 2,600 feet of regional piping owned by City of Orange will be transferred to OC San.



## Collections Facilities

## Justification

The need for this project was identified in the Collections Capacity Evaluation Study, Project No. PS15-08. These improvements will accommodate changing flow patterns and potential wet weather surcharges.

## Financial Consideration

- The project budget has been increased from \$16,800,001 to \$24,300,000. The increased budget is a result of an updated estimate to complete the work.
- The project's estimated construction contract cost is \$14,680,000.
- This project will not have an impact on operational budgets.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	58,068							58,068
Prelim Design	1,328,416	143,255						1,471,671
Design	26,614	765,379	616,570					1,408,563
Construction			848,860	8,469,721	7,887,363			17,205,944
Commissioning								
Close-out					21,546	26,139		47,685
Contingency			165,000		773,773	2,888,265	281,031	4,108,069
<b>Total</b>	<b>1,413,098</b>	<b>908,634</b>	<b>1,630,430</b>	<b>8,469,721</b>	<b>8,682,682</b>	<b>2,914,404</b>	<b>281,031</b>	<b>24,300,000</b>

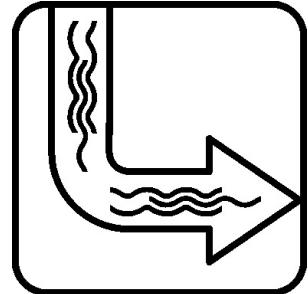
Reimbursable Costs: N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Newhope-Placentia Trunk Replacement - 2-72</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

This project increased the size of approximately 35,000 feet of the Newhope-Placentia Trunk sewer from Yorba Linda Boulevard to Orangewood Avenue. The upsized sewer accommodates flows from the newly abandoned Yorba Linda Pump Station and the newly interconnected Atwood Sub-trunk. The scope also included rehabilitating five sections of the Rolling Hills Sub trunk and abandoning any remaining portion of an abandoned parallel sewer not used for the new pipeline.



**Collections  
Facilities**

**Justification**

This section of the Newhope-Placentia Trunk Sewer was originally constructed in 1961. These improvements now accommodate the projected flow increases due to the abandonment of the aging Yorba Linda Pump Station, increased capacity in a short portion of the Rolling Hills Sub-trunk that was undersized when burdened by 2030 wet weather flows and increased operational flexibility of the collection system.

**Financial Consideration**

- The project budget is \$112,000,000
- The project's estimated construction contract cost is \$85,800,000.

**Budget Projections**

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	132,601							132,601
Prelim Design	5,390,815							5,390,815
Design	4,905,332							4,905,332
Construction	98,316,439	382,007						98,698,446
Commissioning	133,697							133,697
Close-out	412,162	155,813						567,975
Contingency	1,103,932	1,067,202						2,171,134
<b>Total</b>	<b>110,394,978</b>	<b>1,605,022</b>						<b>112,000,000</b>

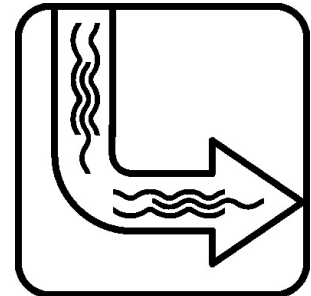
Reimbursable Costs: 2,180,000

# 2022-23 & 2023-24 Budget

<b>Project Name &amp; Number</b>	<b>Yorba Linda Pump Station Removal &amp; Dosing Station Installation - 2-73</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Future</b>

## Description

This project will abandon the Yorba Linda Pump Station and its downstream force main. Gravity sewers located in Yorba Linda Boulevard will also be reconfigured to improve access to the facilities for maintenance. Flows which are currently being pumped east by the Yorba Linda Pump Station will be conveyed to the west by gravity through the newly upsized Newhope-Placentia Trunk located in State College Boulevard. After abandonment, the site will be re-purposed with the installation of an odor control dosing station. This station will dose odor reducing chemicals into the Newhope-Placentia sewer that follows State College Boulevard and Newhope Avenue to Reclamation Plant No. 1. This project will also demolish the Yorba Linda Spur Odor-Station located in the city of Yorba Linda.



## Collections Facilities

## Justification

The Yorba Linda Pump Station was built, in part, to convey flow away from the undersized gravity sewer located in State College Boulevard. Project 2-72 recently upsized the capacity of the sewer on State College Boulevard, which renders the Yorba Linda Pump Station unnecessary. The odor control dosing station will provide a permanent location to strategically assist with odor control reduction. Currently, weekly to monthly caustic chemical dumps are sent into the system through sewer manholes.

## Financial Consideration

- The project budget has been increased from \$11,000,000 to \$11,266,000. The increased budget is a result of changes in the project elements identified from recent engineering efforts.
- The project's estimated construction contract cost is \$6,440,000.
- The impacts to operational budgets have not yet been determined.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design			65,408	238,718	407,599	407,599	143,676	1,263,000
Construction							8,083,000	8,083,000
Commissioning								
Close-out								
Contingency							1,920,000	1,920,000
<b>Total</b>			<b>65,408</b>	<b>238,718</b>	<b>407,599</b>	<b>407,599</b>	<b>10,146,676</b>	<b>11,266,000</b>

Reimbursable Costs: N/A

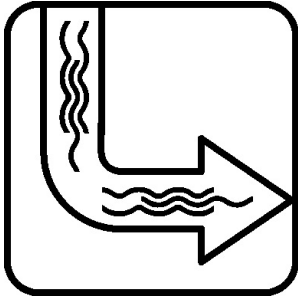


# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Santa Ana Canyon South River Trunk Rehabilitation - 2-78</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>New</b>

**Description**

This project will rehabilitate the Santa Ana Canyon South River Trunk. The project includes the rehabilitation of 5,589 feet of 24-inch to 33-inch sewers and 60-inch to 72-inch manholes along Imperial Highway (SR-90) and parallel to the Riverside Freeway (SR- 91) within the city of Anaheim. The project also includes the construction of 500 feet of new access road to improve manhole accessibility in an easement area and various spot repairs.



**Collections  
Facilities**

**Justification**

Rehabilitation of existing trunk sewer mains is necessary to address identified structural deficiencies. Relining of the pipes at one time is recommended to minimize future rework in this area due to factors such as public impacts, permitting and coordination with Caltrans.

**Financial Consideration**

- The project budget is \$16,276,000
- The project's estimated construction contract cost is \$9,470,000.
- This project will not have an impact on operational budgets.

**Budget Projections**

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design			99,337	360,193	503,976	503,976	712,518	2,180,000
Construction							11,306,000	11,306,000
Commissioning								
Close-out								
Contingency							2,790,000	2,790,000
<b>Total</b>			99,337	360,193	503,976	503,976	14,808,518	16,276,000

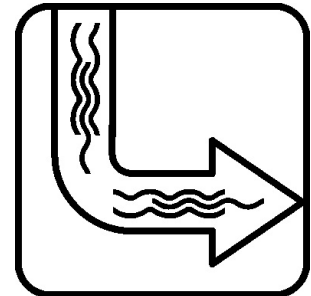
Reimbursable Costs: N/A

# 2022-23 & 2023-24 Budget

<b>Project Name &amp; Number</b>	<b>Knott - Miller Holder – Artesia Branch Rehabilitation - 3-60</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Future</b>

## Description

This project will rehabilitate a portion of the Beach Relief Trunk, Knott Interceptor, and Miller Holder Trunk sewers. The project includes the rehabilitation of 12,032 feet of 18-inch to 45-inch sewer, rehabilitation of 68 manholes, replacement of 17 manholes, and construction of one new air jumper and two spot repairs in Artesia Blvd, Knott Avenue, Caballero Blvd, and other streets and easement areas in the City of Buena Park.



**Collections  
Facilities**

## Justification

Rehabilitation of existing trunk sewer mains and manholes are required to address identified structural deficiencies.

## Financial Consideration

- The project budget has been decreased from \$35,132,000 to \$28,317,000. The reduced budget is a result of changes in the project elements identified from recent engineering efforts.
- The project's estimated construction contract cost is \$17,990,000.
- The impacts to operational budgets have not yet been determined.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design		186,776	697,296	708,453	496,475			2,089,000
Construction					3,428,533	10,913,605	6,575,862	20,918,000
Commissioning								
Close-out								
Contingency							5,310,000	5,310,000
<b>Total</b>		<b>186,776</b>	<b>697,296</b>	<b>708,453</b>	<b>3,925,008</b>	<b>10,913,605</b>	<b>11,885,862</b>	<b>28,317,000</b>

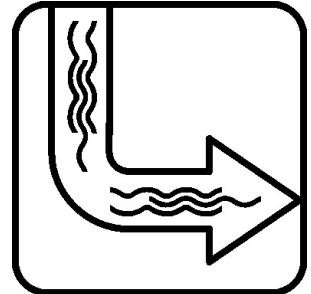
Reimbursable Costs: N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Westminster Blvd Force Main Replacement - 3-62</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

This project will replace the two existing Westminster Blvd force mains that extend along Westminster Blvd for almost 3 miles from Seal Beach Blvd in the City of Seal Beach to Rancho Rd in the City of Westminster. The existing siphons near Rancho Rd will be slip lined to extend the force main to terminate at an existing discharge structure.



**Collections  
Facilities**

**Justification**

The pump station currently operates with just one of two force mains, a 42-inch ductile iron pipe that has no corrosion protection system. The other force main is reinforced plastic mortar pipe in danger of failing and cannot be placed back into operation, thus eliminating operational redundancy. This project will replace the existing Westminster Blvd force mains to provide adequate redundancy and increase capacity to handle the new predicted peak wet weather flow of 34 mgd.

**Financial Consideration**

- The project budget has been decreased from \$44,000,000 to \$43,000,000. The reduced budget is a result of an updated estimate to complete the work.
- The project's estimated construction contract cost is \$28,710,000.
- This project will not have an impact on operational budgets.

**Budget Projections**

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	199,657							199,657
Prelim Design	4,025,260							4,025,260
Design	2,919,840							2,919,840
Construction	27,891,299	5,176,287						33,067,586
Commissioning	8,517							8,517
Close-out	612	60,377	135,883					196,872
Contingency		246,187	1,907,707	428,374				2,582,268
<b>Total</b>	<b>35,045,185</b>	<b>5,482,851</b>	<b>2,043,590</b>	<b>428,374</b>				<b>43,000,000</b>

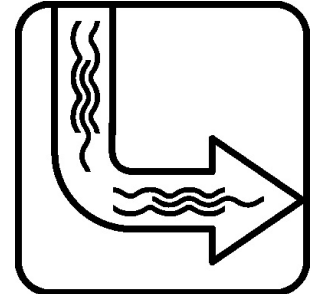
Reimbursable Costs: N/A

# 2022-23 & 2023-24 Budget

<b>Project Name &amp; Number</b>	<b>Rehabilitation of Western Regional Sewers - 3-64</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Revised</b>

## Description

This project will replace or rehabilitate a portion of the sewers and manholes located in OC San's northwestern service area. The work will be completed under two construction contracts. The Orange Western Sub-Trunk and Los Alamitos Trunk Sewer Rehabilitation covers approximately 46,000 feet of pipe and the Los Alamitos Sub-Trunk Sewer and Westside Relief Interceptor Rehabilitation covers approximately 35,000 feet of pipe. These sewers are located primarily within public rights of way in the Cities of Seal Beach, Los Alamitos, Cypress, Anaheim, Buena Park, and La Palma.



## Collections Facilities

## Justification

Most of the sewers were constructed in late 1950's and early 1960's for an estimated life of 40 to 50 years. Inspections have identified significant defects and the joints that allow significant infiltration of groundwater into the sewers.

## Financial Consideration

- The project budget has been increased from \$82,000,000 to \$101,000,000. The increased budget is a result of an updated estimate to complete the work.
- The project's estimated construction contract cost is \$58,780,000.
- This project will not have an impact on operational budgets.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	489,084							489,084
Prelim Design	12,916,443							12,916,443
Design	7,159,657	1,974,282	39,202					9,173,141
Construction	8,795,129	12,050,556	15,225,263	18,493,910	13,287,511			67,852,369
Commissioning								
Close-out	41,742	85,329	68,199		112,160	14,514		321,944
Contingency		3,033,643	1,383,229	129,366	5,193,215	507,566		10,247,019
<b>Total</b>	<b>29,402,055</b>	<b>17,143,810</b>	<b>16,715,893</b>	<b>18,623,276</b>	<b>18,592,886</b>	<b>522,080</b>		<b>101,000,000</b>

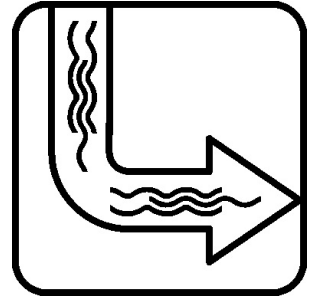
Reimbursable Costs: N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	Interstate 405 Widening Project Impacts on OCSD Sewers - 3-66		
<b>Project Category</b>	Collections Facilities	<b>Project Status:</b>	Revised

**Description**

This project tracks staff support costs to review, monitor, and expect impacts on OC San's facilities related to the Orange County Transportation Authority's widening of the I-405 Freeway between State Route 73 and the I-605 Freeway.



**Collections  
Facilities**

**Justification**

Widening of the I-405 Freeway requires protection or relocation of OC San facilities. Agreements between OC San and the Orange County Transportation Authority provide for reimbursements of these expenses.

**Financial Consideration**

- The project budget has been increased from \$250,000 to \$500,000. The increased budget is a result of an updated estimate to complete the work.
- This project will not have an impact on operational budgets.

**Budget Projections**

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design	95,299							95,299
Construction	325,124							325,124
Commissioning								
Close-out	8,229	303						8,532
Contingency		71,045						71,045
<b>Total</b>	<b>428,652</b>	<b>71,348</b>						<b>500,000</b>

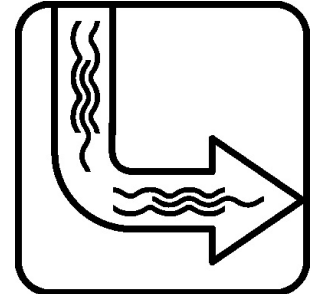
Reimbursable Costs: 112,201

# 2022-23 & 2023-24 Budget

<b>Project Name &amp; Number</b>	<b>Seal Beach Pump Station Replacement - 3-67</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Continuing</b>

## Description

This project will replace the existing Seal Beach Pump Station on the existing site and demolish the old pump station when the new one is complete. The new pump station will have a deeper wet well to allow gravity flow from the future extension of the Los Alamitos Sub-Trunk from the West Side Pump Station to the Seal Beach Pump Station, thus allowing the West Side Pump Station to be abandoned. Extension of the Los Alamitos Sub-Trunk and abandonment of the West Side Pump Station is budgeted under Los Alamitos Sub-Trunk Extension, Project No. 3-68. The project will also include odor control improvements of vapor-phase and liquid-phase treatment at the pump station to minimize both upstream and downstream odors and corrosion.



## Collections Facilities

## Justification

The existing Seal Beach Pump Station is in need of extensive rehabilitation due to age and condition. A life-cycle cost evaluation determined that the most cost-effective alternative is to replace the existing pump station on site to allow extension of the Los Alamitos Sub-Trunk by gravity and abandonment of the West Side Pump Station.

## Financial Consideration

- The project budget is \$87,000,000
- The project's estimated construction contract cost is \$57,000,000.
- The impacts to operational budgets have not yet been determined.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	218,198							218,198
Prelim Design	3,244,559							3,244,559
Design	3,653,335	1,041,965	17,664					4,712,964
Construction		157,605	11,282,128	25,564,010	23,481,140	5,095,536		65,580,419
Commissioning					366,907	429,423		796,330
Close-out						235,549	19,520	255,069
Contingency			277,753			7,531,186	4,383,522	12,192,461
<b>Total</b>	<b>7,116,092</b>	<b>1,199,570</b>	<b>11,577,545</b>	<b>25,564,010</b>	<b>23,848,047</b>	<b>13,291,694</b>	<b>4,403,042</b>	<b>87,000,000</b>

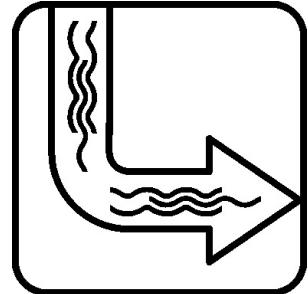
Reimbursable Costs: N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Los Alamitos Sub-Trunk Extension - 3-68</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Future</b>

**Description**

This project will extend the Los Alamitos Sub-Trunk between Westside Pump Station and Seal Beach Pump Station. This project includes installing approximately 5,760 feet of 48-inch to 54-inch gravity sewer via micro tunneling along Gate Road, Seal Beach Boulevard and easements crossing the 405 / 22 freeway in the City of Seal Beach.



**Collections  
Facilities**

**Justification**

The new sewer will connect to the soon to be replaced Seal Beach Pump Station (Project No. 3-67), thus allowing the Westside Pump Station to be abandoned.

**Financial Consideration**

- The project budget has been decreased from \$117,000,000 to \$116,799,000. The reduced budget is a result of an updated estimate to complete the work.
- The project's estimated construction contract cost is \$74,180,000.
- The impacts to operational budgets have not yet been determined.

**Budget Projections**

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design					176,219	1,175,487	7,265,294	8,617,000
Construction							86,282,000	86,282,000
Commissioning								
Close-out								
Contingency							21,900,000	21,900,000
<b>Total</b>					176,219	1,175,487	115,447,294	116,799,000

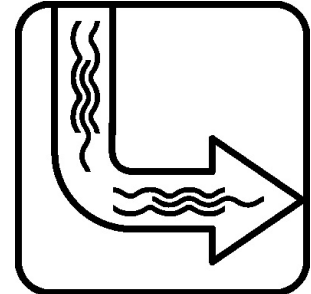
Reimbursable Costs: N/A

# 2022-23 & 2023-24 Budget

<b>Project Name &amp; Number</b>	<b>Crystal Cove Pump Station Rehabilitation - 5-66</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Future</b>

## Description

This project will rehabilitate the existing Crystal Cove Pump Station, located along Pacific Coast Highway in the City of Newport Beach, to maintain compliance with electrical and safety standards, and to restore the condition of the ageing facility. The project also includes rehabilitation of the two 8-inch ductile iron sewer force-mains and construction of access manholes within the force mains to facilitate future condition assessments. Major items to be replaced based upon condition, include mechanical piping, pumps, electrical systems, the sewage wet-well lining.



## Collections Facilities

## Justification

The pump station and associated force mains was constructed in the late 1990s. This Project is necessary to maintain the pump station's reliability and to be a safe working area for Staff in the coming decades before it needs a full replacement.

## Financial Consideration

- The project budget has been increased from \$13,200,000 to \$13,903,000. The increased budget is the result of start date changes.
- The project's estimated construction contract cost is \$7,950,000.
- The impacts to operational budgets have not yet been determined.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design				100,943	369,259	450,188	635,610	1,556,000
Construction							9,977,000	9,977,000
Commissioning								
Close-out								
Contingency							2,370,000	2,370,000
<b>Total</b>				100,943	369,259	450,188	12,982,610	13,903,000

Reimbursable Costs: N/A

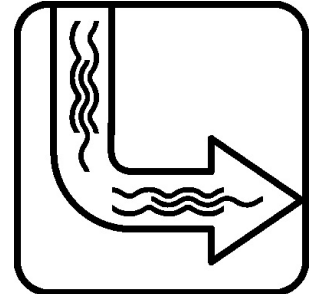


# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Bay Bridge Pump Station Replacement - 5-67</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

This project will replace the existing Bay Bridge Pump Station to meet current building, electrical, and safety codes and OC San's design standards. The associated force mains will also be replaced.



**Collections  
Facilities**

**Justification**

The Bay Bridge Pump Station was originally constructed in 1966. The pumping systems are aging and have control systems that are rapidly becoming obsolete. In addition, the existing pumping station does not comply with the current electrical and safety codes. The force mains have reached the end of their expected life and are at risk of failure if not addressed.

**Financial Consideration**

- The project budget has been increased from \$74,000,000 to \$106,000,000. The increased budget is a result of an updated estimate to complete the work.
- The project's estimated construction contract cost is \$65,700,000.
- This project will increase operational budgets by \$20,000 annually. The new pump station will have a vapor phase odor treatment system which will require the replacement of carbon media.

**Budget Projections**

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	271,917							271,917
Prelim Design	6,684,050							6,684,050
Design	4,748,764	2,500,809	2,708,166					9,957,739
Construction			1,819,339	12,902,419	22,957,827	23,487,184	15,605,532	76,772,301
Commissioning				31,856	122,819	137,225	205,861	497,761
Close-out							203,438	203,438
Contingency			747,635				10,865,159	11,612,794
<b>Total</b>	<b>11,704,731</b>	<b>2,500,809</b>	<b>5,275,140</b>	<b>12,934,275</b>	<b>23,080,646</b>	<b>23,624,409</b>	<b>26,879,990</b>	<b>106,000,000</b>

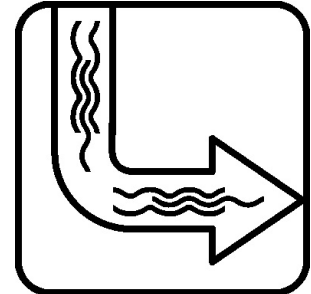
Reimbursable Costs: N/A

# 2022-23 & 2023-24 Budget

<b>Project Name &amp; Number</b>	<b>Newport Beach Pump Stations Pressurization Improvements - 5-68</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Revised</b>

## Description

This project will address pressurization of the air in wet wells of the Bitter Point, Crystal Cove, A Street, 15th Street, Lido, and Rocky Point Pump Stations by adding passive ventilation. It will also add facilities to accommodate chemical addition at the 15th Street Pump Station to reduce generation of hydrogen sulfide in downstream forcemains.



**Collections  
Facilities**

## Justification

The existing wet wells are not vented to prevent the pressurization of the air space when wet well levels rise. The resulting pressure can release foul air from upstream manholes and can blow out water seals in p-traps draining to the wet well. The loss of the water seal can result in hazardous gasses accumulating in the pump station building.

## Financial Consideration

- The project budget has been decreased from \$4,300,000 to \$3,200,000. The reduced budget is a result of an updated estimate to complete the work.
- The project's estimated construction contract cost is \$1,030,000.
- This project will increase operational budgets by \$100,000 annually. This project will add carbon scrubbers at various pump stations which will require media replacement estimated to cost a total of \$100,000 annually.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	112,647							112,647
Prelim Design	241,216							241,216
Design	336,864	151,149						488,013
Construction		942,749	950,993					1,893,742
Commissioning								
Close-out			39,681					39,681
Contingency		54,299	111,240	259,162				424,701
<b>Total</b>	<b>690,727</b>	<b>1,148,197</b>	<b>1,101,914</b>	<b>259,162</b>				<b>3,200,000</b>

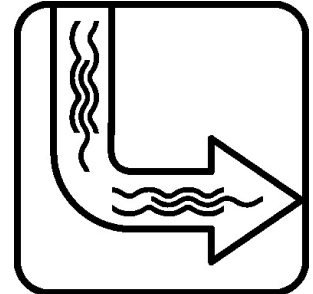
Reimbursable Costs: N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Fairview Trunk Sewer Rehabilitation - 6-20</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Revised</b>

## Description

This project will rehabilitate the Fairview Trunk, a sewer facility located along Fairview Road in the City of Costa Mesa. The project consists of rehabilitating approximately 9,500 feet of 12-inch to 27-inch sewer pipe and associated manholes. The project also includes spot repairs on an adjacent facility.



## Collections Facilities

## Justification

Rehabilitation of existing trunk sewer main is necessary to address identified structural deficiencies.

## Financial Consideration

- The project budget has been increased from \$17,000,000 to \$19,300,000. The increased budget is a result of changes in the project elements identified from recent engineering efforts.
- The project's estimated construction contract cost is \$10,650,000.
- This project will not have an impact on operational budgets.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	104,033	1,331						105,364
Prelim Design		602,825	236,416					839,241
Design	1,823		622,858	794,952				1,419,633
Construction				680,293	7,311,129	5,693,215		13,684,637
Commissioning								
Close-out	17,794					47,986	17,198	82,978
Contingency				161,000		1,065,000	1,942,147	3,168,147
<b>Total</b>	<b>123,650</b>	<b>604,156</b>	<b>859,274</b>	<b>1,636,245</b>	<b>7,311,129</b>	<b>6,806,201</b>	<b>1,959,345</b>	<b>19,300,000</b>

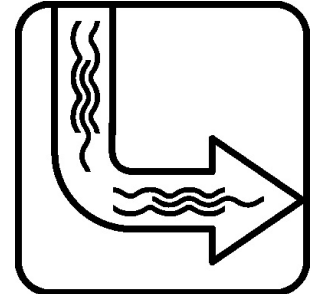
Reimbursable Costs: N/A

# 2022-23 & 2023-24 Budget

<b>Project Name &amp; Number</b>	<b>MacArthur Pump Station Rehabilitation - 7-63</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Future</b>

### Description

The MacArthur Pump Station is adjacent to MacArthur Boulevard and north of Jamboree Road in the City of Newport Beach. This project includes structural rehabilitation of the sewer wet-well and underground electrical room and pump room. Replacement of mechanical equipment (e.g., pumps, valves, piping) and electrical and instrumentation equipment is also included.



**Collections  
Facilities**

### Justification

The pump station was built in 1960 and the internal equipment and supporting components were replaced in 1989. This Project is necessary to maintain the pump station's reliability and to be a safe working area for Staff in the coming decades before it needs a full replacement.

### Financial Consideration

- The project budget has been decreased from \$9,800,000 to \$9,329,000. The reduced budget is a result of a start date change and an updated estimate to complete the work.
- The project's estimated construction contract cost is \$5,330,000.
- The impacts to operational budgets have not yet been determined.

### Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design		50,828	203,386	293,967	302,069	196,750		1,047,000
Construction						750,945	5,941,055	6,692,000
Commissioning								
Close-out								
Contingency							1,590,000	1,590,000
<b>Total</b>		<b>50,828</b>	<b>203,386</b>	<b>293,967</b>	<b>302,069</b>	<b>947,695</b>	<b>7,531,055</b>	<b>9,329,000</b>

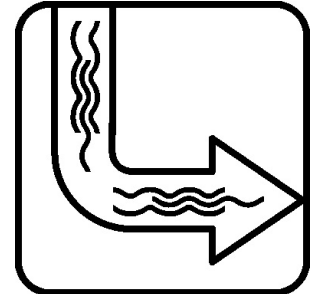
Reimbursable Costs: N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Main Street Pump Station Rehabilitation - 7-64</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Future</b>

**Description**

The Main Street Pump Station is located on Main Street and is north of the John Wayne Airport, in the City of Irvine. This project includes the rehabilitation of the existing civil structures such as the flow diversion box, east and west wet well and the above ground electrical room and below grade pump room. Replacement of the mechanical equipment (pumps, valves, piping, etc.) and electrical and instrumentation equipment is also included.



**Collections  
Facilities**

**Justification**

The original pump station (west side) was constructed in 1985 and the east side of the pump station was added in 2001. This Project is necessary to maintain the pump station's reliability and to be a safe working area for Staff in the coming decades before it needs a full replacement.

**Financial Consideration**

- The project budget has been increased from \$37,000,000 to \$37,663,000. The increased budget is a result of an updated estimate to complete the work.
- The project's estimated construction contract cost is \$21,530,000.
- The impacts to operational budgets have not yet been determined.

**Budget Projections**

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design						134,639	4,081,361	4,216,000
Construction							27,027,000	27,027,000
Commissioning								
Close-out								
Contingency							6,420,000	6,420,000
<b>Total</b>						134,639	37,528,361	37,663,000

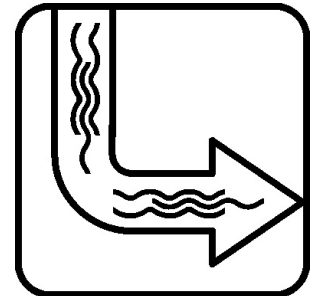
Reimbursable Costs: N/A

# 2022-23 & 2023-24 Budget

<b>Project Name &amp; Number</b>	<b>Gisler-Red Hill Interceptor and Baker Force Main Rehabilitation - 7-65</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Revised</b>

## Description

This project will rehabilitate the Gisler Redhill Interceptor from a manhole near the Main Street Pump Station to the College Avenue Pump Station and the two 42-inch Baker forcemains from the Main Street Pump Station. The project is expected to line and/or repair 30 manholes, approximately 15,000 feet of gravity sewer, and approximately 6,000 feet of forcemain along with replacing supporting valving and piping adjacent and inside the Main Street Pump Station.



**Collections  
Facilities**

## Justification

Condition assessments completed in 2015 and in 2017 on the Gisler Redhill Interceptor indicate corrosion in most of the manholes from the cover to the base as well as multiple cracks in the VCP piping. The Baker forcemains have corrosion and liner failures due to the corrosive gas migration from the wet wells. There is also valve vault settlement on the forcemains.

## Financial Consideration

- The project budget has been increased from \$39,000,000 to \$44,400,000. The increased budget is a result of an updated estimate to complete the work.
- The project's estimated construction contract cost is \$33,000,000.
- This project will not have an impact on operational budgets.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	105,471							105,471
Prelim Design	520,805							520,805
Design	1,321,908	502,457						1,824,365
Construction		9,156,257	18,245,413	8,944,666				36,346,336
Commissioning			23,524	12,989				36,513
Close-out				75,500	8,561			84,061
Contingency		29,688		3,432,000	2,020,761			5,482,449
<b>Total</b>	<b>1,948,184</b>	<b>9,688,402</b>	<b>18,268,937</b>	<b>12,465,155</b>	<b>2,029,322</b>			<b>44,400,000</b>

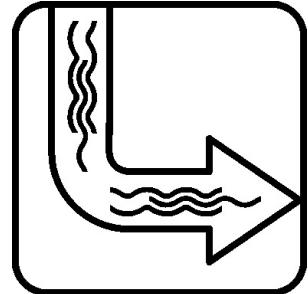
Reimbursable Costs: N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Sunflower and Red Hill Interceptor Repairs - 7-66</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

The project will repair PVC liner failures within a 6,000-foot section of the Sunflower and Red Hill Interceptors. This will require live entry, temporary diversions, and bypass pumping. Also, hydraulic adjustments will be made to maintain the liquid level to keep the low flows above the exposed concrete at the lower section of the pipe.



## Collections Facilities

**Justification**

An assessment of the plastic lining was performed on the upper reaches of the Sunflower and Red Hill Interceptors. The liner has failed in many locations allowing corrosion of the concrete substrate which could lead to structural failure. There is also additional concrete corrosion below the 270-degree plastic lining due to the flow depth being lower than the liner.

**Financial Consideration**

- The project budget is \$7,000,000
- The project's estimated construction contract cost is \$4,780,000.
- This project will not have an impact on operational budgets.

**Budget Projections**

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	20,448							20,448
Prelim Design	35,775							35,775
Design	440,265							440,265
Construction	2,870,792	2,769,005						5,639,797
Commissioning								
Close-out		62,349						62,349
Contingency		494,300	307,066					801,366
<b>Total</b>	<b>3,367,280</b>	<b>3,325,654</b>	<b>307,066</b>					<b>7,000,000</b>

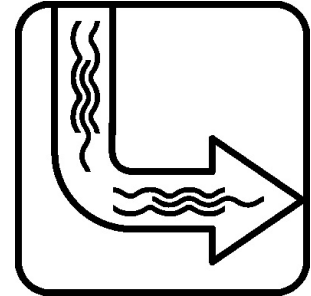
Reimbursable Costs: N/A

# 2022-23 & 2023-24 Budget

<b>Project Name &amp; Number</b>	<b>MacArthur Force Main Improvements - 7-68</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

The MacArthur Pump Station is located west of MacArthur Boulevard and north of Jamboree Road in the City of Newport Beach. This project includes construction of approximately 2,100 feet of dual force mains within the Mac Arthur Boulevard right of way.



**Collections  
Facilities**

**Justification**

The existing forcemain was constructed in 1960 and is nearing the end of its useful life. The pump station is served by a single forcemain which makes condition assessment and maintenance difficult. The construction on new dual forcemains will increase reliability and lessen the impact on the surrounding community during routine maintenance and assessment efforts.

**Financial Consideration**

- The project budget has been increased from \$3,500,000 to \$7,150,000. The increased budget is a result of an updated estimate to complete the work.
- The project's estimated construction contract cost is \$4,030,000.
- This project will not have an impact on operational budgets.

**Budget Projections**

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	57,208							57,208
Prelim Design	414,922							414,922
Design	114,412	312,173	15,104					441,689
Construction			4,946,560	121,620				5,068,180
Commissioning								
Close-out			12,889	34,241				47,130
Contingency			50,000	598,591	472,280			1,120,871
<b>Total</b>	<b>586,542</b>	<b>312,173</b>	<b>5,024,553</b>	<b>754,452</b>	<b>472,280</b>			<b>7,150,000</b>

Reimbursable Costs: N/A

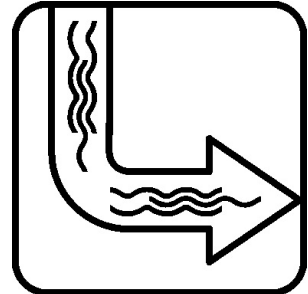


# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>North Trunk – Yorba Linda Sub-Trunk Improvements - 7-69</b>		
<b>Project Category</b>	<b>Collections Facilities</b>	<b>Project Status:</b>	<b>Future</b>

**Description**

This project will upsize a portion of the North Trunk sewer system to increase hydraulic capacity. The project includes improvements to install 6,000 feet of 18-inch sewer with 60-inch manholes and rehabilitate a 72-inch manhole within the City of Tustin and unincorporated Orange County.



**Collections  
Facilities**

**Justification**

Pipeline capacity issues have been identified through the use of a hydraulic model. This project is necessary to ensure sanitary sewer flows are conveyed to treatment plants without spilling and causing threats to waterways and public health. Sanitary sewer spills also trigger violations with the Southern California Regional Water Quality Control Board.

**Financial Consideration**

- The project budget has been increased from \$10,000,000 to \$10,854,000. The increased budget is the result of start date changes.
- The project's estimated construction contract cost is \$6,320,000.
- The impacts to operational budgets have not yet been determined.

**Budget Projections**

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design			101,207	328,648	437,910	437,910	149,325	1,455,000
Construction							7,539,000	7,539,000
Commissioning								
Close-out								
Contingency							1,860,000	1,860,000
<b>Total</b>			101,207	328,648	437,910	437,910	9,548,325	10,854,000

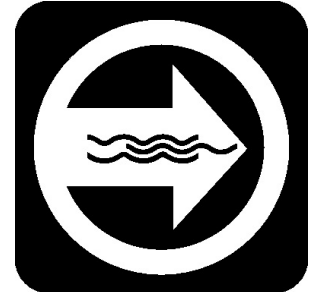
Reimbursable Costs: N/A

# 2022-23 & 2023-24 Budget

<b>Project Name &amp; Number</b>	<b>Ocean Outfall System Rehabilitation - J-117</b>		
<b>Project Category</b>	<b>Ocean Outfall Systems</b>	<b>Project Status:</b>	<b>Continuing</b>

## Description

This project will rehabilitate the Ocean Outfall Booster Station at Plant No. 2, construct a new Low Flow Pump Station and a Plant Water Pump Station, and replace existing electrical switchgear at CenGen. The Low Flow Pump Station will consist of four 40-mgd pumps and deliver non-reclaimable dry weather flows to the effluent outfall. The Plant Water Pump Station will replace the existing plant water pump station. The project completed rehabilitation of the 84-inch and 120-inch interplant effluent lines between Plant No. 1 and Plant No. 2 in 2018.



## Ocean Outfall Systems

## Justification

The existing Ocean Outfall Booster Station facility is over 20 years old and requires extensive rehabilitation. The two interplant effluent lines have been found to need repairs and lining, which was completed in 2018. Diversions of some Plant No. 2 effluent to the Orange County Water District's Groundwater Replenishment System (GWRS) will result in outfall flow rates dropping below the minimum flow rates of the existing Ocean Outfall Booster pumps. The Plant Water Pump Station must be relocated because the existing pump station in its current location would transfer non-reclaimable effluent to GWRS. Replacement of the CenGen switchgear will replace electrical equipment that is nearing obsolescence and does not provide sufficient redundancy.

## Financial Consideration

- The project budget is \$166,000,000
- The project's estimated construction contract cost is \$92,090,000.
- The project is estimated to decrease operational costs by approximately \$400,000 per year due to energy savings due to using more appropriately-sized pumps.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	287,944							287,944
Prelim Design	4,159,490							4,159,490
Design	9,178,232							9,178,232
Construction	97,370,110	17,791,360	13,917,638	7,043,846				136,122,954
Commissioning	1,288,613	735,906	936,166	501,412	115,485			3,577,582
Close-out	2,550,936	1,335,699	230,570	321,643	984,665			5,423,513
Contingency				6,890,811	359,474			7,250,285
<b>Total</b>	<b>114,835,325</b>	<b>19,862,965</b>	<b>15,084,374</b>	<b>14,757,712</b>	<b>1,459,624</b>			<b>166,000,000</b>

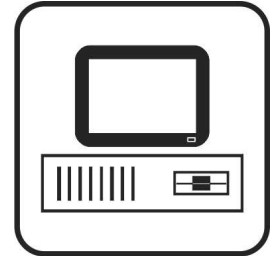
Reimbursable Costs: 14,000,000

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Process Control Systems Upgrades - J-120</b>		
<b>Project Category</b>	<b>Information Management Systems</b>	<b>Project Status:</b>	<b>Continuing</b>

## Description

This project will upgrade the existing Supervisory Control and Data Acquisition (SCADA) Systems for the treatment plants and pump stations based on the vendor system selected as part of the Process Control Systems Upgrades Study, Project No. SP-196. This project will replace existing obsolete human-machine-interface systems, databases and software programs including trending, diagnostic data, monitoring, control, alarming and reporting. This project will also develop programming standards, templates, methodologies, tools, and databases and will develop standards for networking and control panels.



## Information Management Systems

## Justification

The existing human-machine-interface system and associated SCADA subsystems are obsolete. The existing software has a limited customer-installed base and technical expertise for support and source code modifications has become scarce. The reliability and maintainability of the systems are critical to maintaining regulatory compliance for both the collections system and the treatment plants.

## Financial Consideration

- The project budget is \$37,000,000
- The project's estimated construction contract cost is \$13,820,000.
- The impacts to operational budgets have not yet been determined.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	34,407	70,650						105,057
Prelim Design								
Design		231,401	372,311					603,712
Construction	2,409,724	5,399,012	4,845,961	5,837,084	1,807,019			20,298,800
Commissioning								
Close-out		2,000,000	2,000,000	1,888,481	1,795,808	414,455		8,098,744
Contingency			22,048	209,420	1,547,686	6,114,533		7,893,687
<b>Total</b>	<b>2,444,131</b>	<b>7,701,063</b>	<b>7,240,320</b>	<b>7,934,985</b>	<b>5,150,513</b>	<b>6,528,988</b>		<b>37,000,000</b>

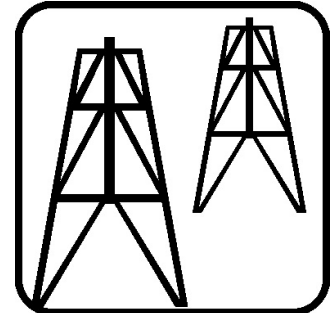
Reimbursable Costs: N/A

# 2022-23 & 2023-24 Budget

<b>Project Name &amp; Number</b>	<b>Digester Gas Facilities Replacement - J-124</b>		
<b>Project Category</b>	<b>Utility Systems</b>	<b>Project Status:</b>	<b>Continuing</b>

## Description

This project will replace the low- and high-pressure digester gas facilities at Plant No. 1 and No. 2 to meet current and future needs such as projected gas production and Air Quality Management District and National Fire Protection Association regulations. The Plant No. 1 work includes replacement of all compressors and flares and rehabilitation of the existing gas compressor building. The Plant No. 2 work includes construction of a new gas compressor building, and replacement of the flares and gas compressors.



**Utility Systems**

## Justification

The major equipment associated with the digester gas systems are at the end of their useful lives and need to be replaced for reliability purposes.

## Financial Consideration

- The project budget is \$173,000,000
- The project's estimated construction contract cost is \$116,990,000.
- The impacts to operational budgets have not yet been determined.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	281,020							281,020
Prelim Design	5,704,082							5,704,082
Design	10,066,590	146,143	441,915	21,719				10,676,367
Construction			396,862	25,608,405	28,100,334	28,199,850	59,367,653	141,673,104
Commissioning					541,091	655,932	1,552,130	2,749,153
Close-out							653,500	653,500
Contingency			63,441	12,093			11,187,240	11,262,774
<b>Total</b>	<b>16,051,692</b>	<b>146,143</b>	<b>902,218</b>	<b>25,642,217</b>	<b>28,641,425</b>	<b>28,855,782</b>	<b>72,760,523</b>	<b>173,000,000</b>

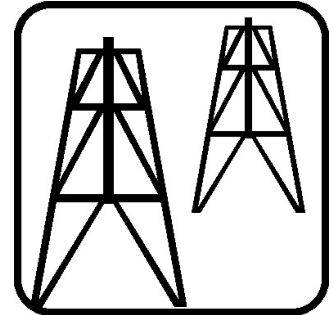
Reimbursable Costs: N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Natural Gas Pipelines Replacement at Plant Nos. 1 and 2 - J-127</b>		
<b>Project Category</b>	<b>Utility Systems</b>	<b>Project Status:</b>	<b>Revised</b>

## Description

This project will rehabilitate the natural gas pipelines at Plants Nos. 1 and 2. This includes the replacement of aging metallic pipelines, risers and rehabilitation of valve vaults and piping penetrations.



**Utility Systems**

## Justification

Recent condition assessments of the natural gas piping have revealed that some of the metallic piping and risers have reached the end of their useful life and require replacement. The valve vaults having flooding concerns as well as corrosion issues. This project will ensure safe, reliable operation of the natural gas systems.

## Financial Consideration

- The project budget has been increased from \$2,000,000 to \$2,150,000. The increased budget is a result of an updated estimate to complete the work.
- The project's estimated construction contract cost is \$750,000.
- This project will not have an impact on operational budgets.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	86,464							86,464
Prelim Design								
Design	393,581							393,581
Construction	1,505,499							1,505,499
Commissioning								
Close-out	11,080	4,576						15,656
Contingency	74,550	74,250						148,800
<b>Total</b>	<b>2,071,174</b>	<b>78,826</b>						<b>2,150,000</b>

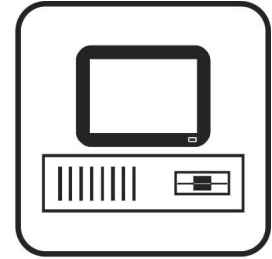
Reimbursable Costs: N/A

# 2022-23 & 2023-24 Budget

<b>Project Name &amp; Number</b>	Project Management Information System - J-128		
<b>Project Category</b>	Information Management Systems	<b>Project Status:</b>	Continuing

### Description

This project is implementing a new Project Management Information System to replace obsolete software previously used to serve business processes related to management of the capital improvement program.



## Information Management Systems

### Justification

The software application previously used to manage construction contracts is no longer functional. In addition, several of business processes involved in managing the capital improvement program could be more efficiently and effectively performed using a modern commercially available software system.

### Financial Consideration

- The project budget is \$2,280,000

### Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	129,322							129,322
Prelim Design	450							450
Design	1,478,954	200,382						1,679,336
Construction	337							337
Commissioning								
Close-out								
Contingency		470,555						470,555
<b>Total</b>	<b>1,609,063</b>	<b>670,937</b>						<b>2,280,000</b>

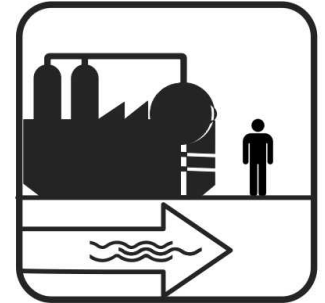
Reimbursable Costs: N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Laboratory Replacement at Plant No. 1 - J-133</b>		
<b>Project Category</b>	<b>Support Facilities</b>	<b>Project Status:</b>	<b>Future</b>

## Description

This project will replace the Central Laboratory building at Plant No. 1. The new building will be at a to be determined location onsite. The new building may also be located at an offsite property that is adjacent to the new headquarters complex (currently under construction). This existing property contains a commercial-office building and is owned by OC San, at 18350 Mt. Langley St in Fountain Valley. An additional project alternative is to renovate this commercial office space into an operating laboratory.



**Support Facilities**

## Justification

The Laboratory was built in 1989. The building does not meet various codes that include seismic deficiencies. The existing utilities, equipment and amenities are at the end of their useful lives and are in need of frequent replacements or temporary fixes.

Testing needs for various permit compliance items have increased since 1989 and the laboratory is in need of significant modifications and space additions so it can be modernized to efficiently meet these requirements.

## Financial Consideration

- The project budget has been increased from \$44,200,000 to \$100,000,000. The increased budget is a result of changes in the project elements identified from recent engineering efforts.
- The project's estimated construction contract cost is \$59,580,000.
- The impacts to operational budgets have not yet been determined.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design			923,220	2,672,251	2,745,896	2,745,896	2,156,737	11,244,000
Construction							68,675,000	68,675,000
Commissioning								
Close-out								
Contingency							20,081,000	20,081,000
<b>Total</b>			<b>923,220</b>	<b>2,672,251</b>	<b>2,745,896</b>	<b>2,745,896</b>	<b>90,912,737</b>	<b>100,000,000</b>

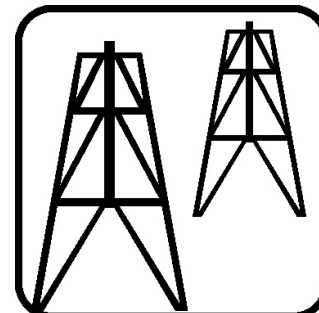
Reimbursable Costs: N/A

# 2022-23 & 2023-24 Budget

<b>Project Name &amp; Number</b>	<b>Central Generation Engine Overhauls at Plant No. 1 and 2 - J-135</b>		
<b>Project Category</b>	<b>Utility Systems</b>	<b>Project Status:</b>	<b>Continuing</b>

## Description

This project will overhaul all eight generator sets including the engines and generators of the Central Generation Facilities at Plant No. 1 and 2. Overhaul of the first engine at Plant No. 1 was completed in early 2022.



**Utility Systems**

## Justification

The Central Generation Facilities (CENGEN) are the primary source of electricity and thermal energy for treatment Plant No. 1 and 2, while Southern California Edison provides the backup source. While separate standby power generation is available for critical plant loads, the reliable operation of the CENGEN facilities is the key to assuring continuous operation of the process plants and to the prevention of sewage spills. Complete overhauls of CENGEN gas engines are needed when they reach a run-time of 120,000 hours to ensure reliable operation.

## Financial Consideration

- The project budget is \$44,000,000
- The project's estimated construction contract cost is \$35,340,000.
- This project will not have an impact on operational budgets.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	8,137							8,137
Prelim Design								
Design	107,443	71,165	71,165	72,304	51,524			373,601
Construction	4,087,719	1,423,030	8,281,455	6,213,391	5,946,748	5,955,936	6,403,325	38,311,604
Commissioning								
Close-out					43,436	3,643		47,079
Contingency	922,070				1,912,500	1,153,243	1,271,766	5,259,579
<b>Total</b>	<b>5,125,369</b>	<b>1,494,195</b>	<b>8,352,620</b>	<b>6,285,695</b>	<b>7,954,208</b>	<b>7,112,822</b>	<b>7,675,091</b>	<b>44,000,000</b>

Reimbursable Costs: N/A

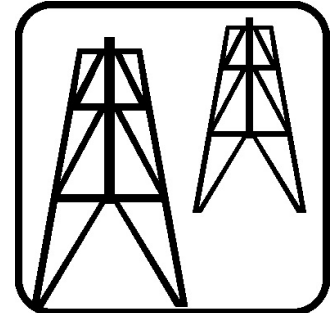


# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Power Building Structural Seismic Improvements at Plant No. 1 and 2 - J-136</b>		
<b>Project Category</b>	<b>Utility Systems</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

The buildings at Plant No. 1 and 2 that house electrical systems will undergo structural improvements to reduce the risk of failure during a significant seismic event. At Plant No. 1, this includes the 12 kV Service Center. At Plant No. 2, this includes the Boiler Building/Power Building B, Headworks Power Building B, Headworks Standby Power, and Power Buildings C and D.



**Utility Systems**

**Justification**

The Seismic Evaluation of Structures at Plant Nos. 1 and 2 study that was completed in 2020 identified seismic risks associated with these buildings. These risks need to be addressed to ensure the reliability and safety of this building.

**Financial Consideration**

- The project budget is \$5,400,000
- The project's estimated construction contract cost is \$2,650,000.
- This project will not have an impact on operational budgets.

**Budget Projections**

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	35,721	24,936						60,657
Prelim Design		190,250	23,781					214,031
Design			499,698	189,585				689,283
Construction				744,015	2,079,331	1,089,101		3,912,447
Commissioning								
Close-out						67,668		67,668
Contingency				26,625		281,766	147,523	455,914
<b>Total</b>	<b>35,721</b>	<b>215,186</b>	<b>523,479</b>	<b>960,225</b>	<b>2,079,331</b>	<b>1,438,535</b>	<b>147,523</b>	<b>5,400,000</b>

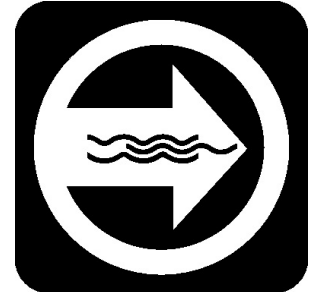
Reimbursable Costs: N/A

# 2022-23 & 2023-24 Budget

<b>Project Name &amp; Number</b>	<b>120-inch Ocean Outfall Rehabilitation - J-137</b>		
<b>Project Category</b>	<b>Ocean Outfall Systems</b>	<b>Project Status:</b>	<b>New</b>

## Description

This project will extensively rehabilitate the 120-in long ocean outfall. A planning study performed a condition assessment of the outfall and various items of scope were determined for this Project. It includes the removal of debris blocking diffusers ports, replacing all hardware that reinforces pipe joints, the addition of ballast rock in shallow sections, replacement of existing manhole covers, removal of internal outfall sediment deposits, and to replace the end flap gate. The Project will also determine and make modifications that prevent sea water intrusion within the pipe interior.



## Ocean Outfall Systems

## Justification

The existing 120-in outfall was placed into service in 1971 and has approached its initial design life of 50 years. The Planning Study has determined the outfall pipe's concrete is in good condition, it can continue operation, and that should be assessed regularly. This Project is necessary so deficiencies can be addressed, and the ocean outfall can continue to provide reliable operations. Sea water intrusion will occur after the Ground Water Replenishment System (GWRS) Final Expansion is complete in year 2023. During this time, the outfall flows will be significantly reduced due to increased GWRS reclamation. This Project will also ensure that OC San is in compliance with various permit conditions that have been issued through the California Regional Water Quality Control Board.

## Financial Consideration

- The project budget is \$64,968,000
- The project's estimated construction contract cost is \$35,710,000.
- This project will not have an impact on operational budgets.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design		38,022	686,861	2,314,825	2,378,619	2,378,619	1,048,054	8,845,000
Construction							45,443,000	45,443,000
Commissioning								
Close-out								
Contingency							10,680,000	10,680,000
<b>Total</b>		<b>38,022</b>	<b>686,861</b>	<b>2,314,825</b>	<b>2,378,619</b>	<b>2,378,619</b>	<b>57,171,054</b>	<b>64,968,000</b>

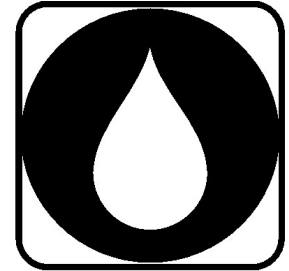
Reimbursable Costs: N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>GWRs Final Expansion Coordination - J-36-2</b>		
<b>Project Category</b>	<b>Water Management Projects</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

This project is used to track costs, forecast resources, and coordinate OC San reviews related to the Orange County Water District's Groundwater Replenishment System Final Expansion project. This project does not address modification of OC San Facilities included in other projects such as the Headworks Modifications at Plant No.2 for GWRs Final Expansion, Project No. P2-122, and the Ocean Outfall Rehabilitation Project No. J-117B.



## Water Management Projects

**Justification**

The Orange County Water District's Groundwater Replenishment System Final Expansion will impact OC San Facilities at both plants and along the interplant effluent pipelines.

**Financial Consideration**

- The project budget has been increased from \$1,332,000 to \$1,400,000. The increased budget is a result of an updated estimate to complete the work.
- This project will not have an impact on operational budgets.

**Budget Projections**

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev								
Prelim Design	79,091							79,091
Design	240,641							240,641
Construction	785,942	179,446						965,388
Commissioning	22,264	13,016						35,280
Close-out		10,239						10,239
Contingency		69,361						69,361
<b>Total</b>	<b>1,127,938</b>	<b>272,062</b>						<b>1,400,000</b>

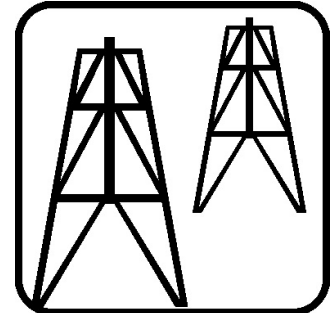
Reimbursable Costs: N/A

# 2022-23 & 2023-24 Budget

<b>Project Name &amp; Number</b>	<b>Electrical Power Distribution System Improvements - J-98</b>		
<b>Project Category</b>	<b>Utility Systems</b>	<b>Project Status:</b>	<b>Revised</b>

## Description

This project provides various electrical distribution system improvements at Plant No. 1 and No. 2 which are needed based on equipment condition and age, insufficient equipment ratings, grounding safety, non-compliance with the National Electrical Code (NEC) requirements, and electrical configuration reliability. This includes replacing electrical equipment at the end of its useful life, modifying the electrical system configurations to improve reliability and support maintenance, replacing electrical cables and equipment that are not properly sized, and adding surge protection to protect equipment. This project will also implement a load shedding scheme at Plant No. 1 along with modifications for arc flash mitigation.



**Utility Systems**

## Justification

These improvements are required to improve electrical safety, reliability, protective device coordination, and for compliance with NEC requirements. As the electrical systems at Plant No. 1 and No. 2 have aged and reliability and safety philosophy has improved, the existing electrical systems require improvements to improve safety and maintain electrical system reliability.

## Financial Consideration

- The project budget has been increased from \$26,500,000 to \$27,700,000. The increased budget is a result of changes in the project elements identified from recent engineering efforts.
- The project's estimated construction contract cost is \$14,190,000.
- This project will not have an impact on operational budgets.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	227,291							227,291
Prelim Design	1,213,873	583,376						1,797,249
Design	1,924,991	470,824						2,395,815
Construction		845,659	5,232,012	5,374,161	5,588,273	2,224,164		19,264,269
Commissioning			51,699	175,943	204,548	40,712		472,902
Close-out						114,894		114,894
Contingency	42,159	219,451				1,504,140	1,661,830	3,427,580
<b>Total</b>	<b>3,408,314</b>	<b>2,119,310</b>	<b>5,283,711</b>	<b>5,550,104</b>	<b>5,792,821</b>	<b>3,883,910</b>	<b>1,661,830</b>	<b>27,700,000</b>

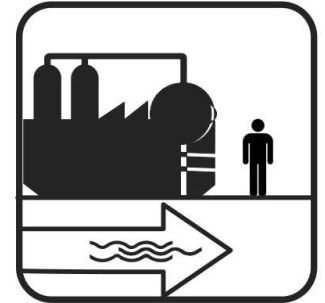
Reimbursable Costs: N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Small Construction Projects Program - M-FE</b>		
<b>Project Category</b>	<b>Support Facilities</b>	<b>Project Status:</b>	<b>Revised</b>

## Description

This budget provides funds for small construction projects. A construction project is defined as small when the professional engineering services for design and construction can be provided by a task order issued under a master professional design services agreement per Purchasing Ordinance No. OCSD-52, or by using OC San staff. This budget request is intended to cover active small construction projects and those that will be identified and created through Fiscal Year 2024/2025. These small projects are individually managed within the Small Construction Projects Program budget.



## Support Facilities

## Justification

This fund allows OC San staff to complete small construction projects more quickly and cost effectively than larger projects that require specific Board authorization. Of the requested budget approximately, \$32,600,000 is allocated for small construction projects active as of April 2020. The remainder is for not-yet-identified projects.

## Financial Consideration

- The project budget is \$90,000,000
- The project's estimated construction contract cost is \$33,316,800.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	85,397							85,397
Prelim Design	16,825							16,825
Design	7,304,926	1,680,577	115,704					9,101,207
Construction	6,448,318	15,215,736	18,558,905	4,886,704	710,564	2,529		45,822,756
Commissioning	265,526	14,686	8,415					288,627
Close-out	2,041	3,116	26,012	26,958	883			59,010
Contingency	1,118,670	4,002,861	5,967,635	7,778,841	3,618,810	3,040,666	9,098,695	34,626,178
<b>Total</b>	<b>15,241,703</b>	<b>20,916,976</b>	<b>24,676,671</b>	<b>12,692,503</b>	<b>4,330,257</b>	<b>3,043,195</b>	<b>9,098,695</b>	<b>90,000,000</b>

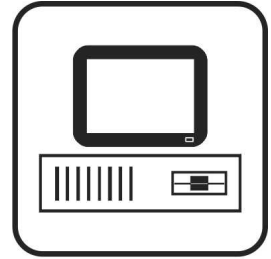
Reimbursable Costs: N/A

# 2022-23 & 2023-24 Budget

<b>Project Name &amp; Number</b>	Information Technology Capital Program - M-MC-IT		
<b>Project Category</b>	Information Management Systems	<b>Project Status:</b>	Revised

**Description**

This project will provide for the replacement, rehabilitation and/or upgrade of various Information technology assets that meet the criteria and justification for capital expenditure.



**Information Management Systems**

**Justification**

These funds are needed in order to replace/rehabilitate/upgrade Information technology assets that are not included or identified in a capital improvement project.

**Financial Consideration**

- The project budget is \$10,000,000
- The project's estimated construction contract cost is \$3,220,000.

**Budget Projections**

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev								
Prelim Design	154,813							154,813
Design	1,371,445	317,588						1,689,033
Construction	1,260,824	2,184,577						3,445,401
Commissioning								
Close-out								
Contingency	304,925	505,781	418,281	424,973	436,685	436,685	2,183,423	4,710,753
<b>Total</b>	<b>3,092,007</b>	<b>3,007,946</b>	<b>418,281</b>	<b>424,973</b>	<b>436,685</b>	<b>436,685</b>	<b>2,183,423</b>	<b>10,000,000</b>

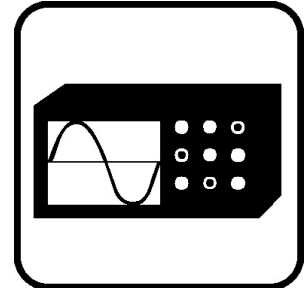
Reimbursable Costs: N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Research Program - M-RESEARCH</b>		
<b>Project Category</b>	<b>Research</b>	<b>Project Status:</b>	<b>Revised</b>

## Description

This budget provides funds for research projects. Specific projects will be identified and developed to be funded from this budget. This budget request is intended to cover currently active research projects and those that will be identified and created through the next fiscal year.



## Research & Development

## Justification

Research projects are used to demonstrate technologies, equipment, configurations, and control strategies to improve operational efficiency, reduce costs, improve safety, or fill important information gaps. The results will support operations and maintenance and provide information needed for future planning and design work.

## Financial Consideration

- The project budget has been increased from \$8,500,000 to \$10,000,000.
- This project will not have an impact on operational budgets.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	28,941							28,941
Prelim Design	635,268	5,706,177	11,471					6,352,916
Design	165,816							165,816
Construction								
Commissioning								
Close-out			12,091					12,091
Contingency	134,739	295,597	1,427,866	257,918	265,026	265,026	794,064	3,440,236
<b>Total</b>	<b>964,764</b>	<b>6,001,774</b>	<b>1,451,428</b>	<b>257,918</b>	<b>265,026</b>	<b>265,026</b>	<b>794,064</b>	<b>10,000,000</b>

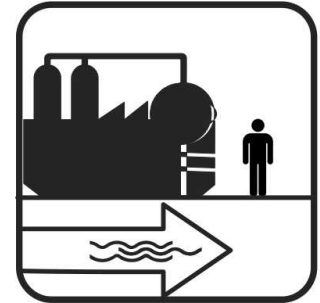
Reimbursable Costs: N/A

# 2022-23 & 2023-24 Budget

<b>Project Name &amp; Number</b>	<b>Operations &amp; Maintenance Capital Program - M-SM-CAP</b>		
<b>Project Category</b>	<b>Support Facilities</b>	<b>Project Status:</b>	<b>Continuing</b>

## Description

This project will provide for the replacement and rehabilitation of various plant processes and collection facilities as well as the replacement and or rehabilitation of facilities that meet the criteria for capital replacement.



**Support Facilities**

## Justification

These funds are needed in order to replace/rehabilitate equipment that is beyond economical repair or is at the end of its useful life or repair of facilities that are not included in a capital improvement project. It is also used to replace equipment when parts or services are no longer economically feasible.

## Financial Consideration

- The project budget is \$15,622,000

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	43,510							43,510
Prelim Design								
Design	190,170	163,066	54,410					407,646
Construction	474,465	381,682	443,260	2,007,955	255,524			3,562,886
Commissioning	3,829							3,829
Close-out	14,112							14,112
Contingency	419,345	1,084,921	1,191,338	1,019,206	1,260,872	1,406,465	5,207,870	11,590,017
<b>Total</b>	<b>1,145,431</b>	<b>1,629,669</b>	<b>1,689,008</b>	<b>3,027,161</b>	<b>1,516,396</b>	<b>1,406,465</b>	<b>5,207,870</b>	<b>15,622,000</b>

Reimbursable Costs: N/A

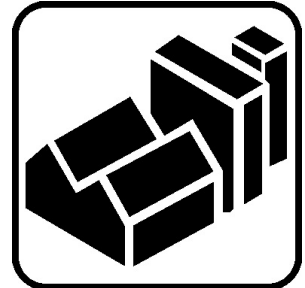


# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Planning Studies Program - M-STUDIES</b>		
<b>Project Category</b>	<b>Strategic &amp; Master Planning</b>	<b>Project Status:</b>	<b>Revised</b>

## Description

This budget provides funds for planning studies. This budget request is intended to cover currently active planning studies and those that will be identified and created through the next fiscal year.



## Strategic & Master Planning

## Justification

Planning studies provide comprehensive capital program planning for OCSan to meet anticipated capacity needs, manage risks associated with asset or system failure, take advantage of technology advancements, comply with regulatory changes, and meet strategic goals.

## Financial Consideration

- The project budget is \$28,652,000
- This project will not have an impact on operational budgets.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	1,622,363	67,950						1,690,313
Prelim Design	5,932,548	2,616,996	1,197,850	80,463				9,827,857
Design	1,707							1,707
Construction								
Commissioning								
Close-out	19,112	43,378	30,119	15,214	2,837			110,660
Contingency	667,806	2,423,049	2,491,440	2,027,371	1,886,934	1,883,020	5,641,843	17,021,463
<b>Total</b>	<b>8,243,536</b>	<b>5,151,373</b>	<b>3,719,409</b>	<b>2,123,048</b>	<b>1,889,771</b>	<b>1,883,020</b>	<b>5,641,843</b>	<b>28,652,000</b>

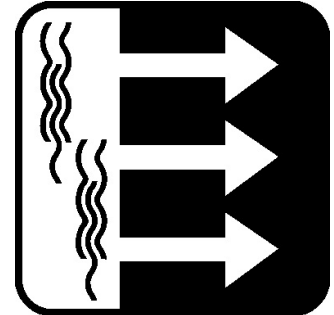
Reimbursable Costs: N/A

# 2022-23 & 2023-24 Budget

<b>Project Name &amp; Number</b>	<b>Headworks Rehabilitation at Plant No. 1 - P1-105</b>		
<b>Project Category</b>	<b>Headworks</b>	<b>Project Status:</b>	<b>Continuing</b>

## Description

This project will rehabilitate and upgrade Plant No. 1 Headworks. Major facilities to be rehabilitated include the Metering and Diversion Structure, the Bar Screen Building, the Bin Loading Building, the Main Sewage Pump Station, the Grit Basins, the Primary Influent channels, the Headworks Odor Control Scrubbers, and electrical power distribution and control systems. New structures to be constructed as part of this project include Grit Pump Station, Grit Handling Building, Headworks Odor Control Facility, Electrical Buildings, and other support systems.



**Headworks**

## Justification

The purpose of the work is to rehabilitate the Plant No. 1 headworks that were built in the 1950s and 1960s and began operation in 1989. This is a mid-life renewal project that will extend the life of the Headworks for at least 20 years while providing reliable treatment and pumping for up to 320 million gallons per day of wastewater.

## Financial Consideration

- The project budget is \$340,000,000
- The project's estimated construction contract cost is \$222,550,000.
- This project will not have an impact on operational budgets.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	158,994							158,994
Prelim Design	6,334,954							6,334,954
Design	24,097,967							24,097,967
Construction	48,580,736	34,978,474	76,830,337	36,787,285	34,125,243	23,725,829	7,428,081	262,455,985
Commissioning	2,522		223,609	1,412,100	1,591,140	2,067,689	1,412,360	6,709,420
Close-out							2,017,812	2,017,812
Contingency							38,224,868	38,224,868
<b>Total</b>	<b>79,175,173</b>	<b>34,978,474</b>	<b>77,053,946</b>	<b>38,199,385</b>	<b>35,716,383</b>	<b>25,793,518</b>	<b>49,083,121</b>	<b>340,000,000</b>

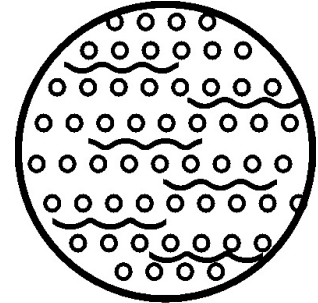
Reimbursable Costs: N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Primary Sedimentation Basins No. 3-5 Replacement at Plant No. 1 - P1-126</b>		
<b>Project Category</b>	<b>Primary Treatment</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

This project will replace Primary Sedimentation Basins (PSB) 3-5 and all associated facilities including distribution boxes, junction boxes, primary influent and effluent lines, structural, mechanical, and electrical systems. PSB's 3-5 will be raised to allow gravity flow to secondary treatment. The project will also replace the primary odor control facility. The project will demolish PSB's 1 and 2, Primary Effluent Pump Station (PEPS), and the old control center building.



**Primary  
Treatment**

**Justification**

This primary sedimentation complex has been assessed and studied and it was concluded that it is reaching the end of its useful life. Replacement of the basins and rehabilitation of nearby utilities was determined to be the best course of action.

**Financial Consideration**

- The project budget has been increased from \$127,000,000 to \$183,000,000. The increased budget is a result of an updated estimate to complete the work.
- The project's estimated construction contract cost is \$119,000,000.
- The impacts to operational budgets have not yet been determined.

**Budget Projections**

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	718,532	1,154						719,686
Prelim Design	3,697	2,728,315	3,122,753	162,310				6,017,075
Design			86,529	5,264,492	5,778,971	212,067		11,342,059
Construction						3,029,092	134,461,915	137,491,007
Commissioning							3,956,975	3,956,975
Close-out							322,616	322,616
Contingency						1,416,300	21,734,282	23,150,582
<b>Total</b>	<b>722,229</b>	<b>2,729,469</b>	<b>3,209,282</b>	<b>5,426,802</b>	<b>5,778,971</b>	<b>4,657,459</b>	<b>160,475,788</b>	<b>183,000,000</b>

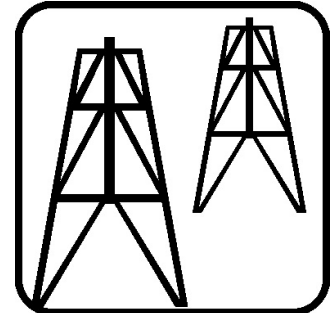
Reimbursable Costs: N/A

# 2022-23 & 2023-24 Budget

<b>Project Name &amp; Number</b>	<b>Central Generation Rehabilitation at Plant No. 1 - P1-127</b>		
<b>Project Category</b>	<b>Utility Systems</b>	<b>Project Status:</b>	<b>Future</b>

## Description

This project will rehabilitate the Plant No. 1 Central Generation facility equipment including the lube oil system, the engine jacket water loop, steam loop, hot water loop, waste/supplement heat system, chilled water loop, cooling water loop, HVAC system, starting air and instrumentation air systems, exhaust gas monitoring system, miscellaneous building improvements, and allowance for electrical and controls improvements.



**Utility Systems**

## Justification

Central Generation equipment has been rebuilt through the planned maintenance program, or by Capital Projects working in the area. This Project is necessary since there has not been a project just focusing on the condition assessment and rehabilitation of overall Central Generation facility equipment, particularly the equipment that are too large to be rebuilt through regular maintenance.

## Financial Consideration

- The project budget has been decreased from \$68,452,000 to \$33,302,000. The reduced budget is a result of changes in the project elements identified from recent engineering efforts.
- The project's estimated construction contract cost is \$18,090,000.
- The impacts to operational budgets have not yet been determined.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design							4,362,000	4,362,000
Construction							23,540,000	23,540,000
Commissioning								
Close-out								
Contingency							5,400,000	5,400,000
<b>Total</b>							<b>33,302,000</b>	<b>33,302,000</b>

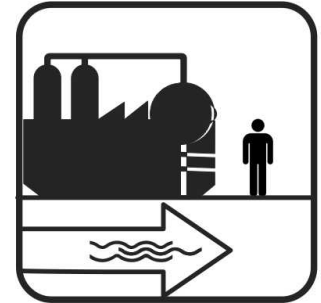
Reimbursable Costs: N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Headquarters Complex - P1-128</b>		
<b>Project Category</b>	<b>Support Facilities</b>	<b>Project Status:</b>	<b>Continuing</b>

## Description

This project will construct the new Headquarters Building on the north side of Ellis Avenue to house administrative, engineering, resource protection and environmental compliance staff. Surface parking and a pedestrian bridge over Ellis Avenue to Plant No. 1 will also be constructed. The project includes the demolition of the Risk Trailer, two buildings on the Ellis property and three buildings on the Bandilier property.



## Support Facilities

## Justification

The administrative and engineering functions are located primarily at Reclamation Plant No. 1 in Fountain Valley. The Administration, Human Resource and Risk Management buildings are aging, were not permitted when constructed, and need replacement. Also, approximately 130 staff are in aging office trailers throughout Plant No. 1. The most cost-effective solution is replacement of the aging buildings and trailers with a new building that serves all administrative and engineering functions.

## Financial Consideration

- The project budget is \$167,500,000
- The project's estimated construction contract cost is \$102,620,000.
- The impacts to operational budgets have not yet been determined.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	115,096							115,096
Prelim Design	6,120,698							6,120,698
Design	30,420,822							30,420,822
Construction	43,925,990	57,266,240	9,333,332					110,525,562
Commissioning	1,791,524	2,606,738	2,467,736					6,865,998
Close-out		1,324,845	2,848,519					4,173,364
Contingency			6,117,677	3,160,783				9,278,460
<b>Total</b>	<b>82,374,130</b>	<b>61,197,823</b>	<b>20,767,264</b>	<b>3,160,783</b>				<b>167,500,000</b>

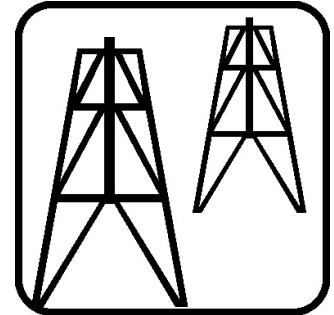
Reimbursable Costs: N/A

# 2022-23 & 2023-24 Budget

<b>Project Name &amp; Number</b>	<b>Uninterruptible Power Supply Improvements at Plant No. 1 - P1-132</b>		
<b>Project Category</b>	<b>Utility Systems</b>	<b>Project Status:</b>	<b>Continuing</b>

## Description

This project will provide a new regional Uninterruptible Power Supply (UPS) at Power Building 8 to provide critical power to facilities in the northwest region of Plant No. 1. New electrical distribution and branch circuit panelboards will replace existing old and obsolete equipment. The project will provide temporary power to maintain services to critical loads during construction. Miscellaneous 480-volt cables and circuit breakers will also be replaced.



**Utility Systems**

## Justification

The process areas in the northwest area of Plant No. 1 currently have numerous individual UPS units. These smaller units are spread throughout the plant, which reduces reliability and increases maintenance requirements. The need and justification for this regional UPS was identified in Uninterruptible Power System Study, Project No. SP-150.

## Financial Consideration

- The project budget is \$7,000,000
- The project's estimated construction contract cost is \$3,420,000.
- This project will not have an impact on operational budgets.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	110,140							110,140
Prelim Design	562,278							562,278
Design	721,630	26,284						747,914
Construction		1,881,430	2,945,108	130,944				4,957,482
Commissioning		7,840	49,823					57,663
Close-out			21,265	57,409				78,674
Contingency		15,713		470,136				485,849
<b>Total</b>	<b>1,394,048</b>	<b>1,931,267</b>	<b>3,016,196</b>	<b>658,489</b>				<b>7,000,000</b>

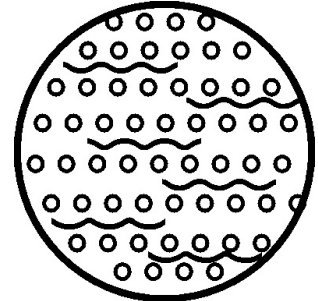
Reimbursable Costs: N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Primary Sedimentation Basins No. 6-31 Reliability Improvements at Plant No. 1 - P1-133</b>		
<b>Project Category</b>	<b>Primary Treatment</b>	<b>Project Status:</b>	<b>Continuing</b>

## Description

This project will increase the reliability of the rectangular primary clarifiers at Plant No. 1 by replacing the primary influent splitter box launders, replace primary sludge pumps and VFDs, and install a foul air sump pump. It will also add a go/no-go alarm system based on loss of ventilation consistent with current NFPA 820 requirements, and new lighting fixtures in the main gallery at each of the primary sludge pumps.



**Primary Treatment**

## Justification

Primary Sedimentation Basins No. 3-5 Replacement at Plant No. 1, Project No. P1-126, will replace the large circular primary clarifiers at Plant No. 1. During construction, the rectangular clarifiers will be required to operate at full capacity for approximately three years.

## Financial Consideration

- The project budget is \$14,000,000
- The project's estimated construction contract cost is \$6,280,000.
- This project will not have an impact on operational budgets.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	346,043							346,043
Prelim Design	600,235							600,235
Design	1,177,417	2,184						1,179,601
Construction	370,325	2,602,015	5,229,863	1,598,559				9,800,762
Commissioning		25,391	129,703	118,057	10,357			283,508
Close-out	26,724			117,751	87,022			231,497
Contingency				330,263	1,228,091			1,558,354
<b>Total</b>	<b>2,520,744</b>	<b>2,629,590</b>	<b>5,359,566</b>	<b>2,164,630</b>	<b>1,325,470</b>			<b>14,000,000</b>

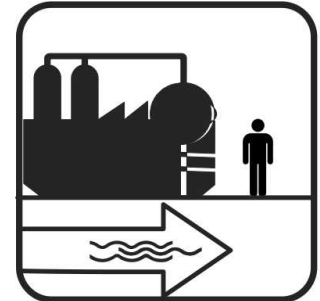
Reimbursable Costs: N/A

# 2022-23 & 2023-24 Budget

<b>Project Name &amp; Number</b>	<b>South Perimeter Security and Utility Improvements at Plant No.1 - P1-134</b>		
<b>Project Category</b>	<b>Support Facilities</b>	<b>Project Status:</b>	<b>Revised</b>

## Description

This security project will replace the perimeter chain link fence at Plant No. 1 along Ward Street with an 8-foot-tall block wall. Interior security lighting, cameras, and intrusion detection systems will be installed along the south and west boundary of Plant No. 1 along with a permanent guard house at the Garfield Avenue Gate. Tree removal and landscaping along Ward Street is also part of the project. The utility improvements will disconnect a City of Fountain Valley potable water service from Garfield Avenue and provide two new connections to existing potable water lines within Plant No. 1.



**Support Facilities**

## Justification

The work under this project will provide improved security and monitoring capability for OC San's security staff and the new wall on Ward Street will provide enhanced protection against intruders. The water line work is required in order to remove the direct connection from Plant No. 1 to the City of Fountain Valley water main, alleviating any cross-connection concerns.

## Financial Consideration

- The project budget has been decreased from \$10,000,000 to \$8,150,000. The reduced budget is a result of an updated estimate to complete the work.
- The project's estimated construction contract cost is \$4,400,000.
- This project will not have an impact on operational budgets.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev								
Prelim Design	569,260							569,260
Design	1,007,040							1,007,040
Construction	2,435,564	2,994,021						5,429,585
Commissioning	3,921	145,729						149,650
Close-out		136,009						136,009
Contingency		463,178	395,278					858,456
<b>Total</b>	<b>4,015,785</b>	<b>3,738,937</b>	<b>395,278</b>					<b>8,150,000</b>

Reimbursable Costs: N/A



# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Digester Ferric Chloride Piping Replacement at Plant No. 1 - P1-135</b>		
<b>Project Category</b>	<b>Solids Handling &amp; Digestion</b>	<b>Project Status:</b>	<b>Revised</b>

## Description

This project will replace the digester ferric chloride piping, valves, and appurtenances from the ferric chloride facility to each of the digesters.



## Justification

The existing ferric chloride feed piping to the digesters has been requiring repairs in numerous locations due to age and partial blockage. Ferric chloride feed to the digesters is required to control hydrogen sulfide concentrations in digester gas in order to comply with South Coast Air Quality permit conditions.

## Financial Consideration

- The project budget has been decreased from \$1,360,000 to \$1,260,000. The reduced budget is a result of an updated estimate to complete the work.
- The project's estimated construction contract cost is \$520,000.
- This project will not have an impact on operational budgets.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	35,559							35,559
Prelim Design	37,670							37,670
Design	150,818							150,818
Construction	750,927							750,927
Commissioning	1,669	2,331						4,000
Close-out	16,186	21,395						37,581
Contingency	51,500	65,992	125,953					243,445
<b>Total</b>	<b>1,044,329</b>	<b>89,718</b>	<b>125,953</b>					<b>1,260,000</b>

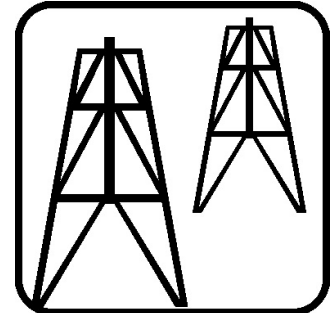
Reimbursable Costs: N/A

# 2022-23 & 2023-24 Budget

<b>Project Name &amp; Number</b>	12.47 kV Switchgear Replacement at Central Generation at Plant No. 1 - P1-136		
<b>Project Category</b>	Utility Systems	<b>Project Status:</b>	Future

### Description

This project will take place at the Plant No. 1 Central Generation Facilities and the 12Kv Service Center. This Project will replace medium voltage Central Generation switchgear, power distribution equipment and aged cabling. The no longer used 12Kv Service Center will be demolished and removed.



**Utility Systems**

### Justification

This Project is necessary since the medium voltage Central Generation switchgear, power distribution equipment and aged cabling infrastructure are approaching the end of its useful life and it will allow the continued operational reliability at Plant No. 1. The 12Kv Service Center is no longer in use and requires removal.

### Financial Consideration

- The project budget has been decreased from \$17,000,000 to \$15,388,000. The reduced budget is a result of changes in the project elements identified from recent engineering efforts.
- The project's estimated construction contract cost is \$8,150,000.
- The impacts to operational budgets have not yet been determined.

### Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design				116,610	620,407	917,016	512,967	2,167,000
Construction							10,791,000	10,791,000
Commissioning								
Close-out								
Contingency							2,430,000	2,430,000
<b>Total</b>				116,610	620,407	917,016	13,733,967	15,388,000

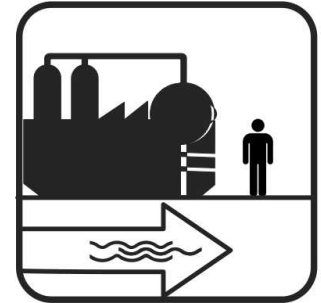
Reimbursable Costs: N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Support Buildings Seismic Improvements at Plant No. 1 - P1-137</b>		
<b>Project Category</b>	<b>Support Facilities</b>	<b>Project Status:</b>	<b>Continuing</b>

## Description

Staff occupied buildings at Plant No. 1 will receive structural improvements to reduce the risk of failure during a significant seismic event. These buildings include the Control Center, Maintenance Buildings, Warehouse, and Fleet Services.



**Support Facilities**

## Justification

The Seismic Evaluation of Structures at Plant Nos. 1 and 2 study that was completed in 2020 identified seismic risks associated with these buildings. These risks need to be addressed to ensure the reliability and safety of this building.

## Financial Consideration

- The project budget is \$23,730,000
- The project's estimated construction contract cost is \$13,240,000.
- This project will not have an impact on operational budgets.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	86,765	2,474						89,239
Prelim Design		766,555	480,246					1,246,801
Design			1,124,070	1,102,443				2,226,513
Construction				1,026,934	4,936,629	4,968,870	5,716,841	16,649,274
Commissioning								
Close-out							74,665	74,665
Contingency				262,818			3,180,690	3,443,508
<b>Total</b>	<b>86,765</b>	<b>769,029</b>	<b>1,604,316</b>	<b>2,392,195</b>	<b>4,936,629</b>	<b>4,968,870</b>	<b>8,972,196</b>	<b>23,730,000</b>

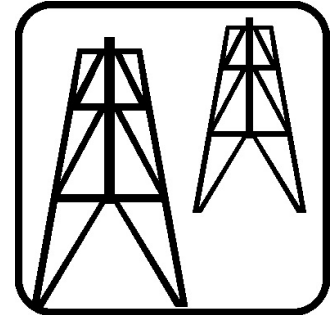
Reimbursable Costs: N/A

# 2022-23 & 2023-24 Budget

<b>Project Name &amp; Number</b>	<b>Industrial Control System and IT Data Center Relocation at Plant No. 1 - P1-138</b>		
<b>Project Category</b>	<b>Utility Systems</b>	<b>Project Status:</b>	<b>Future</b>

## Description

This project will Relocate and reconfigure networking, fiber optics, and IT equipment from the Control Center and Power Building 3A to the new server room constructed by the P1-105 Headworks Rehabilitation Project. This Project will also provide adequate ventilation and air conditioning that will meet the needs of the new server room.



**Utility Systems**

## Justification

This project is necessary because the rooms are undersized and will not allow upgrades for the existing systems.

## Financial Consideration

- The project budget has been decreased from \$13,000,000 to \$5,700,000. The reduced budget is a result of an updated estimate to complete the work.
- The project's estimated construction contract cost is \$3,020,000.
- The impacts to operational budgets have not yet been determined.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design		219,007	348,263	234,730				802,000
Construction				883,280	2,696,325	418,395		3,998,000
Commissioning								
Close-out								
Contingency						493,259	406,741	900,000
<b>Total</b>		<b>219,007</b>	<b>348,263</b>	<b>1,118,010</b>	<b>2,696,325</b>	<b>911,654</b>	<b>406,741</b>	<b>5,700,000</b>

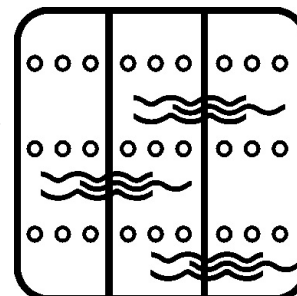
Reimbursable Costs: N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Activated Sludge-1 Aeration Basin and Blower Rehabilitation at Plant No. 1 - P1-140</b>		
<b>Project Category</b>	<b>Secondary Treatment</b>	<b>Project Status:</b>	<b>Revised</b>

## Description

This project will perform a comprehensive rehabilitation of the Activated Sludge Facility No. 1 (AS-1) at Plant No. 1. The facilities in this project include Blower Building No. 1, Aeration Basins Nos. 1-10, Return Activated Sludge Pump Station, and Secondary Clarifiers Nos. 1-26. A new Mixed Liquor Recycle (MLR) pump station and associated piping is included in this project. This project will demolish the Dissolved Air Flotation Thickeners (excluding the Pump Room), Power Building 2, and 12 KV Distribution Center. This project will also provide seismic upgrades for the Blower Building and Primary Effluent Pump Station 1 (PEPS-1).



**Secondary Treatment**

## Justification

Built in the early 1970s, the AS-1 facility is nearing the end of its useful life. A major rehabilitation of AS-1 will ensure reliable service for next 20 plus years. PEPS will no longer be needed when the Primary Sedimentation Basins Nos. 3-5 Replacement Project, P1-126, is completed. A new MLR pump station is required to convert AS-1 from a partial to a full denitrification process which will remove nitrates and improve effluent water quality.

## Financial Consideration

- The project budget has been increased from \$270,000,000 to \$280,000,000. The increased budget is the result of combining other projects into this one.
- The project's estimated construction contract cost is \$177,500,000.
- This project will not have an impact on operational budgets.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	106,664	137,359						244,023
Prelim Design		959,227	3,461,636	1,352,674				5,773,537
Design			19,292	3,668,679	6,081,208	4,992,334		14,761,513
Construction						1,978,625	201,705,158	203,683,783
Commissioning							1,559,747	1,559,747
Close-out							255,424	255,424
Contingency						1,770,000	51,951,973	53,721,973
<b>Total</b>	<b>106,664</b>	<b>1,096,586</b>	<b>3,480,928</b>	<b>5,021,353</b>	<b>6,081,208</b>	<b>8,740,959</b>	<b>255,472,302</b>	<b>280,000,000</b>

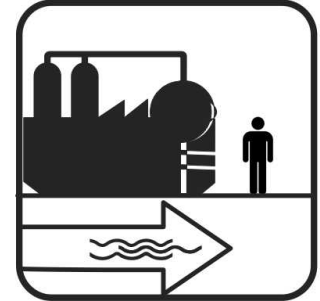
Reimbursable Costs: N/A

# 2022-23 & 2023-24 Budget

<b>Project Name &amp; Number</b>	<b>Administrative Facilities and Power Building 3A Demolition - P1-141</b>		
<b>Project Category</b>	<b>Support Facilities</b>	<b>Project Status:</b>	<b>New</b>

### Description

This project will demo the existing, Administration Building, Power Building 3A, and Human Resources building and provide access to the to the new pedestrian bridge including parking spaces, bike racks, hand washing area, some minimal landscaping and seating benches, and a small shed to store Personal Protection Equipment (PPE) for plant tour purposes.



**Support Facilities**

### Justification

Once P1-128 New Headquarters project is complete there will be no need for the current Administration Building, Human Resources building, and Power Building 3A.

### Financial Consideration

- The project budget is \$8,910,000
- The project's estimated construction contract cost is \$5,440,000.
- This project will not have an impact on operational budgets.

### Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design		62,055	202,542	541,015	219,388			1,025,000
Construction					2,994,070	3,270,930		6,265,000
Commissioning								
Close-out								
Contingency							1,620,000	1,620,000
<b>Total</b>		<b>62,055</b>	<b>202,542</b>	<b>541,015</b>	<b>3,213,458</b>	<b>3,270,930</b>	<b>1,620,000</b>	<b>8,910,000</b>

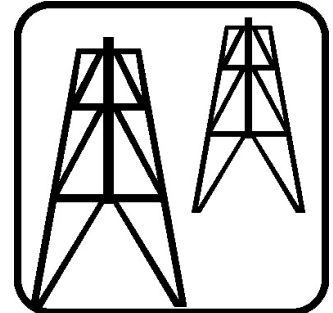
Reimbursable Costs: N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Central Generation Rehabilitation at Plant No. 2 - P2-119</b>		
<b>Project Category</b>	<b>Utility Systems</b>	<b>Project Status:</b>	<b>Future</b>

## Description

This project will rehabilitate the Plant No. 2 Central Generation facility equipment including the lube oil system, the engine jacket water loop, steam loop, hot water loop, cooling water loop, HVAC system, starting air and instrumentation air systems, exhaust gas monitoring system, miscellaneous building improvements, and allowance for electrical and control improvements.



**Utility Systems**

## Justification

Central Generation equipment has been rebuilt through the planned maintenance program, or by Capital Projects working in the area. This Project is necessary since there has not been a project just focusing on the condition assessment and rehabilitation of overall Central Generation facility equipment, particularly the equipment that are too large to be rebuilt through regular maintenance.

## Financial Consideration

- The project budget has been decreased from \$108,000,000 to \$53,108,000. The reduced budget is a result of changes in the project elements identified from recent engineering efforts.
- The project's estimated construction contract cost is \$29,190,000.
- The impacts to operational budgets have not yet been determined.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design						83,594	7,149,406	7,233,000
Construction							37,145,000	37,145,000
Commissioning								
Close-out								
Contingency							8,730,000	8,730,000
<b>Total</b>						<b>83,594</b>	<b>53,024,406</b>	<b>53,108,000</b>

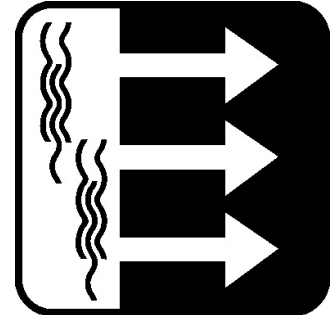
Reimbursable Costs: N/A

# 2022-23 & 2023-24 Budget

<b>Project Name &amp; Number</b>	<b>Headworks Modification at Plant No. 2 for GWRs Final Expansion - P2-122</b>		
<b>Project Category</b>	<b>Headworks</b>	<b>Project Status:</b>	<b>Revised</b>

## Description

This project will modify the Headworks facility, related piping, and sidestream flow routing to separate reclaimable and non-reclaimable flows to accommodate the Orange County Water District's Groundwater Replenishment System Final Expansion. Work elements include installing a new 72-inch diameter flow diversion, installing new gates, and modification of waste sidestream pump station discharge piping to the non-reclaimable portion of the plant. The work includes replacing three existing main sewage pumps with new, smaller pumps.



**Headworks**

## Justification

This project is necessary to separate reclaimable and non-reclaimable flows to accommodate the Orange County Water District's Groundwater Replenishment System Final Expansion project.

## Financial Consideration

- The project budget has been decreased from \$32,000,000 to \$30,400,000. The reduced budget is a result of an updated estimate to complete the work.
- The project's estimated construction contract cost is \$14,860,000.
- This project will not have an impact on operational budgets.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	234,101							234,101
Prelim Design	2,327,125							2,327,125
Design	4,447,077							4,447,077
Construction	17,114,025	3,377,204						20,491,229
Commissioning	347,244	332,221	3,037					682,502
Close-out	34,664	136,640	224,699					396,003
Contingency		1,084,097	737,866					1,821,963
<b>Total</b>	<b>24,504,236</b>	<b>4,930,162</b>	<b>965,602</b>					<b>30,400,000</b>

Reimbursable Costs: 23,000,000

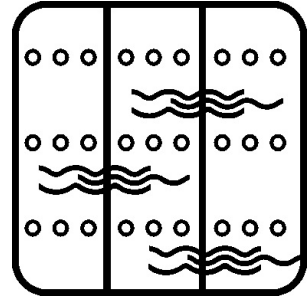


# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Return Activated Sludge Piping Replacement at Plant No. 2 - P2-123</b>		
<b>Project Category</b>	<b>Secondary Treatment</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

This project includes replacement of 1,800 feet of corroded return activated sludge piping at the Activated Sludge Plant at Plant No. 2. This project will also repair full penetration cracks and surface spalling on the top deck of the aeration basins and replace all light poles with easily maintainable ones.



**Secondary Treatment**

**Justification**

The Activated Sludge Plant was constructed in 1979, and the return activated sludge piping has had multiple major leaks due to corrosion. The concrete deck of the aeration basins, which is used to contain high purity oxygen, has significant cracking and spalling which exposes the reinforcement steel to corrosion and could possibly cause leakage of oxygen. Leaking oxygen imposes a safety concern because of the potential for it to accumulate in confined areas potentially creating an oxygen-enriched environment. The existing light poles are badly corroded, and replacing lights is very difficult to perform safely.

**Financial Consideration**

- The project budget is \$10,000,000
- The project's estimated construction contract cost is \$6,270,000.
- This project will not have an impact on operational budgets.

**Budget Projections**

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	136,460							136,460
Prelim Design	1,326							1,326
Design	831,183							831,183
Construction	7,700,389	746,636						8,447,025
Commissioning								
Close-out		111,088						111,088
Contingency		375,338	97,580					472,918
<b>Total</b>	<b>8,669,358</b>	<b>1,233,062</b>	<b>97,580</b>					<b>10,000,000</b>

Reimbursable Costs: N/A

# 2022-23 & 2023-24 Budget

<b>Project Name &amp; Number</b>	<b>Interim Food Waste Receiving Facility - P2-124</b>		
<b>Project Category</b>	<b>Solids Handling &amp; Digestion</b>	<b>Project Status:</b>	<b>Continuing</b>

## Description

This project will construct a station to receive, store, and feed pre-processed food waste slurry to three digesters at Plant No. 2 to generate additional digester gas.



## Justification

This project was identified in the Biosolids Master Plan, Project No. PS15-01, to address the need for solid waste generators and haulers to divert organic waste from landfills. Waste haulers will separate organics at the source, then screen and process the high strength organic waste into a liquid slurry. The OC San's costs to construct, operate the facilities, and handle the additional biosolids production will be offset by tipping fees charged to pre-processors and additional power associated with increased digester gas production. This facility will be replaced with a permanent receiving station following completion of a proposed program to replace existing digesters at Plant No. 2.

## Financial Consideration

- The project budget is \$6,300,000
- The project's estimated construction contract cost is \$3,150,000.
- This project will increase operational budgets by \$702,000 annually. The increased operational costs associated with these facilities will be offset by tipping fees collected from food waste pre-processors and by the value of additional digester gas generated.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	111,148							111,148
Prelim Design	385,676							385,676
Design	854,333	10,139	10,139	760				875,371
Construction	311			2,671,389	1,414,530			4,086,230
Commissioning				42,492	88,528			131,020
Close-out					110,865			110,865
Contingency			6,760	26,572	395,800	170,558		599,690
<b>Total</b>	<b>1,351,468</b>	<b>10,139</b>	<b>16,899</b>	<b>2,741,213</b>	<b>2,009,723</b>	<b>170,558</b>		<b>6,300,000</b>

Reimbursable Costs: N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	Collections Yard Relocation - P2-127		
<b>Project Category</b>	Support Facilities	<b>Project Status:</b>	Continuing

**Description**

This project will replace the existing Collections Facilities yard and fencing in a new location, yet to be determined.



**Support Facilities**

**Justification**

The area where this facility is currently located is needed for the new Temperature Phased Anaerobic Digestion facilities.

**Financial Consideration**

- The project budget is \$1,900,000
- The project's estimated construction contract cost is \$930,000.
- This project will not have an impact on operational budgets.

**Budget Projections**

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	32,251	14,884						47,135
Prelim Design								
Design	24,659	153,182	115,144					292,985
Construction			1,180,884					1,180,884
Commissioning								
Close-out								
Contingency				378,996				378,996
<b>Total</b>	<b>56,910</b>	<b>168,066</b>	<b>1,296,028</b>	<b>378,996</b>				<b>1,900,000</b>

Reimbursable Costs: N/A

# 2022-23 & 2023-24 Budget

<b>Project Name &amp; Number</b>	TPAD Digester Facility at Plant No. 2 - P2-128		
<b>Project Category</b>	Solids Handling & Digestion	<b>Project Status:</b>	Revised

## Description

This project will enhance the existing anerobic digesters at Plant No. 2 with a temperature-phased anaerobic digester (TPAD) configuration. This project will build six new thermophilic digesters; Class A batch tanks; sludge heating and cooling facilities; associated sludge pumping; digester mixing; gas conveyance and cooling facilities; odor control; power distribution; and controls. The project will also construct a perimeter protection wall along the southern plant boundary. Replacement and demolition of existing digesters will be included in a separate project.



## Justification

The 2017 Biosolids Master Plan conducted a comprehensive evaluation of end-to-end alternatives for solids processing at Plant No. 2. The study was prompted by seismic and condition deficiencies in many of the existing digesters. The evaluation concluded that the best alternative was to replace the existing digester complex with a temperature-phased anaerobic digestion process with batch tanks to meet Class A requirements. One of the key benefits of this approach is that when the thermophilic digesters are placed into service, OC San would be able to produce classified sludge even if the existing digesters failed due to seismic event.

## Financial Consideration

- The project budget has been increased from \$455,000,000 to \$475,000,000. The increased budget is a result of an updated estimate to complete the work.
- The project's estimated construction contract cost is \$333,100,000.
- This project will increase operational budgets by \$5,007,000 annually. The increased labor costs have not yet been determined, increased annual energy cost are approximately \$5 Million and increased annual chemical costs are approximately \$7,000. These costs will begin in 2030 and will be ongoing operational costs.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	517,879							517,879
Prelim Design	11,233,688	948,036						12,181,724
Design	3,430,439	9,496,963	9,502,649	9,365,490	1,638,935			33,434,476
Construction			10,598,837	21,393,099	41,152,312	57,439,796	246,205,361	376,789,405
Commissioning						75,937	4,953,449	5,029,386
Close-out					80,836	7,102	678,036	765,974
Contingency				3,621,282	3,564,662	2,129,723	36,965,489	46,281,156
<b>Total</b>	<b>15,182,006</b>	<b>10,444,999</b>	<b>20,101,486</b>	<b>34,379,871</b>	<b>46,436,745</b>	<b>59,652,558</b>	<b>288,802,335</b>	<b>475,000,000</b>

Reimbursable Costs: N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Digester P, Q, R, and S Replacement - P2-129</b>		
<b>Project Category</b>	<b>Solids Handling &amp; Digestion</b>	<b>Project Status:</b>	<b>Future</b>

## Description

This project will replace, or extensively rehabilitate Digesters P, Q, R, and S to address both condition issues, seismic deficiencies, and soil liquefaction risks, and relocate the ferric chloride dosing facility to the new digester's location.



## Justification

This Project is necessary because digesters P, Q, R, and S are subject to liquefaction (significant settlement and displacement) in the event of an earthquake, there are known structural deficiencies with the structures, and a thorough rehabilitation of mechanical and electrical systems is required based on age and condition.

## Financial Consideration

- The project budget has been increased from \$165,900,000 to \$171,359,000. The reduced budget is a result of changes in the project elements identified from recent engineering efforts.
- The project's estimated construction contract cost is \$105,300,000.
- The impacts to operational budgets have not yet been determined.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design					297,610	1,811,097	8,516,293	10,625,000
Construction							130,134,000	130,134,000
Commissioning								
Close-out								
Contingency							30,600,000	30,600,000
<b>Total</b>					297,610	1,811,097	169,250,293	171,359,000

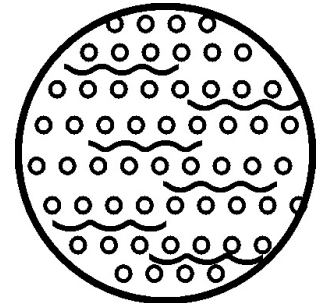
Reimbursable Costs: N/A

# 2022-23 & 2023-24 Budget

<b>Project Name &amp; Number</b>	<b>B/C-Side Primary Sedimentation Basins Rehabilitation at Plant No. 2 - P2-133</b>		
<b>Project Category</b>	<b>Primary Treatment</b>	<b>Project Status:</b>	<b>Future</b>

## Description

This project will extensively rehabilitate B & C Sides of primary basins at Plant No. 2 to extend the useful life. The work will rehabilitate 10 primary basins and install new flat covers. Support facilities to be rehabilitated include sludge/scum pump stations, distribution structure B & C, and yard piping. Support areas to be replaced are the North Scrubber Complex, polymer dosing system, and all mechanical and electrical systems.



**Primary Treatment**

## Justification

Plant No. 2 has a total of 10 primary sedimentation basins from B & C sides, which were built in the 1970s and 80s. These facilities are deteriorating, and this Project is necessary to maintain reliable operations. Capital Project P2-98 conducted extensive condition assessments of the primary treatment system and provided rehabilitation plans. This project was originally included in P2-98 as a part of P2-98C and was later broken out into this project due to the significant time interval between the two projects, and the lower degree of scope definition at that time.

## Financial Consideration

- The project budget has been increased from \$279,842,000 to \$306,093,000. The increased budget is the result of start date changes.
- The project's estimated construction contract cost is \$188,090,000.
- The impacts to operational budgets have not yet been determined.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design							18,977,000	18,977,000
Construction							232,456,000	232,456,000
Commissioning								
Close-out								
Contingency							54,660,000	54,660,000
<b>Total</b>							<b>306,093,000</b>	<b>306,093,000</b>

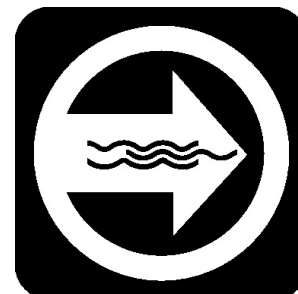
Reimbursable Costs: N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Sodium Bisulfite Station Rehabilitation at Plant No. 2 - P2-135</b>		
<b>Project Category</b>	<b>Ocean Outfall Systems</b>	<b>Project Status:</b>	<b>Revised</b>

## Description

The existing sodium bisulfite facility will require a project to address changes in regulatory requirements. The disinfection system is required only during emergency situations, such as high flow resulting in Short Outfall operation, process upsets, and scheduled maintenance. This project will demolish 2 storage tanks and associated equipment and rehabilitate 1 storage tank and its associated equipment.



**Ocean Outfall  
Systems**

## Justification

Sodium bisulfite station was built in 2004 by J-87 Short Term Ocean Bacteria Reduction project. Since 2012, OC San no longer discharges primary effluent to the ocean. In 2015, OC San received approval from the USEPA and Santa Ana RWQCB to stop disinfection for the long outfall. Even though the use of the short outfall is for emergency only, the sodium bisulfite station must be available at all times. Current system is oversized to account for both long and short outfalls, so surplus assets are difficult to maintain. Also, since the original design assumed continuous usage, the system is not designed to handle stored chemical for extended period of time. Will require a design improvement to minimize crystallization. Lastly, with the system reaching 20 years since the construction, this project will require rehabilitation as well.

## Financial Consideration

- The project budget has been increased from \$3,834,000 to \$5,000,000. The increased budget is a result of an updated estimate to complete the work.
- The project's estimated construction contract cost is \$1,960,000.
- This project will not have an impact on operational budgets.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	40,192	45,974						86,166
Prelim Design		121,563	11,670					133,233
Design			419,717	371,671				791,388
Construction				179,455	2,697,828	432,555		3,309,838
Commissioning					54,304	31,292		85,596
Close-out						71,766		71,766
Contingency				30,000		203,300	288,713	522,013
<b>Total</b>	<b>40,192</b>	<b>167,537</b>	<b>431,387</b>	<b>581,126</b>	<b>2,752,132</b>	<b>738,913</b>	<b>288,713</b>	<b>5,000,000</b>

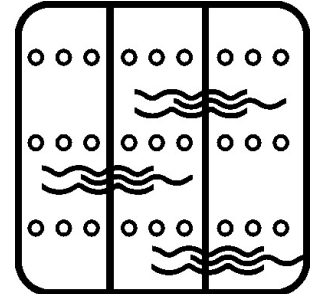
Reimbursable Costs: N/A

# 2022-23 & 2023-24 Budget

<b>Project Name &amp; Number</b>	<b>Activated Sludge Aeration Basin Rehabilitation at Plant No. 2 - P2-136</b>		
<b>Project Category</b>	<b>Secondary Treatment</b>	<b>Project Status:</b>	<b>Continuing</b>

## Description

This project includes structural rehabilitation of the aeration basin's reactor deck, coating the interior of reactor tanks to mitigate exposed concrete aggregate, replacement of all mechanical equipment, components, and piping, including all gates, valves, and appurtenances. This Project will also upgrade lighting and nearby storm drains.



**Secondary Treatment**

## Justification

The aeration basins were installed in 1983 and a major mechanical and structural rehabilitation was conducted in 2006. This system is in need of major rehabilitation of structural and mechanical components in order to maintain reliable serviceability and extend useful life.

## Financial Consideration

- The project budget is \$65,600,000
- The project's estimated construction contract cost is \$39,430,000.
- This project will not have an impact on operational budgets.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	61,375	94,825						156,200
Prelim Design		202,530	1,610,997					1,813,527
Design			781,287	1,704,046	735,428			3,220,761
Construction					1,880,871	14,476,474	28,948,689	45,306,034
Commissioning						60,473	136,887	197,360
Close-out							129,581	129,581
Contingency					394,260		14,382,277	14,776,537
<b>Total</b>	<b>61,375</b>	<b>297,355</b>	<b>2,392,284</b>	<b>1,704,046</b>	<b>3,010,559</b>	<b>14,536,947</b>	<b>43,597,434</b>	<b>65,600,000</b>

Reimbursable Costs: N/A



# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Digesters Rehabilitation at Plant No. 2 - P2-137</b>		
<b>Project Category</b>	<b>Solids Handling &amp; Digestion</b>	<b>Project Status:</b>	<b>Continuing</b>

## Description

The project will rehabilitate existing Plant No. 2 digesters including repairing the digester domes, walls, and bridges, rehabilitating the hot water piping system, improving miscellaneous safety related items, and replacing electrical motor control centers that are obsolete.



## Justification

This project is needed to ensure sufficient digester capacity is available until the existing digesters are finally demolished by 2040.

## Financial Consideration

- The project budget is \$40,632,000
- The project's estimated construction contract cost is \$23,000,000.
- This project will not have an impact on operational budgets.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	180,802							180,802
Prelim Design	75,721	943,319						1,019,040
Design	1,320	900,328	1,486,783	289,255				2,677,686
Construction				8,418,527	11,196,740	8,268,625		27,883,892
Commissioning				11,800	62,128	55,180	8,849	137,957
Close-out						64,813	22,313	87,126
Contingency				270,000		2,342,933	6,032,564	8,645,497
<b>Total</b>	<b>257,843</b>	<b>1,843,647</b>	<b>1,486,783</b>	<b>8,989,582</b>	<b>11,258,868</b>	<b>10,731,551</b>	<b>6,063,726</b>	<b>40,632,000</b>

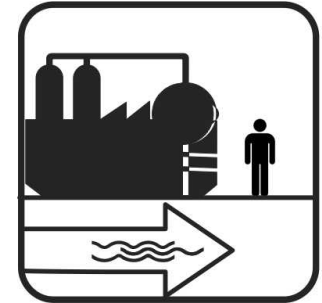
Reimbursable Costs: N/A

# 2022-23 & 2023-24 Budget

<b>Project Name &amp; Number</b>	<b>Operations and Maintenance Complex at Plant No. 2 - P2-138</b>		
<b>Project Category</b>	<b>Support Facilities</b>	<b>Project Status:</b>	<b>Revised</b>

## Description

This Project will replace the Operations Center building and plan for the future Maintenance building at Plant No. 2. The new complex location will be the north area of Plant 2. The existing Maintenance building will be seismically retrofitted made to be code compliant. The existing Operations Center will be demolished.



**Support Facilities**

## Justification

The Seismic Evaluation of Structures at Plant Nos. 1 and 2 study that was completed in 2020 identified seismic risks associated with the Ops Center and Maintenance buildings. These risks are being addressed to ensure the reliability and safety of the maintenance building. The operations building is being replaced and does not meet various building code requirements that cannot readily be accommodated in the retrofit. Relocation of the main entrance to Banning Avenue will add circulation, safety, and security improvements.

## Financial Consideration

- The project budget has been decreased from \$95,000,000 to \$84,000,000. The reduced budget is the result of scope, start date and duration changes.
- The project's estimated construction contract cost is \$47,400,000.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	201,057	164,148						365,205
Prelim Design		668,254	2,370,340	422,103				3,460,697
Design				2,138,018	2,589,541	711,607		5,439,166
Construction						7,228,904	51,636,887	58,865,791
Commissioning							300,000	300,000
Close-out							882,972	882,972
Contingency						711,000	13,975,169	14,686,169
<b>Total</b>	<b>201,057</b>	<b>832,402</b>	<b>2,370,340</b>	<b>2,560,121</b>	<b>2,589,541</b>	<b>8,651,511</b>	<b>66,795,028</b>	<b>84,000,000</b>

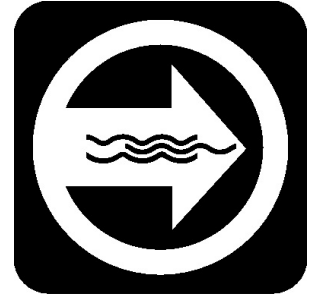
Reimbursable Costs: N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Emergency Overflow Pipes and Wingwall Rehabilitation at Plant No. 2 - P2-139</b>		
<b>Project Category</b>	<b>Ocean Outfall Systems</b>	<b>Project Status:</b>	<b>Future</b>

## Description

Plant 2 has emergency overflow weirs consisting of four reinforced concrete pipes that can discharge into the Santa Ana River through two concrete wingwall structures. This project will include rehabilitation of concrete and rebar of the wingwalls and foundation slabs. Because both of wingwalls are located by the Santa Ana River, this work will require permits from various agencies.



## Ocean Outfall Systems

## Justification

Planning Study PS17-10 Emergency Overflow Weirs, Wing Walls conducted structural investigation of wingwalls and concluded that both structures appear to be in a gradually deteriorating condition. If the current level and rate of deterioration are not addressed, the remaining service life of each structure will be greatly impacted and could potentially require substantial rehabilitation within approximately 10 years.

## Financial Consideration

- The project budget has been increased from \$4,200,000 to \$4,370,000. The increased budget is a result of an updated estimate to complete the work.
- The project's estimated construction contract cost is \$2,310,000.
- The impacts to operational budgets have not yet been determined.

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design		117,242	224,545	234,118	40,095			616,000
Construction					1,482,946	1,581,054		3,064,000
Commissioning								
Close-out								
Contingency						690,000		690,000
<b>Total</b>		<b>117,242</b>	<b>224,545</b>	<b>234,118</b>	<b>1,523,041</b>	<b>2,271,054</b>		<b>4,370,000</b>

Reimbursable Costs: N/A

# 2022-23 & 2023-24 Budget

<b>Project Name &amp; Number</b>	<b>Truck Loading Bay Odor Control Improvements at Plant No. 2 - P2-140</b>		
<b>Project Category</b>	<b>Solids Handling &amp; Digestion</b>	<b>Project Status:</b>	<b>New</b>

### Description

For the solids loading facility at Plant No. 2, this project includes improvements to the odor control system, lighting, cake silos structural repair, and drainage improvements to the loading station water drain.



### Justification

This Project is necessary is to contain and capture the odor in the truck loading bays to reduce complaints in the area.

### Financial Consideration

- The project budget is \$7,600,000
- The project's estimated construction contract cost is \$4,020,000.
- This project will not have an impact on operational budgets.

### Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design			95,012	287,368	372,342	315,278		1,070,000
Construction						101,318	5,228,682	5,330,000
Commissioning								
Close-out								
Contingency							1,200,000	1,200,000
<b>Total</b>			95,012	287,368	372,342	416,596	6,428,682	7,600,000

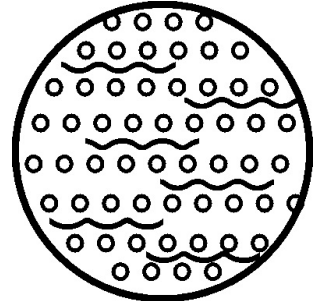
Reimbursable Costs: N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Primary Treatment Rehabilitation at Plant No. 2 - P2-98</b>		
<b>Project Category</b>	<b>Primary Treatment</b>	<b>Project Status:</b>	<b>Revised</b>

**Description**

This project will replace the four A-Side Primary Clarifiers with associated influent piping, influent distribution structures, effluent piping, sludge pumping units, and flat covers for odor containment. The project will also construct a new air scrubbing complex. The project includes a second project that provided interim repairs to the other 12 clarifiers in the B/C-Side and A-Side and associated pipelines to improve reliability until they can be more extensively rehabilitated in the future B/C-Side Primary Sedimentation Basins Rehabilitation at Plant No. 2, Project No. P2-133.



**Primary Treatment**

**Justification**

The A-Side Clarifiers are at the end of their useful life and cannot effectively be rehabilitated.

**Financial Consideration**

- The project budget has been decreased from \$195,000,000 to \$188,000,000. The reduced budget is a result of an updated estimate to complete the work.
- The project's estimated construction contract cost is \$120,570,000.
- This project will increase operational budgets by \$50,000 annually. Additional one hour a day for inspecting the clarifier

**Budget Projections**

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	828,160							828,160
Prelim Design	8,892,639							8,892,639
Design	14,932,147							14,932,147
Construction	29,506,482	30,238,147	35,513,065	29,373,250	16,271,728	3,672,119		144,574,791
Commissioning		302,589	422,424	436,743	455,156	366,750	2,810	1,986,472
Close-out	74,250					994,801	31,990	1,101,041
Contingency						10,204,114	5,480,636	15,684,750
<b>Total</b>	<b>54,233,678</b>	<b>30,540,736</b>	<b>35,935,489</b>	<b>29,809,993</b>	<b>16,726,884</b>	<b>15,237,784</b>	<b>5,515,436</b>	<b>188,000,000</b>

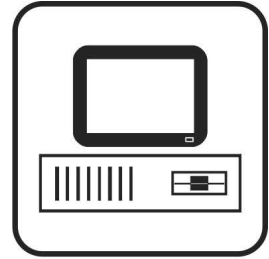
Reimbursable Costs: N/A

# 2022-23 & 2023-24 Budget

<b>Project Name &amp; Number</b>	<b>EAM Software and Process Implementation - SP-100</b>		
<b>Project Category</b>	<b>Information Management Systems</b>	<b>Project Status:</b>	<b>Continuing</b>

**Description**

This project will implement the IBM Maximo System in support of the Enterprise Asset Management program. The system will replace the current Computerized Maintenance Management System. The system will manage asset data and asset activities throughout the asset lifecycle.



**Information Management Systems**

**Justification**

The IBM Maximo System will provide the means to manage assets to achieve the highest return at low risk by improving asset usage and reducing cost. The system will also manage asset lifecycle, provide visibility into asset performance, streamline process by eliminating paperwork order, and reduce maintenance cost. The system will be integrated with other OC San systems (i.e., FIS, GIS, and Timecard).

**Financial Consideration**

- The project budget is \$9,200,000

**Budget Projections**

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	1,306,829							1,306,829
Prelim Design	413,277							413,277
Design	3,210,036	154,891	154,891	157,370	113,458			3,790,646
Construction	1,471,451	228,480	228,480	232,136	167,362			2,327,909
Commissioning	218,074							218,074
Close-out	35,847							35,847
Contingency					1,107,418			1,107,418
<b>Total</b>	<b>6,655,514</b>	<b>383,371</b>	<b>383,371</b>	<b>389,506</b>	<b>1,388,238</b>			<b>9,200,000</b>

Reimbursable Costs: N/A

# CIP Project Detail Sheets

<b>Project Name &amp; Number</b>	<b>Capital Improvement Program Management Services - SP-195</b>		
<b>Project Category</b>	<b>Others</b>	<b>Project Status:</b>	<b>Continuing</b>

## Description

This project funds program management services for the Capital Improvement Program not related to any one specific project, but on the management of the projects as a whole. Activities include consulting services related to best practices in project and program management including risk analysis, benchmarking, analysis of key performance indicators (KPI), program metrics, and data analysis. Work may also include review of project controls including project budgeting, cash flow analysis and project scheduling.



**Others**

## Justification

The activities facilitate continuous improvements to program management practices to maintain effectiveness in managing the Capital Improvement Program as business practices and the project makeup of the CIP evolves.

## Financial Consideration

- The project budget is \$700,000

## Budget Projections

Budget Phase	Cost To-Date	2022-2023	2023-24	2024-25	2025-26	2026-27	Thereafter	Total Project Budget
Proj Dev	5,826							5,826
Prelim Design	2,938							2,938
Design	254,248	21,509						275,757
Construction	112,123							112,123
Commissioning								
Close-out								
Contingency		303,356						303,356
<b>Total</b>	<b>375,135</b>	<b>324,865</b>						<b>700,000</b>

Reimbursable Costs: N/A

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# Summary by Project Status

## Collection System Improvement Projects - Budget by Project Status

Project Number	Title	Total Budget	New Project	Continuing Project	Revised Project	Future Project
<b>Collections Facilities</b>						
1-23	Santa Ana Trunk Sewer Rehab	\$ 54,620,000				\$ 54,620,000
1-24	Greenville Trunk Impr.	48,600,000				48,600,000
11-33	Edinger Pump Station Repl.	17,300,000			17,300,000	
11-34	Slater Pump Station Rehab	28,511,000			28,511,000	
2-49	Taft Branch Impr.	24,300,000			24,300,000	
2-72	Newhope-Placentia Trunk Repl.	112,000,000				112,000,000
2-73	Yorba Linda Pump Station Removal & Dosing Station Installation	11,266,000			11,266,000	
2-78	Santa Ana Canyon South River Trunk Rehab	16,276,000	16,276,000			
3-60	Knott - Miller Holder – Artesia Branch Rehab	28,317,000			28,317,000	
3-62	Westminster Blvd Force Main Repl.	43,000,000			43,000,000	
3-64	Rehab of Western Regional Sewers	101,000,000				101,000,000
3-66	Interstate 405 Widening Project Impacts on OCSD Sewers	500,000			500,000	
3-67	Seal Beach Pump Station Repl.	87,000,000				87,000,000
3-68	Los Alamitos Sub-Trunk Extension	116,799,000			116,799,000	
5-66	Crystal Cove Pump Station Rehab	13,903,000			13,903,000	
5-67	Bay Bridge Pump Station Repl.	106,000,000		106,000,000		
5-68	Newport Beach Pump Stations Pressurization Impr.	3,200,000			3,200,000	
6-20	Fairview Trunk Sewer Rehab	19,300,000			19,300,000	
7-63	MacArthur Pump Station Rehab	9,329,000			9,329,000	
7-64	Main Street Pump Station Rehab	37,663,000			37,663,000	
7-65	Gisler-Red Hill Interceptor & Baker Force Main Rehab	44,400,000			44,400,000	
7-66	Sunflower & Red Hill Interceptor Repairs	7,000,000	7,000,000			
7-68	MacArthur Force Main Impr.	7,150,000			7,150,000	
7-69	North Trunk – Yorba Linda Sub-Trunk Impr.	10,854,000			10,854,000	
<b>Collections Facilities Total Budget</b>		<b>948,288,000</b>	<b>23,276,000</b>	<b>106,000,000</b>	<b>415,792,000</b>	<b>403,220,000</b>

# 2022-23 & 2023-24 Budget

## Treatment & Disposal Projects - Budget by Project Status

Project Number	Title	Total Budget	New Project	Continuing Project	Revised Project	Future Project
<b>Headworks</b>						
P1-105	Headworks Rehab at P1	340,000,000				340,000,000
P2-122	Headworks Modification at P2 for GWRS Final Expansion	30,400,000			30,400,000	
<b>Headworks Total Budget</b>		<b>370,400,000</b>			<b>30,400,000</b>	<b>340,000,000</b>
<b>Primary Treatment</b>						
P1-133	Primary Sedimentation Basins No. 6-31 Reliability Impr. at P1	14,000,000				14,000,000
P1-126	Primary Sedimentation Basins No. 3-5 Repl. at P1	183,000,000			183,000,000	
P2-133	B/C-Side Primary Sedimentation Basins Rehab at P2	306,093,000			306,093,000	
P2-98	Primary Treatment Rehab at P2	188,000,000		188,000,000		
<b>Primary Treatment Total Budget</b>		<b>691,093,000</b>		<b>188,000,000</b>	<b>489,093,000</b>	<b>14,000,000</b>
<b>Secondary Treatment</b>						
P2-136	Activated Sludge Aeration Basin Rehab at P2	65,600,000				65,600,000
P2-123	Return Activated Sludge Piping Repl. at P2	10,000,000				10,000,000
P1-140	Activated Sludge-1 Aeration Basin & Blower Rehab at P1	280,000,000			280,000,000	
<b>Secondary Treatment Total Budget</b>		<b>355,600,000</b>			<b>280,000,000</b>	<b>75,600,000</b>
<b>Solids Handling &amp; Digestion</b>						
P2-124	Interim Food Waste Receiving Facility	6,300,000				6,300,000
P1-135	Digester Ferric Chloride Piping Repl. at P1	1,260,000			1,260,000	
P2-137	Digesters Rehab at P2	40,632,000				40,632,000
P2-140	Truck Loading Bay Odor Control Impr. at P2	7,600,000	7,600,000			
P2-128	TPAD Digester Facility at P2	475,000,000			475,000,000	
P2-129	Digester P, Q, R, & S Repl.	171,359,000			171,359,000	
<b>Solids Handling &amp; Digestion Total Budget</b>		<b>702,151,000</b>	<b>7,600,000</b>		<b>647,619,000</b>	<b>46,932,000</b>
<b>Ocean Outfall Systems</b>						
P2-135	Sodium Bisulfite Station Rehab at P2	5,000,000			5,000,000	
P2-139	Emergency Overflow Pipes & Wingwall Rehab at P2	4,370,000			4,370,000	
J-137	120-inch Ocean Outfall Rehab	64,968,000	64,968,000			
J-117	Ocean Outfall System Rehab	166,000,000		166,000,000		
<b>Ocean Outfall Systems Total Budget</b>		<b>240,338,000</b>	<b>64,968,000</b>	<b>166,000,000</b>	<b>9,370,000</b>	
<b>Utility Systems</b>						
J-135	Central Generation Engine Overhauls at P1 & 2	44,000,000				44,000,000
J-136	Power Building Structural Seismic Impr. at P1 & 2	5,400,000				5,400,000
J-124	Digester Gas Facilities Repl.	173,000,000				173,000,000

# Summary by Project Status

## Treatment & Disposal Projects - Budget by Project Status

Project Number	Title	Total Budget	New Project	Continuing Project	Revised Project	Future Project
<b>Utility Systems</b>						
J-127	Natural Gas Pipelines Repl. at P1 & P2	2,150,000			2,150,000	
J-98	Electrical Power Distribution System Impr.	27,700,000			27,700,000	
P1-127	Central Generation Rehab at P1	33,302,000			33,302,000	
P1-136	12.47 kV Switchgear Repl. at Central Generation at P1	15,388,000			15,388,000	
P1-132	Uninterruptible Power Supply Impr. at P1	7,000,000				7,000,000
P1-138	Industrial Control System & IT Data Center Relocation at P1	5,700,000			5,700,000	
P2-119	Central Generation Rehab at P2	53,108,000			53,108,000	
<b>Utility Systems Total Budget</b>		<b>366,748,000</b>			<b>137,348,000</b>	<b>229,400,000</b>
<b>Information Management Systems</b>						
M-MC-IT	Information Technology Capital Program	10,000,000		10,000,000		
J-128	Project Mgmt. Information System	2,280,000				2,280,000
J-120	Process Control Systems Upgrades	37,000,000				37,000,000
SP-100	EAM Software & Process Implementation	9,200,000				9,200,000
<b>Information Management Systems Total Budget</b>		<b>58,480,000</b>		<b>10,000,000</b>		<b>48,480,000</b>
<b>Strategic &amp; Master Planning</b>						
M-STUDIES	Planning Studies Program	28,652,000		28,652,000		
<b>Strategic &amp; Master Planning Total Budget</b>		<b>28,652,000</b>		<b>28,652,000</b>		
<b>Water Management Projects</b>						
J-36-2	GWRS Final Expansion Coordination	1,399,997			1,399,997	
<b>Water Management Projects Total Budget</b>		<b>1,399,997</b>			<b>1,399,997</b>	
<b>Research</b>						
M-RESEARCH	Research Program	10,000,000		10,000,000		
<b>Research Total Budget</b>		<b>10,000,000</b>		<b>10,000,000</b>		
<b>Support Facilities</b>						
M-SM-CAP	Operations & Maintenance Capital Program	15,622,000		15,622,000		
P1-137	Support Buildings Seismic Impr. at P1	23,730,000				23,730,000
P1-134	South Perimeter Security & Utility Impr. at P1	8,150,000			8,150,000	
P1-141	Administrative Facilities & Power Building 3A Demolition	8,910,000	8,910,000			
P2-127	Collections Yard Relocation	1,900,000				1,900,000
M-FE	Small Construction Projects Program	90,000,000		90,000,000		
P1-128	Headquarters Complex	167,500,000				167,500,000
J-133	Laboratory Repl. at P1	100,000,000			100,000,000	
P2-138	Operations & Maintenance Facility Improvements at P2	84,000,000			84,000,000	

# 2022-23 & 2023-24 Budget

## Treatment & Disposal Projects - Budget by Project Status

Project Number	Title	Total Budget	New Project	Continuing Project	Revised Project	Future Project
	Support Facilities Total Budget	499,812,000	8,910,000	105,622,000	192,150,000	193,130,000
	<b>Others</b>					
SP-195	Capital Improvement Program Mgmt. Services	700,000				700,000
	<b>Others Total Budget</b>	<b>700,000</b>				<b>700,000</b>
	<b>Total Treatment and Disposal Projects</b>	<b>3,325,373,997</b>	<b>81,478,000</b>	<b>508,274,000</b>	<b>1,787,379,997</b>	<b>948,242,000</b>
	<b>Total Collections Facilities</b>	<b>948,288,000</b>	<b>23,276,000</b>	<b>106,000,000</b>	<b>415,792,000</b>	<b>403,220,000</b>
	<b>Capital Equipment Purchases</b>	<b>16,278,248</b>			<b>16,278,248</b>	
	<b>Total Capital Improvement Program Budget</b>	<b>\$4,289,940,245</b>	<b>\$104,754,000</b>	<b>\$614,274,000</b>	<b>\$2,219,450,245</b>	<b>\$1,351,462,000</b>

# Summary of Revenue Program Category

## Collection System Improvement Projects

Project Name	Total Project Budget	Percentage Allocation				Total Project Cost Budget			
		Rehab/ Repl	Strategic Initiative	Additional Capacity	Regulatory	Rehab./ Replacement	Strategic Initiative	Additional Capacity	Regulatory
<b>Collections Facilities</b>									
Santa Ana Canyon South River Trunk Rehab	\$ 16,276,000	98%	2%			\$ 15,950,480	\$ 325,520	-	-
Knott - Miller Holder – Artesia Branch Rehab	28,317,000	100%				28,317,000	-	-	-
Westminster Blvd Force Main Repl.	43,000,000	100%				43,000,000	-	-	-
Rehab of Western Regional Sewers	101,000,000	75%		25%		75,750,000	-	25,250,000	-
Interstate 405 Widening Project Impacts on OCSD Sewers	500,000				100%	-	-	-	500,000
Seal Beach Pump Station Repl.	87,000,000	100%				87,000,000	-	-	-
Los Alamitos Sub-Trunk Extension	116,799,000	75%		25%		87,599,250	-	29,199,750	-
Crystal Cove Pump Station Rehab	13,903,000	100%				13,903,000	-	-	-
Bay Bridge Pump Station Repl.	106,000,000	100%				106,000,000	-	-	-
Newport Beach Pump Stations Pressurization Impr.	3,200,000		100%			-	3,200,000	-	-
Fairview Trunk Sewer Rehab	19,300,000	100%				19,300,000	-	-	-
MacArthur Pump Station Rehab	9,329,000	100%				9,329,000	-	-	-
Main Street Pump Station Rehab	37,663,000	100%				37,663,000	-	-	-
Gisler-Red Hill Interceptor & Baker Force Main Rehab	44,400,000	100%				44,400,000	-	-	-
Sunflower & Red Hill Interceptor Repairs	7,000,000	100%				7,000,000	-	-	-
MacArthur Force Main Impr.	7,150,000	50%	50%			3,575,000	3,575,000	-	-
North Trunk – Yorba Linda Sub-Trunk Impr.	10,854,000			100%		-	-	10,854,000	-
Santa Ana Trunk Sewer Rehab	54,620,000	100%				54,620,000	-	-	-
Greenville Trunk Impr.	48,600,000			100%		-	-	48,600,000	-
Edinger Pump Station Repl.	17,300,000	100%				17,300,000	-	-	-
Slater Pump Station Rehab	28,511,000	100%				28,511,000	-	-	-
Taft Branch Impr.	24,300,000			100%		-	-	24,300,000	-
Newhope-Placentia Trunk Repl.	112,000,000	25%	25%	50%		28,000,000	28,000,000	56,000,000	-
Yorba Linda Pump Station Removal & Dosing Station Installation	11,266,000		100%			-	11,266,000	-	-
<b>Collections Facilities Projects Total</b>	<b>948,288,000</b>					<b>707,217,730</b>	<b>46,366,520</b>	<b>194,203,750</b>	<b>500,000</b>

# 2022-23 & 2023-24 Budget

## Treatment & Disposal Improvement Projects

Project Name	Total Project Budget	Percentage Allocation				Total Project Cost Budget			
		Rehab/ Rep	Strategic Initiative	Additional Capacity	Regulatory	Rehab./ Replacement	Strategic Initiative	Additional Capacity	Regulatory
Headworks Rehab at P1	340,000,000	100%				340,000,000	-	-	-
Headworks Modification at P2 for GWRS Final Expansion	30,400,000		100%			-	30,400,000	-	-
<b>Headworks Projects Total</b>	<b>370,400,000</b>					<b>340,000,000</b>	<b>30,400,000</b>	<b>-</b>	<b>-</b>
Information Technology Capital Program	10,000,000	50%	50%			5,000,000	5,000,000	-	-
EAM Software & Process Implementation	9,200,000	100%				9,200,000	-	-	-
Project Mgmt. Information System	2,280,000		100%			-	2,280,000	-	-
Process Control Systems Upgrades	37,000,000	100%				37,000,000	-	-	-
<b>Information Management Systems Projects Total</b>	<b>58,480,000</b>					<b>51,200,000</b>	<b>7,280,000</b>	<b>-</b>	<b>-</b>
Emergency Overflow Pipes & Wingwall Rehab at P2	4,370,000	100%				4,370,000	-	-	-
Sodium Bisulfite Station Rehab at P2	5,000,000	50%	50%			2,500,000	2,500,000	-	-
Ocean Outfall System Rehab	166,000,000	25%	75%			41,500,000	124,500,000	-	-
120-inch Ocean Outfall Rehab	64,968,000	100%				64,968,000	-	-	-
<b>Ocean Outfall Systems Projects Total</b>	<b>240,338,000</b>					<b>113,338,000</b>	<b>127,000,000</b>	<b>-</b>	<b>-</b>
Capital Improvement Program Mgmt. Services	700,000		100%			-	700,000	-	-
<b>Others Projects Total</b>	<b>700,000</b>					<b>-</b>	<b>700,000</b>	<b>-</b>	<b>-</b>
B/C-Side Primary Sedimentation Basins Rehab at P2	306,093,000	100%				306,093,000	-	-	-
Primary Treatment Rehab at P2	188,000,000	100%				188,000,000	-	-	-
Primary Sedimentation Basins No. 3-5 Repl. at P1	183,000,000	100%				183,000,000	-	-	-
Primary Sedimentation Basins No. 6-31 Reliability Impr. at P1	14,000,000	50%	50%			7,000,000	7,000,000	-	-
<b>Primary Treatment Projects Total</b>	<b>691,093,000</b>					<b>684,093,000</b>	<b>7,000,000</b>	<b>-</b>	<b>-</b>
Research Program	10,000,000		100%			-	10,000,000	-	-
<b>Research Projects Total</b>	<b>10,000,000</b>					<b>-</b>	<b>10,000,000</b>	<b>-</b>	<b>-</b>
Activated Sludge-1 Aeration Basin & Blower Rehab at P1	280,000,000	100%				280,000,000	-	-	-
Activated Sludge Aeration Basin Rehab at P2	65,600,000	100%				65,600,000	-	-	-
Return Activated Sludge Piping Repl. at P2	10,000,000	100%				10,000,000	-	-	-
<b>Secondary Treatment Projects Total</b>	<b>355,600,000</b>					<b>355,600,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
Interim Food Waste Receiving Facility	6,300,000		100%			-	6,300,000	-	-
TPAD Digester Facility at P2	475,000,000	75%	25%			356,250,000	118,750,000	-	-

# Summary of Revenue Program Category

## Treatment & Disposal Improvement Projects

Project Name	Total Project Budget	Percentage Allocation				Total Project Cost Budget			
		Rehab/ Rep	Strategic Initiative	Additional Capacity	Regulatory	Rehab./ Replacement	Strategic Initiative	Additional Capacity	Regulatory
Digester P, Q, R, & S Repl.	171,359,000	75%	25%			128,519,250	42,839,750	-	-
Digesters Rehab at P2	40,632,000	100%				40,632,000	-	-	-
Truck Loading Bay Odor Control Impr. at P2	7,600,000	10%	90%			760,000	6,840,000	-	-
Digester Ferric Chloride Piping Repl. at P1	1,260,000	100%				1,260,000	-	-	-
<b>Solids Handling &amp; Digestion Projects Total</b>	<b>702,151,000</b>					<b>527,421,250</b>	<b>174,729,750</b>	<b>-</b>	<b>-</b>
Planning Studies Program	28,652,000	60%	30%	5%	5%	17,191,200	8,595,600	1,432,600	1,432,600
<b>Strategic &amp; Master Planning Projects Total</b>	<b>28,652,000</b>					<b>17,191,200</b>	<b>8,595,600</b>	<b>1,432,600</b>	<b>1,432,600</b>
Small Construction Projects Program	90,000,000	70%	10%	10%	10%	63,000,000	9,000,000	9,000,000	9,000,000
Laboratory Repl. at P1	100,000,000	70%	10%	10%	10%	70,000,000	10,000,000	10,000,000	10,000,000
Operations & Maintenance Capital Program	15,622,000	100%				15,622,000	-	-	-
Headquarters Complex	167,500,000	50%			50%	83,750,000	-	-	83,750,000
Administrative Facilities & Power Building 3A Demolition	8,910,000	33%	67%			2,940,300	5,969,700	-	-
Support Buildings Seismic Impr. at P1	23,730,000		100%			-	23,730,000	-	-
South Perimeter Security & Utility Impr. at P1	8,150,000		100%			-	8,150,000	-	-
Operations & Maintenance Facility Impr. at P2	84,000,000	50%	50%			42,000,000	42,000,000	-	-
Collections Yard Relocation	1,900,000	100%				1,900,000	-	-	-
<b>Support Facilities Projects Total</b>	<b>499,812,000</b>					<b>279,212,300</b>	<b>98,849,700</b>	<b>19,000,000</b>	<b>102,750,000</b>
Electrical Power Distribution System Impr.	27,700,000	75%	25%			20,775,000	6,925,000	-	-
Central Generation Engine Overhauls at P1 & 2	44,000,000	100%				44,000,000	-	-	-
Power Building Structural Seismic Impr. at P1 & 2	5,400,000		100%			-	5,400,000	-	-
Digester Gas Facilities Repl.	173,000,000	100%				173,000,000	-	-	-
Natural Gas Pipelines Repl. at P1 & P2	2,150,000	100%				2,150,000	-	-	-
12.47 kV Switchgear Repl. at Central Generation at P1	15,388,000	100%				15,388,000	-	-	-
Industrial Control System & IT Data Center Relocation at P1	5,700,000	70%	30%			3,990,000	1,710,000	-	-
Central Generation Rehab at P2	53,108,000	100%				53,108,000	-	-	-
Central Generation Rehab at P1	33,302,000	100%				33,302,000	-	-	-
Uninterruptible Power Supply Impr. at P1	7,000,000	100%				7,000,000	-	-	-
<b>Utility Systems Projects Total</b>	<b>366,748,000</b>					<b>352,713,000</b>	<b>14,035,000</b>	<b>-</b>	<b>-</b>
GWRS Final Expansion Coordination	1,399,997		100%			-	1,399,997	-	-
<b>Water Management Projects Projects Total</b>	<b>1,399,997</b>					<b>-</b>	<b>1,399,997</b>	<b>-</b>	<b>-</b>

# 2022-23 & 2023-24 Budget

## Treatment & Disposal Improvement Projects

Total Treatment and Disposal Projects	3,325,373,997	2,720,768,750	479,990,047	20,432,600	104,182,600
Total Collections Facilities	948,288,000	707,217,730	46,366,520	194,203,750	500,000
Capital Equipment Purchases	16,278,248	4,069,562	4,069,562	4,069,562	4,069,562
Total Capital Improvement Program	\$4,289,940,245	\$3,432,056,042	\$530,426,129	\$218,705,912	\$108,752,162



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# 2022-23 & 2023-24 Budget

## Proposed Capital Equipment Budget FY 2022-23

Department	Trucks & Vehicles 09410000	Other Mobile Eq 09410001	Machine Eq & Tools 09410002	Comm Equipment 09410003
Contracts, Purchasing & Materials Mgt	\$ -	\$ -	\$ -	\$ -
Information Technology	-	-	-	-
Laboratory, Monitoring and Compliance	-	-	-	-
Fleet Services	2,536,900	681,700	-	-
Plant No. 1 Maintenance	-	-	250,400	-
Plant No. 2 Maintenance	-	-	-	-
<b>Total Proposed Capital Equipment</b>	<b>\$ 2,536,900</b>	<b>\$ 681,700</b>	<b>\$ 250,400</b>	<b>\$ -</b>

# Proposed Capital Equipment Budget Summary

## Proposed Capital Equipment Budget FY 2022-23

Department	Instr / Test Equipment 09410004	Safety & Traffic Eq 09410005	Office Fix & Eq 09410006	Computer Equipment 09410007	2022-23 Proposed Budget
Contracts, Purchasing & Materials Mgt	\$ -	\$ -	75,000	\$ -	\$ 75,000
Information Technology	-	-	-	2,801,700	2,801,700
Laboratory, Monitoring and Compliance	323,100	-	-	-	323,100
Fleet Services	-	-	-	-	3,218,600
Plant No. 1 Maintenance	150,000	-	-	-	400,400
Plant No. 2 Maintenance	130,900	-	-	-	130,900
<b>Total Proposed Capital Equipment</b>	<b>\$ 604,000</b>	<b>\$ -</b>	<b>\$ 75,000</b>	<b>\$ 2,801,700</b>	<b>\$ 6,949,700</b>

# 2022-23 & 2023-24 Budget

## Proposed Capital Equipment Budget Detail

Division	Equipment Type	Proposed Capital Equip. Budget
<u>230 - Contracts, Purchasing &amp; Materials Management</u>		
	3 Automated Locker System	\$ 75,000
	Total	<u>75,000</u>
<u>250 - Information Technology</u>		
	iLand's DRaaS and Cloud Backups	12,200
	New ocsan.gov Website	75,000
	Network Access Control Appliance (Cyber Security)	116,000
	4 Fortigate Firewalls (Cyber Security)	250,000
	Accounts Payable Automation Solution	300,000
	Budget Software (purchase, implementation, subscription)	350,000
	Nutanix Clusters (Hyper Converged Infrastructure)	821,400
	4 Backup Appliances for ICS and Office Networks	877,100
	Total	<u>2,801,700</u>
<u>630 - Laboratory, Monitoring, and Compliance</u>		
	HACH Refrigerated Auto-Sampler	21,700
	2 BOD Incubators	44,100
	2 Incubators for Microbiological Testing	55,600
	Autoclave	60,100
	Skalar Flow Analyzer	141,600
	Total	<u>323,100</u>
<u>822 - Fleet Services</u>		
	3 Light Duty Trucks	133,500
	Step Van, 18-22 ft (w/shelving)	136,900
	2 Medium Duty Utility Trucks	225,000
	2 Heavy Duty Specialty Trucks - Sewer Pullrig	360,000
	Heavy Truck, Boom Crane	400,000
	8 Light/Medium Duty Trucks	506,100
	Combo Sewer Truck (Budget Carry Over)	775,400
	E-Cart, 4 Passenger	20,000
	1 Electronic Forklift, 4,000 LB	40,000
	Rough Terrain Leveling Scissor Lift	60,000
	2 Heavy Duty Dump Trailer (Arrowboard)	86,700
	65-ft Boom Lift	150,000
	16 Electric Carts (O&M)	325,000
	Total	<u>3,218,600</u>

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# Proposed Capital Equipment Budget Detail

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## Proposed Capital Equipment Budget Detail

<u>Division</u>	<u>Equipment Type</u>	<u>Proposed Capital Equip. Budget</u>
<u>870 - Plant No. 1 Maintenance</u>		
	Portable Infrared Calibrator	12,800
	Flir E96	13,900
	SDT 270	17,000
	Top Load Heavy Duty Parts Washer	19,100
	SDT LubeExpert	20,100
	EDM Machine	42,500
	Oil Lubrication Work Center	125,000
	LOADTEC 2000KW(2500KVAA) Resistive/Inductive Load Bank	150,000
	Total	<u>400,400</u>
<u>880 - Plant No. 2 Maintenance</u>		
	4 MC6-EX Intrinsically Safe Documenting Calibrator/Communicator	130,900
	Total	<u>130,900</u>
	<b>Total Proposed FY 2022-23 Capital Equipment Budget</b>	<b><u>\$ 6,949,700</u></b>

# 2022-23 & 2023-24 Budget

## Proposed Capital Equipment Budget FY 2023-24

Department	Trucks & Vehicles 09410000	Other Mobile Eq 09410001	Machine Eq & Tools 09410002	Comm Equipment 09410003
Information Technology	\$ -	\$ -	\$ -	\$ -
Laboratory, Monitoring and Compliance	5,818,500	-	-	-
Fleet Services	840,500	445,000	-	-
Plant No. 1 Maintenance	-	-	17,000	-
<b>Total Proposed Capital Equipment</b>	<b>\$ 6,659,000</b>	<b>\$ 445,000</b>	<b>\$ 17,000</b>	<b>\$ -</b>

# Proposed Capital Equipment Budget Summary

## Proposed Capital Equipment Budget FY 2023-24

Department	Instr / Test Equipment 09410004	Safety & Traffic Eq 09410005	Office Fix & Eq 09410006	Computer Equipment 09410007	2023-24 Proposed Budget
Information Technology	\$ -	\$ -	\$ -	\$ 400,000	\$ 400,000
Laboratory, Monitoring and Compliance	330,000	-	-	-	6,148,500
Fleet Services	-	-	-	-	1,285,500
Plant No. 1 Maintenance	-	-	-	-	17,000
<b>Total Proposed Capital Equipment</b>	<b>\$ 330,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 400,000</b>	<b>\$7,851,000</b>

# 2022-23 & 2023-24 Budget

## Proposed Capital Equipment Budget Detail

Division	Equipment Type	Proposed Capital Equip. Budget
<u>250 - Information Technology</u>		
	Data Warehouse	\$ 400,000
	Total	<u>400,000</u>
<u>630 - Laboratory, Monitoring, and Compliance</u>		
	Ocean Monitoring Program Research Vessel	5,818,500
	Triple Quadrupole GC/MS	330,000
	Total	<u>6,148,500</u>
<u>822 - Fleet Services</u>		
	2 Light Duty Trucks	90,500
	Combination Sewer Cleaning Truck	750,000
	E-Cart, 4 Passenger	20,000
	2 Electronic Forklifts, (1) 4,000 LB & (1) 8,000 LB	100,000
	16 Electric Carts (O&M)	325,000
	Total	<u>1,285,500</u>
<u>870 - Plant No. 1 Maintenance</u>		
	SDT 270	17,000
	Total	<u>17,000</u>
<b>Total Proposed FY 2023-24 Capital Equipment Budget</b>		<b><u>\$ 7,851,000</u></b>



# Debt Financing Program

## **Certificates of Participation Debt Financing Program**

A Ten-Year Financial Plan is maintained to establish financing parameters regarding the issuance of debt, the levying of user charges and the funding level for required reserves in accordance with OC San's reserve policy. The Financial Plan is revised annually to reflect the most current cost and revenue figures resulting from capital program revisions and operating changes.

In December 2017, the 2017 Facilities Master Plan was adopted by the Board of Directors. The Master Plan identified a phased 20-year program of capital improvement projects that will allow OC San to

maintain reliability and accommodate future growth, as well as meet future regulatory requirements, level of service goals and strategic initiatives.

Each project in the master plan was initiated to address the impact of one or more of the main drivers (existing facilities condition, changes in regulations, facilities capacity, redundancy criteria, OC San initiatives and health and safety). Most of the CIP needs for the next 20 years are due to the condition of existing aging facilities requiring rehabilitation and replacement.

**Figure 1**

<b>Summary of Certificates of Participation / Revenue Obligations</b>				
<b>Series</b>	2010A Series	2010C Series	2014A Series	2015A Series
<b>Issue Name</b>	Taxable BABs	Taxable BABs	Refund Rev Oblig	Refund Rev Oblig
<b>Issue Date</b>	05-18-10	12-08-10	08-07-14	02-12-15
<b>Original Par</b>	\$80,000,000	\$157,000,000	\$85,090,000	\$127,510,000
<b>Outstanding Par</b>	\$80,000,000	\$157,000,000	\$47,835,000	\$127,510,000
<b>Payment Date</b>	February 1	February 1	February 1	February 1
<b>Use of Proceeds</b>	Current/Future CIP	Current/Future CIP	Advance Refunding	Advance Refunding
<b>Lien or Tier</b>	Open Senior	Open Senior	Open Senior	Open Senior
<b>Interest Rate Mode</b>	Fixed	Fixed	Fixed	Fixed
<b>Final Maturity Date</b>	02-01-2040	02-01-2044	02-01-2027	02-01-2037
<b>Series</b>	2016A Series	2017A Series	2021A Series	2022A Series
<b>Issue Name</b>	Refund Rev Oblig	Refund Rev Oblig	Refund Rev Oblig	Refund Rev Oblig
<b>Issue Date</b>	03-30-16	02-01-17	07-29-21	02-01-22
<b>Original Par</b>	\$145,880,000	\$66,370,000	\$133,510,000	\$81,620,000
<b>Outstanding Par</b>	\$131,965,000	\$65,815,000	\$128,040,000	\$81,620,000
<b>Payment Date</b>	February 1	February 1	February 1	February 1
<b>Use of Proceeds</b>	Advance Refunding	Advance Refunding	Current Refunding	Current Refunding
<b>Lien or Tier</b>	Open Senior	Open Senior	Open Senior	Open Senior
<b>Interest Rate Mode</b>	Fixed	Fixed	Fixed	Fixed
<b>Final Maturity Date</b>	02-01-2039	02-01-2030	02-01-2036	02-01-2033

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# 2022-23 & 2023-24 Budget

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In conjunction with preparation for the FY 2022-23 Budget, OC San staff has developed and reviewed with the Board of Directors a capital program to deliver the levels of service included in OC San's Strategic Plan.

OC San staff has also validated the active CIP projects currently being executed to ensure that the active project scopes of work and cost estimates were accurate. The validated CIP includes 70 active and future capital projects, five programs, and capital equipment purchases, with a 10-year expenditure of \$3.1 billion.

OC San embarked upon its Debt Financing and Management Program, and specifically its Variable and Fixed Rate Debt Program (the "Program"), in 1990 with the issuance of \$100 million in Certificates of Participation ("COP"), Capital Improvement Program, 1990 Series "A." The Program was established to:

- Finance assets with long useful lives with long-term debt;
- Achieve the lowest possible interest costs and highest investment returns, commensurate with the appropriate risk;
- Recoup reserve moneys that had previously been spent.

COPs are repayment obligations based on a lease or installment sale agreement. The COP structure was selected over other structures because COPs are not viewed as debt by the State of California, as the purchaser does not actually receive a "bond," but rather a share in an installment sale arrangement where OC San serves as the purchaser. Accordingly, OC San is not subject to the usual State restrictions surrounding the issuance of debt. COPs can be issued with fixed or variable interest rates.

Proceeds from the Series 2010A and 2010C debt issuances were used for current or future CIP projects. The proceeds of the remaining outstanding debt issuances were used to refund prior debt issuances. As of July 1, 2022, the total outstanding COP indebtedness is \$819.8 million.

## ***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.

## ***Establishment of Debt Policy***

In 2001, OC San developed a written debt policy for the following underlying reasons:

- Committing to long-term financial planning;
- Promoting credit quality to rating agencies;
- Rationalizing the decision making process;
- Enhancing the quality of decisions; and
- Promoting consistency and continuity.

This Board adopted policy serves as the agency's guide in the management of existing debt and in the issuance of future debt.

## ***Debt Coverage Ratios***

OC San has no legal debt limits as imposed by state legislation. The only legal debt limits pertaining OC San are those that are provided within the existing COP indenture agreements requiring minimum coverage ratios of 1.25. The minimum coverage ratio is the ratio of net annual revenues available for debt service requirements to total annual debt service requirements for all senior lien COP debt. The coverage ratio for senior lien COP debt is proposed at 4.32 and 4.34 for FY 2022-23 and FY 2023-24, respectively.

# Debt Financing Program

## Build America Bonds Financings

OC San issued the \$80.0 million Wastewater Revenue Obligation, Series 2010A in May 2010 and the \$157.0 million Wastewater Revenue Obligations, Series 2010C in November 2010 as “Build America Bonds” (BABs) fixed rate debt.

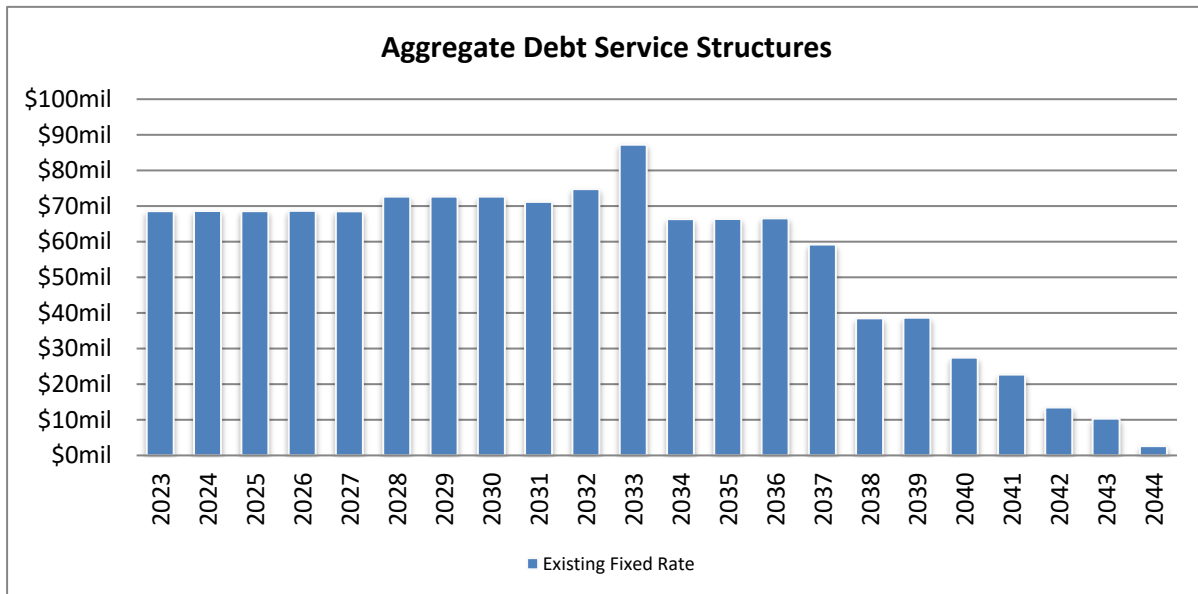
The American Recovery and Reinvestment Act of 2009 created a new financing product, BABs, for the municipal issuer. BABs are issued as higher interest taxable bonds; however, the U.S. Treasury provides a 35 percent subsidy on interest payments. The net cost, after accounting for the 35 percent subsidy payment, frequently results in lower net costs to the issuer, specifically in the maturity years beyond ten years.

On March 1, 2013, the federal government implemented certain automatic spending cuts known as the sequester. As a result of the sequester, federal subsidy payments on BABs have been reduced annually from a high of 8.7 percent for the federal fiscal year ended September 30, 2013 to a low of 5.7 percent for the federal fiscal year ended September 30, 2022.

## Future Financings

As a result of having a prudent reserve policy, experienced management and prudent planning, OC San has been able to secure “AAA” credit ratings from Fitch Ratings, Moody’s Investors Service and S&P Global Ratings. OC San’s long-range financing plan is designed to maintain these high ratings. Over the next 10 years, OC San is projecting an additional \$3.1 billion in future treatment plant and collection system capital replacement, refurbishment and rehabilitation improvements. In accordance with OC San’s long-term debt fiscal policy, OC San will confine long-term borrowing to capital improvements that cannot be financed from current revenue. Before any new debt is issued, the impact of debt service payments on total annual fixed costs will be analyzed.

OC San’s cash flow forecast does not require any new money debt issuances over the next ten years as all capital improvements planned over this time period primarily consist of replacement, refurbishment and rehabilitation of existing projects which are to be funded through existing reserves and current sewer charges.



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# 2022-23 & 2023-24 Budget

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*Figure 2*

<u>Schedule of Future Certificates of Participation Issues and CIP Cash Flows</u>										
(in millions)										
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
New COP Issues	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
CIP Outlays	\$268.2	\$315.3	\$281.9	\$300.7	\$293.0	\$295.0	\$349.4	\$344.1	\$346.3	\$281.2

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# 2022-23 & 2023-24 Budget

## Total Certificates of Participation / Revenue Obligations Debt Service Requirements

### Principal and Interest Combined

<b>Fiscal Year Of Payments</b>	<b>2010A Build America Bonds Acq./Const.</b>	<b>2010C Build America Bonds Acq./Const.</b>	<b>2014A Refunding (Partial 2007B)</b>	<b>2015A Refunding (Partial 2007B)</b>	<b>2016A Refunding (Partial 2009A)</b>
2022-23	\$ 2,986,574	\$ 6,724,010	\$ 11,046,750	\$ 6,375,500	\$ 11,391,550
2023-24	2,986,574	6,724,010	11,044,000	6,375,500	11,396,050
2024-25	2,986,574	6,724,010	11,049,750	6,375,500	11,392,550
2025-26	2,986,574	6,724,010	11,052,500	6,375,500	11,390,800
2026-27	2,986,574	6,724,010	11,051,250	6,375,500	11,390,050
2027-28	2,986,574	6,724,010	-	21,615,500	11,394,550
2028-29	2,986,574	6,724,010	-	21,658,500	11,388,300
2029-30	2,986,574	6,724,010	-	20,776,250	11,391,050
2030-31	2,986,574	12,459,010	-	10,228,000	11,411,550
2031-32	2,986,574	23,382,068	-	3,702,250	11,413,050
2032-33	2,986,574	23,476,472	-	3,702,250	11,415,550
2033-34	12,576,574	13,967,040	-	20,882,250	11,408,050
2034-35	12,696,056	13,897,232	-	20,883,250	11,415,050
2035-36	12,919,416	13,834,528	-	20,881,250	11,409,800
2036-37	13,151,453	13,758,096	-	20,879,250	11,411,800
2037-38	13,399,607	13,667,936	-	-	11,411,000
2038-39	13,658,823	13,574,048	-	-	11,414,000
2039-40	13,937,832	13,481,016	-	-	-
2040-41	-	22,698,216	-	-	-
2041-42	-	13,457,728	-	-	-
2042-43	-	10,305,640	-	-	-
2043-44	-	2,583,168	-	-	-
<b>Totals</b>	<b>\$ 125,192,075</b>	<b>\$ 258,334,278</b>	<b>\$ 55,244,250</b>	<b>\$ 197,086,250</b>	<b>\$ 193,844,750</b>

# Debt Financing Program

## Total Certificates of Participation / Revenue Obligations Debt Service Requirements

### Principal and Interest Combined

Fiscal Year Of Payments	2017A Refunding (Remain 2007A)	2021A Refunding (Partial 2011A and 2018A)	2022A Refunding (2012A and Partial 2012B)	Total Payment Per Fiscal Year
2022-23	\$ 3,290,750	\$ 22,672,000	\$ 4,081,000	\$ 68,568,134
2023-24	3,290,750	22,713,500	4,081,000	68,611,384
2024-25	3,290,750	22,672,250	4,081,000	68,572,384
2025-26	3,290,750	22,725,250	4,081,000	68,626,384
2026-27	18,405,750	7,485,750	4,081,000	68,499,884
2027-28	18,365,000	7,486,000	4,081,000	72,652,634
2028-29	18,323,500	7,489,750	4,081,000	72,651,634
2029-30	19,204,500	7,486,250	4,081,000	72,649,634
2030-31	-	7,490,250	26,566,000	71,141,384
2031-32	-	7,485,750	25,761,750	74,731,442
2032-33	-	7,487,500	38,146,500	87,214,846
2033-34	-	7,489,500	-	66,323,414
2034-35	-	7,486,000	-	66,377,588
2035-36	-	7,486,500	-	66,531,494
2036-37	-	-	-	59,200,599
2037-38	-	-	-	38,478,543
2038-39	-	-	-	38,646,871
2039-40	-	-	-	27,418,848
2040-41	-	-	-	22,698,216
2041-42	-	-	-	13,457,728
2042-43	-	-	-	10,305,640
2043-44	-	-	-	2,583,168
Totals	<u>\$ 87,461,750</u>	<u>\$ 165,656,250</u>	<u>\$ 123,122,250</u>	<u>\$ 1,205,941,853</u>

# 2022-23 & 2023-24 Budget

## Certificates of Participation/ Revenue Obligations Debt Service Requirements

### Annual Interest Payments

<b>Fiscal Year Of Payments</b>	<b>2010A Build America Bonds Acq./Const.</b>	<b>2010C Build America Bonds Acq./Const.</b>	<b>2014A Refunding (Partial 2007B)</b>	<b>2015A Refunding (Partial 2007B)</b>	<b>2016A Refunding (Partial 2009A)</b>
2022-23	\$ 2,986,574	\$ 6,724,010	\$ 2,391,750	\$ 6,375,500	\$ 6,281,550
2023-24	2,986,574	6,724,010	1,959,000	6,375,500	6,026,050
2024-25	2,986,574	6,724,010	1,504,750	6,375,500	5,757,550
2025-26	2,986,574	6,724,010	1,027,500	6,375,500	5,475,800
2026-27	2,986,574	6,724,010	526,250	6,375,500	5,180,050
2027-28	2,986,574	6,724,010	-	6,375,500	4,869,550
2028-29	2,986,574	6,724,010	-	5,613,500	4,543,300
2029-30	2,986,574	6,724,010	-	4,811,250	4,201,050
2030-31	2,986,574	6,724,010	-	4,013,000	3,841,550
2031-32	2,986,574	6,287,068	-	3,702,250	3,463,050
2032-33	2,986,574	5,581,472	-	3,702,250	3,065,550
2033-34	2,986,574	4,837,040	-	3,702,250	2,648,050
2034-35	2,551,056	4,457,232	-	2,843,250	2,210,050
2035-36	2,184,416	4,064,528	-	1,941,250	1,749,800
2036-37	1,796,453	3,658,096	-	994,250	1,266,800
2037-38	1,384,607	3,237,936	-	-	861,000
2038-39	948,823	2,804,048	-	-	439,000
2039-40	487,832	2,356,016	-	-	-
2040-41	-	1,893,216	-	-	-
2041-42	-	1,027,728	-	-	-
2042-43	-	510,640	-	-	-
2043-44	-	103,168	-	-	-
<b>Totals</b>	<b>\$ 45,192,075</b>	<b>\$ 101,334,278</b>	<b>\$ 7,409,250</b>	<b>\$ 69,576,250</b>	<b>\$ 61,879,750</b>



# Debt Financing Program

## Certificates of Participation/ Revenue Obligations Debt Service Requirements

### Annual Interest Payments

Fiscal Year Of Payments	2017A Refunding (Remain 2007A)	2021A Refunding (Partial 2011A and 2018A)	2022A Refunding (2012A and Partial 2012B)	Total Interest Per Fiscal Year
2022-23	\$ 3,290,750	\$ 6,402,000	\$ 4,081,000	\$ 38,533,134
2023-24	3,290,750	5,588,500	4,081,000	37,031,384
2024-25	3,290,750	4,732,250	4,081,000	35,452,384
2025-26	3,290,750	3,835,250	4,081,000	33,796,384
2026-27	3,290,750	2,890,750	4,081,000	32,054,884
2027-28	2,535,000	2,661,000	4,081,000	30,232,634
2028-29	1,743,500	2,419,750	4,081,000	28,111,634
2029-30	914,500	2,166,250	4,081,000	25,884,634
2030-31	-	1,900,250	4,081,000	23,546,384
2031-32	-	1,620,750	2,956,750	21,016,442
2032-33	-	1,327,500	1,816,500	18,479,846
2033-34	-	1,019,500	-	15,193,414
2034-35	-	696,000	-	12,757,588
2035-36	-	356,500	-	10,296,494
2036-37	-	-	-	7,715,599
2037-38	-	-	-	5,483,543
2038-39	-	-	-	4,191,871
2039-40	-	-	-	2,843,848
2040-41	-	-	-	1,893,216
2041-42	-	-	-	1,027,728
2042-43	-	-	-	510,640
2043-44	-	-	-	103,168
<b>Totals</b>	<b>\$ 21,646,750</b>	<b>\$ 37,616,250</b>	<b>\$ 41,502,250</b>	<b>\$ 386,156,853</b>

# 2022-23 & 2023-24 Budget

## Certificates of Participation/ Revenue Obligations Debt Service Requirements

### Annual Principal Payments

<b>Fiscal Year Of Payments</b>	<b>2010A Build America Bonds Acq./Const.</b>	<b>2010C Build America Bonds Acq./Const.</b>	<b>2014A Refunding (Partial 2007B)</b>	<b>2015A Refunding (Partial 2007B)</b>	<b>2016A Refunding (Partial 2009A)</b>
2022-23	\$ -	\$ -	\$ 8,655,000	\$ -	\$ 5,110,000
2023-24	-	-	9,085,000	-	5,370,000
2024-25	-	-	9,545,000	-	5,635,000
2025-26	-	-	10,025,000	-	5,915,000
2026-27	-	-	10,525,000	-	6,210,000
2027-28	-	-	-	15,240,000	6,525,000
2028-29	-	-	-	16,045,000	6,845,000
2029-30	-	-	-	15,965,000	7,190,000
2030-31	-	5,735,000	-	6,215,000	7,570,000
2031-32	-	17,095,000	-	-	7,950,000
2032-33	-	17,895,000	-	-	8,350,000
2033-34	9,590,000	9,130,000	-	17,180,000	8,760,000
2034-35	10,145,000	9,440,000	-	18,040,000	9,205,000
2035-36	10,735,000	9,770,000	-	18,940,000	9,660,000
2036-37	11,355,000	10,100,000	-	19,885,000	10,145,000
2037-38	12,015,000	10,430,000	-	-	10,550,000
2038-39	12,710,000	10,770,000	-	-	10,975,000
2039-40	13,450,000	11,125,000	-	-	-
2040-41	-	20,805,000	-	-	-
2041-42	-	12,430,000	-	-	-
2042-43	-	9,795,000	-	-	-
2043-44	-	2,480,000	-	-	-
<b>Totals</b>	<b>\$ 80,000,000</b>	<b>\$ 157,000,000</b>	<b>\$ 47,835,000</b>	<b>\$ 127,510,000</b>	<b>\$ 131,965,000</b>

# Debt Financing Program

## Certificates of Participation/ Revenue Obligations Debt Service Requirements

### Annual Principal Payments

Fiscal Year Of Payments	2017A Refunding (Remain 2007A)	2021A Refunding (Partial 2011A and 2018A)	2022A Refunding (2012A and Partial 2012B)	Total Principal Per Fiscal Year
2022-23	\$ -	\$ 16,270,000	\$ -	\$ 30,035,000
2023-24	-	17,125,000	-	31,580,000
2024-25	-	17,940,000	-	33,120,000
2025-26	-	18,890,000	-	34,830,000
2026-27	15,115,000	4,595,000	-	36,445,000
2027-28	15,830,000	4,825,000	-	42,420,000
2028-29	16,580,000	5,070,000	-	44,540,000
2029-30	18,290,000	5,320,000	-	46,765,000
2030-31	-	5,590,000	22,485,000	47,595,000
2031-32	-	5,865,000	22,805,000	53,715,000
2032-33	-	6,160,000	36,330,000	68,735,000
2033-34	-	6,470,000	-	51,130,000
2034-35	-	6,790,000	-	53,620,000
2035-36	-	7,130,000	-	56,235,000
2036-37	-	-	-	51,485,000
2037-38	-	-	-	32,995,000
2038-39	-	-	-	34,455,000
2039-40	-	-	-	24,575,000
2040-41	-	-	-	20,805,000
2041-42	-	-	-	12,430,000
2042-43	-	-	-	9,795,000
2043-44	-	-	-	2,480,000
Totals	\$ 65,815,000	\$ 128,040,000	\$ 81,620,000	\$ 819,785,000

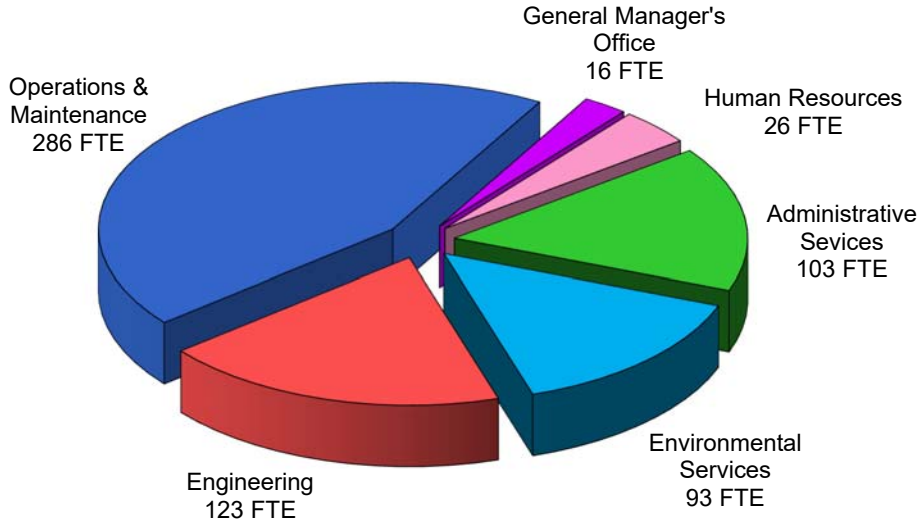
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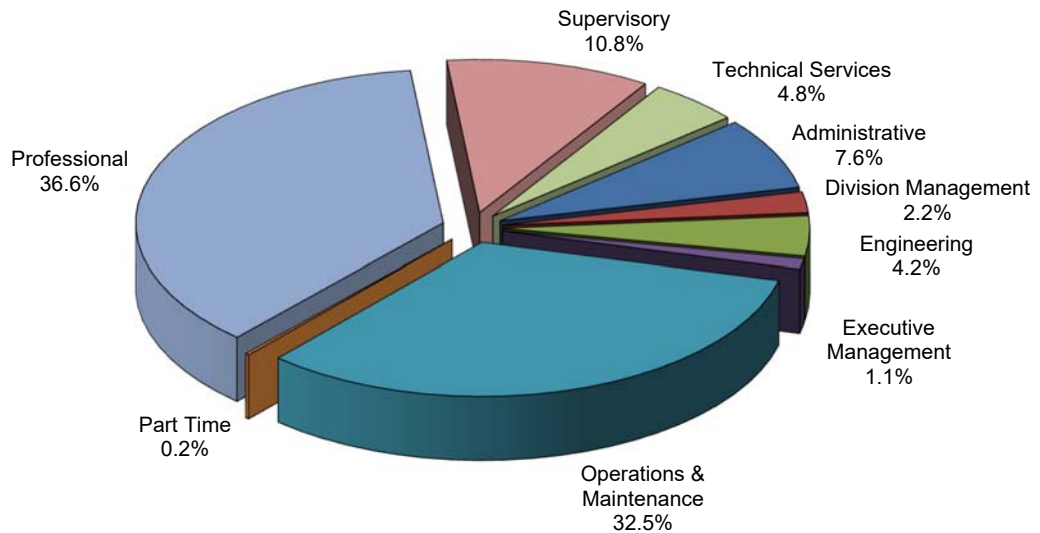
# Staffing Allocation

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**Staffing by Department**  
Total 647 FTE

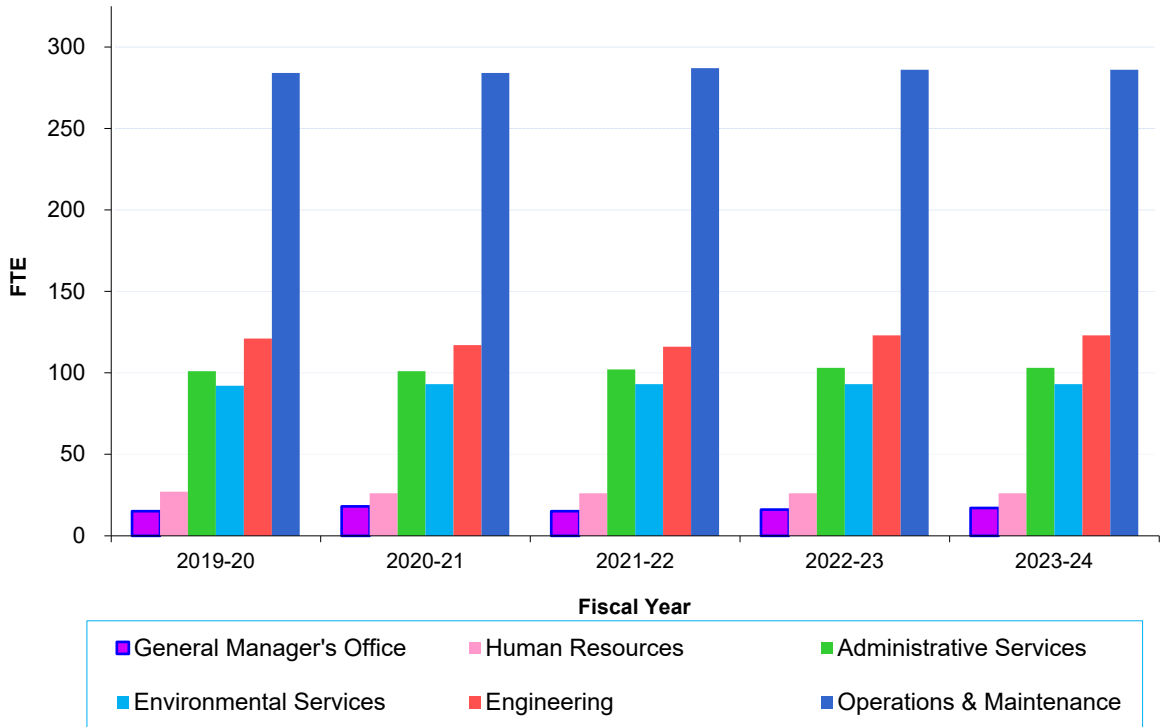


**Staffing by Category**

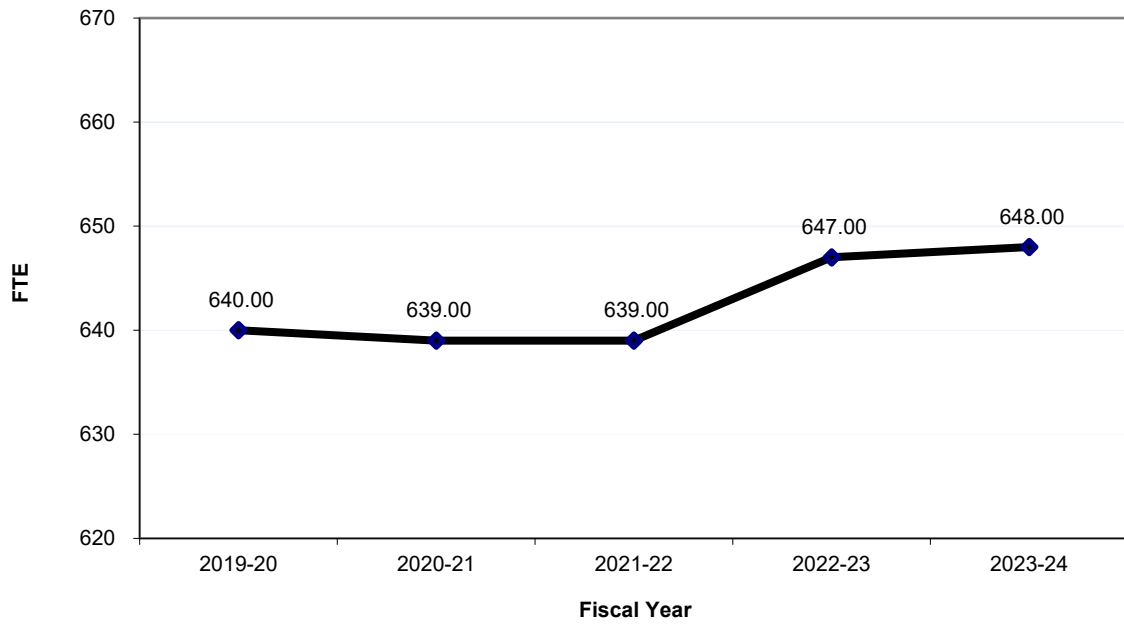


# Historical Staffing Detail

## Historical Staffing By Department



## Total Historical Staffing



# Staffing Allocation

Department and Division Name	Authorized FTEs 2019-20	Authorized FTEs 2020-21	Authorized FTEs 2021-22	Proposed FTEs 2022-23	Proposed FTEs 2023-24
<b>General Manager's Office</b>					
General Manager Administration	4.00	5.00	3.00	4.00	5.00
Board Services	5.00	7.00	6.00	6.00	6.00
Public Affairs	6.00	6.00	6.00	6.00	6.00
<b>Department Subtotal</b>	<b>15.00</b>	<b>18.00</b>	<b>15.00</b>	<b>16.00</b>	<b>17.00</b>
<b>Human Resources Department</b>					
Human Resources	16.00	16.00	16.00	16.00	16.00
Risk Management/Safety/Security	11.00	10.00	10.00	10.00	10.00
<b>Department Subtotal</b>	<b>27.00</b>	<b>26.00</b>	<b>26.00</b>	<b>26.00</b>	<b>26.00</b>
<b>Administrative Services Department</b>					
Administrative Services Administration	3.00	1.00	2.00	2.00	2.00
Financial Management	19.00	24.00	24.00	23.00	23.00
Contracts, Purchasing and Materials Management	32.00	31.00	31.00	31.00	31.00
Information Technology	47.00	45.00	45.00	47.00	47.00
<b>Department Subtotal</b>	<b>101.00</b>	<b>101.00</b>	<b>102.00</b>	<b>103.00</b>	<b>103.00</b>
<b>Envrionmental Services Department</b>					
Environmental Services Administration	2.00	2.00	11.00	12.50	12.50
Resource Protection	37.00	37.00	37.00	37.00	37.00
Laboratory, Monitoring and Compliance	53.00	54.00	45.00	43.50	43.50
<b>Department Subtotal</b>	<b>92.00</b>	<b>93.00</b>	<b>93.00</b>	<b>93.00</b>	<b>93.00</b>
<b>Engineering Department</b>					
Engineering Administration	3.00	5.00	5.00	4.00	4.00
Planning	18.00	15.00	15.00	15.00	15.00
Project Management Office	17.00	21.00	21.00	21.00	21.00
Design	52.00	36.00	34.00	34.00	34.00
Construction Management	31.00	40.00	41.00	49.00	49.00
<b>Department Subtotal</b>	<b>121.00</b>	<b>117.00</b>	<b>116.00</b>	<b>123.00</b>	<b>123.00</b>
<b>Operations and Maintenance Department</b>					
Operations and Maintenance Administration	2.00	3.00	4.00	2.00	2.00
Collection Facilities Operations and Maintenance	26.00	29.00	28.00	30.00	30.00
Fleet Services	8.00	8.00	9.00	9.00	9.00
Plant No. 1 Operations	62.00	54.00	55.00	52.00	52.00
Plant No. 2 Operations	50.00	52.00	53.00	45.00	45.00
Plant No. 1 Maintenance	86.00	85.00	85.00	94.00	94.00
Plant No. 2 Maintenance	50.00	53.00	53.00	54.00	54.00
<b>Department Subtotal</b>	<b>284.00</b>	<b>284.00</b>	<b>287.00</b>	<b>286.00</b>	<b>286.00</b>
<b>Grand Total - All Departments</b>	<b>640.00</b>	<b>639.00</b>	<b>639.00</b>	<b>647.00</b>	<b>648.00</b>

# 2022-23 & 2023-24 Budget

Division & Position	Authorized FTEs 2019-20	Authorized FTEs 2020-21	Authorized FTEs 2021-22	Proposed FTEs 2022-23	Proposed FTEs 2023-24
<b>General Manager's Office</b>					
<b>110 General Manager Administration</b>					
General Manager	1.00	1.00	1.00	1.00	1.00
Assistant General Manager	1.00	2.00	-	1.00	2.00
Administration Manager	-	1.00	1.00	1.00	1.00
Principal Staff Analyst	1.00	-	-	-	-
Secretary to the General Manager	1.00	1.00	1.00	1.00	1.00
Total General Manager Administration	4.00	5.00	3.00	4.00	5.00
<b>120 Board Services</b>					
Clerk of the Board	1.00	1.00	1.00	1.00	1.00
Records Management Specialist	-	1.00	-	-	-
Assistant Clerk of the Board	-	1.00	1.00	1.00	1.00
Deputy Clerk of the Board	1.00	-	-	-	-
Data Management Technician I	-	1.00	1.00	1.00	1.00
Program Assistant	2.00	2.00	2.00	2.00	2.00
Office Assistant	1.00	1.00	1.00	1.00	1.00
Total Board Services	5.00	7.00	6.00	6.00	6.00
<b>140 Public Affairs</b>					
Administrative Manager	1.00	-	-	-	-
Principal Public Affairs Specialist	1.00	1.00	1.00	1.00	1.00
Senior Public Affairs Specialist	1.00	1.00	1.00	1.00	1.00
Public Affairs Specialist	1.00	2.00	2.00	2.00	2.00
Graphics Designer	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Total Public Affairs	6.00	6.00	6.00	6.00	6.00
<b>Total General Manager's Office</b>	<b>15.00</b>	<b>18.00</b>	<b>15.00</b>	<b>16.00</b>	<b>17.00</b>
<b>Human Resources Department</b>					
<b>160 Human Resources</b>					
Director of Human Resources	1.00	1.00	1.00	1.00	1.00
Human Resources and Risk Manager	1.00	1.00	1.00	1.00	1.00
Human Resources Supervisor	2.00	2.00	2.00	2.00	2.00
Principal Human Resources Analyst	2.00	2.00	2.00	2.00	2.00
Senior Human Resources Analyst	4.00	4.00	4.00	4.00	4.00
Human Resources Analyst	4.00	4.00	4.00	4.00	4.00
Human Resources Assistant	2.00	2.00	2.00	2.00	2.00
Total Human Resources	16.00	16.00	16.00	16.00	16.00
<b>161 Risk Management/Safety/Security</b>					
Safety & Health Supervisor	1.00	1.00	1.00	1.00	1.00
Principal Financial Analyst	1.00	-	-	-	-
Safety & Health Specialist	2.00	2.00	2.00	2.00	2.00
Security & Emergency Planning Specialist	1.00	1.00	1.00	1.00	1.00
Senior Construction Inspector	-	1.00	1.00	1.00	1.00
Occupational Health Nurse	1.00	-	-	-	-
Senior Safety & Health Representative	1.00	2.00	2.00	2.00	2.00
Safety & Health Representative	3.00	2.00	2.00	2.00	2.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Total Risk Management/Safety/Security	11.00	10.00	10.00	10.00	10.00
<b>Total Human Resources Department</b>	<b>27.00</b>	<b>26.00</b>	<b>26.00</b>	<b>26.00</b>	<b>26.00</b>



# Historical Staffing Detail

Division & Position	Authorized FTEs 2019-20	Authorized FTEs 2020-21	Authorized FTEs 2021-22	Proposed FTEs 2022-23	Proposed FTEs 2023-24
<b>Administrative Services Department</b>					
<b>210 Administrative Services Administration</b>					
Assistant General Manager	-	-	1.00	1.00	-
Director of Finance & Admin Services / Treasurer	1.00	-	-	-	1.00
Principal Staff Analyst	1.00	-	-	-	-
Executive Assistant	1.00	-	-	-	-
Administrative Assistant	-	1.00	1.00	1.00	1.00
Total Administrative Services Administration	3.00	1.00	2.00	2.00	2.00
<b>220 Financial Management</b>					
Controller	1.00	1.00	1.00	1.00	1.00
Accounting Supervisor	3.00	3.00	3.00	3.00	3.00
Principal Project Controls Analyst	-	1.00	1.00	1.00	1.00
Principal Accountant	2.00	2.00	2.00	1.00	1.00
Principal Staff Analyst	-	4.00	4.00	3.00	3.00
Senior Accountant	2.00	2.00	2.00	3.00	3.00
Senior Staff Analyst	1.00	1.00	2.00	2.00	2.00
Accountant	2.00	2.00	1.00	2.00	2.00
Payroll Technician	2.00	2.00	2.00	2.00	2.00
Accounting Assistant II	6.00	6.00	6.00	5.00	5.00
Total Financial Management	19.00	24.00	24.00	23.00	23.00
<b>230 Contracts, Purchasing and Materials Management</b>					
Purchasing & Contracts Manager	1.00	1.00	1.00	1.00	1.00
Contracts Supervisor	1.00	1.00	1.00	1.00	1.00
Purchasing Supervisor	1.00	1.00	1.00	1.00	1.00
Materials Control Supervisor	1.00	1.00	-	-	-
Principal Contracts Administrator	2.00	2.00	2.00	2.00	2.00
Senior Contracts Administrator	3.00	3.00	3.00	3.00	3.00
Principal Buyer	1.00	1.00	1.00	1.00	1.00
Contracts Administrator	3.00	3.00	3.00	3.00	3.00
Senior Buyer	2.00	2.00	3.00	3.00	3.00
Senior Staff Analyst	-	1.00	1.00	1.00	1.00
Buyer	2.00	2.00	2.00	2.00	2.00
Contracts/Purchasing Assistant	5.00	4.00	4.00	4.00	4.00
Lead Storekeeper	2.00	2.00	2.00	2.00	2.00
Senior Storekeeper	3.00	3.00	3.00	3.00	3.00
Storekeeper	5.00	4.00	4.00	3.00	3.00
Office Assistant	-	-	-	1.00	1.00
Total Contracts, Purchasing and Materials Mgmt	32.00	31.00	31.00	31.00	31.00
<b>250 Information Technology</b>					
Information Technology Systems and Ops Mgr	1.00	1.00	1.00	1.00	1.00
Information Technology Supervisor	3.00	3.00	3.00	3.00	3.00
Principal Information Technology Analyst	7.00	7.00	7.00	7.00	7.00
Senior Information Technology Analyst	10.00	10.00	10.00	12.00	12.00
Information Technology Analyst III	7.00	8.00	7.00	7.00	7.00
Records Management Specialist	1.00	-	-	-	-
Data Management Technician II	7.00	6.00	7.00	7.00	7.00
Information Technology Analyst II	3.00	3.00	3.00	3.00	3.00
Data Management Technician I	4.00	3.00	3.00	3.00	3.00
Staff Analyst	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Information Technology Technician II	1.00	2.00	2.00	2.00	2.00
Information Technology Technician I	1.00	-	-	-	-
Total Information Technology	47.00	45.00	45.00	47.00	47.00
<b>Total Administrative Services Department</b>	<b>101.00</b>	<b>101.00</b>	<b>102.00</b>	<b>103.00</b>	<b>103.00</b>

# 2022-23 & 2023-24 Budget

Division & Position	Authorized FTEs 2019-20	Authorized FTEs 2020-21	Authorized FTEs 2021-22	Proposed FTEs 2022-23	Proposed FTEs 2023-24
<b>Environmental Services Department</b>					
<b>610 Environmental Services Administration</b>					
Director of Environmental Services	1.00	1.00	1.00	1.00	1.00
Environmental Supervisor	-	-	-	1.00	1.00
Senior Regulatory Specialist	-	-	2.00	2.00	2.00
Regulatory Specialist	-	-	3.00	3.00	3.00
Principal Environmental Specialist	-	-	1.00	1.50	1.50
Senior Environmental Specialist	-	-	3.00	3.00	3.00
Executive Assistant	1.00	1.00	1.00	1.00	1.00
Total Environmental Services Administration	2.00	2.00	11.00	12.50	12.50
<b>620 Resource Protection</b>					
Environmental Protection Manager	1.00	1.00	1.00	1.00	1.00
Engineering Supervisor	2.00	2.00	2.00	2.00	2.00
Environmental Supervisor	-	-	-	1.00	1.00
Source Control Supervisor	1.00	1.00	1.00	-	-
Senior Engineer	2.00	2.00	2.00	2.00	2.00
Engineer	4.00	5.00	5.00	5.00	5.00
Associate Engineer	3.00	2.00	2.00	2.00	2.00
Principal Environmental Specialist	3.00	3.00	3.00	3.00	3.00
Lead Source Control Inspector	1.00	1.00	1.00	1.00	1.00
Senior Environmental Specialist	1.00	1.00	1.00	1.00	1.00
Source Control Inspector II	7.00	6.00	6.00	6.00	6.00
Source Control Inspector I	2.00	3.00	3.00	3.00	3.00
Administrative Assistant	2.00	2.00	1.00	1.00	1.00
Environmental Technician	3.00	3.00	4.00	4.00	4.00
Program Assistant	4.00	4.00	4.00	4.00	4.00
Office Assistant	1.00	1.00	1.00	1.00	1.00
Total Resource Protection	37.00	37.00	37.00	37.00	37.00
<b>630 Laboratory, Monitoring and Compliance</b>					
Environmental Lab & Ocean Monitoring Manager	1.00	1.00	1.00	1.00	1.00
Environmental Supervisor	4.00	4.00	4.00	3.00	3.00
Senior Regulatory Specialist	2.00	2.00	-	-	-
Senior Scientist	3.00	3.00	-	3.00	3.00
Regulatory Specialist	3.00	3.00	3.00	-	-
Scientist	1.00	2.00	2.00	2.00	2.00
Associate Engineer	1.00	-	-	-	-
Principal Environmental Specialist	8.00	9.00	8.00	8.50	8.50
Senior Environmental Specialist	18.00	18.00	15.00	14.00	14.00
Boat Captain	1.00	1.00	1.00	1.00	1.00
Environmental Specialist	7.00	7.00	7.00	7.00	7.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Environmental Technician	3.00	3.00	3.00	3.00	3.00
Total Laboratory, Monitoring and Compliance	53.00	54.00	45.00	43.50	43.50
<b>Total Environmental Services Department</b>	<b>92.00</b>	<b>93.00</b>	<b>93.00</b>	<b>93.00</b>	<b>93.00</b>

# Historical Staffing Detail

Division & Position	Authorized FTEs 2019-20	Authorized FTEs 2020-21	Authorized FTEs 2021-22	Proposed FTEs 2022-23	Proposed FTEs 2023-24
<b>Engineering Department</b>					
<b>710 Engineering Administration</b>					
Assistant General Manager	1.00	-	-	-	-
Director of Engineering	1.00	1.00	1.00	1.00	1.00
Principal Staff Analyst	-	1.00	1.00	1.00	1.00
Executive Assistant	1.00	1.00	1.00	-	-
Staff Analyst	-	1.00	1.00	1.00	1.00
Administrative Assistant	-	1.00	1.00	1.00	1.00
Total Engineering Administration	3.00	5.00	5.00	4.00	4.00
<b>740 Planning</b>					
Engineering Manager	1.00	1.00	1.00	1.00	1.00
Engineering Supervisor	2.00	2.00	2.00	2.00	2.00
Senior Engineer	3.00	2.00	2.00	2.00	2.00
Engineer	6.00	7.00	7.00	7.00	7.00
Principal Staff Analyst	2.00	1.00	1.00	1.00	1.00
Associate Engineer	2.00	1.00	1.00	1.00	1.00
Engineering Associate	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	-	-	-	-
Total Planning	18.00	15.00	15.00	15.00	15.00
<b>750 Project Management Office</b>					
Engineering Manager	1.00	1.00	1.00	1.00	1.00
Engineering Supervisor	1.00	2.00	2.00	2.00	2.00
CIP Project Manager	-	1.00	1.00	1.00	1.00
Capital Improvement Program Project Manager	9.00	-	-	-	-
Senior Engineer	2.00	11.00	11.00	11.00	11.00
Principal Project Controls Analyst	1.00	-	-	-	-
Engineer	-	3.00	3.00	3.00	3.00
Principal Staff Analyst	2.00	-	-	-	-
Associate Engineer	-	1.00	1.00	1.00	1.00
Engineering Associate	-	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Total Project Management Office	17.00	21.00	21.00	21.00	21.00
<b>760 Design</b>					
Engineering Manager	1.00	1.00	1.00	1.00	1.00
Engineering Supervisor	4.00	4.00	4.00	4.00	4.00
Construction Inspection Supervisor	2.00	-	-	-	-
Senior Engineer	7.00	12.00	11.00	11.00	11.00
Principal Information Technology Analyst	-	3.00	3.00	3.00	3.00
Engineer	13.00	8.00	7.00	7.00	7.00
Senior Cost Estimator	1.00	-	-	-	-
Senior Planner/Scheduler	1.00	-	-	-	-
Senior Information Technology Analyst	-	3.00	3.00	3.00	3.00
Associate Engineer	4.00	2.00	2.00	2.00	2.00
Senior Construction Inspector	5.00	-	-	-	-
Information Technology Analyst III	-	1.00	1.00	1.00	1.00
Engineering Associate	1.00	-	-	-	-
Senior Staff Analyst	1.00	-	-	-	-
Construction Inspector	6.00	-	-	-	-
Information Technology Analyst II	-	1.00	1.00	1.00	1.00
Engineering Assistant II	4.00	-	-	-	-
Administrative Assistant	2.00	1.00	1.00	1.00	1.00
Total Design	52.00	36.00	34.00	34.00	34.00

# 2022-23 & 2023-24 Budget

Division & Position	Authorized FTEs 2019-20	Authorized FTEs 2020-21	Authorized FTEs 2021-22	Proposed FTEs 2022-23	Proposed FTEs 2023-24
<b>770 Construction Management</b>					
Engineering Manager	1.00	1.00	1.00	1.00	1.00
Engineering Supervisor	2.00	2.00	2.00	3.00	3.00
Senior Construction Inspection Supervisor	1.00	-	-	-	-
Construction Inspection Supervisor		3.00	3.00	3.00	3.00
Senior Engineer	7.00	2.00	2.00	4.00	4.00
Principal Information Technology Analyst	4.00	-	-	-	-
Engineer	4.00	5.00	7.00	8.00	8.00
Senior Cost Estimator		1.00	1.00	1.00	1.00
Senior Planner/Scheduler		1.00	1.00	1.00	1.00
Senior Information Technology Analyst	3.00	-	-	-	-
Associate Engineer		2.00	2.00	2.00	2.00
Planner/Scheduler		1.00	1.00	1.00	1.00
Senior Construction Inspector	3.00	7.00	7.00	8.00	8.00
Information Technology Analyst III	1.00	-	-	-	-
Construction Inspector	3.00	9.00	10.00	13.00	13.00
Information Technology Analyst II	1.00	-	-	-	-
Engineering Assistant II		4.00	3.00	3.00	3.00
Administrative Assistant	1.00	2.00	1.00	1.00	1.00
Total Construction Management	31.00	40.00	41.00	49.00	49.00
<b>Total Engineering Department</b>	<b>121.00</b>	<b>117.00</b>	<b>116.00</b>	<b>123.00</b>	<b>123.00</b>
<b>Operations and Maintenance Department</b>					
<b>810 Operations and Maintenance Administration</b>					
Assistant General Manager	-	-	1.00	-	-
Director of Operations & Maintenance	-	1.00	1.00	1.00	1.00
Senior Staff Analyst	1.00	1.00	1.00	1.00	1.00
Staff Analyst	1.00	1.00	1.00	-	-
Total Operations and Maintenance Admin	2.00	3.00	4.00	2.00	2.00
<b>820 Collection Facilities Operations and Maintenance</b>					
Engineering Manager	1.00	-	-	-	-
Maintenance Manager	-	1.00	1.00	1.00	1.00
Engineering Supervisor	-	-	1.00	1.00	1.00
Maintenance Supervisor	2.00	2.00	1.00	2.00	2.00
Senior Engineer	-	1.00	1.00	-	-
Principal Staff Analyst	-	-	-	1.00	1.00
Associate Enginner	-	-	1.00	1.00	1.00
Maintenance Specialist	-	-	-	1.00	1.00
Principal Environmental Specialist	-	1.00	1.00	1.00	1.00
Senior Environmental Specialist	-	1.00	1.00	1.00	1.00
Lead Mechanic	5.00	5.00	5.00	5.00	5.00
Senior Mechanic	8.00	7.00	7.00	7.00	7.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Mechanic	8.00	8.00	7.00	7.00	7.00
Environmental Technician	-	1.00	1.00	1.00	1.00
Office Assistant	1.00	1.00	-	-	-
Total Collection Facilities Operations and Maint.	26.00	29.00	28.00	30.00	30.00

## Historical Staffing Detail

Division & Position	Authorized FTEs 2019-20	Authorized FTEs 2020-21	Authorized FTEs 2021-22	Proposed FTEs 2022-23	Proposed FTEs 2023-24
<b>822 Fleet Services</b>					
Maintenance Supervisor	1.00	1.00	1.00	1.00	1.00
Lead Mechanic	1.00	1.00	1.00	1.00	1.00
Automotive/ Heavy Equipment Technician	3.00	4.00	4.00	4.00	4.00
Mobile Crane Operator	2.00	2.00	2.00	2.00	2.00
Program Assistant	-	-	1.00	1.00	1.00
Automotive/ Heavy Equipment Assistant	1.00	-	-	-	-
Total Fleet Services	8.00	8.00	9.00	9.00	9.00
<b>830 Plant No. 1 Operations</b>					
Operations Manager	1.00	1.00	1.00	1.00	1.00
Engineering Supervisor	1.00	-	-	-	-
Chief Plant Operator	1.00	1.00	1.00	1.00	1.00
Operations Supervisor	7.00	7.00	7.00	7.00	7.00
Senior Engineer	1.00	1.00	2.00	2.00	2.00
Engineer	1.00	1.00	1.00	1.00	1.00
Principal Staff Analyst	1.00	1.00	1.00	-	-
Scientist	1.00	-	-	-	-
Associate Engineer	2.00	2.00	2.00	2.00	2.00
Principal Environmental Specialist	1.00	-	-	-	-
Lead Plant Operator	4.00	4.00	4.00	4.00	4.00
Lead Power Plant Operator	1.00	1.00	1.00	-	-
Assistant Engineer	1.00	-	-	-	-
Senior Environmental Specialist	1.00	-	-	-	-
Power Plant Operator II	4.00	4.00	4.00	-	-
Senior Plant Operator	14.00	15.00	12.00	14.00	14.00
Staff Analyst	-	-	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Plant Operator	16.00	13.00	17.00	18.00	18.00
Environmental Technician	1.00	-	-	-	-
Control Center Operator	-	2.00	-	-	-
Control Center Technician	2.00	-	-	-	-
Total Plant No. 1 Operations	62.00	54.00	55.00	52.00	52.00
<b>840 Plant No. 2 Operations</b>					
Chief Plant Operator	1.00	1.00	1.00	1.00	1.00
Operations Supervisor	7.00	7.00	7.00	7.00	7.00
Lead Plant Operator	4.00	4.00	4.00	4.00	4.00
Lead Power Plant Operator	1.00	1.00	1.00	-	-
Power Plant Operator II	4.00	4.00	4.00	-	-
Senior Plant Operator	14.00	13.00	16.00	14.00	14.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Plant Operator	18.00	21.00	19.00	18.00	18.00
Total Plant No. 2 Operations	50.00	52.00	53.00	45.00	45.00

# 2022-23 & 2023-24 Budget

Division & Position	Authorized FTEs 2019-20	Authorized FTEs 2020-21	Authorized FTEs 2021-22	Proposed FTEs 2022-23	Proposed FTEs 2023-24
<b>870 Plant No. 1 Maintenance</b>					
Engineering Manager	1.00	1.00	1.00	-	-
Maintenance Manager	1.00	-	-	1.00	1.00
Maintenance Superintendent	1.00	1.00	1.00	1.00	1.00
Engineering Supervisor	1.00	-	-	-	-
Maintenance Supervisor	7.00	8.00	8.00	9.00	9.00
Senior Engineer	1.00	-	-	-	-
Engineer	1.00	1.00	1.00	1.00	1.00
Associate Engineer	1.00	1.00	1.00	1.00	1.00
Maintenance Specialist	11.00	14.00	13.00	14.00	14.00
Lead Electrical Technician	3.00	3.00	4.00	4.00	4.00
Lead Heavy Equipment Mechanic	1.00	-	-	-	-
Lead Instrumentation Technician	1.00	1.00	1.00	2.00	2.00
Lead Power Plant Operator	-	-	-	2.00	2.00
Reliability Maintenance Technician	5.00	5.00	5.00	4.00	4.00
Electrical Technician II	8.00	8.00	8.00	8.00	8.00
Instrumentation Technician II	7.00	9.00	9.00	8.00	8.00
Lead Mechanic	2.00	2.00	2.00	2.00	2.00
Power Plant Operator II	-	-	-	8.00	8.00
Machinist	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Senior Mechanic	18.00	18.00	18.00	17.00	17.00
Senior Heavy Equipment Mechanic	2.00	-	-	-	-
Welder/Fabricator	3.00	3.00	3.00	3.00	3.00
Lead Facilities Worker	1.00	1.00	1.00	1.00	1.00
Electrical Technician I	2.00	2.00	2.00	2.00	2.00
Instrumentation Technician I	2.00	1.00	1.00	1.00	1.00
Facilities Worker/Builder	2.00	2.00	2.00	1.00	1.00
Facilities Worker/Painter	1.00	1.00	1.00	1.00	1.00
Mechanic	1.00	1.00	1.00	1.00	1.00
Total Plant No. 1 Maintenance	86.00	85.00	85.00	94.00	94.00
<b>880 Plant No. 2 Maintenance</b>					
Maintenance Superintendent	1.00	1.00	1.00	1.00	1.00
Maintenance Supervisor	5.00	6.00	6.00	6.00	6.00
Lead Electrical Technician	2.00	2.00	2.00	2.00	2.00
Lead Instrumentation Technician	2.00	2.00	2.00	2.00	2.00
Electrical Technician II	7.00	7.00	7.00	7.00	7.00
Instrumentation Technician II	7.00	6.00	6.00	7.00	7.00
Lead Mechanic	2.00	3.00	3.00	3.00	3.00
Senior Mechanic	14.00	16.00	16.00	16.00	16.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Lead Facilities Worker	1.00	1.00	1.00	1.00	1.00
Electrical Technician I	2.00	2.00	2.00	2.00	2.00
Instrumentation Technician I	1.00	2.00	2.00	2.00	2.00
Facilities Worker/Builder	1.00	1.00	1.00	2.00	2.00
Facilities Worker/Painter	1.00	1.00	1.00	1.00	1.00
Mechanic	1.00	1.00	1.00	1.00	1.00
Maintenance Worker	2.00	1.00	1.00	-	-
Total Plant No. 2 Maintenance	50.00	53.00	53.00	54.00	54.00
<b>Total Operations and Maintenance Department</b>	<b>284.00</b>	<b>284.00</b>	<b>287.00</b>	<b>286.00</b>	<b>286.00</b>
<b>Grand Total, All Departments</b>	<b>640.00</b>	<b>639.00</b>	<b>639.00</b>	<b>647.00</b>	<b>648.00</b>

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# Appropriations Limit

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## ***Appropriations Limit***

Article XIII B of the California State Constitution, more commonly referred to as the Gann Initiative or Gann Limit, was approved by California voters in 1979. 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 FY 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 agency. 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 FY 1986-87 limit for most agencies and each year in between in order to calculate the FY 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 FY 2022-23 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 fiscal years and for FY 2022-23. The increase in the limit is based upon population changes ranging from negative 0.97 percent to positive 0.53 percent for representative cities within the Orange County Sanitation District's service area and a per capita personal income change of 7.55 percent, as provided by the State Department of Finance.

### Annual Appropriation Limits:

2020-21	\$118,695,799
2021-22	\$124,166,799
2022-23	\$132,833,623

As a result of the July 1998 consolidation of the Orange County Sanitation 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 Orange County Sanitation District's service area. This method results in a lower limit than using the county-wide change.

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# 2022-23 & 2023-24 Budget

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## Budget Glossary

### **Accounting System:**

The set of records and procedures which are used to record, classify, and report information on the financial status and operations of an entity.

### **Accrual Basis Accounting:**

Under this accounting method, transactions are recognized when they occur, regardless of the timing of related cash receipts and disbursements.

### **Administrative and Clerical:**

An employee group that provides administrative and clerical support.

### **Ad Valorem Taxes:**

OC San's allocated share of the property taxes assessed by the County representing a 2% annual increase in assessed values of property taxes.

### **Annual Comprehensive Financial Report (ACFR):**

The official financial report of a government. It includes an audit opinion as well as basic financial statements and supporting schedules necessary to demonstrate compliance with legal and contractual requirements of OC San.

### **Annual Budget:**

A budget applicable to a single fiscal year.

### **Appropriation Ordinance:**

The official legal document approved by OC San's Board of Directors authorizing officials to obligate and expend resources.

### **Appropriation:**

An authorization made by OC San's Board of Directors which permits officials to incur obligations against and to make expenditures of governmental resources. Operating appropriations are typically granted for a one-year period.

### **AQMD:**

Air Quality Management District. See also SCAQMD.

### **Assessed Valuation:**

The estimated value of real and personal property used by the Orange County Assessor as the basis for levying property taxes.

### **Balanced Budget:**

A budget in which the sum of estimated net revenues and appropriated fund balances is equal to appropriations.

### **Biennial Budget:**

A budget applicable to two individual fiscal years.

### **Biosolids:**

Treated sewage sludge that meets the USEPA pollutant and pathogen requirements for land application as an agricultural soil conditioner or surface disposal.

### **Budget Document:**

The official financial spending and resource plan submitted by the General Manager, adopted by the Board of Directors, and made available to the public and other interested parties.

### **Budget Message:**

A written explanation by the General Manager of the proposed budget. The budget message explains principal budget and policy issues and presents an overview of the General Manager's budget recommendations.

### **Budget Calendar:**

The schedule of key dates which OC San follows in preparing and adopting the budget.

### **Capital Facilities Capacity Charge (CFCC):**

A one-time, nondiscriminatory charge imposed at the time a building or structure is newly connected to OC San's system, directly or indirectly, or an existing structure or category of use is expanded or increased. This charge is to pay for District facilities in existence at the time the charge is imposed, or to pay for new facilities to be constructed in the future, that are of benefit to the property being charged. This charge does not apply to temporary facilities.

### **Capital Improvement Program (CIP):**

A plan over a period of five years setting forth each capital project, the amount to be expended in each year, and the method of financing capital expenditures.

### **Capital Outlay:**

Cash outlays which result in the acquisition of or additions to capital assets. Examples include land, buildings, machinery, equipment, and other improvements.

### **Capital Assets:**

Assets of significant value which have a useful life of several years. Examples are land, buildings, other improvements, machinery, and equipment.



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## Budget Glossary

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**Cash Basis Accounting:**

A basis of accounting under which transactions are recognized only when cash is received or disbursed.

**CCTV:**

Closed-circuit television (CCTV), also known as video surveillance, is technology often used by the OC SAN to inspect and document the condition of underground sewer lines.

**CEQA:**

California Environmental Quality Act, is a statute that requires state and local agencies to identify the significant environmental impacts of their actions and to avoid or mitigate those impacts, if feasible.

**Certificates of Participation (COPs):**

A type of debt financing in which certificates are issued which represent an investor's participation in the stream of lease payments paid by the issuer. COPs are secured by the lease payments. Voter approval is not required prior to issuance.

**Contingency:**

A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

**Contingent Liabilities:**

Items which may become liabilities of OC San but are undetermined at a given date, such as pending law suits, unsettled disputed claims, unfilled purchase orders, and uncompleted contracts.

**Contractual Services:**

Personal services provided to OC San from the private sector or other public agencies.

**CRWQCB:**

California Regional Water Quality Control Board.

**Debt Service:**

Payment of interest and repayment of principal to holders of OC San's debt instruments.

**Decision Package:**

A standardized format whereby departments may request budgetary consideration for new programs, positions, capital equipment, and position reclassification.

**Deficit:**

The excess of an entity's liabilities over its assets.

**Engineers:**

A professional engineers/employee group.

**Enterprise Fund:**

In governmental accounting, a fund that provides goods or services to the public for a fee that makes the entity self-supporting.

**Executive Manager:**

The group of employees which head each department.

**Expenditures / Expenses:**

Where accounts are kept on the accrual basis of accounting, expenses are recognized when goods are received or services rendered. Where accounts are kept on a cash basis, expenditures are recognized only when the cash payments are made.

**FEMA:**

Federal Emergency Management Agency. This agency provides federal grant monies for disaster relief.

**Fiscal Year (FY):**

A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and results of its operations. OC San's fiscal year runs from July 1 - June 30.

**Five-Year Financial Forecast:**

Estimates of future revenues and expenditures to help predict the future financial condition of the community.

**FLSA:**

The Fair Labor Standards Act sets minimum wage, overtime pay, equal pay, and Child Labor Standards to private and public sector employees. Enforcement of the FLSA is assigned to the Department of Labor (DOL), Wage and Hour Division.

**Fats, Oils, & Grease (FOG) Control Program:**

Educational and regulatory efforts designed to achieve reductions in the quantity of fats, oils and grease that is found in the wastewater that is discharged into OC San's sewerage system.

**Full-Time Equivalents (FTE):**

The amount of time a regular, full-time employee normally works in a year. For example, a full-time employee (1 FTE) is budgeted to work 2,080 hours per year, while a .5 FTE is budgeted to work 1,040 hours per year.

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# 2022-23 & 2023-24 Budget

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**Fund:**

An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities.

**Fund Accounting:**

System used by nonprofit organizations, particularly governments. Since there is no profit motive, accountability is measured instead of profitability. The main purpose is stewardship of financial resources received and expended in compliance with legal requirements.

**Fund Equity:**

The excess of an entity's assets over liabilities.

**General Obligation Bonds:**

Bonds for which the full faith and credit of the insuring government are pledged for payment. Ad valorem property taxes are pledged to pay the bonds. A two-thirds voter approval is required prior to bond issuance.

**Generally Accepted Accounting Principles (GAAP):**

Uniform standards for financial accounting and reporting. They govern the form and content of the basic financial statements of an entity.

**Government Finance Officers Association (GFOA):**

A nonprofit, professional association, serving over 18,000 government finance professionals through the United States and Canada.

**GFOA's Best Practices and Advisories:**

A listing of the Accounting, Auditing, and Financial Reporting, Treasury and Investment Management, Budgeting and Fiscal Policy, Debt Management, Retirement and Benefits Administration, and Economic Development and Capital Planning practices identified as contributing to improved government management by the Government Finance Officers Association of the United States and Canada.

**GFOA's Distinguished Budget Presentation Award Program:**

The only national awards program in governmental budgeting. It represents a significant accomplishment in meeting the highest principles of governmental budgeting and satisfying nationally recognized guidelines for effective budget presentation.

**Groundwater Replenishment System (GWRS):**

A joint project by the Orange County Water District (OCWD) and OC San, the GWRS reclaims up to 100 million gallons a day of OC San's secondary effluent. GWRS is the world's largest water purification system for indirect potable reuse. The system takes highly treated wastewater that would have previously been discharged into the Pacific Ocean and purifies it using a three-step advanced treatment process consisting of microfiltration, reverse osmosis and ultraviolet light with hydrogen peroxide. The process produces high-quality water that meets or exceeds all state and federal drinking water standards.

**Improvements:**

Buildings, structures, or attachments to land such as sidewalks, trees, drives, tunnels, drains and sewers.

**Interest:**

Revenue derived from the investment of idle cash and/or reserves.

**Intergovernmental Services:**

Purchases from other governments of those specialized services typically performed by local governments.

**Intergovernmental Revenue:**

Revenue received from other governmental agencies and municipalities.

**IRWD:**

Irvine Ranch Water District is a California Special District formed in 1961 and incorporated under the California water code. IRWD provides potable water, sewer service and reclaimed (or recycled) water to its customers in Irvine and portions of Costa Mesa, Lake Forest, Newport Beach, Orange, Tustin and unincorporated areas of Orange County.

**Levy:**

(Verb) To impose taxes, special assessments, or service charges for the support of governmental activities. (Noun) The total amount of taxes, special assessments, or service charges imposed by a government levying property taxes.

**Long-Term Debt or Long-Term Liabilities:**

Debt borrowed from a source outside OC San with a maturity of more than one year after the date of issuance.

**Maintenance Employees:**

An employee group of OC San.

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# Budget Glossary

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**Manager Employees:**

The group of employees who assume management responsibilities for operating divisions.

**MGD:**

Million Gallons per Day is a measurement of water or wastewater flow.

**NPDES (National Pollution Discharge Elimination System):**

Permit system established by the U.S. Environmental Protection Agency to regulate discharge of treated sewage, storm water, and urban runoff.

**Object:**

An expenditure classification which refers to the type of item purchased or the service obtained. Examples include personnel, supplies, or contract services.

**OC San University (OC San U):**

The OC San University (OC San U) is a voluntary employee development program designed to help OC San meet evolving organizational needs. Employees can participate in various learning opportunities including mentoring, a leadership academy, online learning, and monthly presentations on topics pertinent to employees and OC San.

**OCWD:**

The Orange County Water District (OCWD) is a California special district that manages the groundwater basin beneath central and northern Orange County, California.

**OES:**

State Office of Emergency Services. This agency provides state grant monies for disaster relief.

**Operating Engineers:**

An employee group of OC San.

**Operating Budget:**

The operating budget is the primary means by which most of the financing of acquisition, spending, and service delivery activities of a government are controlled.

**Other Revenues:**

Revenues from sources, other than those specifically identified, that are immaterial in amount and do not justify reporting as separate line items.

**Other Charges:**

Expenditures that do not fit in other categories, are

immaterial in amount, and do not justify reporting as separate line items.

**Performance Measure:**

Represents the objectives of each department along with a target date for achieving the objective.

**Performance Results:**

A summary of major accomplishments and objectives that were met during the fiscal year.

**Permits:**

Revenues earned by the issuance of permits levied in accordance with the benefits conferred by the permit.

**Personnel:**

Salaries and benefits paid to OC San's employees. Included are items such as special duty pay, insurance, and retirement.

**Personnel Benefits:**

Those benefits paid by OC San as conditions of employment. Examples include insurance and retirement benefits.

**Professional Employees:**

An employee group consisting of technical experts, analysts, and planners.

**Program:**

Organizational units directed to attain specific purposes or objectives.

**Reserve:**

A term used to indicate that a portion of fund equity is restricted for a specific purpose.

**Resources:**

Total dollars available for appropriations including estimated revenues and beginning fund equity.

**Revenue Bonds:**

Bonds issued pledging future revenues such as sewer charges to cover debt payments. A majority voter approval is required prior to bond issuance.

**Revenue Estimate:**

A formal estimate of how much revenue will be earned from a specific revenue source for some future period, typically a fiscal year.

**Revenue:**

Income received by OC San to support wastewater treatment services. This income may be in the form

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## 2022-23 & 2023-24 Budget

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of property taxes, fees, user charges, grants, and interest.

**Risk Register:**

The Risk Register is a compilation of the various risks facing OC San, as seen by OC San's management team.

**Service Charges:**

Charges for specific services rendered.

**Service Description:**

A description of the services or functions provided by each department or division.

**Supervisory Control And Data Acquisition (SCADA):**

A system for remote monitoring and control that operates with coded signals over communication channels.

**SCAQMD:**

The South Coast Air Quality Management District, also using the acronym SCAQMD, formed in 1976, is the air pollution agency responsible for regulating stationary sources of air pollution in the South Coast Air Basin, in Southern California.

**Secondary Treatment:**

A treatment process for wastewater (or sewage) to achieve a certain degree of effluent quality by using a sewage treatment plant with physical phase separation to remove settleable solids and a biological process to remove dissolved and suspended organic compounds.

**Significant Changes:**

This section provides an overview of the changes adopted in the budget. Additionally, the significant impacts of budgetary changes are outlined (Budget Impact) along with dollar amounts (Increase/Decrease).

**Strategic Goals:**

Organization-wide goals that demonstrate OC San's long-term commitment to excellence and that establish the framework necessary to maintain OC San's high level of service standards.

**Strategic Plan:**

A planning effort to define OC San's goals, responsibilities, and requirements over a specified future period. Key factors used in the planning effort include estimates for population growth, new construction, the volume of wastewater delivered to the plants, and viable water conservation and reclamation programs.

**Supervisory Employees:**

An employee group whose members have responsibility for directing the work of line employees.

**Supplemental Appropriation:**

An appropriation approved by the Directors after the initial budget is adopted.

**Supplies:**

An expenditure classification for articles and commodities purchased for consumption or resale. Examples include office and operating supplies, fuel, power, water, gas inventory, or small tools and equipment.

**SWRCB:**

The California State Water Resources Control Board (SWRCB) is one of six branches of the California Environmental Protection Agency.

**Taxes:**

Compulsory charges levied by a government for the purpose of financing services performed for the common benefit.

**Technical Services:**

Support services to OC San's wastewater management program through environmental sampling, analysis and research, source control of industrial users, administration of compliance programs to meet federal, state and local environmental standards; provides leadership and influence in the development and implementation of environmental policies, laws, and regulations.

# Miscellaneous Statistics

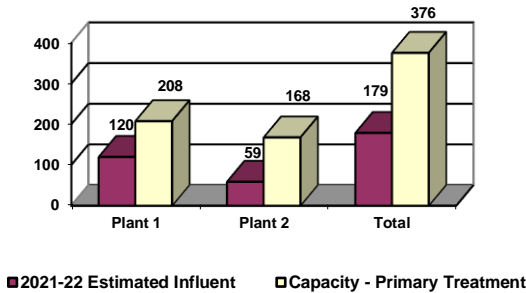
## General Information

Year of Formation ..... 1948  
 Form of Government.....County Sanitation District  
 Authority.....Section 4700 et. seq.  
 .....California Health & Safety Code  
 Service Area.....479 sq. miles  
 Service Population.....Approximately 2.6 million  
 2021-22 Assessed Value.....\$516.2 billion

Miles of Sewers ..... 388 miles  
 On-Plant Pump Station.....2  
 Off-Plant Pump Stations..... 15  
 Operating Authority .....RWQCB/NPDES Permit No.  
 .....CA0110604  
 .....Statewide WDR Order No. 2006-0003  
 Authorized Staff (Full-Time Equivalent)..... 647.00

## Treatment Information

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



2020-21 Influent BOD:

Plant No. 1 .....292 milligrams per liter  
 Plant No. 2 .....201 milligrams per liter

2020-21 Influent Suspended Solids:

Plant No. 1 .....310 milligrams per liter  
 Plant No. 2 .....325 milligrams per liter

2020-21 Effluent BOD ..... 13 milligrams per liter

2020-21 Effluent Suspended Solids ....5 milligrams per liter

2020-21 Biosolids Produced & Reused .. 198,306 wet tons

Primary Treatment Capacity (includes standby):

Plant No. 1 .....208 MGD  
 Plant No. 2 .....168 MGD  
 TOTAL .....376 MGD

2021-22 Estimated Average Daily Influent:

Plant No. 1 ..... 120 MGD  
 Plant No. 2 .....59 MGD  
 TOTAL.....179 MGD

Secondary Treatment Capacity:

Plant No. 1 .....182 MGD  
 Plant No. 2 ..... 150 MGD  
 TOTAL .....332 MGD

2021-22 Estimated Electricity Generated:

Plant No. 1 .....36,757,403 kWh  
 Plant No. 2 ..... 47,929,825 kWh  
 TOTAL.....84,687,228 kWh

Legend:

MGD – million gallons per day  
 kWh – kilowatts per hour

## Financial Information

	2020-21 Actual	2021-22 Projected	2022-23 Proposed	2023-24 Proposed
<b>Fees and Charges:</b>				
One-Time 3-Bedroom Residence Connection	\$4,973.00	\$5,346.00	\$5,719.00	\$5,719.00
Average Annual Single-Family Residence Fee	\$339	\$343	\$347	\$347
Local SRF Fee	\$108	\$108	\$108	\$108
OC San's Avg. Share of Ad Valorem Property Tax	1.59%	1.59%	1.59%	1.59%
Cost to Collect, Treat, & Dispose of One Million Gallons	\$ 2,428.28	\$ 2,782.37	\$2,977.60	\$3,107.06

### Summary of COP Issues:

May 2010A New Money	\$ 80,000,000	March 2016A Refunding	131,965,000
November 2010C New Money	157,000,000	February 2017A Refunding	65,815,000
August 2014A Refunding	47,835,000	July 2021A Refunding	128,040,000
February 2015A Refunding	127,510,000	February 2022A Refunding	81,620,000
		Total Outstanding COP Balance 7/1/22	<u>\$ 819,785,000</u>

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# Miscellaneous Statistics

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## ORANGE COUNTY SANITATION DISTRICT

Estimated Population Served by the  
Orange County Sanitation District

	<b>Population as of January 1, 2022</b>
Anaheim	341,245
Brea	46,872
Buena Park	83,430
Costa Mesa	111,394
Cypress	49,810
Fountain Valley	56,564
Fullerton	142,732
Garden Grove	170,526
Huntington Beach	196,100
Irvine	310,250
La Habra	61,792
La Palma	15,332
Los Alamitos	11,873
Newport Beach	83,727
Orange	137,676
Placentia	51,204
Santa Ana	308,459
Seal Beach	24,846
Stanton	39,275
Tustin	79,535
Villa Park	5,782
Westminster	90,393
Yorba Linda	67,233
Subtotal Cities <sup>(1)</sup>	<u>2,486,050</u>
Estimated Population Served in Unincorporated Areas <sup>(2)</sup>	<u>69,266</u>
	<u><u>2,555,316</u></u>

**Data Source:**

(1) Demographic Research Unit, State of California Department of Finance

(2) Center for Demographic Research, California State University, Fullerton.

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