

PROPOSED BUDGET

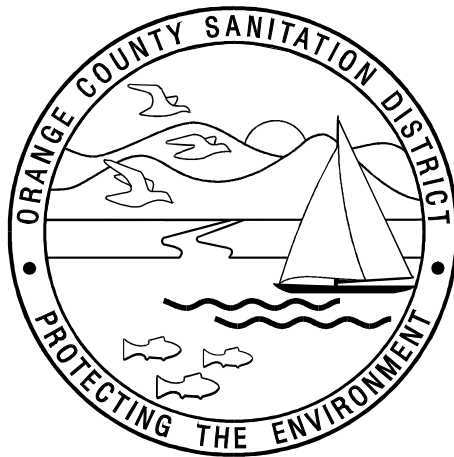


**FISCAL YEARS
2020-2021 and 2021-2022**

Orange County Sanitation District, California



Orange County Sanitation District, California FY 2020-21 & FY 2021-22 Proposed Budget

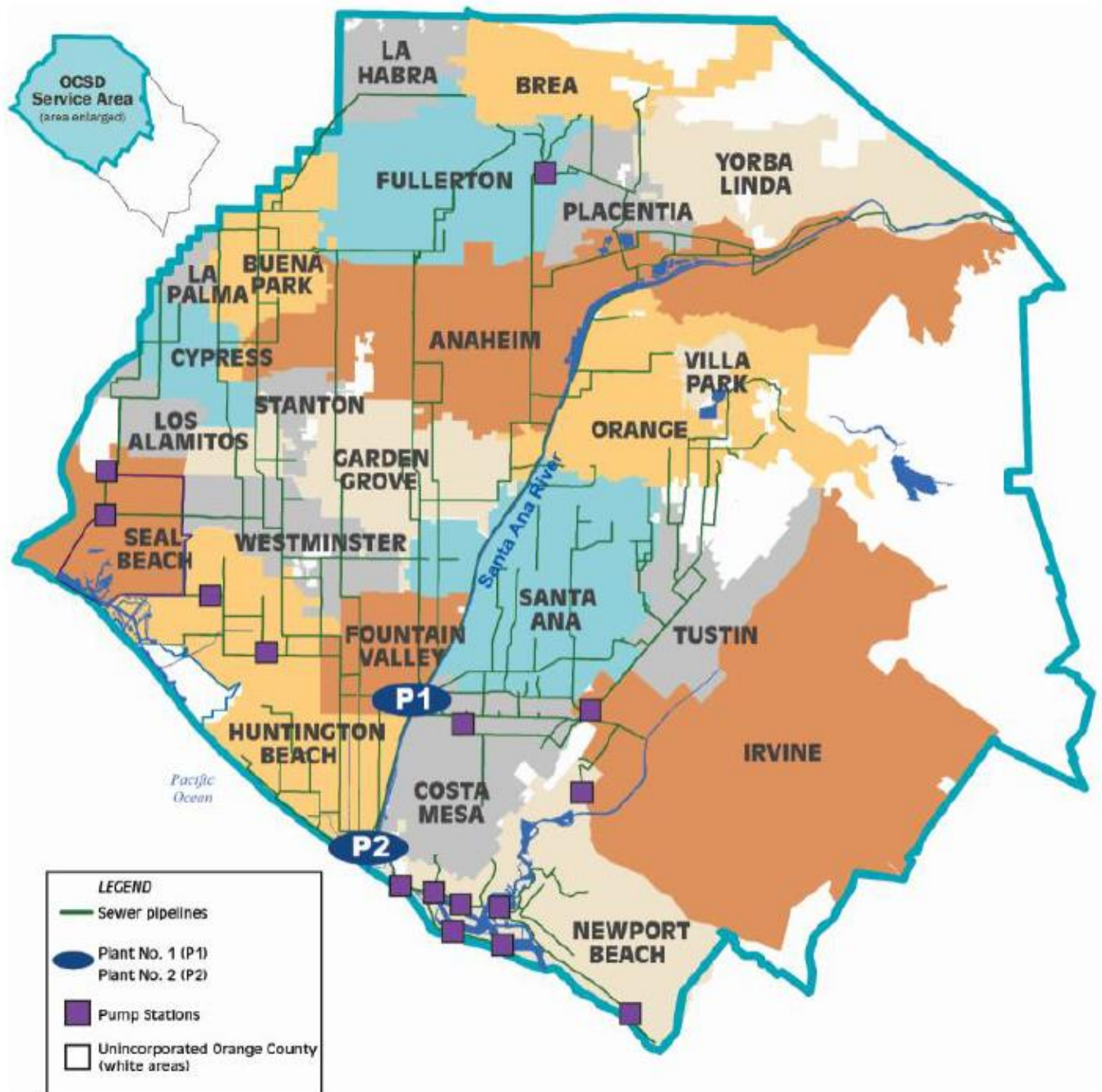


MISSION STATEMENT

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

*For Fiscal Years
July 1, 2020 through June 30, 2021 and
July 1, 2021 through June 30, 2022*

2020-21 & 2021-22 Budget



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GFOA Budget Presentation Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Orange County Sanitation District
California**

For the Fiscal Year Beginning

July 1, 2018

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, 2018.

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.

2020-21 & 2021-22 Budget

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Reader's Guide to the Budget

Reader's Guide to the Budget

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

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

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

Section 1 – Executive Summary

The Executive Summary highlights critical issues and financial information regarding the District's FY 2020-21 & FY 2021-22 Budget.

Section 2 – Introduction

- **Financial Overview and Budget Issues** - This section highlights the issues impacting the FY 2020-21 & FY 2021-22 Budget.

Section 3 – Policies and Practices

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

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

Section 4 - District Summary

This summary section is a comprehensive overview of the FY 2020-21 & FY 2021-22 Budget with a focus on all consolidated District funds. Included are tables and graphs for both revenues and expenses.

Section 5 – Operations Overview

This section is a comprehensive overview of the District's operating costs and related revenues for FY 2020-21 and FY 2021-22. The District's operations include collection, treatment, and disposal activities. Tables are included for revenues and expenses to assist the reader in interpreting the data.

Section 6 – Operating Divisions

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

- **Organization Chart** - An organization chart by position is provided for each division.
- **Authorized FTE Positions**- The total number of full-time equivalent positions assigned to each division is included in this table.
- **Staffing Trends** - A multi-year staffing trend chart is provided to show the changes that have occurred in each division over time.
- **Service Description** - A description of the services or functions provided by each division.
- **2019-20 Performance Objectives** - This section represents the objectives defined by the division for the previous fiscal year.

2020-21 & 2021-22 Budget

- **2019-20 Performance Results** - A summary of major accomplishments and objectives that were actually met during the previous fiscal year.
- **2020-21 & 2021-22 Performance Objectives** - A list of projected goals to be accomplished during the 2020-21 and 2021-22 fiscal years.
- **Performance Measures** - A listing of the measures that will be used to evaluate the success of the budgeted fiscal years.
- **Budget Overview** - This section provides an overview of changes from the FY 2019-20 Budget to the FY 2020-21 & FY 2021-22 Budget. Additionally, the significant impacts of budgetary changes are outlined along with dollar amounts.
- **Expenses by Category** - A chart comparing the FY 2018-19 actual expenses and the FY 2019-20 budgeted and projected expenses against the proposed budget for FY 2020-21 & FY 2021-22. The percent change from the FY 2019-20 Budget compared to the FY 2020-21 Budget is also included.
- **Expenditure Trends** - This graph provides a multi-year historical trend of divisional expenses.

Section 7 - Self-Insurance Program

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

Section 8 - Capital Improvements

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

Section 9 - Debt Financing Program

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

Section 10 – Appendix

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

OCSD Board of Directors

Orange County Sanitation District Board of Directors

AGENCY / CITIES

ACTIVE DIRECTOR

Anaheim	Lucille Kring
Brea	Glenn Parker
Buena Park	Fred Smith
Cypress	Mariellen Yarc
Fountain Valley	Steve Nagel
Fullerton	Jesus J. Silva
Garden Grove	Steve Jones
Huntington Beach	Erik Peterson
Irvine	Christina Shea
La Habra	Tim Shaw
La Palma	Peter Kim
Los Alamitos	Richard Murphy
Newport Beach	Brad Avery
Orange	Mark Murphy
Placentia	Chad Wanke
Santa Ana	Cecilia Iglesias
Seal Beach	Sandra Massa-Lavitt
Stanton	David Shawver
Tustin	Allan Bernstein
Villa Park	Robert Collacott

Sanitary Water Districts

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

County Areas

Member of the Board of Supervisors

Doug Chaffee

2020-21 & 2021-22 Budget

Board Committees

STEERING COMMITTEE

David Shawver, Board Chair
John Withers, Board Vice-Chair
Chad Wanke, Chair, Administration Committee
Robert Collacot, Chair, Operations Committee
Peter Kim, LaPA Committee
Glen Parker, Member-At-Large
Tim Shaw, Member-At-Large

ADMINISTRATION COMMITTEE

Chad Wanke, Chair
Richard Murphy, Vice-Chair
James Ferryman
Cecilia Iglesias
Peter Kim
Mark Murphy
Steve Nagel
Andrew Nguyen
Glenn Parker
Erik Peterson
Christina Shea
David Shawver, Board Chair
John Withers, Board Vice-Chair

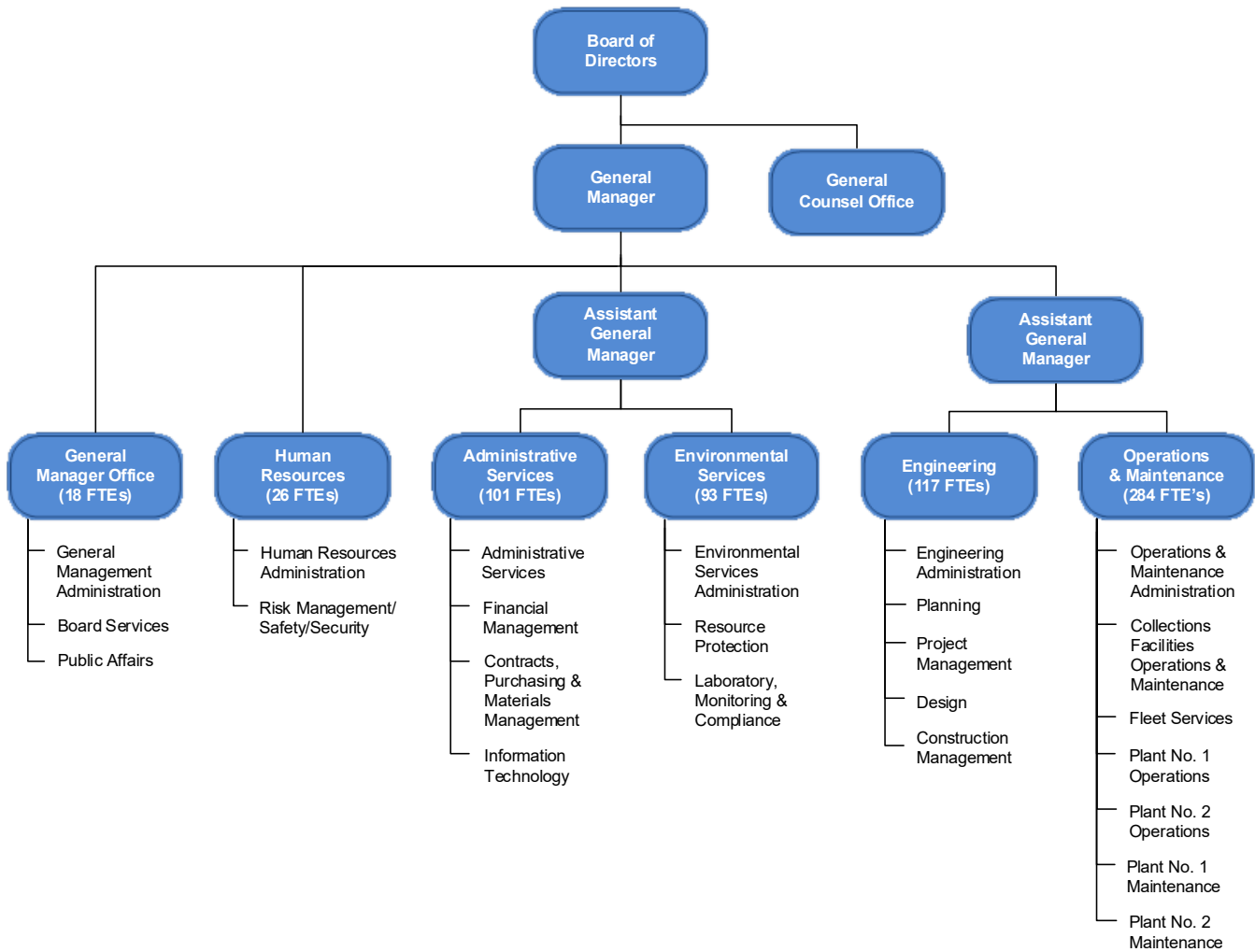
OPERATIONS COMMITTEE

Robert Collacott, Chair
Mariellen Yarc, Vice-Chair
Brad Avery
Allan Bernstein
Doug Chaffee
Brooke Jones
Steve Jones
Lucille Kring
Sandra Massa-Lavitt
Tim Shaw
Jesus J. Silva
Fred Smith
David Shawver, Board Chair
John Withers, Board Vice-Chair

LEGISLATIVE AND PUBLIC AFFAIRS COMMITTEE

Peter Kim, Board Chair
Allan Bernstein, Board Vice-Chair
Lucille Kring, Member-At-Large
Erik Peterson, Member-At-Large
Christina Shea, Member-At-Large
David Shawver, Board Chair
John Withers, Board Vice-Chair

District's Organizational Chart



2020-21 & 2021-22 Budget

Administrative Officials

Departments

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

Orange County Sanitation District

10844 Ellis Avenue, Fountain Valley, CA 92708
714.962.2411 | www.ocsd.com

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

June 1, 2020

Honorable Chair and Board of Directors:

I am pleased to submit the Orange County Sanitation District's (OCSD) Proposed Budget for fiscal years 2020-2021 and 2021-2022. This document lays out the framework of OCSD's activities during the next two years and serves as a source of information for OCSD'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 2019.

This budget is being submitted at a challenging time for our community, the state, and our nation amid the COVID-19 pandemic. There are unknowns and uncertainties regarding the duration, the immediate and long-term impacts, and what the new "normal" will look like. During the budget preparation and presentation, our staff has been aware of, and has considered this extraordinary situation. Fortunately, under the guidance and policies set by the Board of Directors, the proposed budget reflects a financially sound and stable organization capable of weathering this storm.

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

- **Operational Readiness** – OCSD has always been a forward-looking agency, whether it is for operational reliability, future infrastructure needs, emergency events such as spills and storms, or unknown situations such as pandemics. We have Business Continuity Plans in place, and we conduct regular tabletop exercises for various scenarios to allow us to respond quickly and effectively without compromising our mission or levels of service. As we move forward, our efforts will continue to focus on planning, preparation, and integration so that regardless of what future situations we face, OCSD will be ready.
- **Expanded Recycling Efforts**
 - **Groundwater Replenishment System Final Expansion** – In partnership with the Orange County Water District (OCWD), our agency recycles enough water to supply the needs of 850,000 people through the Groundwater Replenishment System (GWRS). Earlier this year, construction began on the Final Expansion phase of this internationally recognized project. Changes and additions to infrastructure will allow for the treated water from Plant No. 2 that is currently underutilized, to be processed at the GWRS facility in Fountain Valley. With this final phase, the GWRS will provide a reliable water source for over one million people in central and northern Orange County.



Our Mission: To protect public health and the environment by providing effective wastewater collection, treatment, and recycling



- Food Waste Treatment Facility – A project created for cities in our service area to satisfy the requirements of California State Assembly Bill 1826 and Senate Bill 1383 which require that organic wastes be diverted away from landfills. This regulatory shift has created an opportunity in the wastewater sector to provide a cost effective and environmentally friendly service to help manage organics using OCSD’s existing anaerobic digesters, which in turn will produce renewable energy to power our treatment plants.
- Headquarters Complex – In our ongoing effort to streamline our operations and planning, we have acquired 7.5 acres across Ellis Avenue from Reclamation Plant No. 1 in Fountain Valley. The buildings on those properties will be demolished to make room for a consolidated headquarters building to house the staff that are currently located in various buildings and trailers spread out on the existing 100-acre wastewater treatment facility. Adding a headquarters complex will free up needed space for future wastewater treatment infrastructure and will centralize our administrative functions. Today, we are 95 percent complete in design and expect to enter construction in 2021 and be move-in ready by the end of 2023.
- Capital Improvement Program – OCSD’s Capital Improvement Program (CIP) has evolved over time. It began by focusing on creating the initial infrastructure of the collections and treatment system, shifted to expanding capacity, and now our focus is on aging infrastructure, incorporating climate resiliency, seismic risk, and maximizing resource recovery. During the evolution of this program, one thing has remained; OCSD facilities must operate reliably with sound financial management. While the COVID-19 pandemic has resulted in operational modifications, our CIP has not been significantly impacted. OCSD will continue to construct essential wastewater infrastructure, investing \$500 million in wastewater infrastructure in the next year and a half, issuing construction contracts for 37 projects and helping keep the economic engine running in Orange County.
- Infrastructure Reliability and Asset Management – OCSD’s infrastructure must operate continuously day and night. Reliability must be built into all that we do and that includes managing the condition of our \$11 billion in assets to ensure they are running effectively. Over the past two years, we made a concerted effort to establish an updated and more robust understanding of the condition and performance of all critical and major assets and our ability to meet established levels of service. As we embark on another year of this renewed asset management program, we have updated our Asset Management Plan to develop a tactical approach for addressing asset condition and performance issues. 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. OCSD will be investing an additional \$4 million in repairs and maintenance this next year.

***Our Mission:** To protect public health and the environment by providing effective wastewater collection, treatment, and recycling*



- 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, as are enhancements to our physical, electronic, and cyber security infrastructure.
- Staffing Cost Containment – While continuing to implement programs to enhance our resiliency, reliability and resource recovery, this budget displays our commitment to efficiency as it includes a small reduction in staffing.

OCS D has worked very hard to create an integrated planning environment which begins with the strategic and policy expectations of the Board of Directors and flows down to the work product of each employee. We have worked to ensure communication and transparency among our staff members so that they are aligned and working together in support of the plan.

OCS D will continue to provide wastewater collection, treatment, recycling, facilities maintenance, ocean monitoring, and many other services while keeping rates among the lowest in California. This budget fully supports the goals and levels of service included in the Orange County Sanitation District's Strategic Plan and positions us well to proactively manage in the coming years.

A handwritten signature in blue ink that reads 'James D. Herberg'. The signature is fluid and cursive.

James D. Herberg
General Manager
Orange County Sanitation District

***Our Mission:** To protect public health and the environment by providing effective wastewater collection, treatment, and recycling*

Mission, Vision and Core Values

ORANGE COUNTY SANITATION DISTRICT CORE VALUES

MISSION STATEMENT

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

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

VISION STATEMENT

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

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

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

Core Values

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

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

Executive Summary

This FY 2020-21 and FY 2021-22 budget represents a consolidation of two one-year proposed operating and capital budgets. OCSD's FY 2020-21 operating and capital improvement budget is proposed at \$400.2 million, a 0.1 percent decrease over the prior year budget of \$400.8 million. This overall decrease is primarily attributable to a decrease of \$5.7 million in net Capital Improvement Program (CIP) Outlay, and \$5.6 million increase in operating costs.

OCSD's FY 2021-22 operating and capital improvement budget is proposed at \$661.5 million, a 65.3 percent increase from the FY 2020-21 proposed budget. There is an additional \$173.9 set aside in the budget for early retirement of debt. The remainder of the increase is mostly comprised of a \$93.2 million, or 63.1 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, \$2.7 billion CIP.

The table below summarizes the District's funding requirements:

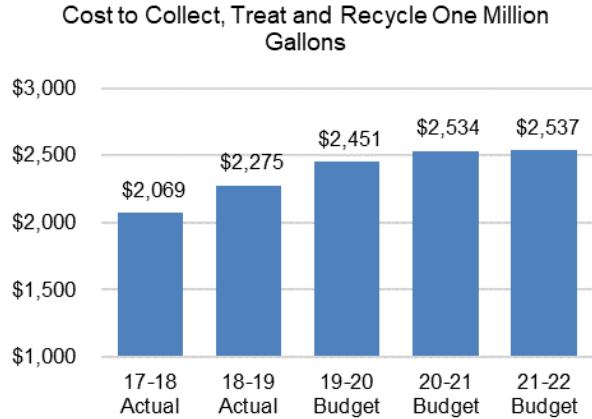
Category	2018-19 Actual	2019-20 Budget	2020-21 Proposed	2021-22 Proposed
Capital Improvement Program	\$163.1	\$153.3	\$147.6	\$240.8
Operating Expenses / Self Ins	168.6	170.7	176.3	176.5
Debt Service*	74.5	76.8	72.8	240.6
Intradistrict Transfers	19.7	0.0	3.5	3.5
Total Outlays	425.9	400.8	400.2	661.5
Ending Reserves	760.5	786.7	931.2	767.0
Total Funding Uses	\$1,186.4	\$1,187.5	\$1,331.4	\$1,428.5

*The fiscal year 2021-22 debt service amount includes a payment of \$173.9 million toward the Sanitation District's maturing and callable debt.

This FY 2020-21 and FY 2021-22 budget continues to reflect the agency's ongoing efforts to streamline operations. Staffing levels are being proposed at 639.0 full time equivalent (FTE) positions, a decrease of 1.0 FTE position, or 0.1 percent over the 640.0 FTE staffing level that was approved for FY 2019-20.

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 \$147.6 million and \$240.8 million proposed CIP outlay for FY 2020-21

and FY 2021-22 is part of the \$5.8 billion for active and future projects identified within the recently completed Annual CIP Validation Process.



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

Category	2018-19 Actual	2019-20 Budget	2020-21 Proposed	2021-22 Proposed
Beginning Reserves	\$688.3	\$716.8	\$843.1	\$931.2
Service Fees	311.8	313.1	320.4	329.1
Property Taxes	98.3	96.4	99.9	102.0
Permit User Fees	9.9	9.9	13.0	13.1
Capital Capacity Charges	21.0	18.0	20.1	20.7
Interest	28.7	6.6	13.2	12.7
Intradistrict Transfers	19.7	0.0	3.5	3.5
Debt Proceeds	0.0	0.0	0.0	0.0
Other Revenue	8.7	26.7	18.2	16.2
Total Funding Sources	\$1,186.4	\$1,187.5	\$1,331.4	\$1,428.5

Budget Overview

The agency's two treatment plants, located in Fountain Valley and Huntington Beach, process a combined 188 million gallons of wastewater each day generated by approximately 2.6 million people in central and northwest Orange County.

The FY 2020-21 proposed budget to operate, maintain and manage our sewage collection, treatment and disposal system is \$173.9 million, an increase of 3.4 percent, or \$5.7 million, from the prior year budget.

Contractual services are proposed to decrease \$2.8 million, or 12.7 percent, due to less reliance on outside consultants and the reclassification of some of the services into maintenance.

2020-21 & 2021-22 Budget

Overhead cost allocation out to the CIP has been increased by \$0.4 million, or 2.2 percent based on an updated District-wide full cost allocation plan.

Combined utilities costs for natural gas, electricity, and water are proposed to decrease \$0.9 million, or 9.6 percent, due to increased operational efficiencies.

Offsetting these positive impacts on operating costs, repairs and maintenance costs are proposed to increase \$4.9 million or 20.9 percent. This increase is mostly attributable to increases in basic repairs and maintenance costs including the overhaul of dewatering centrifuges at an estimated cost of \$2.0 million and major rehabilitation of primary and secondary clarifiers at both plants is planned for \$2.5 million.

Personnel costs are budgeted to increase \$3.6 million, or 3.7 percent, primarily due to the increase in budgeted salaries and wages in accordance with previously approved labor agreements.

The FY 2021-22 proposed operating budget is \$174.1 million, an increase of \$0.2 million, or 0.1 percent over the FY 2020-21 proposed budget.

Personnel costs are proposed to increase \$5.2 million, or 5.1 percent increase due primarily to increases in salaries per approved labor agreements, group insurances and retirement costs. Staffing is being proposed to remain unchanged from the 639.0 FTE positions proposed for FY 2020-21.

Repairs and maintenance costs are being proposed to decrease \$4.2 million or 14.8 percent, primarily due to an overall reduction in deferred corrective maintenance completed in previous years.

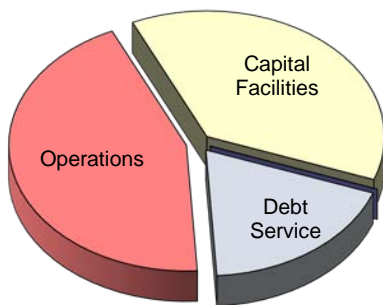
Overhead cost allocation out to the CIP has been increased by \$0.9 million, or 4.3 percent based on an updated the District-wide full cost allocation plan.

The cost per million gallons of wastewater treated, an industry-wide performance measurement is expected to increase in FY 2020-21 to \$2,534, a \$96, or 3.9 percent increase over the prior year budget of \$2,438, and increase in FY 2021-22 to \$2,537, a \$3, or 0.1 percent increase from the FY 2020-21 proposed budget. The 3.9 percent increase in FY 2020-21 is primarily due to the budget increase and the projected wastewater flows through the treatment system from remaining consistent at 188 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 188 MGD in FY 2021-22.

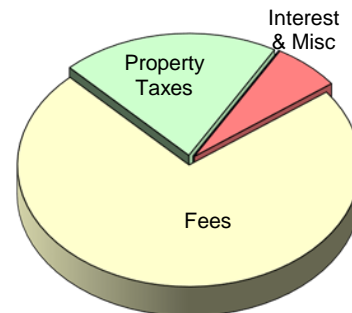
OCSD's CIP net cash flow budget for FY 2020-21 is \$147.6 million, an increase of \$28.0 million from the prior year estimated total. The CIP cash flow budget for FY 2021-22 is \$240.8 million, an increase of \$93.2 million from the FY 2020-21 proposed CIP cash flow. This CIP two-year cash flow budget 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 in the 2020 validation of the CIP.

FY 2020-21

Uses of Funds



Source of Funds



Executive Summary

How Resources Are Used

District 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

	2018-19 Actual	2019-20 Budget	2020-21 Proposed	2021-22 Proposed
Salaries, Wages & Benefits	\$102,928,375	\$98,434,240	\$102,081,800	\$107,254,300
Administrative Expenses	1,432,347	2,027,930	2,034,004	1,859,661
Printing & Publication	274,914	329,970	415,375	426,350
Training & Meetings	664,845	1,109,740	1,075,111	968,932
Operating Materials & Supplies	16,945,647	21,008,781	21,460,704	21,330,295
Contractual Services	20,516,256	22,033,974	19,235,353	19,438,502
Professional Services	4,601,991	5,586,170	5,709,648	5,806,912
Research & Monitoring	935,801	1,099,600	1,304,700	1,428,700
Repairs and Maintenance	18,807,050	23,469,642	28,372,645	24,178,807
Utilities	7,795,426	9,250,310	8,364,954	8,378,838
Other Materials, Supplies & Services	3,462,314	4,244,740	4,681,932	4,704,942
Cost Allocation - CIP	<u>(19,709,063)</u>	<u>(20,378,610)</u>	<u>(20,825,710)</u>	<u>(21,711,080)</u>
Net Operating & Maintenance Expenses	<u>\$158,655,903</u>	<u>\$168,216,487</u>	<u>\$173,910,516</u>	<u>\$174,065,159</u>

Facilities 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 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 OCSD's mission over the next 20 years.

The proposed net CIP outlays for FY 2020-21 and FY 2021-22 are \$147.6 million and \$240.8 million, respectively, and are part of an overall 20-year CIP outlay of \$5.8 billion for all planned active and future projects, as well as outlays allotted for future rehabilitation and replacement of OCSD'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, the District's Board of Directors set a goal of recycling 100 percent of all reclaimable wastewater flows. OCSD is currently working with OCWD on the design and construction of the final expansion of the Groundwater Replenishment System over the next two years. The final expansion is projected to come online in 2023 and will supply enough water for one 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 OCSD's debt fiscal policy of balancing the funding of new capital improvements with current revenues and existing debt, and to minimize the increase in rates over an extended period of time.

The impact of this five-year sewer fee schedule has increased the single family residence user fee rate, on average, 1.2 percent a year from \$335 in

2020-21 & 2021-22 Budget

FY 2018-19 to \$351 in FY 2022-23. These rate increases by OCSD are still well below the average annual sewer rate of \$529 being charged throughout the State according to the 2016-17 California Wastewater Charge Survey by the State Water Resources Control Board.

Staffing

Authorized staffing levels are being proposed at 639 FTE positions over the next two-fiscal years, one FTE position lower than the approved staffing level for FY 2019-20. However, staffing is still 39 FTE positions below the agency's all time high of 678 positions approved in FY 1995-96.

OCSD 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 fiscal year 1995-96 are a result of this agency's effort in striving to provide wastewater treatment as efficiently and effectively as possible while 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 OCSD's efforts. The Strategic Plan developed by the Board of Directors and staff defines the strategic initiatives to be pursued by OCSD 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 OCSD'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 fourteen topic 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
- 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 OCSD. 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

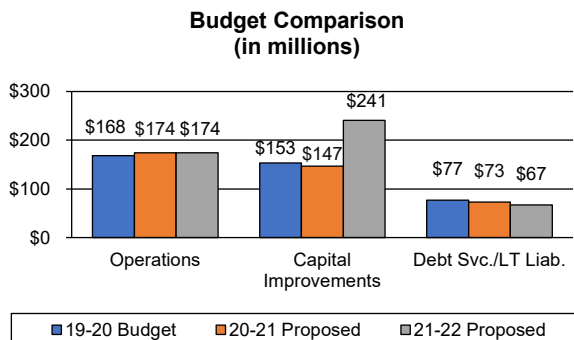
This section of the budget is a financial overview and an outline of issues affecting the development of the budget, as listed below:

- 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
- OCSD Long-Term Planning Process
- OCSD Fiscal Policies
- GFOA Best Practices and Advisories

Proposed Consolidated Cash Flow Budget

The total proposed cash flow budget for FY 2020-21 is \$400.2 million, a 1.4 percent decrease over the prior year total cash flow budget of \$405.8 million. The total proposed cash flow budget for FY 2021-22 is \$487.6 million, a 21.8 percent increase from the total proposed cash flow budget for FY 2020-21. There is also the potential to pay off \$173.9 million in debt in FY 2021-22. The decrease in FY 2020-21 in comparison to the prior year is primarily due to an decrease of \$5.7 million in Capital Improvement Program and Future Rehabilitation and Replacement Capital Outlay resulting from a high level of design expenditures associated with projects that will be in construction starting in 2021 such as Headwork Rehabilitation and Expansion (P1-105), Primary Treatment Rehabilitation at Plant 2 (P2-98), Rehabilitation of Western Regional Sewers (3-64), and the Headquarters Complex (P1-128).

The following table shows the comparisons of the FY 2019-20 Budget, and the FY 2020-21 and FY 2021-22 Proposed Budgets by major budget category:

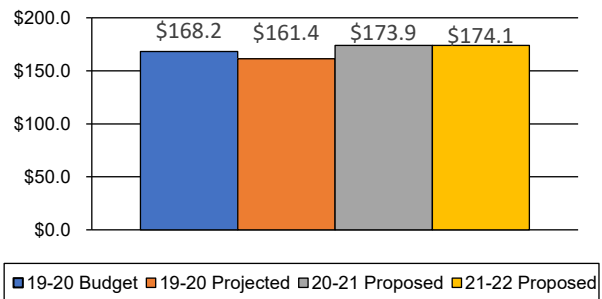


Proposed Operating Budget

The Operating program accounts for the costs to operate, maintain, and manage OCSD'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 OCSD 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 OCSD, 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 2019-20 Budget by \$6.8 million, or 4.0 percent. The FY 2020-21 Budget is being proposed with an increase of \$5.7 million or 3.4 percent from the prior year budget, and the FY 2021-22 Budget is being proposed with an increase of \$0.2 million, or 0.1 percent over the FY 2020-21 Proposed Budget.

**Operations Budget Comparison
(in millions)**



Analysis on the year-to-year change is provided from three perspectives. First, the FY 2019-20 Budget is compared to the FY 2019-20 year-end projections. Secondly, the FY 2019-20 year-end projections are compared to the FY 2020-21 Proposed Budget, and lastly, the FY 2020-21 Proposed Budget is compared to the FY 2021-22 Proposed Budget.

FY 2019-20 Operations – Budget vs. Projected

As depicted by the chart above, operating expenses are projected to come in under the FY 2019-20 Budget by \$6.8 million, or 4.0 percent. The major categories that comprised most of the underage include salaries and wages, operating materials and

2020-21 & 2021-22 Budget

supplies, professional services, and other operating costs.

Salaries and wages costs are expected to come in under budget by \$2.6 million, or 2.7 percent primarily due to unfilled positions and positions being filled at entry level.

Operating materials and supplies are expected to come in under budget by \$1.1 million, or 4.9 percent primarily due to a reduction in odor chemical usage in the collections system as a result of optimization efforts.

Professional services are expected to come in under budget by \$1.2 million, or 21.9 percent primarily due to reduced usage of outside engineering and consultants, along with not undertaking a staffing study.

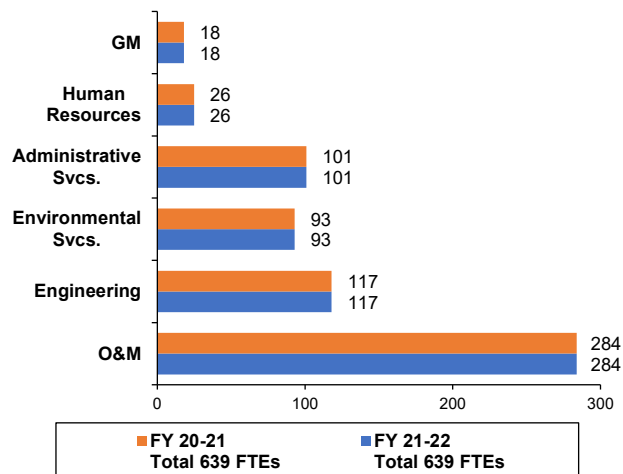
Other operating costs are expected to come in under budget by \$1.0 million, or 23.5 percent due primarily to the unneeded and unspent budgeted contingency and prior year re-appropriation funds.

FY 2019-20 Projected Operating Expense vs. FY 20-21 Proposed Operating Budget

The FY 2020-21 Operating Budget is a \$12.6 million, or 7.7 percent increase over the FY 2019-20 projected operating requirements. Increases in the proposed operating requirements are primarily attributable to increases in salaries, wages and benefits and repairs and maintenance.

Personnel costs are being proposed at \$6.3 million, or 6.5 percent increase over the prior year projection mainly due to cost of living adjustments included in the current Memorandums of Understanding (MOU) for all employee bargaining units and increased insurance premiums and retirement contributions. There is a proposed decrease of one full time equivalent (FTE) staff position bringing the proposed total FTE count in FY 2020-21 and FY 2021-22 to 639.0 FTEs.

Full Time Equivalent (FTE) Staff



Repairs and maintenance costs are proposed to increase \$4.1 million or 16.9 percent over the prior year projection. During FY 2020-21 the Bushard Diversion Structure Repair is planned for \$1.1 million major rehabilitation of primary basins, secondary clarifiers and overhaul of new centrifuges at both plants is planned for \$6.5 million.

FY 2020-21 Proposed Operations Budget vs. FY 2021-22 Proposed Operations Budget

In FY 2021-22, the second year of this two-year operating budget, staff is proposing a 0.1 percent, or \$0.2 million increase over the FY 2020-21 proposed operating requirements. Increases in the proposed operating requirements are primarily attributable to increases in personnel costs, offset by a reduction in repairs and maintenance.

Personnel costs are being proposed at a 5.1 percent, or \$5.2 million increase in FY 2021-22 over the FY 2020-21 Proposed Budget. This increase is mostly attributable to the cost of living adjustments in salaries based on existing bargaining unit agreements, and an increase of group medical insurance premiums. Staffing position is proposed to remain at 639.0 FTEs.

Operating materials and supplies are being proposed to decrease \$4.2 million or 14.8 percent, primarily due to the completion of major maintenance work on the secondary clarifiers at both plants and diversion structures in the collections system.

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 the District's goals, responsibilities, and requirements over the next twenty years.

The Facilities Master Plan provides a comprehensive analysis of the condition and capacity of OCSD'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 OCSD's mission over the next 20 years.

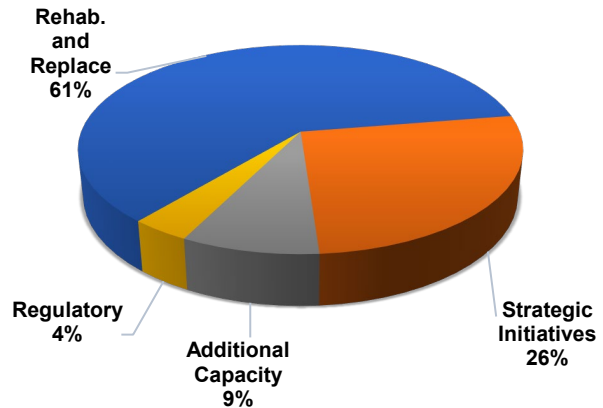
The projected outlay for the CIP is expected to reach 78.0 percent of FY 2019-20 budget of \$153.3 million. The proposed net CIP outlays for FY 2020-21 and FY 2021-22 are \$147.6 million and \$240.8 million, respectively, and are part of an overall 20-year CIP outlay of \$5.8 billion for all planned active and future projects, as well as outlays allotted for future rehabilitation and replacement of OCSD'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. OCSD 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.

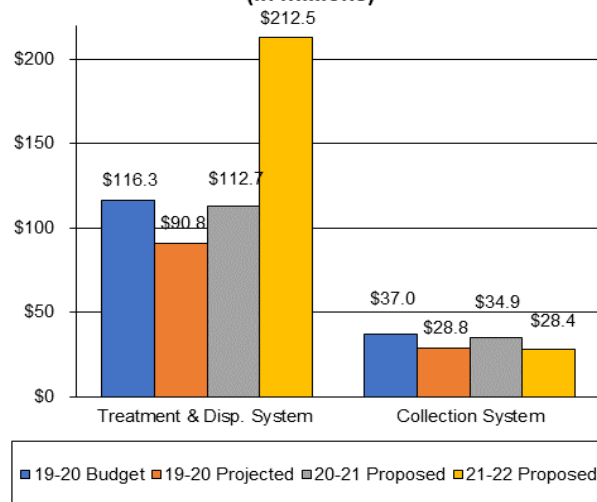
Projected FY20-21 Net CIP Outlay by Project Driver



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 \$4.18 billion.

The projected outlay for FY 2019-20 for Treatment and Disposal Improvement projects is expected to reach 59 percent of the annual net CIP outlay of \$153.3 million. The FY 2020-21 and FY 2021-22 proposed net CIP outlays for Treatment and Disposal Improvement projects are \$112.7 million and \$212.5 million, respectively.

CIP Program Net CIP Outlays (in millions)



2020-21 & 2021-22 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 \$6.0 million, \$8.9 million, and \$8.1 million respectively in FY 2020-21. Note these projects are heading into construction towards the latter half of FY 2020-21 and portions of these expenditures include these.

53 percent of the FY 2020-21 net CIP outlay will be spent in construction. The four most significant construction projects are the Ocean Outfall System Rehabilitation (Project No. J-117), Westminster Blvd. Force Main Replacement (Project No. 3-62), Return Activated Sludge Piping Replacement at Plant No. 2 (Project No. P2-123), and Newhope-Placentia Trunk Replacement (Project No. 2-72) with projected FY 2020-21 expenditures of \$26.1 million, \$11.6 million, \$6.1 million, and \$18.4 million, respectively. 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 2019-20 is expected to reach 19 percent of the annual net CIP outlay of \$153.3 million. The FY 2020-21 and FY 2021-22 proposed CIP budget authorities for Collection System Improvement Projects are \$34.9 million and \$28.4 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 Newhope-Placentia Trunk Replacement (Project No. 2-72), and the Rehabilitation of Western Regional Sewers (Project No. 3-64) with FY 2020-21 proposed cash outlays of \$11.6 million \$18.4 million, and \$4.5 million, respectively. The Capital Improvement Program is described in more detail in Section 8 of this document.

Debt Service Requirements

OCSD'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.

OCSD 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 OCSD 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 OCSD 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 fiscal year ended September 30, 2013 to a low of 5.9 percent for the federal fiscal year ended September 30, 2020.

In November 2018, OCSD issued \$102.2 million of Revenue Refunding Certificate Anticipation Notes, Series 2018A to refund Revenue Refunding Certificate Anticipation Notes, Series 2016B at a net present value savings of \$5.4 million. As a result of having an adequately funded reserves policy, experienced management, and prudent planning, OCSD 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 \$2.7 billion in future replacement, rehabilitation, and refurbishment projects anticipated over the next ten years will be adequately funded through current sewer service fee charges and existing reserves. The FY 2020-21 debt service requirements are proposed at \$72.8 million, a decrease of \$9.0 million, or 11.0 percent from FY 2019-20 projected. Total Debt Service requirements for the second year of this two-year budget will fall to \$66.7 million, a \$6.1 million or 8.4 percent decrease. OCSD is evaluating paying off a \$174 million of debt that matures or is callable in FY 2021-22

Financial Overview & Budgetary Issues

OCSD'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 OCSD'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, Sanitation District staff conducted strategic planning workshops with the Board of Directors to lay out a capital program to deliver the levels of service desired by the Board of Directors. These levels of service and resulting capital projects are included in OCSD'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 OCSD'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 \$5 billion of CIP spending over the next 20 years.

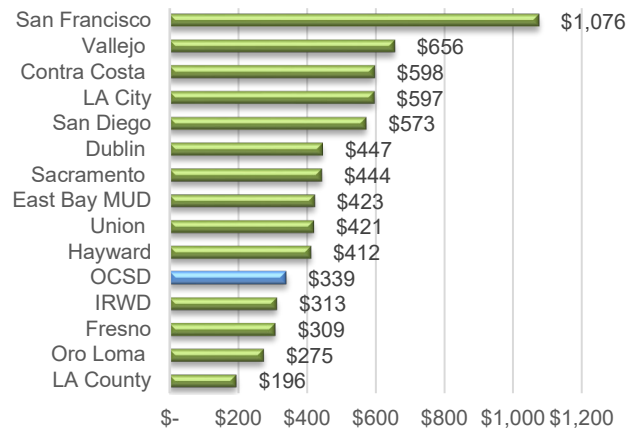
The 2017 Facilities Master Plan also included a Wastewater Revenue Program Rate Study which determined the appropriate rates going forward to support the proposed 20-year CIP.

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.

Even with these increases, the OCSD rates are still well below the average annual sewer rate of \$529 being charged throughout the State according to the 2017 California Wastewater User Charge Survey conducted by the State Water Resources Control Board.

Annual Single Family Residential Rates
(July 2019)



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

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

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

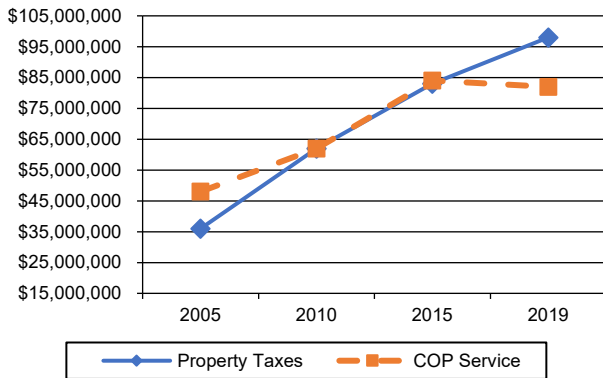
Property Taxes

OCSD'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

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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.

COP Funding Requirements vs. Property Tax Funding Source



Historically, OCSD’s property tax revenues were at a higher level than necessary to support OCSD’s debt service obligations. However, capital improvement needs averaging \$200.0 million a year over the last ten years has required new COP debt issuances that have increased future debt service payments that more closely matches property tax revenues.

Property tax revenues have increased from \$85.7 million in FY 2016-17 to a projected \$97.9 million in FY 2019-20, primarily due to the rebound from the economic decline and the collapse in the housing and commercial property markets beginning in 2008. Property tax revenues had been projected to increase 5.0 percent a year but are now being projected to increase 2.0 percent a year through FY 2021-22 due to the global COVID-19 pandemic.

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

Human Resources

- A decrease of \$2.8 million due to the insurance functions and property and general liability insurance premiums are moving to the Administrative Services Department in FY 2020-21.
- A net decrease of 1.0 FTE over the next two years.

Administrative Services

- An increase in salaries, wages, and benefits costs of \$2.7 million in FY 2020-21 is attributable to cost of living adjustments included in the current Memorandums of Understanding for all employee bargaining units and the inclusion of insurance and project controls employees.
- An increase of \$203,000 in contractual service costs, \$392,000 in professional service costs, \$785,000 in utility costs, and \$3.0 million in

Financial Overview & Budgetary Issues

materials, supplies and service costs primarily due to insurance functions, project controls, and the consolidation of general Sanitation District costs being consolidated within the Administrative Services Department.

- No net change in FTE over the next two years.

Environmental Services

- An increase in salaries, wages and benefits of \$1.0 million in FY 2020-21 is primarily due to cost of living adjustments included in the current Memorandums of Understanding for all employee bargaining units and group medical insurance premiums.
- An increase in research and monitoring costs of \$205,000.
- An increase of \$340,000 in operating costs will cover the following expenses: 1) special studies; 2) regional monitoring activities; and 3) sampler replacement.
- A net increase of 1.0 FTE over the next two years.

Engineering

- An increase in salaries, wages and benefits of \$234,000 in FY 2020-21 is primarily due to cost of living adjustments included in the current Memorandums of Understanding for all employee bargaining units and group medical insurance premiums.
- FY 2020-21 proposed CIP outlay of \$147.6 million, a decrease of \$6.7 million, or 4 percent, over last year's cash flow budget of \$153.3 million.
- FY 2021-22 proposed CIP outlays of \$240.9 million is an increase of \$93.3 million, or 63 percent, from FY 2020-21 proposed budgeted CIP cash outlay.
- A net decrease of 4.0 FTE over the next two years.

Operations & Maintenance

FY 2020-21 increases over FY 2019-20 budget:

- An increase in personnel and benefits costs of \$345,000 primarily due to cost of living adjustments included in the current Memorandums of Understanding for all employee bargaining units and group medical insurance premiums.
- An increase in repair and maintenance of \$4.7 million mainly due to overhaul of dewatering centrifuges at an estimated cost of \$2 million and

major rehabilitation of primary and secondary clarifiers at both plants is planned for \$2.5 million.

- A decrease in contractual services of \$1 million due to reduced biosolids hauling costs resulting from greater solids thickening as a benefit of new centrifuge technology, as well as a reduction in processed solids due to decreased services provided to sister agencies.
- A decrease in odor control chemicals of \$500,000.
- A decrease in utilities costs of \$1 million.
- No net change in FTE .

FY 2021-22 decreases over FY 2020-21 budget:

- An increase in personnel and benefits costs of \$1.0 million.
- A decrease in repairs and maintenance costs of \$4.3 million mainly due to an overall reduction in deferred corrective maintenance completed in previous years.
- No net change in FTE.

Reserves

OCSD previously 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 OCSD's reserve policies. Below are seven distinct reserve criterion which together comprise OCSD'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 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 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 fiscal year's annual operating budget.

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- 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 OCSD's non-reimbursed costs, estimated to be \$100 million.
- 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 \$10.8 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 OCSD and must be maintained at specified levels.
- Accumulated Funds exceeding the targets specified by OCSD 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.

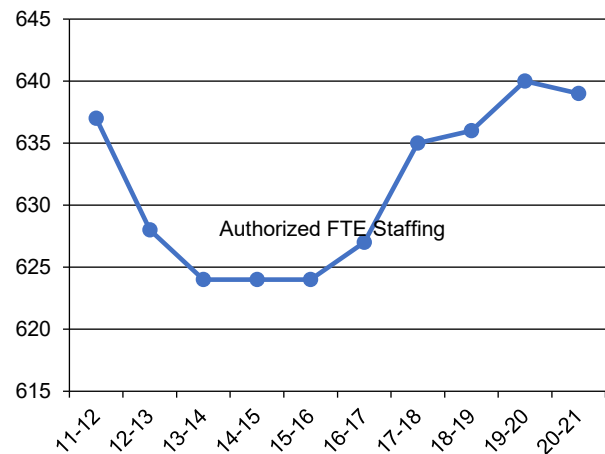
Collectively, these individual criterion requirements average \$520 million a year over the current ten-year cash flow forecast to support the operation and maintenance of OCSD's \$10.8 billion in assets.

Staffing Levels

Authorized staffing levels are being proposed to reduce the total FTE position count by one over FY 2019-20 at 639 FTE positions over the next two-fiscal years. However, staffing is still 39 FTE positions below the agency's all time high of 678 positions approved in FY 1995-96.

OCSD 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 OCSD'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).

OCSD Planning Environment

OCSD 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, and focused engineering study efforts. 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. OCSD has developed a strategic planning model that creates a

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

OCSD 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. OCSD 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. OCSD 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 OCSD 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 risks and opportunities identified in the Strategic and Asset Management Plans, but the overall plan and financial management move forward every cycle. 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, OCSD 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 seismic risk evaluations, climate change resilience, biosolids management, physical and cyber security, and constituents of emerging concern. By studying the risks and impacts of these, and other issues, OCSD is able to understand how its facilities must be improved or altered in order to deal with new requirements or better understood risks. OCSD 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 OCSD.

Having a coherently aligned planning process is critical for moving OCSD forward, but it is only half of the equation. Creating an environment where people are aligned is the other half. OCSD 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.

OCSD has worked very hard to create an integrated planning environment which begins with the

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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 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 OCSD'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 OCSD Board of Directors during the annual budget review. To prepare for this annual budget review, Sanitation District 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 2019, the Board of Directors adopted a new comprehensive strategic plan to steer OCSD's efforts. The Strategic Plan developed by the Board of Directors and staff defines the strategic initiatives to be pursued by OCSD 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 OCSD'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 fourteen topic 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
- 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 departure from the current direction, but rather the well-defined iterative update to the direction of OCSD. 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. OCSD 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). The District's goal is to ensure that biosolids management strategies align with beneficial use of biosolids, existing market conditions and continue a sustainable, reliable, and economical biosolids management program that provides environmentally sound practices and meets the stringent federal, state, and local regulatory requirements.

In FY 2018-19, OCSD produced an average of about

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700 tons per day (“tpd”) of biosolids at a cost of \$14.66 million, which averaged \$57.58 per ton for hauling and recycling at offsite locations, as described in the table on the following page.

The FY 2020-21 budget for biosolids management is \$13.2 million, a decrease of 18.5 percent from FY 2019-20 with the completion of the \$197 million Plant No. 1 and the \$90.5 million Plant No. 2 Sludge Dewatering and Odor Control facilities coming online in 2019. These facilities have reduced the water content of the solids which has resulted in fewer trucks and lower hauling costs. OCSD’s biosolids production has begun trending down now that these new solids management facilities are commissioned. Also noteworthy is that IRWD is constructing solids processing facilities and plans to stop sending their solids to OCSD in FY 2020-21.

Contractor	Location	Product	Appx. Tons per day (Mar. 2020)	Avg. Cost per ton (Mar. 2020)
Synagro	San Bernardino, CA	Compost	219	\$56.10
Tule Ranch	Yuma, AZ	Land Application	223	\$58.65
Liberty Compost	Kern, CA	Compost	115	\$57.50
Inland Empire Regional Composting	San Bernardino, CA	Compost	14	\$74.02

OCSD’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 OCSD’s daily biosolids production to ensure sustainable, consistent, and reliable operations.

OCSD staff are working to implement the recommendations of the 2015 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 OCSD’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 OCSD will initially waive fees and charges associated with authorized discharges of dry weather urban runoff to the sewer system until the total volume of all runoff discharges exceeds 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, OCSD 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 12, 2013, the Board adopted Resolution No. 13-09 expanding the waiver of fees or charges on the treatment of dry weather urban runoff from 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 OCSD’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, OCSD 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

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selenium loading to the Newport Bay Watershed. The Santa Ana Delhi Channel Diversion is estimated to add 2.0 to 2.6 MGD to Plant 1 influent.

Since 1999, OCSD has treated cumulatively over 9.8 billion gallons of dry-weather urban runoff that would otherwise have been discharged into the ocean without treatment. During FY 2019-20, the daily average urban runoff flow ranged between 0.28 and 1.56 MGD with a cumulative total diversion of 337 million gallons (MG). The diversion flows decreased by 27 percent due to fewer operating days that met qualifying conditions for urban runoff diversion. At the current operations and maintenance cost per million gallons (CMG) of \$1,907 (assuming BOD at 20 mg/L and TSS at 50 mg/L), the estimated cost for treating the FY 2019-20 combined urban runoff flows is \$642,644. The addition of the Santa Ana Delhi Channel Diversion flows could boost the overall cost to \$1,384,225 in FY 2020-21 based on \$1,972 CMG and an additional 1 MGD, and \$2,767,889 in FY 2021-22 based on \$2,037 CMG, assuming the Santa Ana Delhi Channel Diversion reaches its full discharge potential (2.6 MGD) and the commissioning of the Arches Diversion (0.2 MGD).

Groundwater Replenishment System

OCSD 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, OCSD 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 OCSD's Fountain Valley Plant No. 1.

In 2016, OCSD and the OCWD completed a \$2 million joint study to explore the possibility of using flows from OCSD's Plant No. 2. The study identified

an implementation plan to convey secondary effluent from OCSD'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. OCSD 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 8 is a listing of OCSD's Board Adopted Fiscal Policies.

These fiscal policies were established purpose of:

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

Included within OCSD'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 17 is a listing of accounting, auditing, financial reporting, cash management, budgetary and fiscal policy, debt management, retirement and benefit administration, and economic development and compliance planning practices recommended by the Government Finance Officers Association (GFOA) of the United States and Canada. Included within this list of best financial practices for state and local governments is OCSD's status as to whether we are in compliance or in progress towards compliance, or whether the practice is applicable to this agency. Out of the 154 practices identified, OCSD is in compliance with 102, another 46 are not considered applicable to OCSD, and we are in the process of complying with the remaining six.

Business Plan

OCSD's Strategic Plan is intended to be an overarching plan based on sound decision making that provides direction on the work that OCSD 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 OCSD's Budget.

During the process of developing the Business Plan, OCSD'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 Five-Year 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) 2015-17 Asset Management Plan Update.

Business Plan Process

The framework for the Business Plan is developed as part of the process of updating the Five-Year Strategic Plan. The process for updating the Strategic Plan requires the assistance from all levels of the organization, and includes updating the Mission Statement, Vision Statement and Core Values; and addresses the major objectives and critical challenges facing OCSD 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 OCSD budget, and which should be deferred or dropped from consideration.

Strategic Goals

Over the next two years, OCSD will begin and complete many activities central to the goals of the organization. In November 2019, OCSD 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 fourteen topic areas with ongoing initiatives to achieve the goals of the plan and OCSD.

Level of Service

The Levels of Services were developed with measurable outcomes, or key performance indicators, that OCSD is committed to meeting. This Business Plan documents that the Levels of Service provided by OCSD will require \$2.7 billion in identifiable capital improvements and millions in increased maintenance and operations costs over the next ten years.

No modifications were made to OCSD's Level of Service as a result of the November 2019 Strategic Plan update. The levels of service continue under the identified following goals:

- Providing Exceptional Customer Service.
- Protecting Public Health and the Environment.
- Managing and Protecting the Public's Funds.
- Stakeholder Understanding and Support.
- Organizational Effectiveness.

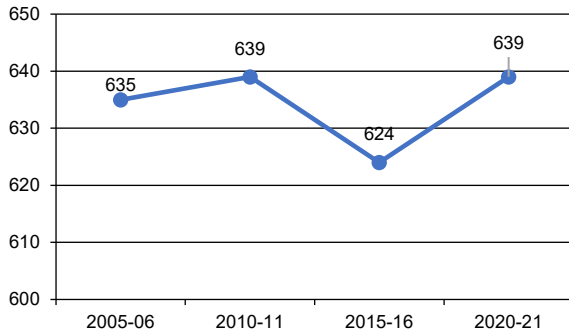
These existing Levels of Service targets are continually under review.

Staffing Plan

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

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Authorized FTE Staffing



This analysis included review and assessment of each department and division within OCSD 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 proposed staffing of 639 FTEs over the next two fiscal years. 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 \$2.7 billion capital improvement program over the next ten years without increasing staffing levels. A detailed breakdown on the proposed reallocation of FTEs can be found within the Appendix section of this budget.

Financial Model Update

OCSD'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 OCSD's regional rate structure over a five-year period from FY 2018-19 through FY 2022-23. Previously, OCSD 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** - OCSD 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, OCSD also maintains, repairs, and replaces the local sewers for approximately 17,000 of the above 550,000. High strength dischargers, or industrial customers, pay sewer fees based upon a net cost of service. A rate study was required to determine the equitable rates for these three types of users.

2. **Five-Year Proposition 218 Notice** - OCSD'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, OCSD needed to update the methodology for Capacity Charges.

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

- 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.
- Increase to the unit costs to high strength dischargers for FY 2020-21 and FY 2021-22, as follows:

Industrial Discharge Sewer Rates

	\$/ 1,000 Gallons	\$/ lbs. B.O.D.	\$/ lbs. T.S.S.
Unit Cost - FY 2020-21	\$1.54535	\$0.66469	\$0.75686
Unit Cost - FY 2021-22	\$1.60128	\$0.66799	\$0.77700
20-21 % Increase	3.8%	0.5%	2.7%
21-22 % Increase	3.6%	0.5%	2.7%

Business Plan

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. OCSD's system currently has unused capacity that is available to serve future users. In addition, OCSD 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 2020-21 and FY 2021-22:

CFCC Rates

	Residential CFCC	Commercial/ Industrial CFCC
Unit Cost - FY 2020-21	\$4,973	\$2,082
Unit Cost - FY 2021-22	\$5,346	N/A
20-21 % Increase	8.09%	0.2%
21-22 % Increase	7.50%	TBD

Supplemental CFCC Rates

	\$/ 1,000 Gallons	/ lbs. B.O.D.	\$/ lbs. S.S.
Unit Cost - FY 2019-20	\$1.936	\$0.41510	\$0.22261
Unit Cost - FY 2020-21	\$1.948	\$0.42755	\$0.23151
% Increase	0.6%	3.0%	4.0%

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 Sanitation District management.

Risk assessment and mitigation includes the following steps:

- Identify and assess strategic and organization-wide risks facing OCSD;
- Identify mitigation measures that OCSD currently has in place;
- Propose additional mitigation measures that OCSD 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 OCSD, as seen and described annually by the executive management team and the managers. Business Risk is defined as a threat that an event (action or inaction) will adversely affect OCSD'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 OCSD. Each Risk Register Update contains solutions proposed by participants for the top risks, and each Risk Register Update also contains a section recording how OCSD dealt with the risks that were spotted in the previous Risk Register Update.

Asset Management

OCSD 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. OCSD 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. OCSD'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 OCSD's changing needs. This coordinated decision-making process will allow OCSD to consistently meet mandated levels of service to the rate payers at the lowest lifecycle cost.

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OCSD'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 OCSD's Asset Register. CMMS Technicians and the Asset Engineers continue to work to update the database information including installation date, asset cost, condition and criticality in the new system.

OCSD 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, OCSD benefits by having less operational disruption and more efficient project delivery, better cash flow estimation, and better operations and maintenance decision-making framework. This is a huge undertaking based on the number of asset and facilities, but over time the undefined future rehabilitation capital estimates within the 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.

OCSD 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 OCSD owns is increasing steadily over time, the latent asset replacement obligation is rising, and as a consequence, OCSD 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.

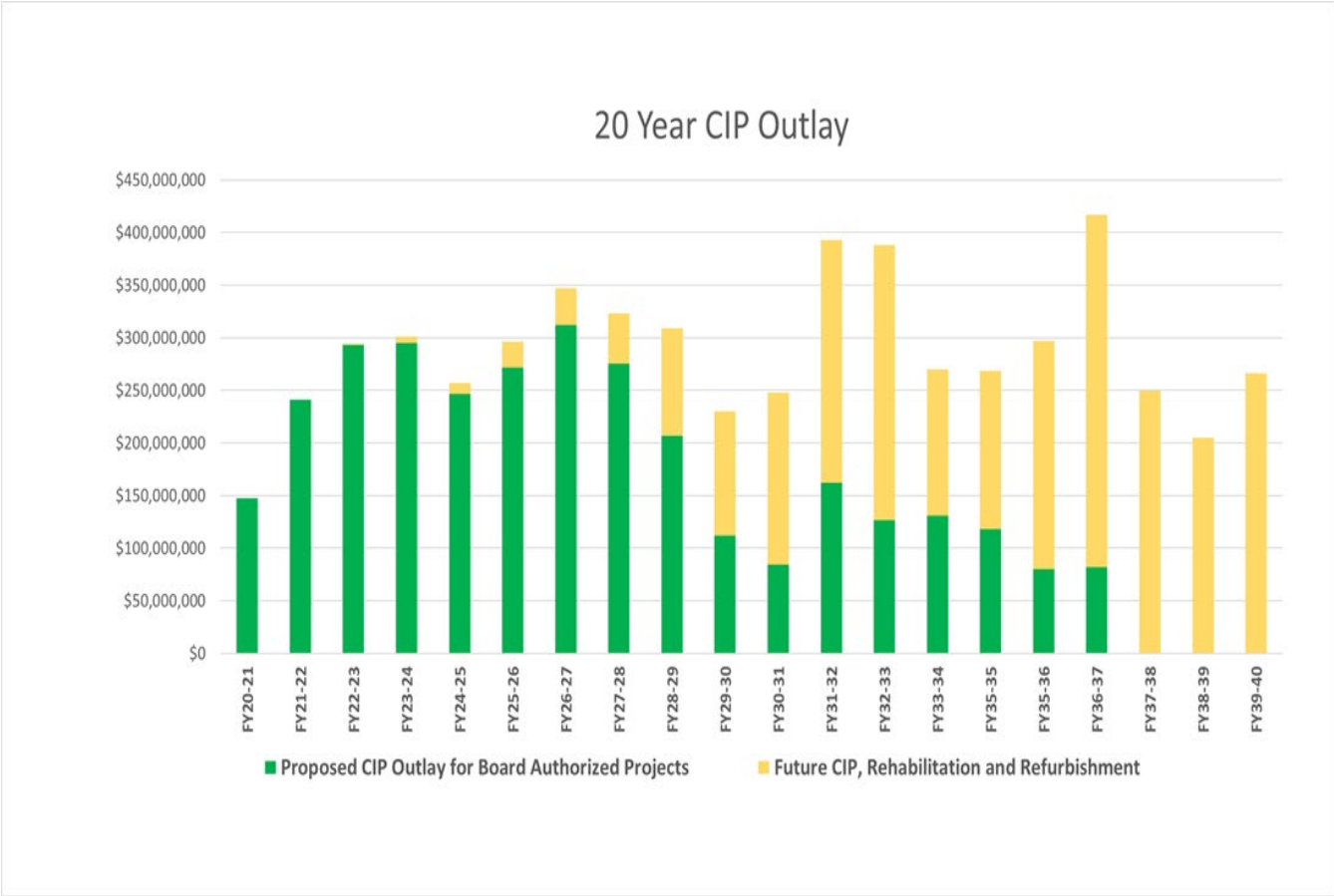
Asset Valuation

The replacement valuation for all of OCSD'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 OCSD'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)	\$7.18	\$3.56	\$10.74
Depreciated Value (in billions)	\$2.88	\$0.76	\$3.64

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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Infrastructure Asset Management

OCSD 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 2019-20 infrastructure maintenance activities and FY 2020-21 planned activities.

Collection System:

OCSD'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 design 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 2019-20 the following maintenance activities are projected to be completed:

- Cleaned 30 miles of regional sewer lines on a cleaning schedule.
- CCTV video inspection of 350 regional system manholes.
- CCTV video inspection of 50 miles of regional sewer pipeline.

- Completed 88% of scheduled pump station preventative maintenance work.
- Cleaned 90% of hot spot and scheduled inverted siphon work.
- Managed odor control chemical expenses to 75 percent of budget.
- Continued an electrical safety initiative to reduce potential arc flash by validating protective relay settings, replacing obsolete circuit breakers, and installing arc flash rating labels.
- In addition, OCSD has improved its emergency preparedness by procuring and preplacing bypass piping and fittings for three pump stations. This will allow for more swift response at these locations in the event of a catastrophic failure or other emergency.

Total costs in FY 2019-20 for the collections system maintenance is greater than \$9 million.

The following activities and goals are planned for FY 2020-21:

- Clean 49 miles of regional sewer lines on a cleaning schedule.
- CCTV video inspection of 750 regional system manholes.
- CCTV video inspection of 73 miles of regional sewer pipeline.
- Complete at least 85% 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 six pump stations.

The total cost in FY 2020-21 for these proposed collections system activities is greater than \$11.5 million.

Collection System Capital Improvement Projects

OCSD'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.

Currently in construction is the Newhope-Placentia Trunk Replacement (Project No. 2-72) taking place in the cities of Fullerton and Anaheim. Seven miles

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of sewer along State College Boulevard, from Yorba Linda Boulevard to Orangewood Avenue, will be upsized to allow abandonment of the Yorba Linda Pump Station which has reached the end of its useful life. The pump station diverts reclaimable wastewater to the Santa Ana River Interceptor instead of the Newhope-Placentia line due to inefficient capacity, preventing flows to be reclaimed at the Orange County Water District's Groundwater Replenishment System (GWRS). The completion of the project will allow OCSD to recycle an additional 8 million gallons of wastewater by routing flows to Plant No. 1 to be reclaimed for GWRS. The project will also include modifications to existing diversion structures and add flexibility to divert other reclaimable flow. This project also provides adequate capacity for future development, minimizing the risk of sewer spills in the future. Construction of the first phase of the project was completed in fall 2017. The second phase of the project commenced construction in summer 2018 and scheduled for completion in Summer 2021. The project has a budget of \$112 million.

The Rehabilitation of the Western Regional Sewers (Project No. 3-64) covers approximately 15 miles of 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. Portions of the pipeline and over 150 manholes will be rehabilitated or replaced. The project will be completed under three construction contracts. This project is currently in the design phase with the first phase of construction anticipated for 2020. The project budget is \$70 million. This is a decrease of from the previous budget of \$202 million as a result of changes in the project elements.

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. The budget for this project is \$44 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 the preliminary design phase with construction anticipated to begin in 2023. The budget for this project is \$79 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 upsized, 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 preliminary design phase with construction of both the force mains and pump station anticipated to begin in 2023. The budget for this project is \$74 million.

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

The maintenance organization continues to implement industry best practices for safety, effectiveness and reliability. During FY 2019-20, several major initiatives were completed to improve resilience, reliability and lower lifecycle costs. The first initiative was the formation of a heavy equipment maintenance team to conduct in-house maintenance of Central Generation and gas compression assets. The second initiative was creation of an on-call electrical preventive maintenance services contract allowing electrical staff to focus on predictive maintenance work. The third initiative was formation of a preventive/predictive maintenance optimization team to ensure all new projects are fully ready to be maintained when placed in service. It is critical to provide maintenance immediately when projects with complex equipment worth tens of millions of dollars are commissioned for service, as well as to maintain the equipment data in our computer-based maintenance management system over their lifetime.

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Throughout both plants, more than 12,200 preventative maintenance activities were performed. In addition, the following significant maintenance and repair activities are projected to be completed in FY 2019-20:

- Installed a new close-coupled pump motor for the Steve Anderson Lift Station (SALS).
- Rehabilitated two of three Circular Primary Clarifiers at Plant No. 1.
- Met NFPA 110 requirements for load testing emergency standby and mobile generators.
- Continued an electrical safety initiative to reduce potential arc flash by validating protective relay settings, replacing obsolete circuit breakers, and installing arc flash rating labels at both Plants.
- Began condition assessment of low and medium voltage cables to ensure reliability of the electrical distribution feed at both Plants.
- Completed major service on one aeration blower at the Plant No. 1 Activated Sludge secondary treatment process.
- Completed overhaul of 24 primary sedimentation basin collector mechanisms at Plant No 1.
- Completed overhaul of one gas compressor at Plant No. 1.
- Cleaned three digesters and replaced their mixing valves at Plant No. 2.
- Began the rehabilitation of the steam turbine and condenser in the Central Generation Facility at Plant No. 2.
- Refurbished an auxiliary boiler at Plant No. 2.
- Completed major upgrades to Effluent Pump Station Annex Motor driver electronics at Plant No. 2.
- Refurbished a main sewage pump and motor at Plant No. 2 Headworks.

Total costs for the treatment plant maintenance is greater than \$23 million.

Looking forward to FY 2020-21, there are more than 12,400 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. In addition, staff will be utilizing predictive technologies

such as vibration analysis to measure imbalance in rotating equipment, thermography to measure excessive heat, oil analysis to predict failure of lubricants, and ultrasonic leak detection to prevent deterioration and short-circuiting in electrical equipment. These predictive technologies will not only improve how maintenance is done but will also provide decision making information to support OCSD's CIP.

In addition to normal maintenance activities, OCSD is planning the following major activities for FY 2020-21:

- Major maintenance service of 16 remaining primary sedimentation basins for increased reliability at Plant No. 1.
- Major overhaul of one gas compressor at each Plant.
- Overhaul of three thickening and dewatering Centrifuges at Plant No. 1.
- Clean four digesters at Plant No. 1 and three at Plant No. 2.
- Overhaul three Main Service Pump motors at the Plant No. 2 Headworks.
- Complete an assessment and repair of failed low voltage cables at the Plant No. 2 Headworks.
- Overhaul five secondary clarifiers at Plant No. 2.
- Replace secondary clarifier inlet gates at Plant No. 2.
- Overhaul three dewatering Centrifuges at Plant No. 2.
- Replacement of the truck loading augers, valves and sliding frame systems at Plant No. 2.

The total cost for these proposed plant maintenance activities is greater than \$24 million.

Reclamation Plant No. 1 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.

One of the largest projects is the Headwork 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

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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 begin in 2021. The total budgeted cost for this project is \$406 million.

To ensure Plant No. 1 has allocated space for future treatment processes, the Headworks 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 includes the demolition of the Risk Management trailer and five buildings at the site of the new Headquarters. Construction is anticipated to begin in 2021. The total budgeted cost for this project is \$167.5 million.

Treatment Plant No. 2 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 will replace the four oldest primary clarifiers. The project has a second construction contract to provide interim repairs to the other ten clarifiers. 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. Construction to replace the four primary clarifiers is anticipated to begin in 2021. The total project budget is \$237 million.

The Headworks Modifications at Plant No. 2 (Project No. P2-122) will support the 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 completed in 2018. The budget for this project is \$166 million. Costs associated with the Plant Water Pump Station will be reimbursed by the OCWD.

As part of the long-term CIP planning efforts, several studies are currently underway evaluating various areas of the plants and the collection system to determine their condition, and identify deficiencies or improvements needed. These studies include the Ocean Outfall Condition Assessment and Scoping Study, ETAP Model (electrical simulation software tool) Updates for Plant Nos. 1 and 2, Digester 6 Pipe Stress Analysis at Plant No. 1, Circular Primary Clarifier Replacement Phasing Study at Plant No. 1, The Facilities Master Plan Program Environmental Impact Report, and the Laboratory Rehabilitation Feasibility Study. The results of these studies will help support, define and refine future CIP projects to improve our facilities and systems.

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	FY 18-19 Results	Level of Service Target
Protecting Public Health		
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.	1.03 MGD	Up to 10 MGD
Air emissions health risk to community and employees, per one million people (for each treatment plant).	3	<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	0.0	< 2.1
Contain sanitary sewer spills within 5 hours	100%	100%
Meet secondary treatment standards	BOD 4.0 mg/L TSS 6.0 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 2019 Peak Production period.	0	100
Compliance with core industrial pretreatment requirements	99%	100%
Stakeholder Understanding and Support		
Communicating OCSD's mission and strategies with those we serve and all other stakeholders.		
Meet GWRS specification requirements for Plant No. 1 secondary effluent	3.3 NTU	5 NTU
Provide specification effluent available to the Groundwater Replenishment System to maximize production of purified water.	100%	100%
Managing and Protecting the Public Funds		
Continually seeking efficiencies to ensure that the public's money is wisely spent.		
Annual user fees sufficient to cover all O&M Requirements	100%	100%
Actual collection, treatment, and disposal costs per million gallons	4%	≤ 10% of budget
Maintain AAA Bond Rating	100%	100%

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	FY 18-19 Results	Level of Service Target
Providing Exceptional Customer Service		
Providing reliable, responsive and affordable services in line with customer needs and expectations.		
Treatment plants odor complaint response within 1 hour.	100%	100%
Collection system odor complaint response within 1 working day.	100%	100%
Number of odor complaints:		
• Reclamation Plant No. 1	2	0
• Treatment Plant No. 2	1	0
• Collection System	8	12
*Under normal operating conditions		
Respond to public complaints or inquiries regarding construction projects within 1 day.	100%	100%
New construction permits processed within 1 working day.	100%	100%
Respond to all biosolids contractor violations within a week of violation notice.	100%	100%
Organizational Effectiveness		
Creating the best possible workforce in terms of safety, productivity, customer service, and training.		
Employee injury incident rate – per 100 employees	1.1	<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	2.9	<2.5
Training hours per employee	52	45 per year

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OCSD Long-Term Planning

	Type of Planning Process	Description of Process	Budget Impacts
Update of the Strategic Plan	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 2019, the District'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.
Capital Master Planning and Asset Management	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 2020 CIP Validation, includes an overall CIP budget of over \$5.8 billion for active and future.
Biosolids Management	Aggressively pursue biosolid disposal alternatives following the expiration of the 2016-17 disposal contract.	The study of biosolids options will include offsite an onsite facility, and new and established technologies.	Biosolids production will decrease by one-third when IRWD discontinues sending biosolids along with the centrifuges online.
Groundwater Replenishment System (GWRS)	Continue partnership with the Orange County Water Sanitation 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.	OCSD will continue executing CIP projects to support the Final Expansion of the GWRS.

Orange County at a Glance

Background Information and Description of Services:

The Orange County Sanitation District (OCSD) 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, OCSD then consisted of independent special districts responsible for wastewater collection within their own geographical boundaries. These districts were co-participants in a Joint Agreement to provide for the joint construction, ownership, and operation of the District's Joint Facilities for the treatment and 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.

OCSD 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.

OCSD 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. OCSD's service area includes approximately 2.6 million residents and businesses, or approximately 81 percent of the County's total population.

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

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

OCSD operates and is regulated under a National

Pollution Discharge Elimination System (NPDES) ocean discharge permit issued by the USEPA and the Santa Ana Regional Water Quality Control Board. This permit was last issued in July 2012 and has been administratively extended during the renewal process. To maintain OCSD's NPDES operating permit, OCSD's plants must meet strict conditions set jointly by the regulators. OCSD is actively engaged in discussion with the regulators during the renewal process.

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

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

Economic Outlook

The coronavirus (COVID-19) is having an acute negative impact on the domestic and global economy as large segments of the economy are essentially shut down. The strength of the US economy prior to the onset of COVID-19, the US consumer and the 'service sector' portion of the economy, had been relatively immune to the more cyclical elements economy over the past several years. At the current juncture, the previous strength is a liability with the US consumer quarantined and significant portions of the 'service' economy shut down. Until forecasters get some visibility on when, and to what degree, the economy will function as quarantines are lifted later in the year financial markets across asset classes will remain volatile.

The Chapman-CMC Orange County Consumer Sentiment Index fell from a value of 96.3 to a value of 77.7 during the first quarter of 2020. The consumer sentiment index declined by more than 19 percent, the largest decrease since the inception of the Orange County Consumer Sentiment Index in 2017. The spread of the coronavirus across the United States and Southern California led to the large fall in consumer sentiment. The consumer sentiment survey yielded important and interesting responses from the survey participants. First, Orange County residents appear to see COVID-19 as a largely temporary economic phenomenon. The

survey questions about current economic and financial conditions experienced the largest declines in consumer sentiment. On the other hand, the smallest declines in consumer sentiment were observed in economic and financial questions asking about next year. As noted by Professor Marc Weidenmier of the Argyros School of Business and Economics, "Going forward, consumer sentiment in Orange County is directly tied to the virus. If social distancing and stay at home orders are followed and work, then consumer sentiment may bounce back rather quickly. However, if the virus continues to spread rapidly across California and the United States, then consumer sentiment is likely to fall even farther and possibly approach depression levels."

Based on a survey of purchasing managers, the California Composite Index, measuring overall manufacturing activity in the state, decreased from 59.7 in the first quarter to 45.6 in the second quarter, indicating a contraction of the manufacturing sector in the second quarter. Hiring in typically strong labor markets including Orange County, the Bay Area, Los Angeles, and San Diego were hit heavily. "The growth of the California manufacturing economy that started in the third quarter of 2009 will come to an abrupt end in the second quarter of this year," said Dr. Raymond Sfeir, director of the purchasing managers' survey.

Progress and visibility on the timing of a vaccine for COVID-19 will serve as a material catalyst for the ultimate recovery of the economy. Assuming additional quarantines are reintroduced later in the year the impact to the economy will be less severe as all will have learned from the current experience.

Prior to the onset of COVID-19 on the domestic economy the data and trajectory of the economy were sound. The low unemployment rate and high savings rate should act as a catalyst to get the economy back on track sooner compared to other periods of severe financial stress in 2000 and 2008. Large-scale global monetary and fiscal stimulus programs will help mitigate the longer-term economic impact of the pandemic. At this point, a U-shaped economic recovery heading into 2021 is possible.

Fiscal Policy

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

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

Fiscal Policy

<i>Fiscal Policy Statement</i>	<i>Completed</i>	<i>In Progress</i>	<i>Comments</i>
Capital Improvements Budget Policies			
The Sanitation District will make all capital improvements in accordance with an adopted and funded capital improvement program. The adopted capital improvement program will be based on need.	✓		
The Sanitation District 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 the Sanitation District.
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.	✓		
The Sanitation District will use intergovernmental assistance and other outside resources whenever possible to fund capital improvements providing that these improvements are consistent with the Capital Improvement Plan and the Sanitation District's priorities, and that the future operating and maintenance costs of these improvements have been included in the budget.	✓		
Staff will coordinate development of the capital improvement budget with the development of the operating budget. All operations and maintenance resources required to implement the CIP have been considered and appropriately reflected in the operating budget for the year the CIP is to be implemented.	✓		
Cost tracking for components of the capital improvement program will be updated quarterly to ensure project completion against budget and established time lines.	✓		

2020-21 & 2021-22 Budget

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

Fiscal Policy

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

Fleet Management Policy

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:

- | | |
|--|---|
| <ul style="list-style-type: none"> • A computerized maintenance management system (CMMS) will be employed for all elements of the fleet. | ✓ |
| <ul style="list-style-type: none"> • Vehicles will be operated to ensure the highest utilization rate possible. | ✓ |
| <ul style="list-style-type: none"> • 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. | ✓ |
| <ul style="list-style-type: none"> • Electric carts are to be utilized for in-plant use only. | ✓ |

Short-Term Debt Policies

The Sanitation District may use short-term debt to cover temporary or emergency cash flow shortages. All short-term borrowing will be subject to Board approval by resolution.

✓

2020-21 & 2021-22 Budget

<i>Fiscal Policy Statement</i>	<i>Completed</i>	<i>In Progress</i>	<i>Comments</i>
<p>The Sanitation District may utilize Board approved intra-agency loans rather than outside debt instruments to meet short-term cash needs. Intra-agency loans will be permitted only if an analysis of the affected Revenue Areas indicates funds are available and the use of these funds will not impact current operations. The principal, along with interest at the prevailing rate as established by the Sanitation District's Treasurer, will be paid to the lending Revenue Area.</p>	✓		
Long-Term Debt Policies			
<p>Proceeds from long-term debt will <u>not</u> be used for current on-going operations.</p>	✓		
<p>Before any new debt is issued, the impact of debt service payments on total annual fixed costs will be analyzed.</p>	✓		
<p>Develop and maintain a board adopted debt policy.</p>	✓		
Accumulated Funds & Reserve Policies			
<p>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>	✓		

Fiscal Policy

<i>Fiscal Policy Statement</i>	<i>Completed</i>	<i>In Progress</i>	<i>Comments</i>
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 \$10.8 billion. The reserve criterion level had been established at \$75 million.	✓		
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 the Sanitation District's non-reimbursed costs, estimated to be \$100 million.	✓		
Investment Policies			
The Sanitation District'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.	✓		
Accounting, Auditing, and Financial Reporting			
The Sanitation District's accounting and financial reporting systems will be maintained in conformance with generally accepted accounting principles and standards promulgated by the Governmental Accounting Standards Board.	✓		
A capital asset system will be maintained to identify all Sanitation District assets, their condition, historical cost, replacement value, and useful life.	✓		
Quarterly financial reports will be submitted to the Board of Directors and will be made available to the public.	✓		
Full disclosure will be provided in the general financial statements and bond representations.	✓		
The Sanitation District will maintain a good credit rating in the financial community.	✓		The Sanitation District's AAA rating was reaffirmed with the \$66.4 million 2017A Revenue Refunding debt issuance.

2020-21 & 2021-22 Budget

<i>Fiscal Policy Statement</i>	<i>Completed</i>	<i>In Progress</i>	<i>Comments</i>
An annual audit will be performed by an independent public accounting firm with the subsequent issue of an official Comprehensive Annual Financial Report, including an audit opinion and a management letter.	✓		

GFOA Best Practices and Advisories

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

2020-21 & 2021-22 Budget

<i>GFOA Recommended Practice</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
Appropriate Level of Unrestricted Fund Balance in the General Fund		✓		OCSD only has Proprietary Fund Types - established a formal policy on the level of unrestricted net assets
Document Accounting Policies and Procedures	✓			
Establish the Estimated Useful Lives of Capital Assets	✓			
Improve the Effectiveness of Fund Accounting	✓			
Enhance Management Involvement with Internal Control	✓			
Including Management's Discussion and Analysis in Departmental Reports	✓			
Auditor Association with Financial Statements Included in Offering Statements or Posted on Websites	✓			
Ensuring Control over Noncapitalized Items	✓			
Considerations on Using the Modified Approach to Account for Infrastructure Assets		✓		OCSD depreciates all capital assets; OCSD has no governmental fund types
Mitigating the negative effects of Statement on Auditing Standards No.12	✓			
Encouraging and facilitating the reporting of fraud and questionable accounting and auditing practices	✓			
Ensuring adequate documentation of costs to support claims for disaster recovery assistance			✓	
Improving the timeliness of financial reports	✓			
Web Site Presentation of Official Financial Documents	✓			Managed by Information Technology Division
<u>Treasury and Investment Management Recommended Practices</u>				
Collateralization of Public Deposits	✓			
Government Relationships with Securities Dealers	✓			
Using Mutual Funds for Cash Management Purposes	✓			

GFOA Best Practices and Advisories

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

2020-21 & 2021-22 Budget

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

GFOA Best Practices and Advisories

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

2020-21 & 2021-22 Budget

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

GFOA Best Practices and Advisories

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

2020-21 & 2021-22 Budget

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

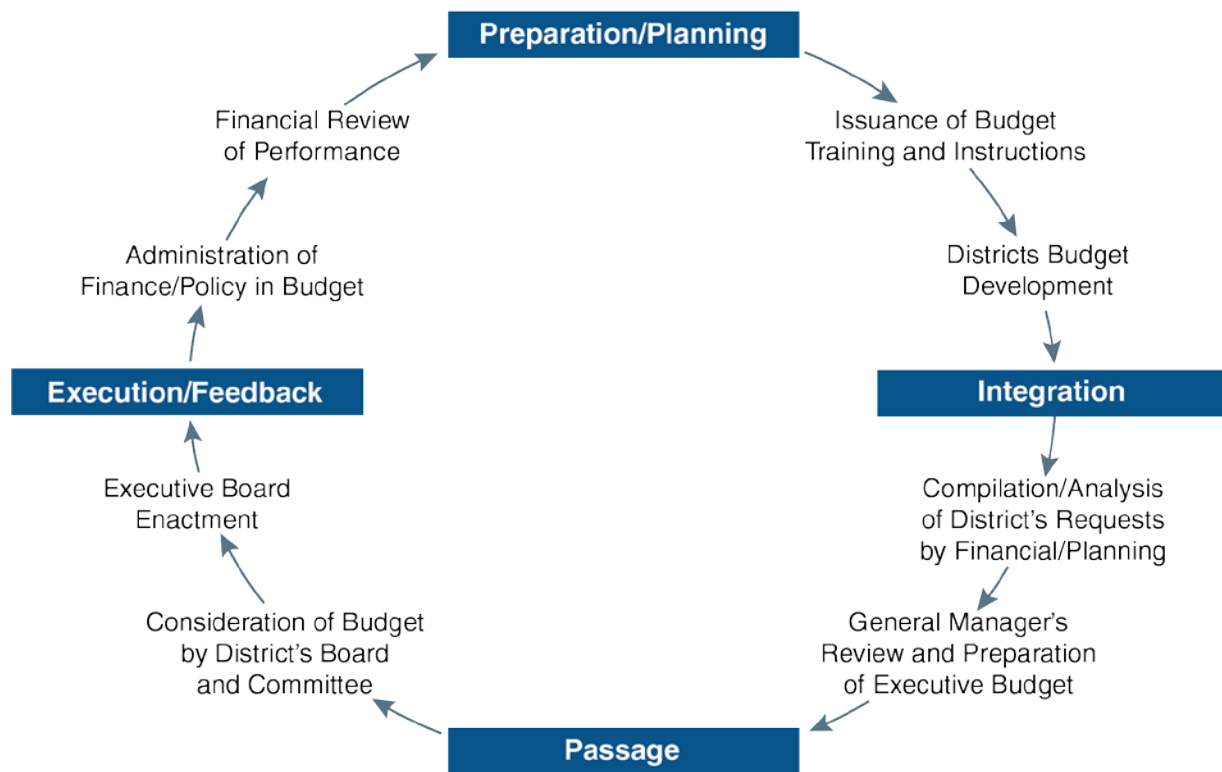
GFOA Best Practices and Advisories

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

2020-21 & 2021-22 Budget

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Overview of the Budget Process



Budget Process:

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

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

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

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

Key dates in this 2020 budget cycle are:

Budget Kick-off Meeting	- January 23
Department Budget Submissions	- February 20
Preliminary Budget Review	- March 9-12
General Manager Budget Review	- March 23-27
Presentation to Admin Committee	- March 11
Presentation to Admin Committee	- April 8
Presentation to Board Committees	- May 6 & 13
Presentation to Board Committees	- June 3 & 10
Public Hearing & Board Adoption	- June 24

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.

2020-21 & 2021-22 Budget

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

The Process

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

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

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

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

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

Level of Control and Amendments to the Budget

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

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

1. Budget Adjustment

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

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

2. Budget Amendment:

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

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

Reserves/fund balances exceeding minimum amounts required by fiscal policy may be appropriated if it is determined to be in the best interest of OCSD. 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

2020-22 Proposed Budget Assumptions

Economic Assumptions

- Inflation for Orange County in FY 2020-21 is projected to be 1.9 percent based on the 2019 projected percentage change in consumer price index obtained from Chapman University.

A 1.9 percent inflation factor will also be used for FY 2021-22.

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 \$343 in FY 2020-21, 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 eight percent for FY 2020-21. 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 3.8 percent, Biochemical Oxygen Demand (BOD) will increase by 0.5 percent and Total Suspended Solids (TSS) will increase by 2.7 percent for FY 2020-21 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 the District's service area sphere is minimal; consequently, no FY 2020-21 income from annexation fees is anticipated.

- Property tax revenues are preliminarily estimated to increase by approximately five percent from FY 2019-20 to \$98,354,000.

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

- Earnings on the investment of the District's operating cash and reserves will be budgeted at 1.0 percent of the average cash and investment balance projected for the fiscal year.
- No additional debt issuance is scheduled for FY 2020-21.

Operating Assumptions

- Operating expenses are expected to approximate the adopted FY 2019-20 budget of \$168 million.
- Average daily flows are projected at 188 mgd for FY 2020-21 and 188 mgd for FY 2021-22. The FY 2019-20 flow projection of 188 mgd reflects an increase of 1 mgd from the actual for the first 5 months of the current year and is 2 mgd above the final actual flow for FY 2018-19.

Employee/Staffing Assumptions

- Staffing level is expected to remain flat. No additional positions are anticipated. The total FY 2019-20 authorized staffing level is 640.00 FTEs, excluding Management Discretion positions.
- Vacant positions as of 12/31/19 are budgeted at 50 percent of step 1 for the remainder of FY 2019-20 and at 100 percent of step 2 for FY 2020-21.
- New positions will be projected at 100 percent of step 1 for FY 2020-21.

2020-21 & 2021-22 Budget

- A 3.0 percent vacancy factor on authorized positions has been budgeted for FY 2020-21. The actual vacancy factor is currently running at 4.7 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. Salary adjustments will be included in the budget for COLA based upon the current MOUs.
- Retirement costs for employees enrolled in OCERS Plans G and H are estimated at a rate of 14.10 percent of the employee's base salary for FY 2020-21, up from 13.30 percent in FY 2019-20. The rates for Plans G and H include the District's pickup of 3.5 percent of employees' required contributions.

Employees enrolled in OCERS Plan B are estimated at a rate of 11.97 percent of the employee's base salary for FY 2020-21, up from 11.25 percent in FY 2019-20.

All employees hired on or after January 1, 2013 are enrolled in OCERS Plan U and are estimated at a rate of 10.88 percent for FY 2020-21, up from 10.37 percent in FY 2019-20.

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 2020-21 and FY 2021-22 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 2020-21 and FY 2021-22 cash flow budget, based on the most current Validated Capital Improvement Program (CIP), is the target.
- The baseline CIP cash flow for FY 2020-21 is \$209 million and for FY 2021-22 is \$314 million.
- Continual evaluation of the CIP by the Asset Management Team may result in deferral or reduction of some projects and a resultant increase in O&M repair costs for materials and services, if the net cash flow impact is a decrease.
- The FY 2020-21 and 2021-22 CIP budget will only increase for critical projects which were not previously identified in the Strategic Plan Update.
- For the first five months of FY 2019-20, \$39.2 million of the \$153.3 million CIP budget, approximately 25.6 percent, was expended.

Debt Financing

- OCSD 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 2020-21 and FY 2021-22.
- 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

Budget Assumptions

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.

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 OCSD 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 OCSD 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 \$3.56 billion for the collection facilities and \$7.18 billion for the treatment and disposal facilities. The initial 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 OCSD and must be maintained at specified levels. The current level of required COP service reserves is projected to be \$170.8 million.
- ▶ Accumulated funds exceeding the levels specified by District 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 2020-21 and FY 2021-22.
- The budget worksheets for operating costs will contain one column for FY 2020-21 and one column for 2021-22. The column will represent all collection, treatment, and disposal/reuse costs.

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Accounting System & Budgetary Control

Accounting System and Budgetary Control

Fund Accounting & Proprietary Funds

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

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

Basis of Accounting

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

Budgetary Basis of Accounting

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

Although OCSD 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, OCSD 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.

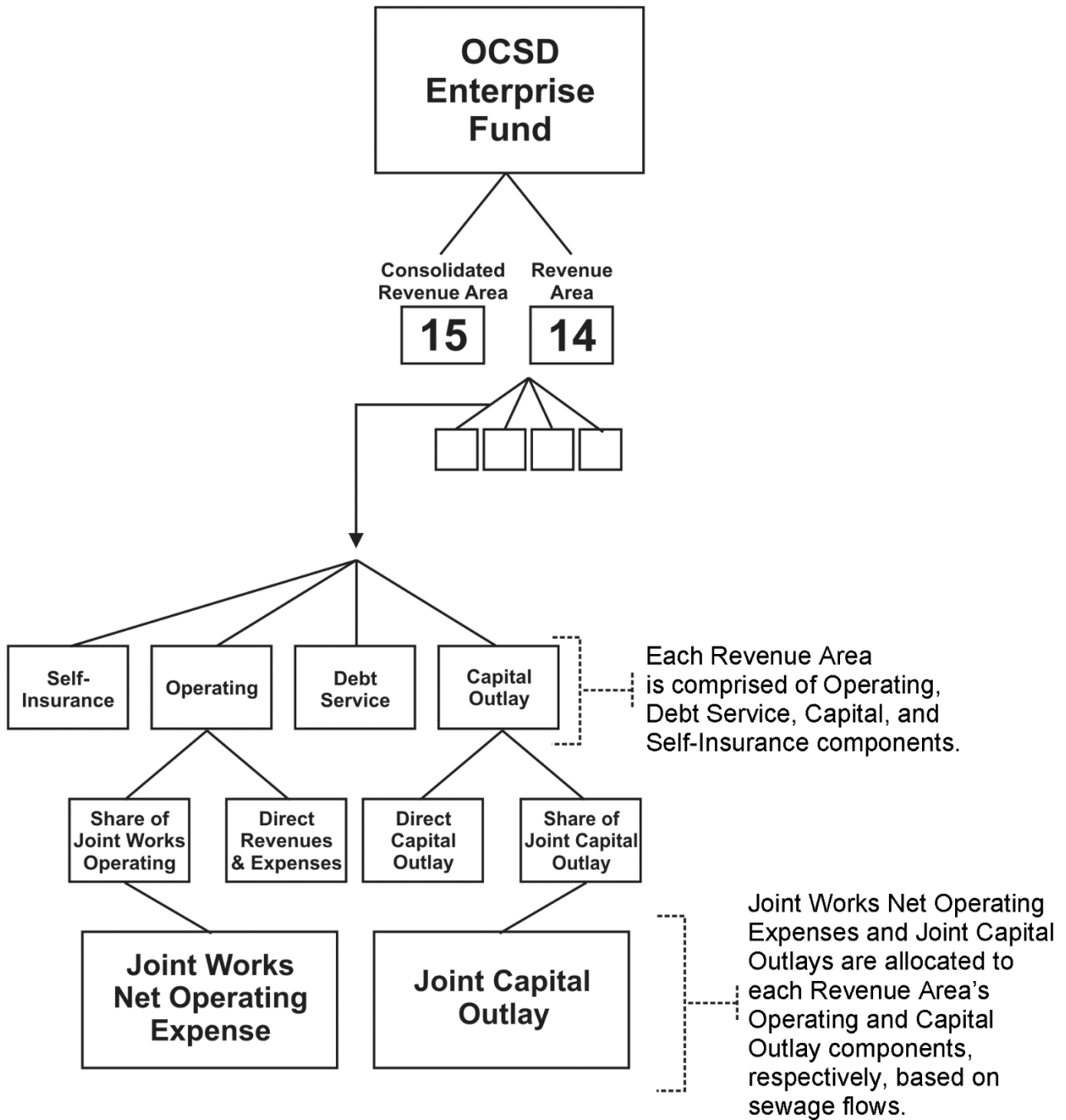
Internal Controls

OCSD 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

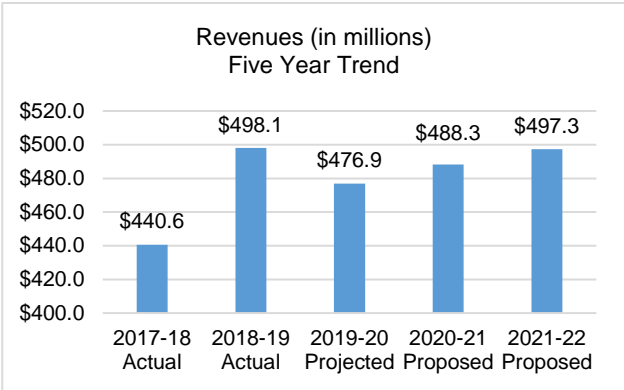
Revenue Sources

OCSD 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 90 percent more than of the total revenue to OCSD.

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



Total revenues increased from \$440.6 million in FY 2017-18 to \$498.1 million in FY 2018-19, or \$57.5 million. This increase was due mostly to: (1) an increase of \$21.0 million in intra-district equity sale/purchase between the Consolidated Revenue Areas and Revenue Area 14; (2) the \$25.8 million increase in investment and interest income; (3) a \$3.0 million increase in permitted user fees due to higher rates and an increase in the strength of the discharge from the permittees.

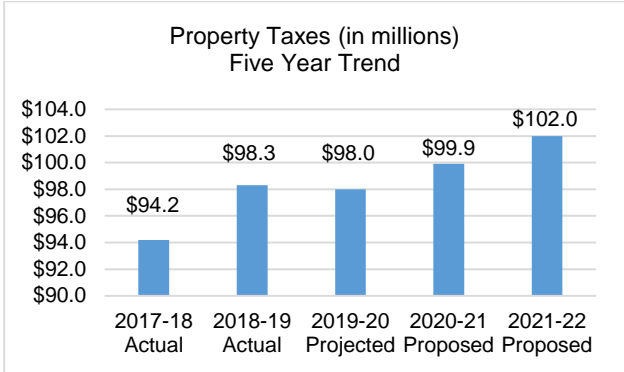
In FY 2020-21, revenues are being proposed at \$488.3 million, an increase of \$19.9 million, or 4.3 percent over the prior year budget. This increase is primarily attributable to the increases of \$11.6 million in CIP reimbursements from other agencies, \$4.3 million in general user fees, and \$1.9 million in property taxes revenue.

In FY 2021-22, revenues are being proposed at \$497.3 million, an increase of \$9.0 million, or

1.8 percent over the prior year. This increase is primarily attributable to the 1.2 percent increase in user fees that is expected to generate an additional \$3.6 million. Property tax revenue is expected to generate an additional increase of \$2.0 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. OCSD 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.

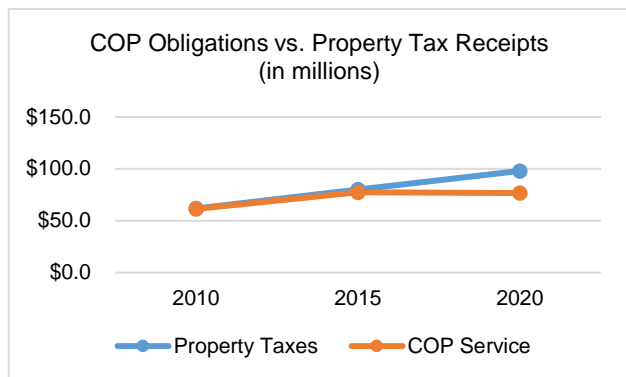


The District's annual share of the one percent ad valorem property tax levy is first dedicated for the payment of COP debt service. The apportionment of the ad valorem tax is pursuant to the Revenue Program adopted in April 1979 to comply with regulations of the Environmental Protection Agency, the State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

As shown in the graph above, property tax revenues increased from \$94.2 million in FY 2017-18 to a projected \$98.0 million in FY 2019-20, 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 2021-22.

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

2020-21 & 2021-22 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.

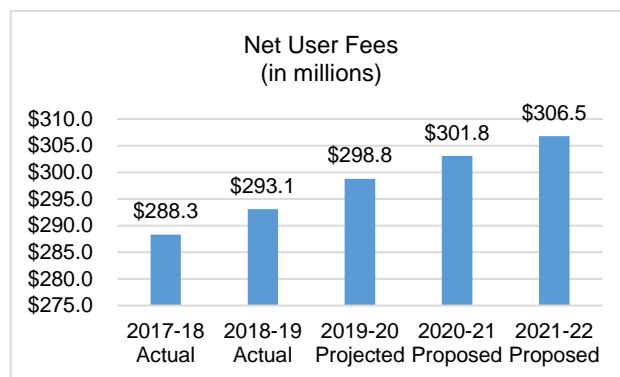
In addition, the Consolidated Revenue Area charges industrial and commercial user fees to customers discharging high-strength or high-volume wastes into the sewer systems. Revenue Area No. 14 needs are funded by IRWD. Previously OCSD had been able to avoid or minimize user fee increases by reducing operational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

In 2007, District staff conducted strategic planning workshops with the Board of Directors to layout a capital program to deliver the levels of service desired by the Board of Directors. These levels of service and resulting capital projects are included in the District's 5-year Strategic Plan that were most recently updated in December 2019. The original effort was reinforced through the adoption of a new Master Plan in December 2017, a planning effort to define the District's goals, responsibilities, and requirements over the next 20 years, and includes projections through the assumed "build-out" of the District's service area to the year 2050. Incorporating the 2017 Master Plan into the CIP validation for FY 2020-21, the current CIP includes projects outlays of \$2.7 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 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. These rate increases by OCSD are still well below the average annual sewer rate of \$529 being charged throughout the State according to the 2017 California Wastewater Charge Survey conducted by the State Water Resources Control Board.



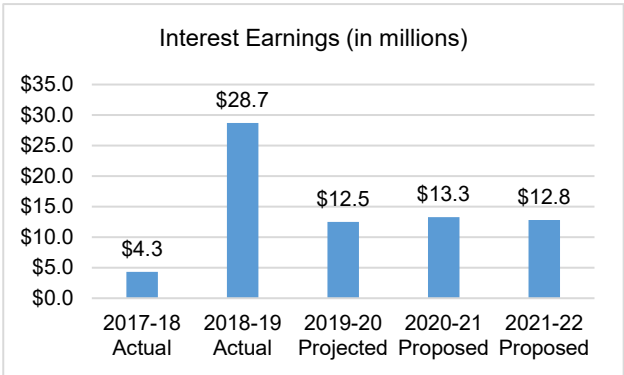
Interest Earnings

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 \$845.8 million at July 1, 2020.

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

Interest 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



The District's investment policy is structured conservatively towards liquidity to avoid having to sell investments at a loss and having unrealized losses become realized losses. Total return on investments were 0.7 percent in FY 2017-18 and 4.2 percent in FY 2018-19. However, interest and investment earnings are projected to be approximately 2.0 percent in FY 2019-20 due to the effects on the markets and economy from the coronavirus pandemic.

OCSD is proposing an interest earnings rate of 1.0 percent in both FY 2020-21 and FY 2021-22 to generate earnings of \$13.3 million and \$12.8 million, on annual average investment portfolio projections, with fiscal year end balances of \$934.4 million and \$783.6 million in FY 2020-21 and FY 2021-22, respectively.

Debt Proceeds

Over the next ten years, OCSD is projecting an additional \$2.7 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.

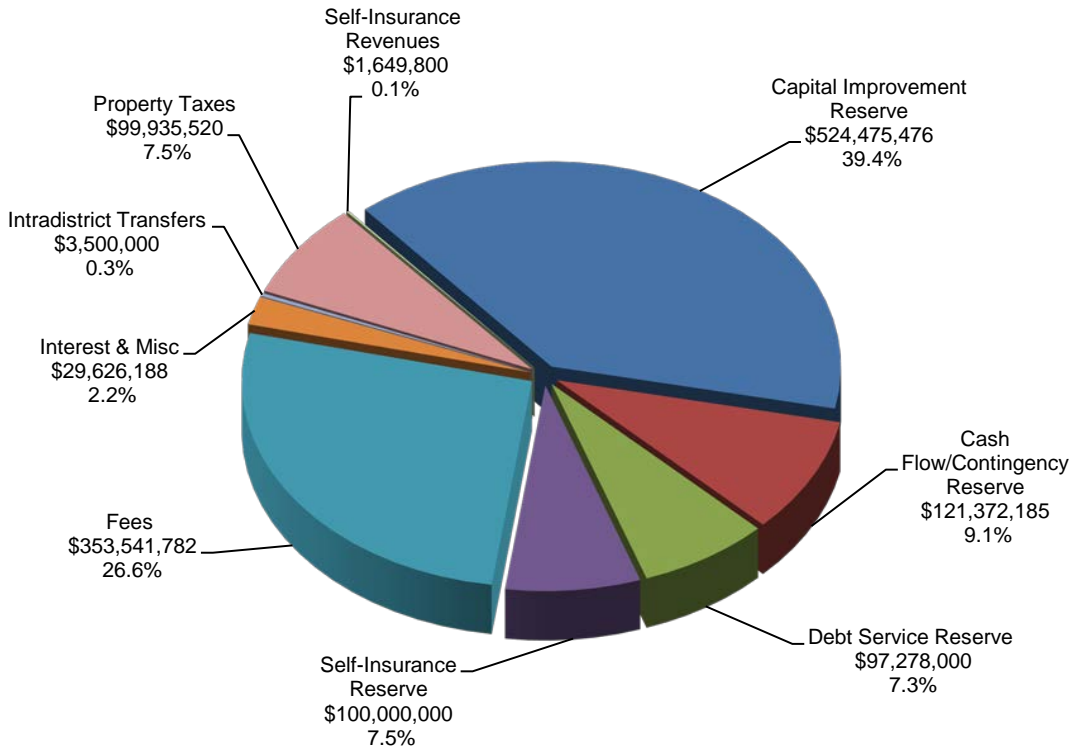
OCSD participates in the Teeter Plan program and receives its full share of property tax and user fees from the secured roll, whether or not these taxes and user fees have been collected. The Teeter Plan provides OCSD with stable and timely cash flow without the collection risk. The County, in exchange

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

For the fiscal year ended June 30, 2019, OCSD received \$390,539,478 in tax and user fees from the County, or 98.96 percent of the total tax and user fee levy.

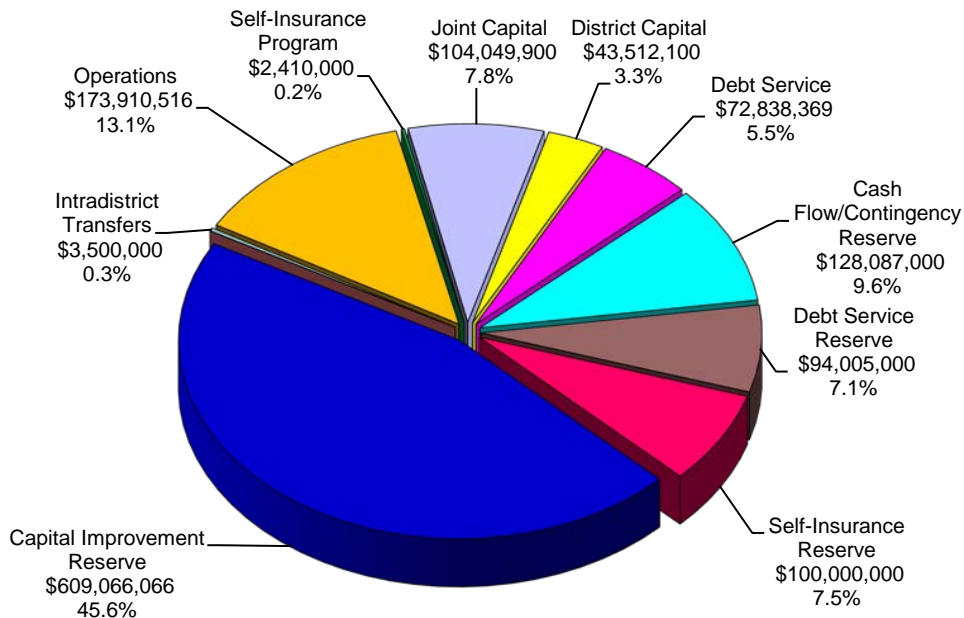
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Where the Money Comes From – FY 2020-21



FY 2020-21 Total Funding Sources - \$1,331,378,951

Where the Money Goes – FY 2020-21



FY 2020-21 Total Funding Uses - \$1,331,378,951

2020-21 & 2021-22 Budget

Funding Sources by Category FY 2020-21

	Consolidated Revenue Area	Revenue Area 14	Total Sources
Beginning Accum. Funds & Reserves	\$ 755,886,007	\$ 87,239,654	\$ 843,125,661
Services Fees	15,578,606	15,998,616	31,577,222
User Fees	301,839,390	-	301,839,390
Capital Facilities Capacity Charge	20,125,170	-	20,125,170
Capacity Rights	-	-	-
Debt Proceeds	-	-	-
Property Taxes	96,675,520	3,260,000	99,935,520
Intradistrict Transfers	3,500,000	-	3,500,000
Insurance In-Lieu Premiums	1,613,000	36,800	1,649,800
Interest and Other Revenue	<u>27,914,388</u>	<u>1,711,800</u>	<u>29,626,188</u>
Subtotal	<u>467,246,074</u>	<u>21,007,216</u>	<u>488,253,290</u>
Total Sources	<u>\$ 1,223,132,081</u>	<u>\$ 108,246,870</u>	<u>\$ 1,331,378,951</u>

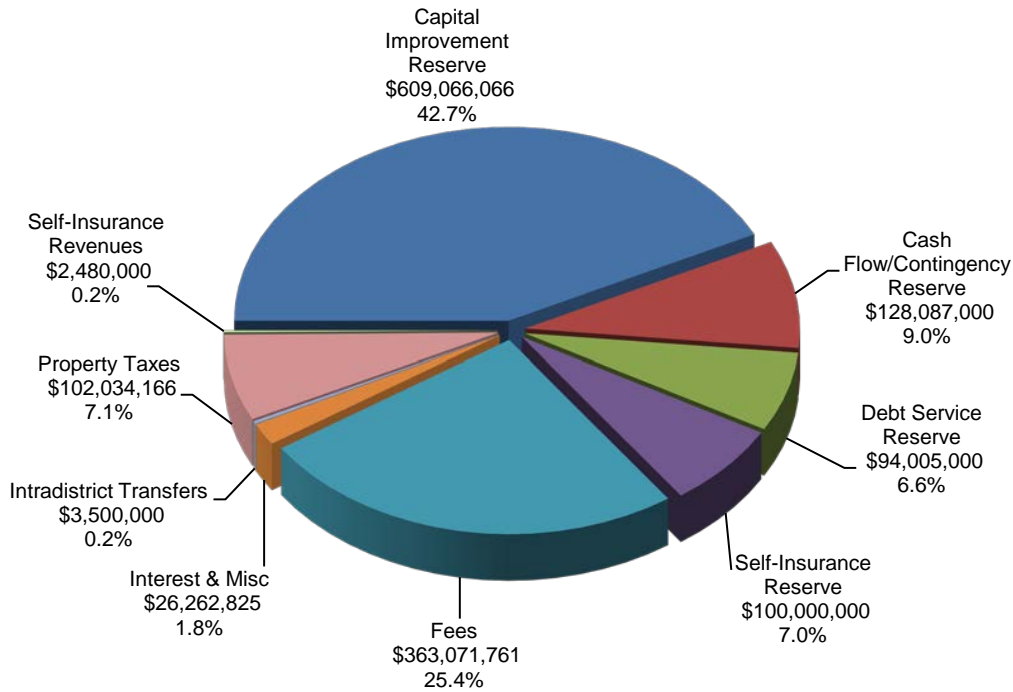
Funding Uses by Category

Funding Uses by Category FY 2020-21

	Consolidated Revenue Area	Revenue Area 14	Total Uses
Directors' Fees	\$ 169,062	\$ 3,838	\$ 172,900
Salaries & Benefits	95,611,390	6,297,510	101,908,900
Administrative Expenses	1,908,314	125,690	2,034,004
Printing & Publications	389,705	25,670	415,375
Training & Meetings	1,008,671	66,440	1,075,111
Operating Materials and Supplies	20,134,534	1,326,170	21,460,704
Contractual Expenses	18,046,693	1,188,660	19,235,353
Professional Expenses	5,356,818	352,830	5,709,648
Research & Monitoring	1,224,080	80,620	1,304,700
Repairs & Maintenance	26,619,345	1,753,300	28,372,645
Utilities	7,848,034	516,920	8,364,954
Self-Insurance Requirements	2,356,300	53,700	2,410,000
Other Materials, Supplies, & Services	4,392,612	289,320	4,681,932
Cost Allocation	(19,545,628)	(1,280,082)	(20,825,710)
Joint Works Capital Improvement Program	100,387,300	3,662,600	104,049,900
Collection System Capital Improvement Prog.	43,512,100	-	43,512,100
Debt Service	72,838,369	-	72,838,369
Long Term Debt Reduction	-	-	-
Intradistrict Transfers	-	3,500,000	3,500,000
Joint Equity Sale to IRWD	-	-	-
Subtotal	382,257,699	17,963,186	400,220,885
Ending Accum. Funds & Reserves	840,874,382	90,283,684	931,158,066
Total Uses	<u>\$ 1,223,132,081</u>	<u>\$ 108,246,870</u>	<u>\$ 1,331,378,951</u>

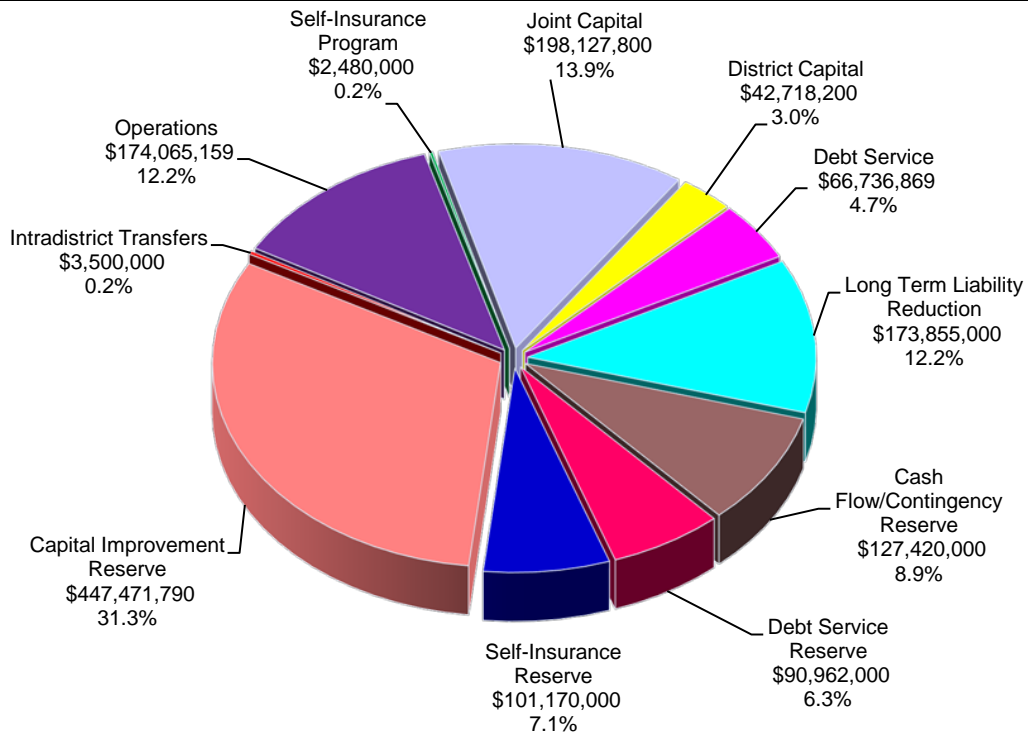
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Where the Money Comes From – FY 2021-22



FY 2021-22 Total Funding Sources - \$1,428,506,818

Where the Money Goes – FY 2021-22



FY 2021-22 Total Funding Uses - \$1,428,506,818

2020-21 & 2021-22 Budget

Funding Sources by Category FY 2021-22

	Consolidated Revenue Area	Revenue Area 14	Total Sources
Beginning Accum. Funds & Reserves	\$ 840,874,382	\$ 90,283,684	\$ 931,158,066
Services Fees	15,835,428	19,931,486	35,766,914
User Fees	306,495,847	-	306,495,847
Capital Facilities Capacity Charge	20,809,000	-	20,809,000
Capacity Rights	-	-	-
Debt Proceeds	-	-	-
Property Taxes	99,576,166	2,458,000	102,034,166
Intradistrict Transfers	3,500,000	-	3,500,000
Insurance In-Lieu Premiums	2,425,700	54,300	2,480,000
Interest and Other Revenue	<u>24,694,525</u>	<u>1,568,300</u>	<u>26,262,825</u>
Subtotal	<u>473,336,666</u>	<u>24,012,086</u>	<u>497,348,752</u>
Total Sources	<u>\$ 1,314,211,048</u>	<u>\$ 114,295,770</u>	<u>\$ 1,428,506,818</u>

Funding Uses by Category

Funding Uses by Category FY 2021-22

	Consolidated Revenue Area	Revenue Area 14	Total Uses
Directors' Fees	\$ 169,113	\$ 3,787	\$ 172,900
Salaries & Benefits	100,071,730	7,009,670	107,081,400
Administrative Expenses	1,737,921	121,740	1,859,661
Printing & Publications	398,440	27,910	426,350
Training & Meetings	905,502	63,430	968,932
Operating Materials and Supplies	19,933,985	1,396,310	21,330,295
Contractual Expenses	18,166,032	1,272,470	19,438,502
Professional Expenses	5,426,782	380,130	5,806,912
Research & Monitoring	1,335,180	93,520	1,428,700
Repairs & Maintenance	22,596,037	1,582,770	24,178,807
Utilities	7,830,348	548,490	8,378,838
Self-Insurance Requirements	2,424,700	55,300	2,480,000
Other Materials, Supplies, & Services	4,396,952	307,990	4,704,942
Cost Allocation	(20,297,372)	(1,413,708)	(21,711,080)
Joint Works Capital Improvement Program	191,153,700	6,974,100	198,127,800
Collection System Capital Improvement Prog.	42,718,200	-	42,718,200
Debt Service	66,736,869	-	66,736,869
Long Term Debt Reduction	-	-	173,855,000
Intradistrict Transfers	-	3,500,000	3,500,000
Joint Equity Sale to IRWD	-	-	-
Subtotal	465,704,119	21,923,909	661,483,028
Ending Accum. Funds & Reserves	848,506,929	92,371,861	767,023,790
Total Uses	<u>\$ 1,314,211,048</u>	<u>\$ 114,295,770</u>	<u>\$ 1,428,506,818</u>

2020-21 & 2021-22 Budget

DESCRIPTION OR ACCOUNT TITLE	ACTUAL 2018-19	APPROVED 2019-20	PROJECTED 2019-20	PROPOSED 2020-21	PROPOSED 2021-22
BEGINNING ACCUM. FUNDS & RESERVES	\$ 688,285,514	\$ 716,802,309	\$ 760,497,103	\$ 843,125,661	\$ 931,158,066
<u>OPERATING REVENUES</u>					
General Sewer Service User Fees	293,106,000	298,144,000	298,870,000	301,839,390	306,495,847
Permitted User Fees	9,912,000	9,917,000	12,845,756	12,997,336	13,149,405
IRWD Assessments	11,424,624	12,261,560	12,427,327	10,746,886	11,394,509
SAWPA Assessments	2,978,000	2,654,000	2,693,628	2,639,000	2,745,000
Interest	28,664,000	6,602,000	17,472,000	13,208,000	12,642,000
Miscellaneous Receipts	6,730,924	18,880,498	8,030,274	16,418,188	13,620,825
Operating Revenue Subtotal	352,815,548	348,459,058	352,338,985	357,848,800	360,047,586
<u>NON-OPERATING REVENUES</u>					
Property Tax Allocation	85,818,991	84,248,000	85,584,000	87,295,680	88,762,334
Redevelopment Agency Pass Thru	12,524,009	12,106,000	12,392,000	12,639,840	13,271,832
Subtotal-Taxes	98,343,000	96,354,000	\$97,976,000	99,935,520	102,034,166
Capital Facilities Capacity Charge	21,037,000	18,000,000	19,313,912	20,125,170	20,809,000
Sale of Capacity Rights, SAWPA & SSBSD	-	-	-	-	-
Capital Assessment (IRWD)	4,247,376	5,397,000	4,620,483	5,194,000	8,478,000
Non-Operating Revenue Subtotal	123,627,376	119,751,000	121,910,395	125,254,690	131,321,166
<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	-	-	-	-	-
Financing Revenues Subtotal	-	-	-	-	-
<u>SELF INSURANCE REVENUES</u>					
Workers' Comp SFI	695,296	780,000	888,700	628,800	800,000
General Liability SFI	1,299,998	1,750,000	1,716,900	1,021,000	1,680,000
Subtotal-Self Insurance	1,995,294	2,530,000	2,605,600	1,649,800	2,480,000
Total Revenues	498,120,412	470,740,058	476,854,980	488,253,290	497,348,752
TOTAL AVAILABLE FUNDING	\$ 1,186,405,926	\$ 1,187,542,367	\$ 1,237,352,083	\$ 1,331,378,951	\$ 1,428,506,818

Budget Resources

DESCRIPTION OR ACCOUNT TITLE	ACTUAL 2018-19	APPROVED 2019-20	PROJECTED 2019-20	PROPOSED 2020-21	PROPOSED 2021-22
<u>OPERATING REQUIREMENTS</u>					
Directors' Fees	\$ 162,802	\$ 155,100	\$ 172,900	\$ 172,900	\$ 172,900
Salaries & Benefits	102,765,573	98,279,140	95,648,580	101,908,900	107,081,400
Administrative Expense	1,432,347	2,027,930	1,928,782	2,034,004	1,859,661
Printing & Publications	274,914	329,970	318,635	415,375	426,350
Training & Meetings	664,845	1,109,740	765,541	1,075,111	968,932
Operating Materials & Supplies	18,693,800	21,008,781	19,972,539	21,460,704	21,330,295
Contractual Expense	20,516,256	22,033,974	21,159,486	19,235,353	19,438,502
Professional Expense	4,601,991	5,586,170	4,361,777	5,709,648	5,806,912
Research & Monitoring	935,801	1,099,600	1,149,600	1,304,700	1,428,700
Repairs & Maintenance	18,807,050	23,469,642	24,250,530	28,372,645	24,178,807
Utilities	7,795,426	9,250,310	8,484,098	8,364,954	8,378,838
Other Materials, Supplies, & Services	9,645,000	4,244,740	3,248,588	4,681,932	4,704,942
Cost Allocation	(19,709,063)	(20,378,610)	(20,056,720)	(20,825,710)	(21,711,080)
Subtotal- Operating	166,586,742	168,216,487	161,404,336	173,910,516	174,065,159
<u>CAPITAL IMPROVEMENTS</u>					
Joint Works Capital Improvements	117,410,628	115,947,704	91,099,400	104,049,900	198,127,800
Collection System Capital Improvements	41,692,762	37,379,839	28,573,700	43,512,100	42,718,200
Annual Intradistrict Joint Equity Purchase/Sale	23,715,860	-	-	3,500,000	3,500,000
Subtotal- Capital Improvements	182,819,250	153,327,543	119,673,100	151,062,000	244,346,000
<u>FINANCING REQUIREMENTS</u>					
Certificate of Participation Service	74,481,299	76,775,000	81,847,941	72,838,369	66,736,869
Long Term Debt Reduction	-	-	29,029,145	-	173,855,000
Subtotal-Financing Req	74,481,299	76,775,000	110,877,086	72,838,369	240,591,869
<u>SELF INSURANCE REQUIREMENTS</u>					
Workers' Comp SFI	528,014	780,000	774,200	780,000	800,000
General Liability SFI	1,493,518	1,750,000	1,497,700	1,630,000	1,680,000
Subtotal-Self Insurance	2,021,532	2,530,000	2,271,900	2,410,000	2,480,000
TOTAL REQUIREMENTS	425,908,823	400,849,030	394,226,422	400,220,885	661,483,028
REVENUES OVER / (UNDER) REQUIREMENTS	72,211,589	(37,165,890)	82,628,558	88,032,405	(164,134,276)
ENDING ACCUM. FUNDS & RESERVES	\$ 760,497,103	\$ 786,693,337	\$ 843,125,661	\$ 931,158,066	\$ 767,023,790

2020-21 & 2021-22 Budget

BUDGET RESOURCES BY REVENUE AREA - FY 2020-21

DESCRIPTION OR ACCOUNT TITLE	Consolidated Revenue Area Proposed	Rev Area 14 Proposed	Total Proposed
BEGINNING ACCUM. FUNDS & RESERVES	\$ 755,886,007	\$ 87,239,654	\$ 843,125,661
<u>OPERATING REVENUES</u>			
General Sewer Service User Fees	301,839,390	-	301,839,390
Permitted User Fees	12,997,336	-	12,997,336
O & M Joint Operating Assessment Service Fees (IRWD)	-	2,839,206	2,839,206
O & M Collection System Assessment Service Fees (IRWD)	-	1,807,680	1,807,680
O & M Sludge Disposal Assessment Service Fees (IRWD)	-	6,100,000	6,100,000
SAWPA Assessments	2,581,270	57,730	2,639,000
Interest	11,957,000	1,251,000	13,208,000
Miscellaneous Receipts	15,957,388	460,800	16,418,188
Operating Revenue Subtotal	345,332,384	12,516,416	357,848,800
<u>NON-OPERATING REVENUES</u>			
Property Tax Allocation	84,447,680	2,848,000	87,295,680
Redevelopment Agency Pass Thru	12,227,840	412,000	12,639,840
Subtotal-Taxes	96,675,520	3,260,000	99,935,520
Capital Facilities Capacity Charge	20,125,170	-	20,125,170
Sale of Capacity Rights, SAWPA & SSBSD	-	-	-
Capital Assessment (IRWD)	-	5,194,000	5,194,000
Non-Operating Revenue Subtotal	116,800,690	8,454,000	125,254,690
<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	614,800	14,000	628,800
General Liability SFI	998,200	22,800	1,021,000
Subtotal-Self Insurance	1,613,000	36,800	1,649,800
Total Revenues	467,246,074	21,007,216	488,253,290
TOTAL AVAILABLE FUNDING	\$ 1,223,132,081	\$ 108,246,870	\$ 1,331,378,951

Budget Resources

DESCRIPTION OR ACCOUNT TITLE	Consolidated Revenue Area Proposed	Rev Area 14 Proposed	Total Proposed
<u>OPERATING REQUIREMENTS</u>			
Directors' Fees	\$ 169,062	\$ 3,838	\$ 172,900
Salaries & Benefits	95,611,390	6,297,510	101,908,900
Administrative Expense	1,908,314	125,690	2,034,004
Printing & Publications	389,705	25,670	415,375
Training & Meetings	1,008,671	66,440	1,075,111
Operating Materials and Supplies	20,134,534	1,326,170	21,460,704
Contractual Expense	18,046,693	1,188,660	19,235,353
Professional Expense	5,356,818	352,830	5,709,648
Research & Monitoring	1,224,080	80,620	1,304,700
Repairs & Maintenance	26,619,345	1,753,300	28,372,645
Utilities	7,848,034	516,920	8,364,954
Other Materials, Supplies, & Services	4,392,612	289,320	4,681,932
Cost Allocation	(19,545,628)	(1,280,082)	(20,825,710)
Subtotal- Operating	163,163,630	10,746,886	173,910,516
<u>CAPITAL IMPROVEMENTS</u>			
Joint Works Capital Improvements	100,387,300	3,662,600	104,049,900
Collection System Capital Improvements	43,512,100	-	43,512,100
Annual Intradistrict Joint Equity Purchase/Sale	-	3,500,000	3,500,000
Subtotal- Capital Improvements	143,899,400	7,162,600	151,062,000
<u>FINANCING REQUIREMENTS</u>			
Certificate of Participation Service	72,838,369	-	72,838,369
Long Term Debt Reduction	-	-	-
Subtotal- Financing Requirements	72,838,369	-	72,838,369
<u>SELF INSURANCE REQUIREMENTS</u>			
Workers' Comp SFI	762,600	17,400	780,000
General Liability SFI	1,593,700	36,300	1,630,000
Subtotal- Self Insurance	2,356,300	53,700	2,410,000
<u>OTHER CASH OUTLAYS</u>			
Joint Equity Sale to IRWD	-	-	-
Subtotal- Other Cash Outlays	-	-	-
TOTAL REQUIREMENTS	382,257,699	17,963,186	400,220,885
REVENUES EXCEEDING REQUIREMENTS	84,988,375	3,044,030	88,032,405
ENDING ACCUMULATED FUNDS & RESERVES	\$ 840,874,382	\$ 90,283,684	\$ 931,158,066

2020-21 & 2021-22 Budget

BUDGET RESOURCES BY REVENUE AREA - FY 2021-22

DESCRIPTION OR ACCOUNT TITLE	Consolidated Revenue Area Proposed	Rev Area 14 Proposed	Total Proposed
BEGINNING ACCUM. FUNDS & RESERVES	\$ 840,874,382	\$ 90,283,684	\$ 931,158,066
<u>OPERATING REVENUES</u>			
General Sewer Service User Fees	306,495,847	-	306,495,847
Permitted User Fees	13,149,405	-	13,149,405
O & M Joint Operating Assessment Service Fees (IRWD)	-	2,797,729	2,797,729
O & M Collection System Assessment Service Fees (IRWD)	-	1,885,780	1,885,780
O & M Sludge Disposal Assessment Service Fees (IRWD)	-	6,711,000	6,711,000
SAWPA Assessments	2,686,023	58,977	2,745,000
Interest	11,493,000	1,149,000	12,642,000
Miscellaneous Receipts	13,201,525	419,300	13,620,825
Operating Revenue Subtotal	347,025,800	13,021,786	360,047,586
<u>NON-OPERATING REVENUES</u>			
Property Tax Allocation	86,624,334	2,138,000	88,762,334
Redevelopment Agency Pass Thru	12,951,832	320,000	13,271,832
Subtotal-Taxes	99,576,166	2,458,000	102,034,166
Capital Facilities Capacity Charge	20,809,000	-	20,809,000
Sale of Capacity Rights, SAWPA & SSBSD	-	-	-
Capital Assessment (IRWD)	-	8,478,000	8,478,000
Non-Operating Revenue Subtotal	120,385,166	10,936,000	131,321,166
<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	782,500	17,500	800,000
General Liability SFI	1,643,200	36,800	1,680,000
Subtotal-Self Insurance	2,425,700	54,300	2,480,000
Total Revenues	473,336,666	24,012,086	497,348,752
TOTAL AVAILABLE FUNDING	\$ 1,314,211,048	\$ 114,295,770	\$ 1,428,506,818

Budget Resources

DESCRIPTION OR ACCOUNT TITLE	Consolidated Revenue Area Proposed	Rev Area 14 Proposed	Total Proposed
<u>OPERATING REQUIREMENTS</u>			
Directors' Fees	\$ 169,113	\$ 3,787	\$ 172,900
Salaries & Benefits	100,071,730	7,009,670	107,081,400
Administrative Expense	1,737,921	121,740	1,859,661
Printing & Publications	398,440	27,910	426,350
Training & Meetings	905,502	63,430	968,932
Operating Materials and Supplies	19,933,985	1,396,310	21,330,295
Contractual Expense	18,166,032	1,272,470	19,438,502
Professional Expense	5,426,782	380,130	5,806,912
Research & Monitoring	1,335,180	93,520	1,428,700
Repairs & Maintenance	22,596,037	1,582,770	24,178,807
Utilities	7,830,348	548,490	8,378,838
Other Materials, Supplies, & Services	4,396,952	307,990	4,704,942
Cost Allocation	(20,297,372)	(1,413,708)	(21,711,080)
Subtotal- Operating	162,670,650	11,394,509	174,065,159
<u>CAPITAL IMPROVEMENTS</u>			
Joint Works Capital Improvements	191,153,700	6,974,100	198,127,800
Collection System Capital Improvements	42,718,200	-	42,718,200
Annual Intradistrict Joint Equity Purchase/Sale	-	3,500,000	3,500,000
Subtotal- Capital Improvements	233,871,900	10,474,100	244,346,000
<u>FINANCING REQUIREMENTS</u>			
Certificate of Participation Service	66,736,869	-	66,736,869
Long Term Debt Reduction	173,855,000	-	173,855,000
Subtotal-Financing Req	66,736,869	-	240,591,869
<u>SELF INSURANCE REQUIREMENTS</u>			
Workers' Comp SFI	782,200	17,800	800,000
General Liability SFI	1,642,500	37,500	1,680,000
Subtotal-Self Insurance	2,424,700	55,300	2,480,000
<u>OTHER CASH OUTLAYS</u>			
Joint Equity Sale to IRWD	-	-	-
Subtotal- Other Cash Outlays	-	-	-
TOTAL REQUIREMENTS	465,704,119	21,923,909	661,483,028
REVENUES EXCEEDING REQUIREMENTS	7,632,547	2,088,177	(164,134,276)
ENDING ACCUMULATED FUNDS & RESERVES	\$ 848,506,929	\$ 92,371,861	\$ 767,023,790

2020-21 & 2021-22 Budget

Projected Reserves at June 30, 2020, 2021 and 2022

	Projected 6/30/2020	Proposed 6/30/2021	Proposed 6/30/2022
Cash Flow Requirements			
Operating Expenses	\$ 80,702,000	\$ 86,955,000	\$ 87,033,000
COP Payments	24,530,185	23,741,000	22,980,000
Operating Contingencies	16,140,000	17,391,000	17,407,000
Capital Improvement Program	461,960,476	534,066,066	371,593,790
Catastrophe & Self Insurance	100,000,000	100,000,000	101,170,000
Sub-total	683,332,661	762,153,066	600,183,790
Capital Replacement & Refurbishment	62,515,000	75,000,000	75,878,000
COP Service Required Reserves	97,278,000	94,005,000	90,962,000
Total	<u>\$ 843,125,661</u>	<u>\$ 931,158,066</u>	<u>\$ 767,023,790</u>

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.

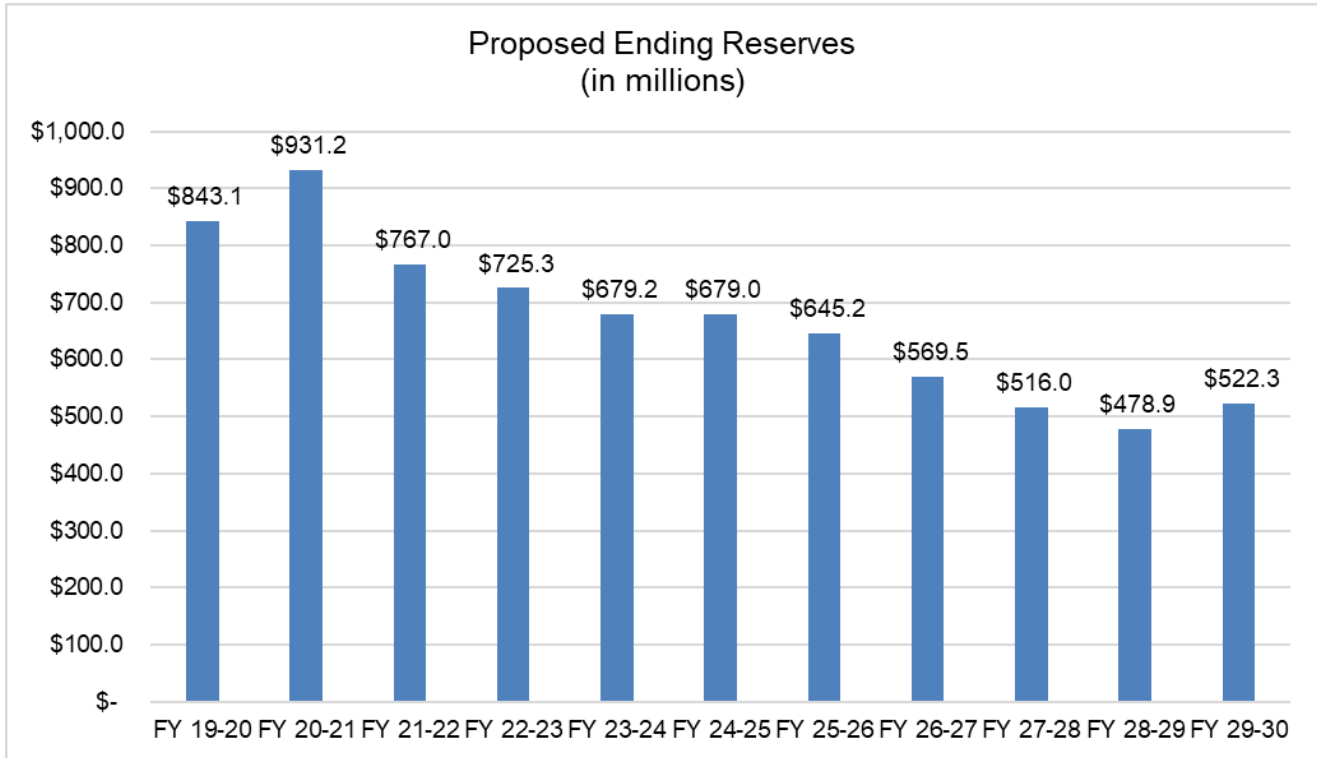
A capital improvement criterion has been maintained to fund annual increments of the capital improvement program. The target level of this criterion has been

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 the Sanitation District'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 \$10.8 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 the Sanitation District and must be maintained at specified levels.

Accumulated Funds exceeding the targets specified by OCSD 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 2020-21 and 2021-22 budget years.

2020-21 & 2021-22 Budget

Orange County Sanitation District Consolidated Cash Flow Projections

Ref	Description	Preliminary 20-21	Preliminary 21-22	Preliminary 22-23	Preliminary 23-24	Preliminary 24-25	Preliminary 25-26
Revenues:							
1	General User Fees	301,839,390	306,495,847	311,177,631	316,816,564	322,486,265	328,187,220
2	Permitted User Fees	12,997,336	13,149,405	13,301,000	13,490,000	13,679,000	13,869,000
3	IRWD Assessments	15,940,886	19,872,509	17,117,000	15,865,000	14,474,000	16,007,000
4	SAWPA Assessments	2,639,000	2,745,000	2,828,000	2,913,000	3,001,000	3,091,000
5	Property Taxes	99,935,520	102,034,166	105,095,000	107,722,000	110,415,000	113,727,000
6	New COP Issues	-	-	-	-	-	-
7	Interest Revenues	13,208,000	12,642,000	11,109,000	10,455,000	10,111,000	9,857,000
8	Capital Facilities Capacity Charges	20,125,170	20,809,000	18,673,000	19,441,000	19,517,000	19,597,000
9	Other Revenues	21,567,988	19,600,825	16,441,000	16,790,000	17,149,000	17,515,000
10	Revenues	488,253,290	497,348,752	495,741,631	503,492,564	510,832,265	521,850,220
Requirements:							
11	Oper & Mtce Exp (3.0% yr)	173,910,516	174,065,159	179,287,000	184,666,000	190,206,000	195,912,000
12	Capital Improvement Program (CIP)	164,833,000	261,947,000	317,935,000	316,625,000	270,380,000	287,072,000
13	Less: CIP Savings & Deferrals	(17,271,000)	(21,101,000)	(24,891,000)	(21,852,000)	(23,940,000)	(15,423,000)
14	Allocation for Future Rehabilitation	-	-	1,357,000	6,316,000	10,613,000	24,341,000
15	COP Debt Service	72,838,369	66,736,869	61,310,000	61,316,000	61,306,000	61,314,000
16	Reduction of Long-Term Liabilities	-	173,855,000	-	-	-	-
17	Other Requirements	5,910,000	5,980,000	2,480,000	2,480,000	2,480,000	2,480,000
18	Requirements	400,220,885	661,483,028	537,478,000	549,551,000	511,045,000	555,696,000
19	Revenues-Requirements	88,032,405	(164,134,276)	(41,736,369)	(46,058,436)	(212,735)	(33,845,780)
Accumulated Funds:							
20	Beginning of Year	843,125,661	931,158,066	767,023,790	725,287,421	679,228,985	679,016,250
21	End of Year	931,158,066	767,023,790	725,287,421	679,228,985	679,016,250	645,170,470
22	Consolidated Reserve Policy	534,393,000	532,731,000	512,983,000	515,109,000	517,099,000	519,155,000
23	Over (Under) Reserve Policy*	396,765,066	234,292,790	212,304,421	164,119,985	161,917,250	126,015,470
Sewer Service User Fees:							
24	Avg SFR Annual User Fee	\$343	\$347	\$351	\$356	\$361	\$366
25	Percentage Change	1.18%	1.17%	1.15%	1.42%	1.40%	1.39%
26	Equivalent Dw elling Units	923,730	926,501	929,281	932,069	934,865	937,670
27	SFR Connection Fee	\$4,601	\$4,973	\$5,346	\$5,719	\$5,736	\$5,753
28	Outstanding COPs	\$940,050,000	\$909,620,000	\$707,360,000	\$677,555,000	\$646,415,000	\$613,760,000
Reserve Policy							
29	50% Next Year Operating Expense	86,955,000	87,033,000	89,644,000	92,333,000	95,103,000	97,956,000
30	10% Next Year Operating Expense	17,391,000	17,407,000	17,929,000	18,467,000	19,021,000	19,591,000
31	100% Next Year AUG COP Svc.	23,741,000	22,980,000	18,289,000	17,625,000	16,862,000	16,201,000
32	50% average ten-year CIP Balance	137,301,000	137,301,000	137,301,000	137,301,000	137,301,000	137,301,000
33	Debt Svc @ 10% Outstanding COP	94,005,000	90,962,000	70,736,000	67,756,000	64,642,000	61,376,000
34	Self Funded Insurance @ \$100M	100,000,000	101,170,000	102,333,000	103,786,000	105,239,000	106,702,000
35	Repl & Refurb	75,000,000	75,878,000	76,751,000	77,841,000	78,931,000	80,028,000
36	*Reserve Reduction (in accordance with Board action allowing a \$40M reduction to total res)	-	-	-	-	-	-
37	Total	534,393,000	532,731,000	512,983,000	515,109,000	517,099,000	519,155,000
COP Ratios							
38	Sr Lien Coverage, Min 1.25	4.04	4.53	4.86	4.88	4.91	5.00

Cash Flow Projection

Orange County Sanitation District Consolidated Cash Flow Projections

Ref	Description	Preliminary 26-27	Preliminary 27-28	Preliminary 28-29	Preliminary 29-30	10-Year Total
Revenues:						
1	General User Fees	336,919,000	342,682,000	348,477,000	354,303,000	3,269,383,917
2	Permitted User Fees	14,059,000	14,249,000	14,439,000	14,628,000	137,860,741
3	IRWD Assessments	17,959,000	17,291,000	16,994,000	14,394,000	165,914,395
4	SAWPA Assessments	3,184,000	3,280,000	3,378,000	3,479,000	30,538,000
5	Property Taxes	117,139,000	120,653,000	124,273,000	128,001,000	1,128,994,686
6	New COP Issues	-	-	-	-	-
7	Interest Revenues	9,065,000	8,149,000	7,521,000	7,614,000	99,731,000
8	Capital Facilities Capacity Charges	19,673,000	19,749,000	19,830,000	19,906,000	197,320,170
9	Other Revenues	17,891,000	18,276,000	18,671,000	19,075,000	182,976,813
10	Revenues	535,889,000	544,329,000	553,583,000	561,400,000	5,212,719,722
Requirements:						
11	Oper & Mtce Exp (4.0% yr)	201,789,000	207,843,000	214,078,000	220,500,000	1,942,256,675
12	Capital Improvement Program (CIP)	394,219,000	310,190,000	254,783,000	123,024,000	2,701,008,000
13	Less: CIP Savings & Deferrals	(82,295,000)	(34,675,000)	(48,140,000)	(11,413,000)	(301,001,000)
14	Allocation for Future Rehabilitation	34,786,000	47,291,000	102,666,000	118,639,000	346,009,000
15	COP Service	57,514,000	61,666,000	61,661,000	61,663,000	627,325,238
16	Reduction of Long-Term Liabilites	-	-	-	-	173,855,000
17	Other Requirements	2,480,000	2,480,000	2,480,000	2,480,000	31,730,000
18	Requirements	608,493,000	594,795,000	587,528,000	514,893,000	5,521,182,913
19	Revenues-Requirements	(72,604,000)	(50,466,000)	(33,945,000)	46,507,000	(308,463,191)
Accumulated Funds:						
20	Beginning of Year	645,170,470	572,566,470	522,100,470	488,155,470	843,125,661
21	End of Year	572,566,470	522,100,470	488,155,470	534,662,470	534,662,470
22	Consolidated Reserve Policy	521,009,000	521,215,000	487,808,000	526,274,000	526,274,000
23	Over (Under) Reserve Policy*	51,557,470	885,470	347,470	8,388,470	8,388,470
Sewer Service User Fees:						
24	Avg SFR Annual User Fee	\$371	\$376	\$381	\$386	
25	Percentage Change	1.37%	1.35%	1.33%	1.31%	
26	Equivalent Dw elling Units	940,483	943,304	946,134	948,972	
27	SFR Connection Fee	\$5,770	\$5,787	\$5,804	\$5,821	
28	Outstanding COPs	\$579,775,000	\$547,925,000	\$510,330,000	\$470,860,000	
<u>Reserve Policy</u>						
29	50% Next Year Operating	100,895,000	103,922,000	107,039,000	110,250,000	
30	10% Next Year Operating	20,179,000	20,784,000	21,408,000	22,050,000	
31	100% Next Year AUG COP Svc.	15,368,000	14,572,000	13,632,000	12,646,000	
32	50% average ten-year CIP Bal.	137,301,000	137,301,000	137,301,000	137,301,000	
33	DSR @ 10% Outstanding COPs	57,978,000	54,793,000	51,033,000	47,086,000	
34	SFI @ \$57mm	108,164,000	109,624,000	111,082,000	112,537,000	
35	Repl & Refurb @ 2%/yr	81,124,000	82,219,000	83,313,000	84,404,000	
36	*Reserve Reduction	-	(2,000,000)	(37,000,000)	-	
37	Total	521,009,000	521,215,000	487,808,000	526,274,000	
<u>COP Ratios</u>						
38	Sr Lien Coverge, Min 1.25	5.47	5.14	5.18	5.21	

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Operations Budget Overview

OPERATING REQUIREMENTS

The net operating requirements budget finances the administrative, operations and maintenance, and program costs for collecting, treating, and recycling of wastewater. The departmental budgets are all completely funded by the operating fund. The net operating budget for FY 2020-21 is \$173.9 million and for FY 2021-22 is \$174.1 million.

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

Regulatory Requirements: Many of the Sanitation District'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 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 (H₂S). 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 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 the Sanitation District's residuals management costs are for hauling about 23 truckloads (575 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 the Sanitation District's expanded and upgraded treatment facilities and collection system continue to keep this budgetary category at a significant amount. This category includes contracted services, materials and supplies, and outsourced service agreements.

Utilities: The cost for utilities is a significant component of the operating budget. The largest utility cost incurred by the Sanitation District is the electricity that is purchased to supplement generated power to operate the plant processes. The central generation facilities produce approximately 70 percent of the electricity used for running the plants. In FY 2005-06, the central generation production was reduced in order to meet new air emission limits. This issue has been resolved by the installation of emission control systems on the engines at both plants.

2020-21 & 2021-22 Budget

Proposed Budget Comparisons by Department

Department and Division	2019-20 Revised Budget	2019-20 Projected	2020-21 Proposed	Budget Percent Change	2021-22 Proposed	Budget Percent Change
General Manager's Office						
General Management Admin	\$ 3,172,680	\$ 2,100,840	\$ 1,910,830	-39.77%	\$ 1,940,940	1.58%
Board Services	693,980	718,820	1,195,850	72.32%	1,236,800	3.42%
Public Affairs	1,155,600	1,196,776	1,300,290	12.52%	1,291,790	-0.65%
Department subtotal	5,022,260	4,016,436	4,406,970	-12.25%	4,469,530	1.42%
Human Resources Department						
Human Resources	4,987,200	4,386,770	4,167,885	-16.43%	4,459,485	7.00%
Risk Management	5,785,360	5,507,435	3,917,452	-32.29%	4,003,910	2.21%
Department subtotal	10,772,560	9,894,205	8,085,337	-24.95%	8,463,395	4.68%
Administrative Services Department						
Administrative Services Admin	180,710	556,295	255,180	41.21%	547,280	114.47%
Consolidated Services	-	-	7,215,635	100.00%	7,192,901	-0.32%
Financial Management	3,442,410	3,989,386	4,145,843	20.43%	4,291,078	3.50%
Contracts, Purch, & Materials Mgmt	4,966,960	4,238,524	4,619,006	-7.01%	4,800,172	3.92%
Information Technology	12,159,200	11,930,100	12,093,310	-0.54%	12,284,250	1.58%
Department subtotal	20,749,280	20,714,305	28,328,974	36.53%	29,115,681	2.78%
Environmental Services Department						
Environmental Services Admin	619,510	868,660	915,720	47.81%	991,620	8.29%
Environmental Compliance	5,754,790	5,463,060	6,130,250	6.52%	6,617,570	7.95%
Laboratory & Ocean Monitoring	11,393,290	11,996,340	12,264,727	7.65%	12,673,508	3.33%
Department subtotal	17,767,590	18,328,060	19,310,697	8.68%	20,282,698	5.03%
Engineering Department						
Engineering Admin	753,920	1,077,200	1,278,080	69.52%	1,367,530	7.00%
Planning	5,414,675	3,820,812	4,120,560	-23.90%	4,263,525	3.47%
Project Management	5,019,310	4,404,695	4,197,645	-16.37%	4,373,695	4.19%
Design	7,583,810	7,164,681	7,416,060	-2.21%	7,637,260	2.98%
Construction Management	5,670,320	6,234,143	6,637,750	17.06%	6,939,300	4.54%
Department subtotal	24,442,035	22,701,531	23,650,095	-3.24%	24,581,310	3.94%
Operations & Maintenance Dept.						
O & M Administration	804,870	325,200	709,620	-11.83%	744,320	4.89%
Collection Facilities O&M	13,369,492	12,891,116	15,585,673	16.58%	16,153,634	3.64%
Fleet Services	1,880,480	1,807,420	2,040,071	8.49%	2,007,782	-1.58%
Plant No. 1 Operations	31,542,920	30,915,162	30,331,900	-3.84%	30,510,180	0.59%
Plant No. 2 Operations	18,989,328	18,082,401	18,690,716	-1.57%	19,057,086	1.96%
Plant No. 1 Maintenance	25,352,831	22,007,130	23,335,730	-7.96%	22,366,440	-4.15%
Plant No. 2 Maintenance	17,901,451	19,778,090	20,260,443	13.18%	18,024,183	-11.04%
Department subtotal	109,841,372	105,806,519	110,954,153	1.01%	108,863,625	-1.88%
Less: Cost Allocation	(20,378,610)	(20,056,720)	(20,825,710)	2.19%	(21,711,080)	4.25%
Net Operating Requirements	\$ 168,216,487	\$ 161,404,336	\$ 173,910,516	3.38%	\$ 174,065,159	0.09%

Operations Summary

Proposed Budget Expense by Category

Description	2019-20 Revised Budget	2019-20 Projected	2020-21 Proposed	Budget Percent Change	2021-22 Proposed	Budget Percent Change
Salaries, Wages & Benefits	\$ 98,434,240	\$ 95,821,480	\$ 102,081,800	3.71%	\$ 107,254,300	5.07%
Administrative Expenses	2,027,930	1,928,782	2,034,004	0.30%	1,859,661	-8.57%
Printing & Publication	329,970	318,635	415,375	25.88%	426,350	2.64%
Training & Meetings	1,109,740	765,541	1,075,111	-3.12%	968,932	-9.88%
Operating Materials & Supplies	21,008,781	19,972,539	21,460,704	2.15%	21,330,295	-0.61%
Contractual Services	22,033,974	21,159,486	19,235,353	-12.70%	19,438,502	1.06%
Professional Services	5,586,170	4,361,777	5,709,648	2.21%	5,806,912	1.70%
Research & Monitoring	1,099,600	1,149,600	1,304,700	18.65%	1,428,700	9.50%
Repairs & Maintenance	23,469,642	24,250,530	28,372,645	20.89%	24,178,807	-14.78%
Utilities	9,250,310	8,484,098	8,364,954	-9.57%	8,378,838	0.17%
Other Materials, Supplies, and Svc.	4,244,740	3,248,588	4,681,932	10.30%	4,704,942	0.49%
Cost Allocation	(20,378,610)	(20,056,720)	(20,825,710)	2.19%	(21,711,080)	4.25%
Net Operating Requirements	<u>\$ 168,216,487</u>	<u>\$ 161,404,336</u>	<u>\$ 173,910,516</u>	<u>3.38%</u>	<u>\$ 174,065,159</u>	<u>0.09%</u>
Cost to Collect/Treat 1 Million Gallons	<u>\$ 2,451.42</u>	<u>\$ 2,339.36</u>	<u>\$ 2,534.40</u>	<u>3.38%</u>	<u>\$ 2,536.65</u>	<u>0.09%</u>
Flow, Million Gallons	<u>68,620</u>	<u>68,995</u>	<u>68,620</u>	<u>0.00%</u>	<u>68,620</u>	<u>0.00%</u>
Flow Per Day, MGD	<u>188.00</u>	<u>188.51</u>	<u>188.00</u>	<u>0.00%</u>	<u>188.00</u>	<u>0.00%</u>

2020-21 & 2021-22 Budget

Proposed Budget Allocation to Individual Revenue Areas

Revenue Area No.	Total Gallonage Flows, Million Gallons per Year (MG)					
	2019-20 Projected Flow (MG)	Projected Decrease (MG)	2020-21 Projected Flow (MG)	Percent of Total	2021-22 Budgeted Flow (MG)	Percent of Total
Consolidated	67,456	(356)	67,100	97.78%	67,120	97.81%
14	1,539	(19)	1,520	2.22%	1,500	2.19%
TOTALS	68,995	(375)	68,620	100.00%	68,620	100.00%

Revenue Area No.	Average Daily Gallonage Flows, Million Gallons per Day (MGD)					
	2019-20 Projected Flow (MGD)	Projected Decrease (MGD)	2020-21 Budgeted Flow (MGD)	Percent of Total	2021-22 Budgeted Flow (MGD)	Percent of Total
Consolidated	184	-	184	97.87%	184	97.87%
14	4	-	4	2.13%	4	2.13%
TOTALS	188	-	188	100.00%	188	100.00%

FY 2020-21 Estimated Allocation of Total Costs to Revenue Areas

Revenue Area No.	Collection Costs	Treatment & Disposal Costs	Total Costs	Total Cost/MG
Consolidated	\$ 32,706,720	\$ 130,456,910	\$ 163,163,630	\$ 2,431.65
14 - O&M	1,807,680	2,839,206	4,646,886	3,057.16
14 - Sludge	-	6,100,000	6,100,000	4,013.16
TOTALS	\$ 34,514,400	\$ 139,396,116	\$ 173,910,516	\$ 2,534.40

FY 2021-22 Estimated Allocation of Total Costs to Revenue Areas

Revenue Area No.	Collection Costs	Treatment & Disposal Costs	Total Costs	Total Cost/MG
Consolidated	\$ 34,119,720	\$ 128,550,930	\$ 162,670,650	\$ 2,423.58
14 - O&M	1,885,780	2,797,729	\$ 4,683,509	3,122.34
14 - Sludge	-	6,711,000	\$ 6,711,000	4,474.00
TOTALS	\$ 36,005,500	\$ 138,059,659	\$ 174,065,159	\$ 2,536.65

Operations Summary

Proposed Budget Net Operating Expense by Line Item

Description	Adjusted Budget 2019-20	2019-20 Projected	2020-21 Proposed	% Budget Change to 2019-20	2021-22 Proposed	% Budget Change to 2020-21
Salaries, Wages, & Benefits						
<u>Salaries & Wages</u>						
Salaries & Wages	\$ 74,364,500	\$ 72,898,900	\$ 79,271,100	6.60%	\$ 83,272,100	5.05%
<u>Employee Benefits</u>						
Retirement	11,478,840	11,180,200	11,685,000	1.80%	12,167,100	4.13%
Group Insurances	11,006,200	10,051,700	9,705,500	-11.82%	10,221,000	5.31%
Tuition & Certificate Reimb	98,100	135,700	138,400	41.08%	141,200	2.02%
Edu.degrees,Cert. & Lic.	470,300	532,400	542,600	15.37%	542,600	0.00%
Uniform Rental	140,800	107,600	107,600	-23.58%	107,600	0.00%
Workers' Compensation	780,000	811,180	518,900	-33.47%	690,000	32.97%
Unemployment Insurance	3,200	2,300	2,300	-28.13%	2,300	0.00%
EMT Supplemental Benefits	92,300	101,500	110,400	19.61%	110,400	0.00%
Salaries, Wages, & Benefits	98,434,240	95,821,480	102,081,800	3.71%	107,254,300	5.07%
Materials, Supplies, & Services						
<u>Administrative Expenses</u>						
Memberships	639,660	611,711	598,217	-6.48%	616,145	3.00%
Office Exp - Supplies	71,330	73,305	64,655	-9.36%	66,621	3.04%
Postage	43,330	29,700	32,700	-24.53%	34,700	6.12%
Books & Publications	62,340	65,008	44,352	-28.85%	36,905	-16.79%
Forms	970	970	580	-40.21%	590	1.72%
Small Computer Items	900,300	900,500	925,500	2.80%	950,500	2.70%
Minor Furniture & Fixtures	310,000	247,588	368,000	18.71%	154,200	-58.10%
<u>Printing & Publication</u>						
Repro-In-House	200,790	227,132	230,375	14.73%	240,850	4.55%
Printing-Outside	66,480	29,383	47,950	-27.87%	48,250	0.63%
Notices & Ads	62,650	62,070	137,000	118.68%	137,200	0.15%
Photo Processing	50	50	50	0.00%	50	0.00%
<u>Meetings & Training</u>						
Meetings	170,850	121,426	167,796	-1.79%	167,206	-0.35%
Training	938,890	644,115	907,315	-3.36%	801,726	-11.64%
<u>Operating Materials & Supplies</u>						
Chem. Coagulants	10,364,188	10,548,895	10,550,546	1.80%	10,550,546	0.00%
Odor Control	7,415,288	6,192,594	6,907,776	-6.84%	7,250,223	4.96%
Disinfection	233,000	217,500	218,000	-6.44%	218,000	0.00%
Chemicals - Cogen Op.	331,070	330,000	418,000	26.26%	418,000	0.00%
Miscellaneous Chemicals	-	-	-	n/a	-	n/a
Odor & Corrosion Control	-	-	150,000	n/a	100,000	-33.33%
Gas, Diesel, & Oil	563,460	505,110	554,633	-1.57%	540,838	-2.49%
Tools	469,135	501,110	923,230	96.79%	494,955	-46.39%
Safety Equipment/tools	624,500	670,560	731,637	17.16%	735,570	0.54%
Solv,Paint,Janitor Supplies	100,000	114,520	111,053	11.05%	112,606	1.40%
Lab Chemicals & Supplies	639,570	657,720	652,969	2.10%	665,077	1.85%
Misc. Operating Supplies	176,880	158,130	166,360	-5.95%	167,980	0.97%
Property Tax Fees	91,690	76,400	76,500	-16.57%	76,500	0.00%
<u>Contractual Services</u>						
Solids Removal	13,403,700	13,207,700	12,380,000	-7.64%	12,380,000	0.00%
Other Waste Disp.	840,900	866,840	899,500	6.97%	899,500	0.00%
Groundskeeping	193,000	187,530	200,000	3.63%	200,000	0.00%
Janitorial	444,360	478,110	495,000	11.40%	495,000	0.00%
Outside Lab Services	260,000	272,000	286,750	10.29%	291,590	1.69%
Oxygen Plant Oper	306,000	335,000	335,000	9.48%	335,000	0.00%
County Service Fee	512,410	474,760	489,003	-4.57%	503,672	3.00%
Temporary Services	810,000	296,966	481,360	-40.57%	425,000	-11.71%
Security Services	1,608,000	1,600,240	1,600,000	-0.50%	1,600,000	0.00%
Other	3,655,604	3,440,340	2,068,740	-43.41%	2,308,740	11.60%

2020-21 & 2021-22 Budget

Proposed Budget Net Operating Expense by Line Item (Continued)

Description	Budget 2019-20	2019-20 Projected	2020-21 Proposed	% Budget Change to 2019-20	2021-22 Proposed	% Budget Change to 2020-21
<u>Professional Services</u>						
Legal	1,565,820	1,630,899	1,620,290	3.48%	1,621,190	0.06%
Audit & Accounting	241,110	161,075	225,400	-6.52%	227,800	1.06%
Engineering	1,361,000	842,059	980,000	-27.99%	980,000	0.00%
Enviro Scientific Consult	200,000	91,130	240,000	20.00%	640,000	166.67%
Software Prgm Consult	376,000	312,000	305,000	-18.88%	310,000	1.64%
Advocacy Efforts	179,400	176,900	187,685	4.62%	187,975	0.15%
Industrial Hygiene Svcs	50,000	50,000	50,000	0.00%	50,000	0.00%
Labor Negotiation Svc	80,000	60,160	30,000	-62.50%	-	n/a
Other	1,532,840	1,037,554	2,071,273	35.13%	1,789,947	-13.58%
<u>Research & Monitoring</u>						
Environ. Monitoring	549,600	549,600	654,700	19.12%	728,700	11.30%
Air Quality Monitoring	100,000	125,000	150,000	50.00%	150,000	0.00%
Research	450,000	475,000	500,000	11.11%	550,000	10.00%
<u>Repairs & Maintenance</u>						
Materials & Services	19,774,364	20,273,210	23,891,620	20.82%	19,568,007	-18.10%
Service Maint. Agreements	3,695,278	3,977,320	4,481,025	21.26%	4,610,800	2.90%
<u>Utilities</u>						
Telephone	501,100	505,860	505,971	0.97%	506,084	0.02%
Diesel For Generators	17,000	20,290	42,500	150.00%	43,000	1.18%
Natural Gas	722,140	709,938	710,801	-1.57%	710,812	0.00%
Power	7,237,990	6,228,730	6,064,165	-16.22%	6,076,735	0.21%
Water	772,080	1,019,280	1,041,517	34.90%	1,042,207	0.07%
<u>Other Operating Costs</u>						
Outside Equip Rental	122,000	79,230	100,000	-18.03%	100,000	0.00%
Insurance Premiums	37,800	30,000	30,000	-20.63%	30,000	0.00%
Prop & Gen Liab Insurance	1,720,000	1,720,000	1,800,000	4.65%	1,800,000	0.00%
Freight	87,050	100,050	100,000	14.88%	100,000	0.00%
Misc. Operating Expense	249,460	242,088	304,457	22.05%	291,927	-4.12%
Regulatory Operating Fees	769,000	909,500	976,600	27.00%	1,049,024	7.42%
Contingency	756,200	-	776,998	2.75%	752,301	-3.18%
Prior year reappropriation	377,600	-	457,057	21.04%	442,530	-3.18%
Loss on obsolete inventory	11,550	55,890	10,000	-13.42%	10,000	0.00%
Other Non-Oper Expense	114,080	111,830	126,820	11.17%	129,160	1.85%
Materials, Supplies, & Services	90,160,857	85,639,576	92,654,426	2.77%	88,521,939	-4.46%
Total Operating Requirements	188,595,097	181,461,056	194,736,226	3.26%	195,776,239	0.53%
Less: Cost Allocation	(20,378,610)	(20,056,720)	(20,825,710)	2.19%	(21,711,080)	4.25%
Net Operating Requirements	\$ 168,216,487	\$ 161,404,336	\$ 173,910,516	3.38%	\$ 174,065,159	0.09%
Cost to Collect, Treat, & Dispose of 1 Million Gallons	\$ 2,451.42	\$ 2,339.36	\$ 2,534.40		\$ 2,536.65	
Flow, Million Gallons	68,620	68,995	68,620		68,620	
Flow Per Day, MGD	188.00	188.51	188.00		188.00	

Notes to Operations Summary

NOTES TO THE FISCAL YEAR 2020-21 and 2021-22 OPERATIONS BUDGET

Salaries, Wages & Benefits

Salaries & Wages - The proposed budget is set at 639.0 Full Time Equivalent (FTE) positions for FY 2020-21 and 2021-22. Provision has been made in the proposed salaries for FY 2020-21 and FY 2021-22 in order to comply with the terms of those current MOUs which extend through these fiscal years.

Retirement - The Sanitation District's employees are members of the Orange County Employees Retirement System. Employees participate in one of three plans depending on hire date: Plan G/H (older), Plan B, or Plan U (newer, with a lower retirement benefit). The employer's required contribution rate for Plan G/H has been increased from 13.30 percent to 14.10 percent, Plan B has been increased from 11.25 percent to 11.97 percent, and Plan U has increased from 10.37 percent to 10.88 percent in FY 2020-21. In addition, for Plan G/H the Sanitation District pays 3.5 percent on behalf of the employees.

Group Insurance - This includes the Sanitation District's share of employees' medical and dental insurance plans, and life and disability insurance premiums. It also includes the other post-employment benefits that the Sanitation District is obligated to pay for retirees. The group insurance budget approximates \$16,000 per employee.

Tuition & Certification Reimbursements - To encourage the self-development and training of employees, the Sanitation District has a tuition and certification reimbursement program. This appropriation is set at \$138,000 for FY 2020-21 and \$141,000 for FY 2021-22.

Development Pay - To further promote employee efforts that increase job knowledge, skills, and abilities, the Sanitation District has established this benefit for employees obtaining educational degrees and job-related certificates/ licenses. The budget of \$543,000 for FY 2020-21 and 2021-22 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 \$518,900 for FY 2020-21 and \$690,000 for FY 2021-22. The total estimated expenditures for the workers' compensation program are set forth in detail in the Self-Insurance section.

Unemployment Insurance - The Sanitation District 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 - The Sanitation District has memberships in agencies such as the National Association of Clean Water Agencies (NACWA), the National Water Research Institute (NWRRI), 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).

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 work force. Cost savings have been achieved in part through increased use of on-line training. The Sanitation District continues to place an emphasis on safety, technical, leadership, and management training.

2020-21 & 2021-22 Budget

Operating Materials & Supplies

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

The budgeted amounts for FY 2020-21 and FY 2021-22 for Anionic Polymer, Cationic Polymer, and Ferric Chloride are \$446,000, \$5.3 million, and \$3.2 million respectively. These chemical coagulants budgets represent no significant change in usage or cost from the FY 2019-20 Adopted Budget.

Odor Control Chemicals - The Sanitation District uses sodium hydroxide (caustic soda), and bleach as the primary odor control chemicals within the treatment plants' foul air scrubbers. The bleach budget of \$392,000 for FY 2020-21 is a \$30,000 increase over the previously approved budget, and is a strategic move to replace more expensive chemicals. 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 \$6.9 million for FY 2020-21 and \$7.2 million for FY 2021-22; an overall decrease from the previously approved budget.

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. The Sanitation District's bleach budgets for the purpose of disinfection are \$213,000 in fiscal years 2020-21 and 2021-22.

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 \$5,000 in fiscal years 2020-21 and 2021-22.

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 budgets for this group of items are expected to remain relatively the same for the next two fiscal years, given no volatility in fuel prices.

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 fiscal years 2020-21 and 2021-22.

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 \$12.4 million for FY 2020-21 and FY 2021-22. The centrifuges are running at both plants and producing a drier cake than the belt presses. The drier cake produces a lower volume to be hauled away and hauling costs are remaining steady.

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 the Sanitation District's NPDES permit, air quality monitoring costs, the Sanitation District's contribution to the Southern California Coastal Water Research Project (SCCWRP) being conducted under a joint powers

Notes to Operations Summary

agreement with other Southern California municipal dischargers, operating costs for the Sanitation District'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 remain approximately the same for the FY 2020-21 and FY 2021-22 budgets at \$1.3 million and \$1.4 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 out-sourced service contracts and maintenance agreements. The FY 2020-21 and FY 2021-22 budgets include repairs and maintenance costs totaling \$28.4 million and \$24.2 million, respectively.

Materials and services for FY 2020-21 and FY 2021-22 include: Bushard Diversion structure repair, Sunflower Trunkline liner repairs, centrifuge overhaul, primary and secondary clarifier rehabilitation and repairs, and other maintenance work including digester cleaning, inlet gate replacement, fleet and emergency generator maintenance.

Service agreements for FY 2020-21 and FY 2021-22 include Information Technology maintenance, support, and licenses for IBM software, Microsoft Enterprise, Cisco Smart Net, Maximo, Oracle, and disaster recovery hardware and software, and 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 \$8.4 million for the FY 2020-21 and FY 2021-22 budgets.

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 \$711,000 for the FY 2020-2021 and FY 2021-22 budgets.

Electricity - Electricity is the largest utility cost incurred by the Sanitation District. Purchased electricity is used to run the plant processes, support buildings, and pump stations. The

estimated consumption and resulting costs for electrical energy purchased from Southern California Edison for the plant processes and support buildings is \$5.2 million, 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 \$6.1 million for the FY 2020-21 and 2021-22 budgets.

Other Operating Costs

Insurance Premiums - Other than \$30,000 budgeted each year in the operating section to insure the Sanitation District'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 amount recommended is \$1.8 million for the FY 2020-21 and FY 2021-22 budgets. The total estimated expenditures for the insurance program are set forth in detail in the Self-Insurance section.

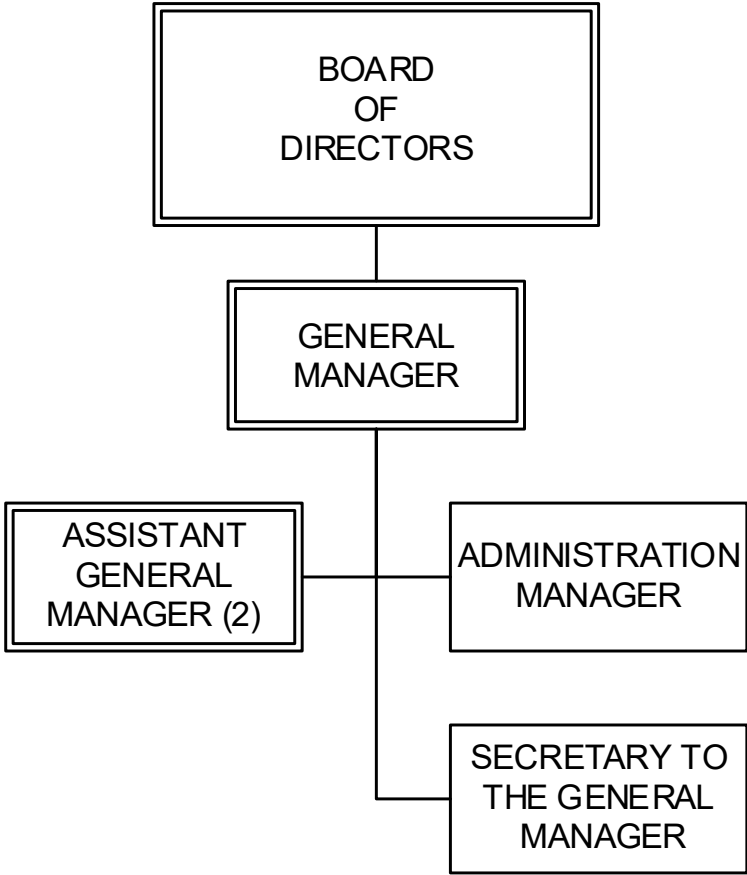
Other Operating & Non-Operating Expenses - Expenses not chargeable elsewhere, such as annual regulatory fees assessed by SCAQMD and SWRCB, freight, obsolete inventory write-off, and other miscellaneous items are recorded within these groups of accounts.

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.

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.

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General Management Administration

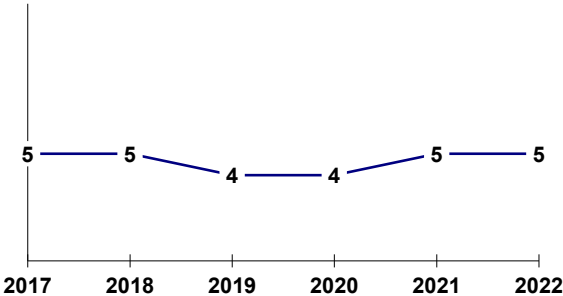


Staffing Trends

2020-21 & 2021-22 Authorized FTE Positions

Executive Managers	3.0
Manager	1.0
Supervisors / Professionals	1.0

Total **5.0**



2020-21 & 2021-22 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 the Sanitation District's progress in meeting the established goals to support the Sanitation District's 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.

2019-20 Performance Objectives

- ◆ Create a new 5-year Strategic Plan & Recommend for Board Adoption.
- ◆ Manage operating expenditures to within 96% to 100% of the approved budget
- ◆ Ensure OCSD does not exceed 640 FTEs
- ◆ Contribute to employee development through the BLAST program by providing quality leadership development training, materials, classes and presentations by reaching at least 70% of OCSD staff

2019-20 Performance Results

- ◆ A Two-Year Strategic Plan was created and approved by the Board of Directors in November 2019.
- ◆ On schedule to close out the year's operating budget at 96% of the approved budget.
- ◆ Current FTE count is 605.
- ◆ At mid-year, the BLAST program has reached 34% of OCSD staff. The program is currently being evaluated to determine if changes need to be made.

2020-21 & 2021-22 Performance Objectives

- ◆ Update 2-year Strategic Plan and recommend for Board Action.
- ◆ Manage operating expenditures to within 96% to 100% of the approved budget.
- ◆ Ensure OCSD does not exceed 639 FTEs.
- ◆ Create a new Work Plan for Fiscal Year 2020-21 and 2021-22.

Performance Measures

Summary	2018-19 Actual	2019-20 Projected	2020-21 Proposed	2021-22 Proposed	Justification
◆ Update 2-Year Strategic Plan	Achieved	Achieved	Achieve	Achieve	Board Approval
◆ Operating Expenditures	Achieved	Achieved	Achieve	Achieve	Board Approval
◆ Do not exceed approved FTEs	Achieved	Achieved	Achieve	Achieve	Board Approval
◆ BLAST Program Reach	Achieved	Achieved	N/A	N/A	In-house standard
◆ Create Work Plan	N/A	N/A	Achieve	Achieve	Board Approval

General Management Administration

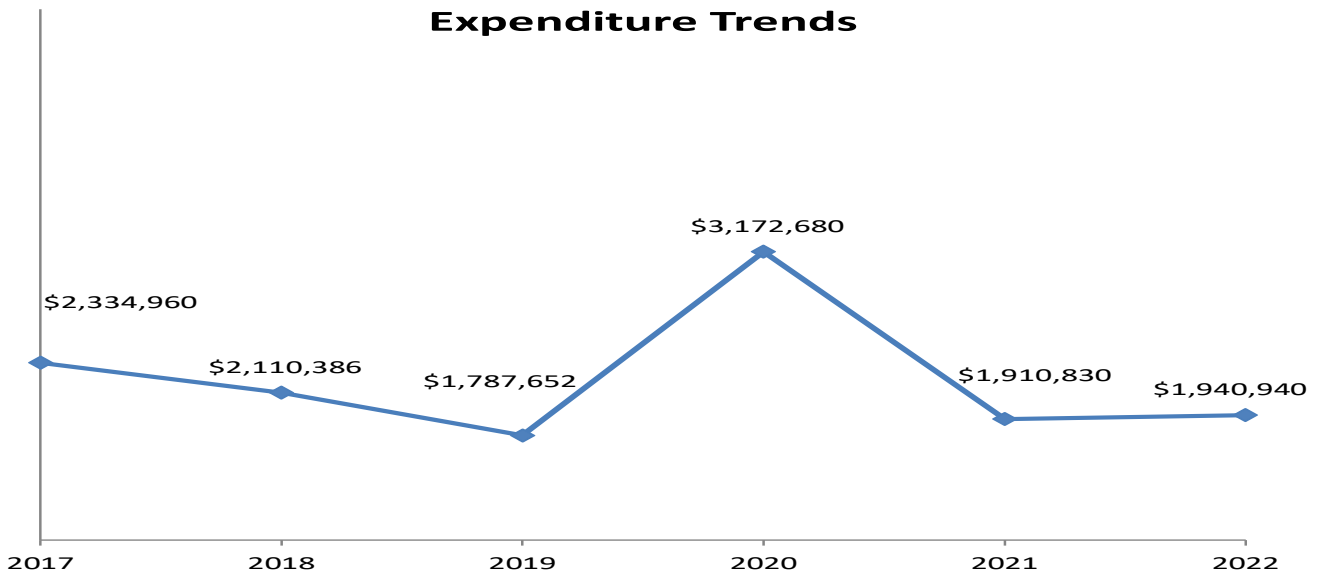
Budget Overview

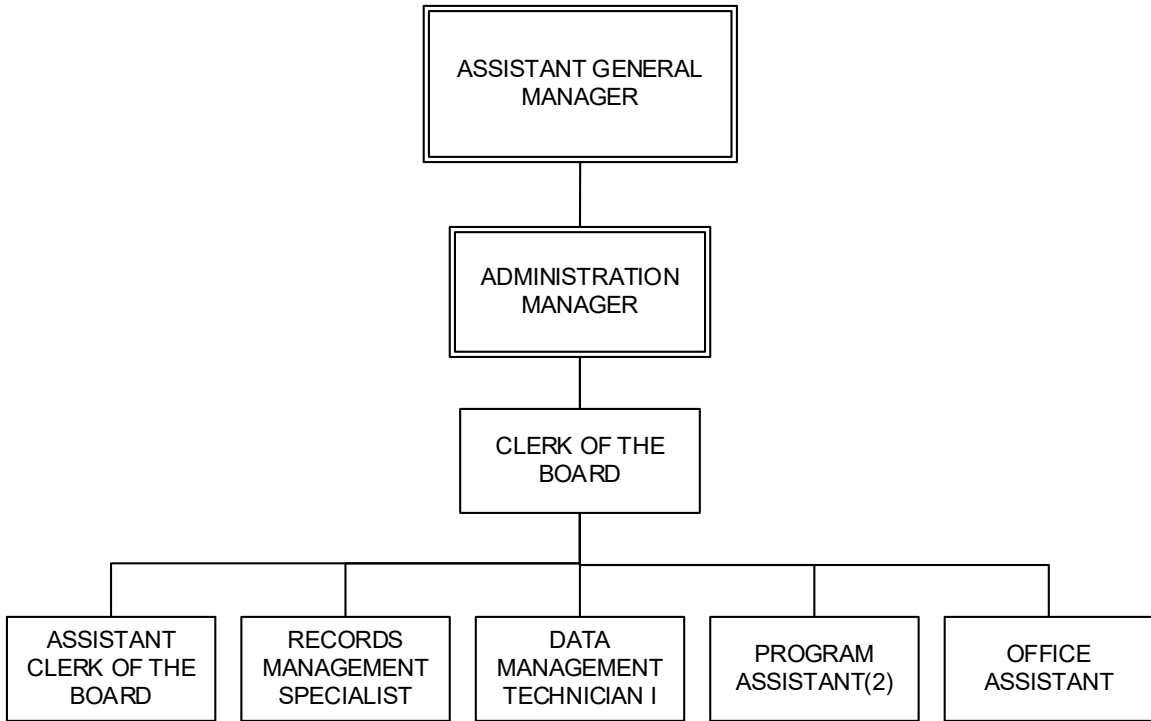
The FY 2020-21 & 2021-22 budgets for the General Management Administration Division reflect a decrease of 40 % and an increase of 2% over the prior year, respectively. The decrease is primarily due to a decrease in personnel costs and a decrease in the General Manager's contingency and the contingency for reappropriations, which are set at 0.85% and 0.5% of the District's overall non-salary related operating budget, respectively. The contingency has been allocated to department 200.

2019-20 Adjusted Budget - Total Operating Requirements	\$ 3,172,680
<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	(151,900)
Change in OCERS retirement costs	(20,820)
Change in group insurance costs	(31,300)
Other benefit cost adjustments	(5,300)
<i>Other Cost Adjustments:</i>	
Increase in memberships	59,650
Decrease in meeting and training	(8,350)
Increase in legal services	200,000
Decrease in other professional services	(50,000)
Decrease in utilities	(110,000)
Decrease in misc. operating expenses	(8,500)
Decrease in General Manager's contingency / reappropriations	(1,133,800)
<i>Aggregate change in Other Categories:</i>	
Aggregate change in other materials, supplies, and services	(1,530)
2020-21 Proposed Budget - Total Operating Requirements	\$ 1,910,830
<i>Changes in Personnel Expenses:</i>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	28,200
Change in OCERS retirement costs	4,000
Change in group insurance costs	3,300
Other benefit cost adjustments	1,100
<i>Other Cost Adjustments:</i>	
Increase in memberships	7,140
Decrease in meeting and training	(13,630)
<i>Aggregate change in Other Categories:</i>	
Aggregate change in other materials, supplies, and services	-
2021-22 Proposed Budget - Total Operating Requirements	\$ 1,940,940

2020-21 & 2021-22 Budget

Operating Expenses By Category	2018-19 Actual	2019-20 Revised Budget	2019-20 Projected	2020-21 Proposed	Budget % Change	2021-22 Proposed	Budget % Change
Personnel	\$ 1,006,919	\$ 1,195,820	\$ 889,400	\$ 986,500	(17.50%)	\$ 1,023,100	3.71%
Supplies	316,928	348,980	356,020	398,730	14.26%	392,240	(1.63%)
Professional & Contractual Services	349,786	375,000	748,390	525,000	40.00%	525,000	0.00%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	104,536	110,000	106,900	-	(100.00%)	-	-
Other	9,483	1,142,880	130	600	(99.95%)	600	0.00%
Total	\$ 1,787,652	\$ 3,172,680	\$ 2,100,840	\$ 1,910,830	(39.77%)	\$ 1,940,940	1.58%



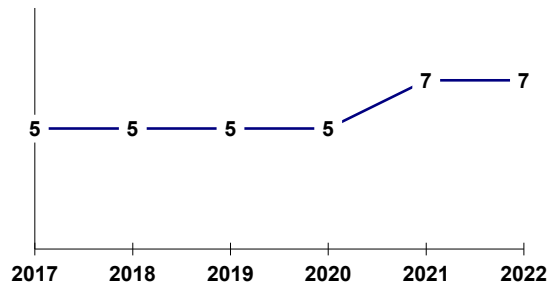


Staffing Trends

2020-21 & 2021-22 Authorized FTE Positions

Supervisors / Professionals	3.00
Technical Staff	1.00
Administrative / Clerical	3.00

Total 7.00



2020-21 & 2021-22 Budget

Service Description

The mission of the Board Services Division is to provide exceptional customer service and support to the Board of Directors, district staff and the general public through the Clerk of the Board's Office. The Clerk of the Board's office promotes public trust and ensures transparency by: accurately recording and preserving the legislative actions of OCSD; safeguarding the vital, historic and permanent records of OCSD 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 OCSD; and maintaining rosters of the Board of Directors, appointed committees and historical events.

2019-20 Performance Objectives

- ◆ Maintain District Transparency Certificate of Excellence
- ◆ Timely responses to Public Records Requests within allotted regulatory guidelines
- ◆ Maintain compliance: OCSD 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

2019-20 Performance Results

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

2020-21 & 2021-22 Performance Objectives

- ◆ Mail Board agenda packages six calendar days prior to Board meeting, 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 on 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 District Transparency Certificate of Excellence (SDLF).

Performance Measures

Summary	Performance Measures				Justification
	2018-19 Actual	2019-20 Projected	2020-21 Proposed	2021-22 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 District Transparency Certificate of Excellence	100%	100%	100%	100%	In-house standard

Board Services

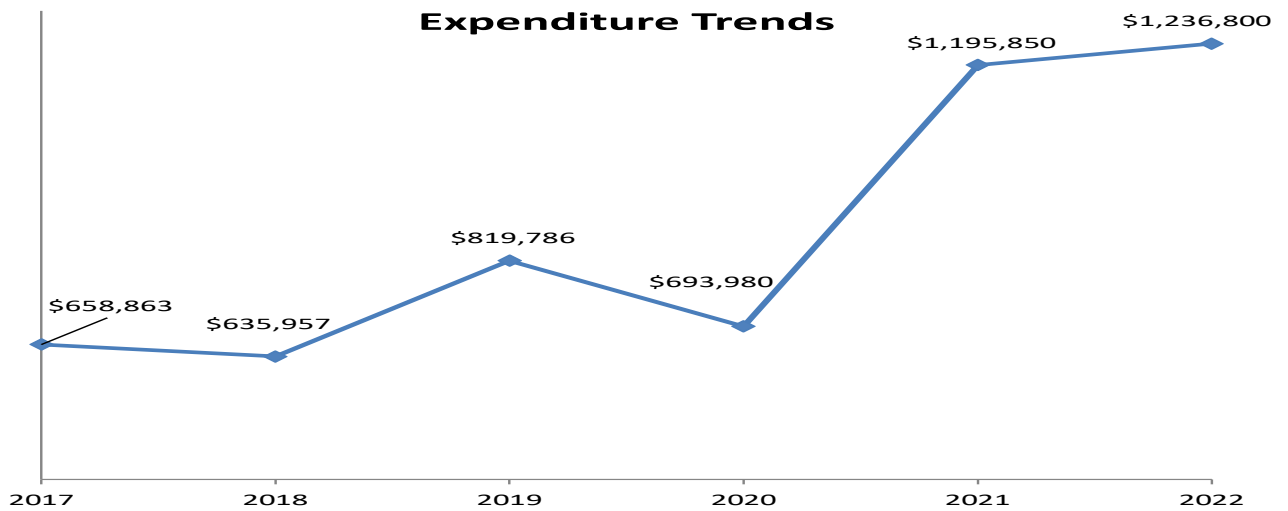
Budget Overview

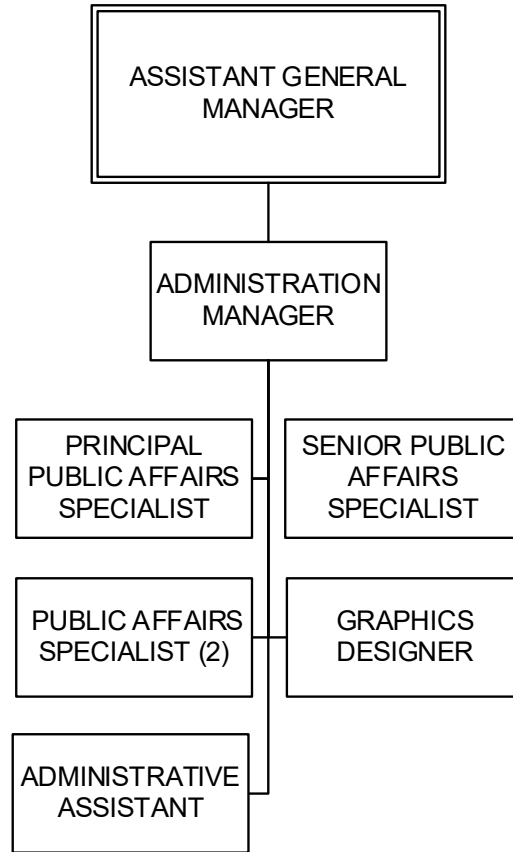
The FY 2020-21 & 2021-22 budgets for the Board Services Division reflect an increase of 72% and an increase of 3% over the prior year, respectively. The increase is primarily due to an increase in personnel adjustments to salaries and benefits and other expenses.

2019-20 Adjusted Budget - Total Operating Requirements	\$ 693,980
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	373,500
Change in OCERS retirement costs	42,880
Change in group insurance costs	24,200
Other benefit cost adjustments	2,100
Other Cost Adjustments:	
Increase in temporary services	25,000
Decrease in legal services	(200,000)
Increase in other professional services	200,000
Increase in training & meeting	7,980
Increase in misc. operating expenses	30,600
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(4,390)
2020-21 Proposed Budget - Total Operating Requirements	\$ 1,195,850
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	32,400
Change in OCERS retirement costs	3,700
Change in group insurance costs	5,500
Other benefit cost adjustments	1,800
Other Cost Adjustments:	
No other significant cost changes	
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(2,450)
2021-22 Proposed Budget - Total Operating Requirements	\$ 1,236,800

2020-21 & 2021-22 Budget

Operating Expenses By Category	2018-19 Actual	2019-20 Revised Budget	2019-20 Projected	2020-21 Proposed	Budget % Change	2021-22 Proposed	Budget % Change
Personnel	\$ 521,058	\$ 424,020	\$ 620,500	\$ 866,700	104.40%	\$ 910,100	5.01%
Supplies	71,225	69,760	58,010	73,330	5.12%	70,880	(3.34%)
Professional & Contractual Services	225,989	200,000	31,890	225,000	12.50%	225,000	0.00%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	1,514	200	8,420	30,820	15310.00%	30,820	0.00%
Total	\$ 819,786	\$ 693,980	\$ 718,820	\$ 1,195,850	72.32%	\$ 1,236,800	3.42%

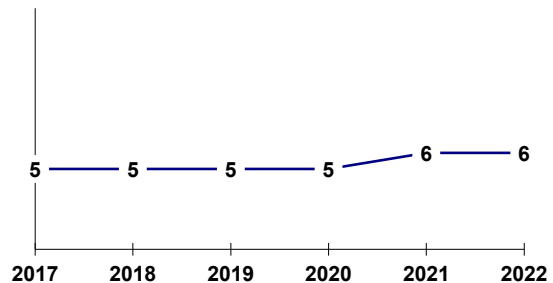




Staffing Trends

2020-21 & 2021-22 Authorized FTE Positions

Supervisors / Professionals	4.0
Administrative & Clerical	2.0
Total	6.0



2020-21 & 2021-22 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 OCSD's mission to protect public health and the environment.

2019-20 Performance Objectives

- ◆ Provide services and implement programs that meet the communications needs of OCSD's internal audiences by producing a minimum of 70 internal communication pieces.
- ◆ Provide services and implement programs that meet communications needs of OCSD's external audiences by reaching a minimum of 3,000 people.
- ◆ Support General Manager activities and provide information to Board of Directors through the General Manager's monthly report and the new Board member orientation.
- ◆ Proactive engagement in legislative advocacy efforts that could impact OCSD and the industry.

2019-20 Performance Results

- ◆ At mid-year, this goal had already been completed and exceeded. To date, over 200 pieces of internal communication have been produced.
- ◆ Produced and circulated daily articles on MyOCSD, weekly 3 Things to Know emails, monthly news in Digester, and bi-monthly stories in Pipeline Newsletter.
- ◆ Coordinated employee events including holiday luncheons, Harvest Festival, Honor Walk, and ice cream social.
- ◆ At mid-year, this goal had already been met and exceeded. Over 85 pieces of external communication have been produced and distributed reaching over 40,000 people.
- ◆ Hosted over 500 people at OCSD's 65th Anniversary Open House, over 1,200 people toured OCSD, staff participated in 12 speaking engagements, and hosted a booth at 6 community events.
- ◆ Prepared/presented reports on division efforts to OCSD Legislative and Public Affairs Committee.
- ◆ Prepared the GM Monthly Report.
- ◆ Monitoring approximately one hundred bills, specifically six to eight of high priority to OCSD and the industry. Have also submitted four position letters.

2020-21 & 2021-22 Performance Objectives

- ◆ Provide services and implement programs that meet the communications needs of OCSD's internal audiences by producing a minimum of 100 internal communication pieces.
- ◆ Provide services and implement programs that meet communications needs of OCSD'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 OCSD and the industry.

Performance Measures

Summary	2018-19 Actual	2019-20 Projected	2020-21 Proposed	2021-22 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

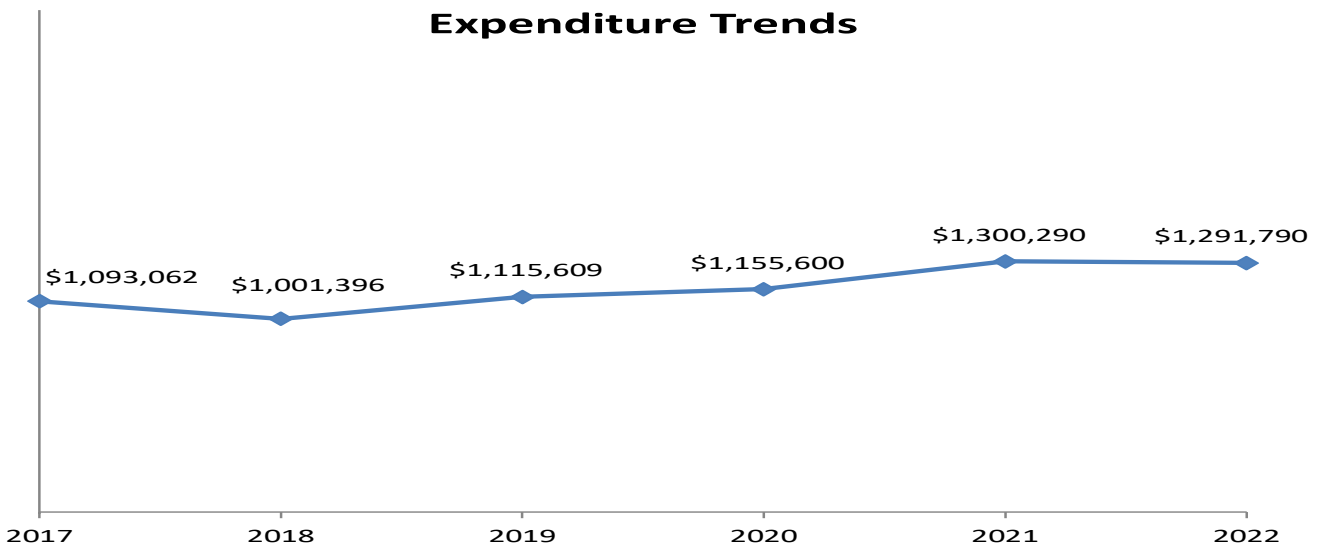
Budget Overview

The FY 2020-21 & 2021-22 budgets for the Public Affairs Division reflect an increase of 13% and a decrease of 1% from the prior year, respectively. The increase is primarily due to increase in personnel costs and in operating supplies and other expenses.

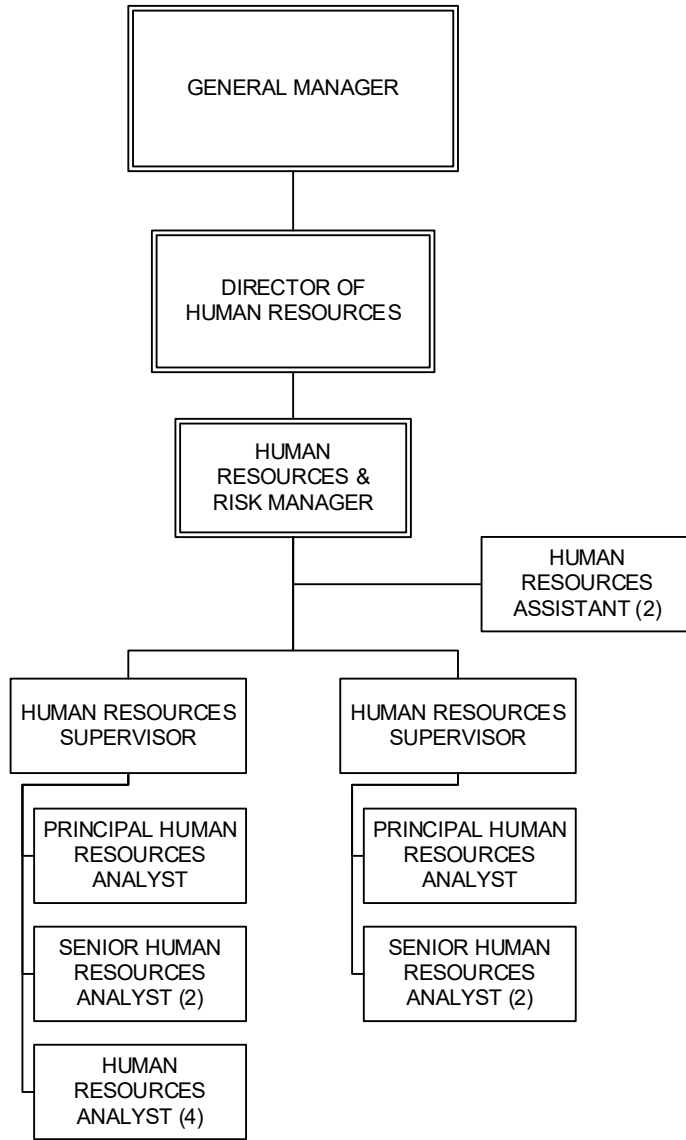
2019-20 Adjusted Budget - Total Operating Requirements	\$ 1,155,600
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	84,000
Change in OCERS retirement costs	8,700
Change in group insurance costs	30,700
Other benefit cost adjustments	(1,000)
Other Cost Adjustments:	
Increase in notices & Ads	25,000
Increase in training	14,600
Increase in tools	20,000
Decrease in temporary services	(45,000)
Decrease in other professional services	(10,000)
Increase in misc. operating expense	23,500
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(5,810)
2020-21 Proposed Budget - Total Operating Requirements	\$ 1,300,290
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	29,900
Change in OCERS retirement costs	3,800
Change in group insurance costs	4,900
Other benefit cost adjustments	1,600
Other Cost Adjustments:	
Decrease in training	(14,600)
Decrease in tools	(20,000)
Decrease in misc. operating expense	(14,400)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	300
2021-22 Proposed Budget - Total Operating Requirements	\$ 1,291,790

2020-21 & 2021-22 Budget

Operating Expenses By Category	2018-19 Actual	2019-20 Revised Budget	2019-20 Projected	2020-21 Proposed	Budget % Change	2021-22 Proposed	Budget % Change
Personnel	\$ 734,346	\$ 694,400	\$ 759,800	\$ 816,800	17.63%	\$ 857,000	4.92%
Supplies	46,174	61,900	46,950	107,650	73.91%	73,350	(31.86%)
Professional & Contractual Services	257,166	314,400	305,226	267,400	(14.95%)	267,400	0.00%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	77,923	84,900	84,800	108,440	27.73%	94,040	(13.28%)
Total	\$ 1,115,609	\$ 1,155,600	\$ 1,196,776	\$ 1,300,290	12.52%	\$ 1,291,790	(0.65%)



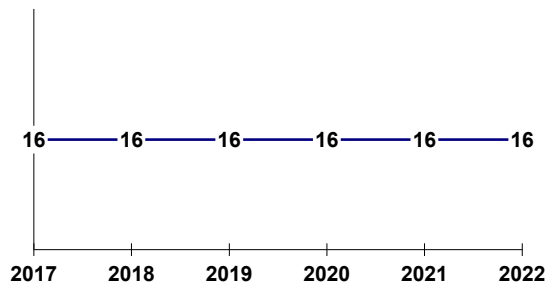
Human Resources Administration



Staffing Trends

2020-21 & 2021-22 Authorized FTE Positions

Executive Manager	1.0
Manager	1.0
Supervisors / Professionals	12.0
Administrative/Clerical	2.0
Total	16.0



2020-21 & 2021-22 Budget

Service Description

The mission of Human Resources Operations 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.

2019-20 Performance Objectives

- ◆ Complete all labor negotiations with all units by 6/30/2019.
- ◆ Continue with the development and implementation of effective workforce planning/development and successions planning strategies.
- ◆ Implement a comprehensive employee relations and labor relations training program by the end of fiscal year 2019-20.
- ◆ 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.

2019-20 Performance Results

- ◆ Labor negotiations executed 9/23/2019.
- ◆ Implemented, continuous.
- ◆ In process. Will be completed in April.
- ◆ Estimate will meet performance measure.
- ◆ Estimated to stay within budget.

2020-21 & 2021-22 Performance Objectives

- ◆ District wide Comp & Class Study completed by FY 21/22.
- ◆ Re-launching a revamped BLAST program in FY 20/21.
- ◆ Implement a comprehensive Management/Leadership training in FY 20/21.
- ◆ 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	2018-19 Actual	2019-20 Projected	2020-21 Proposed	2021-22 Proposed	Justification
◆ Approved labor contracts	Implement	Sustain	Sustain	Sustain	HR Work Plan
◆ Workforce Planning/ Workforce Development	Sustain	Sustain	Sustain	Sustain	OCSD Strategic Plan
◆ Training Level of Service	Exceeded	In Progress	Sustain	Sustain	Level of Service
◆ Manage Budget	97%	In Progress	96-100%	96-100%	In-house standard

Human Resources Administration

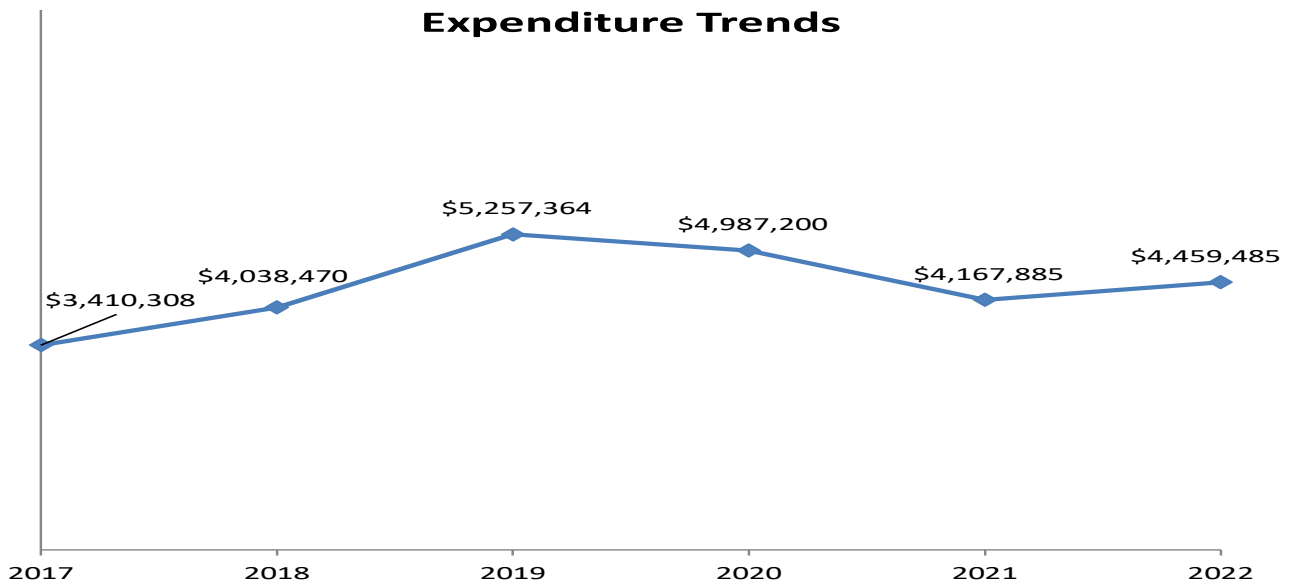
Budget Overview

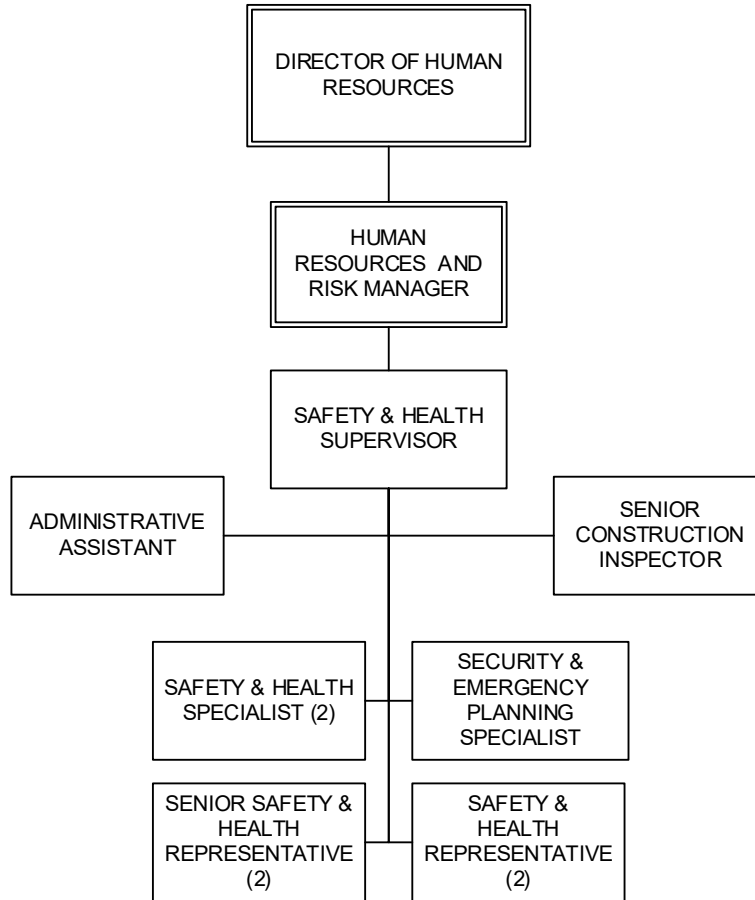
The FY 2020-21 & 2021-22 budgets for the Human Resources Administration Division reflect a decrease of 16% and an increase of 7% over the prior year, respectively. The 2020-21 decrease is primarily due to decreases in personnel costs. The 2021-22 increase is primarily due to increase in professional & contractual services.

2019-20 Adjusted Budget - Total Operating Requirements	\$ 4,987,200
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(57,500)
Change in retirement costs	(847,130)
Change in group insurance costs	(37,200)
Other benefit cost adjustments	38,000
Other Cost Adjustments:	
Increase in notices & Ads	50,000
Decrease in training	(34,580)
Increase in legal expenses	250,000
Decrease in other professional services	(147,000)
Decrease in labor negotiation services	(50,000)
Increase in other non-operating expense	10,220
Increase in other contractual services	7,125
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(1,250)
2020-21 Proposed Budget - Total Operating Requirements	\$ 4,167,885
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	120,200
Change in retirement costs	16,200
Change in group insurance costs	13,200
Other benefit cost adjustments	7,100
Other Cost Adjustments:	
Decrease in training	(65,100)
Increase in other professional services	230,000
Decrease in labor negotiation services	(30,000)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	-
2021-22 Proposed Budget - Total Operating Requirements	\$ 4,459,485

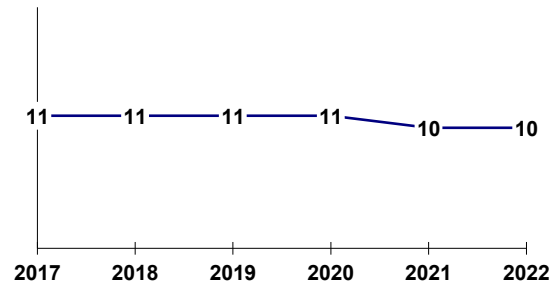
2020-21 & 2021-22 Budget

Operating Expenses By Category	2018-19 Actual	2019-20 Revised Budget	2019-20 Projected	2020-21 Proposed	Budget % Change	2021-22 Proposed	Budget % Change
Personnel	\$ 4,237,951	\$ 3,664,930	\$ 3,498,210	\$ 2,761,100	(24.66%)	\$ 2,917,800	5.68%
Supplies	86,848	257,230	138,800	267,920	4.16%	202,820	(24.30%)
Professional & Contractual Services	863,445	974,000	657,240	1,034,125	6.17%	1,234,125	19.34%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	52	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	69,068	91,040	92,520	104,740	15.05%	104,740	0.00%
Total	\$ 5,257,364	\$ 4,987,200	\$ 4,386,770	\$ 4,167,885	(16.43%)	\$ 4,459,485	7.00%





Staffing Trends



2020-21 & 2021-22 Authorized FTE Positions

Supervisors / Professionals	8.0
Administrative & Clerical	2.0
Total	10.0

2020-21 & 2021-22 Budget

Service Description

The mission of the Risk Management/Safety/Security 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 District 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.

2019-20 Performance Objectives

- ◆ Safety Compliance Training
- ◆ Develop JSA's for High Risk Activities
- ◆ Third Party Safety Audit
- ◆ Revised Risk Register
- ◆ Implement Security Recommendations

2019-20 Performance Results

- ◆ Completed.
- ◆ Ongoing.
- ◆ Ongoing.
- ◆ Ongoing.
- ◆ Ongoing.

2020-21 & 2021-22 Performance Objectives

- ◆ Ensure 100% of Safety Compliance Training is completed.
- ◆ Develop JSA's for high risk work activities.
- ◆ Contractor Safety Analysis to reduce injuries and accidents.
- ◆ Third Party Safety Audit of Safety Program to ensure compliance
- ◆ Implement Security Recommendations from security consultant.
- ◆ Implement Leading Safety Indicators to reduce injuries to employees.

Performance Measures

Summary	2018-19 Actual	2019-20 Projected	2020-21 Proposed	2021-22 Proposed	Justification
◆ Safety Compliance Training	100%	100%	100%	100%	OCSD Strategic Plan
◆ Develop JSA's	Ongoing	Ongoing	100%	Planned	OSHA Requirement
◆ Contractor Safety Initiative	Ongoing	Ongoing	Planned	Planned	Uniform Bid Evaluation
◆ Third Party VPP Feasibility Audit	Completed	N/A	N/A	N/A	GM Strategic Plan
◆ Security Recommendations	Ongoing	Ongoing	Planned	Planned	DHS Recommendations
◆ Implement Leading Safety Indicator	Completed	Completed	Planned	Planned	Continuous Safety Improvement
◆ Revise Risk Register	Completed	Completed	N/A	N/A	GM Strategic Plan

Risk Management/Safety/Security

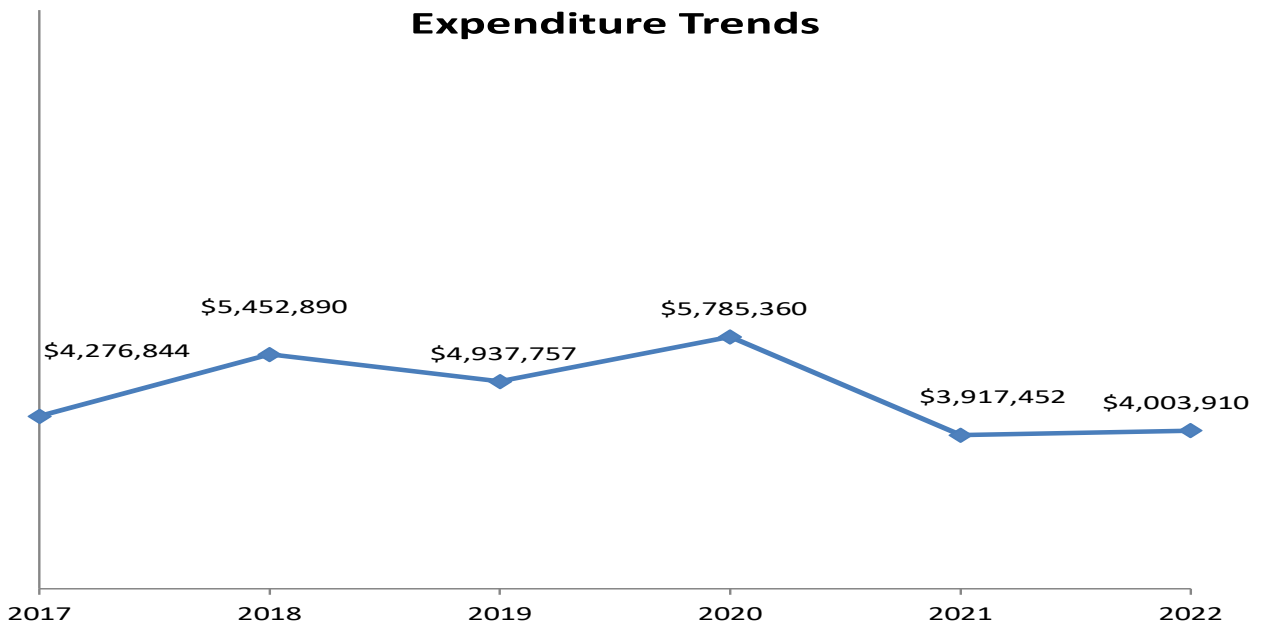
Budget Overview

The FY 2020-21 & 2021-22 budgets for the Risk Management/Safety/Security Division reflect a decrease of 32% and an increase of 2% from the prior year, respectively. These changes are primarily due to a reallocation of the property and general liability insurance in-lieu premiums to department 200.

2019-20 Adjusted Budget - Total Operating Requirements	\$ 5,785,360
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(54,600)
Change in OCERS retirement costs	(7,930)
Change in group insurance costs	(52,000)
Other benefit cost adjustments	(20,500)
Other Cost Adjustments:	
Increase in training	6,640
Increase in safety equipment/tools	21,000
Decrease in other contractual services	(10,000)
Decrease in other professional services	(34,000)
Decrease in property & general liability insurance	(1,720,000)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	3,482
2020-21 Proposed Budget - Total Operating Requirements	\$ 3,917,452
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	67,500
Change in OCERS retirement costs	6,700
Change in group insurance costs	7,500
Other benefit cost adjustments	2,400
Other Cost Adjustments:	
No other significant cost changes	
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	2,358
2021-22 Proposed Budget - Total Operating Requirements	\$ 4,003,910

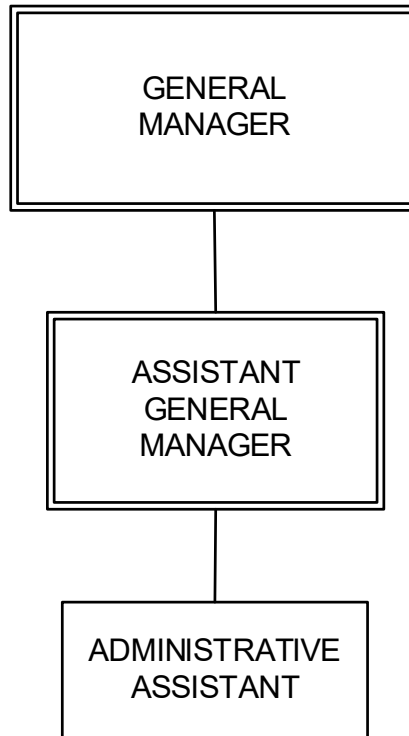
2020-21 & 2021-22 Budget

Operating Expenses By Category	2018-19 Actual	2019-20 Revised Budget	2019-20 Projected	2020-21 Proposed	Budget % Change	2021-22 Proposed	Budget % Change
Personnel	\$ 1,276,140	\$ 1,377,330	\$ 1,088,770	\$ 1,242,300	(9.80%)	\$ 1,326,400	6.77%
Supplies	336,561	514,880	559,815	542,802	5.42%	545,160	0.43%
Professional & Contractual Services	1,991,202	2,137,500	2,099,500	2,091,500	(2.15%)	2,091,500	0.00%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	3,768	3,050	4,550	4,550	49.18%	4,550	0.00%
Utilities	-	-	-	-	-	-	-
Other	1,330,086	1,752,600	1,754,800	36,300	(97.93%)	36,300	0.00%
Total	\$ 4,937,757	\$ 5,785,360	\$ 5,507,435	\$ 3,917,452	(32.29%)	\$ 4,003,910	2.21%



Administrative Services Administration

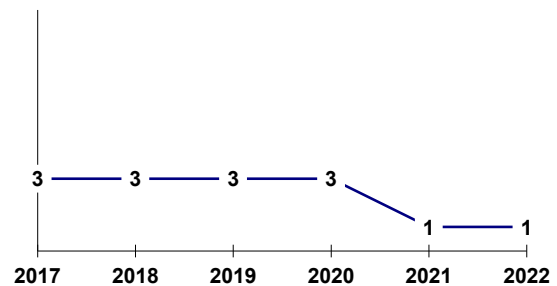
210



Staffing Trends

2020-21 & 2021-22 Authorized FTE Positions

Administrative / Clerical	1.0
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Total	<u>1.0</u>



2020-21 & 2021-22 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 OCSD.

2019-20 Performance Measures

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

2019-20 Performance Results

- ◆ Submittal completed in time for placement on secured property tax bills.
- ◆ All Treasury investments in compliance 94.54% of the time.
- ◆ Solicitation schedules upheld at 100% completion.

2020-21 & 2021-22 Performance Objectives

- ◆ Submit annual sewer service fees (SSF) within property parcel database to the County by August 10th.
- ◆ 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	2018-19 Actual	2019-20 Projected	2020-21 Proposed	2021-22 Proposed	Justification
◆ Submit SSF to the County by August 10 th	Yes	Yes	Expected	Expected	In-house standard
◆ Investment Compliance	100%	94.54%	100%	100%	In-house standard
◆ Uphold Solicitation Schedules	100%	100%	100%	100%	In-house standard

Administrative Services Administration

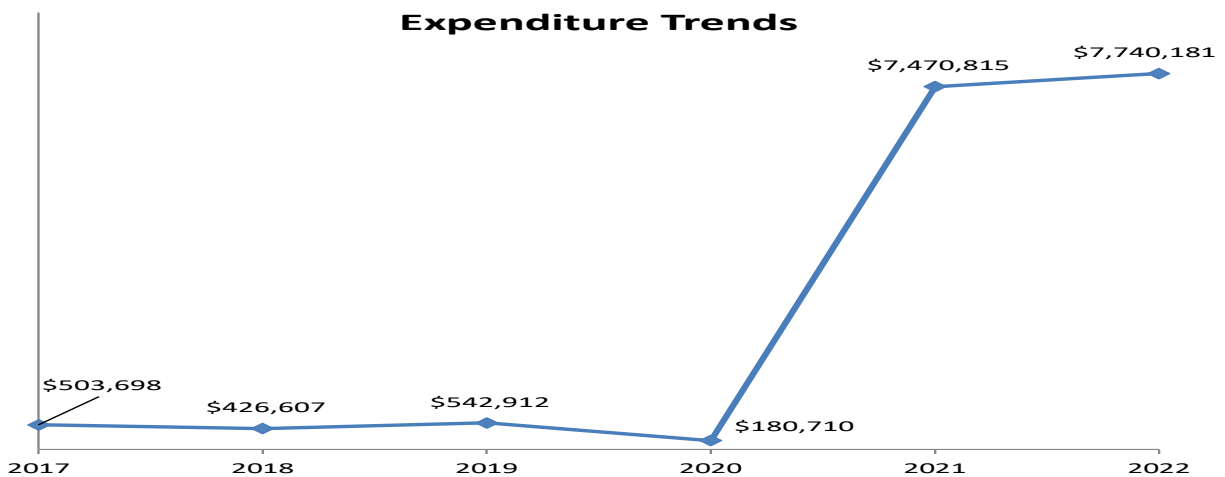
Budget Overview

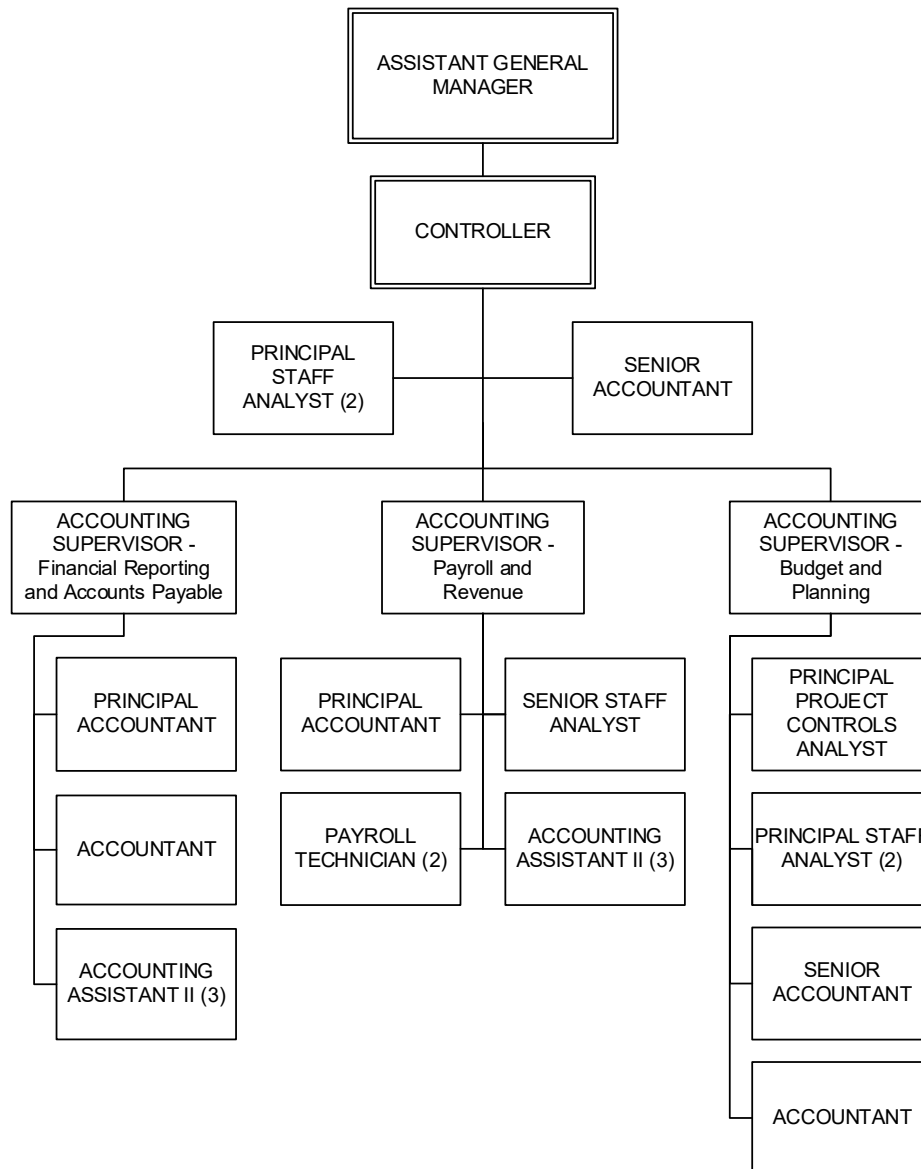
The FY 2020-21 & 2021-22 budgets for the Administrative Services Administration & Consolidated Service Divisions reflect an increase of 4034% and an increase of 4% over the prior year, respectively. The increase is primarily due to general manager contingency & prior year reappropriation, property & general liability Insurance, and utility costs being reallocated to Administration/Consolidated Service divisions.

2019-20 Adjusted Budget - Total Operating Requirements	\$ 180,710
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	77,100
Change in OCERS retirement costs	13,750
Change in group insurance costs	(16,700)
Other benefit cost adjustments	1,644,700
Other Cost Adjustments:	
Increase in legal expense	6,190
Increase in utilities	1,260,677
Increase in property tax	76,500
Increase in contractual services	1,184,003
Increase in property & general liability insurance	1,800,000
Increase in general manager contingency & reappropriation	1,234,055
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	9,830
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2020-21 Proposed Budget - Total Operating Requirements	\$ 7,470,815
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	246,300
Change in OCERS retirement costs	40,800
Change in group insurance costs	4,300
Other benefit cost adjustments	300
Other Cost Adjustments:	
Increase in county service fee	14,669
Decrease in general manager contingency & reappropriation	(39,224)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	2,221
<hr/>	
2021-22 Proposed Budget - Total Operating Requirements	\$ 7,740,181

2020-21 & 2021-22 Budget

Operating Expenses By Category	2018-19 Actual	2019-20 Revised Budget	2019-20 Projected	2020-21 Proposed	Budget % Change	2021-22 Proposed	Budget % Change
Personnel	\$ 488,271	\$ 165,150	\$ 534,200	\$ 1,884,000	1040.78%	\$ 2,175,700	15.48%
Supplies	3,829	500	1,265	76,850	15270.00%	76,850	0.00%
Professional & Contractual Services	50,783	15,000	20,790	1,205,193	7934.62%	1,220,262	1.25%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	1,260,677	-	1,262,498	0.14%
Other	29	60	40	3,044,095	5073391.67%	3,004,871	(1.29%)
Total	\$ 542,912	\$ 180,710	\$ 556,295	\$ 7,470,815	4034.15%	\$ 7,740,181	3.61%



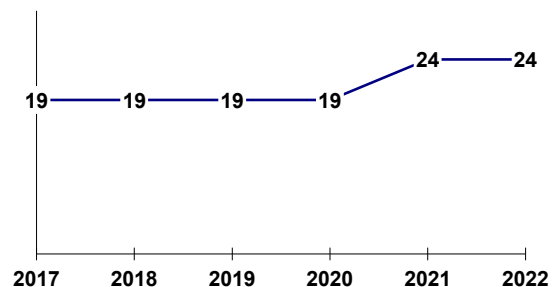


Staffing Trends

2020-21 & 2021-22 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	15.0
Administrative & Clerical	8.0

Total 24.0



2020-21 & 2021-22 Budget

Service Description

The mission of the Financial Management Division is to maintain financial oversight and administration of all Sanitation District 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, and payroll, accounting for fixed assets, and coordinating the capital and operating budget process throughout the Sanitation District. The annual audit required by law and all financial reporting required of special districts by the State of California is coordinated and administered through this division.

2019-20 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, on the actual due dates, and error free 100% of the time.
- ◆ All treasury investments will be in compliance with the California State Government Code 100% of the time.

2019-20 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.
- ◆ All sewer service fee rebate requests were processed within 90 days 100% of the time.
- ◆ Payroll was processed with an error-free rate of 100% on a bi-weekly and interim basis.
- ◆ All debt service payments were paid electronically, on the actual due dates, and error free 100% of the time.
- ◆ All treasury investments were in compliance with the California State Government Code 94.54% of the time.

2020-21 & 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 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, on the actual due dates, and error free 100% of the time.
- ◆ All treasury investments will be in compliance with the California State Government Code 100% of the time.

Performance Measures

Summary	2018-19 Actual	2019-20 Projected	2020-21 Proposed	2021-22 Proposed	Justification
◆ Financial Reports Issuance Standard	83%	83%	83%	83%	In-house standard
◆ Accounts Payable Standard	100%	100%	90%	90%	In-house standard
◆ Sewer Service Refund 90 Day Standard	100%	100%	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%	94.54%	100%	100%	In-house standard

Financial Management

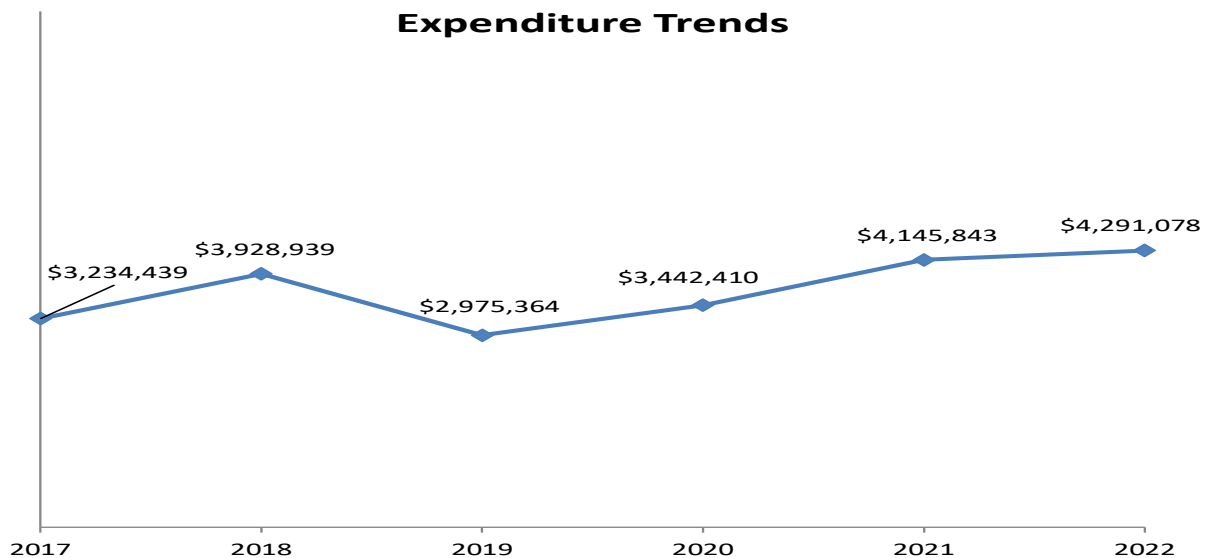
Budget Overview

The FY 2020-21 & 2021-22 budgets for the Financial Management Division reflects a 20% increase and an increase of 4% over the prior year, respectively. The minimal increase in 2020-21 is primarily due to the increase in personnel costs due to internal reorganization, and utility & repair costs from rental properties, offset by a decrease in county service fee. The 2021-22 decrease is primarily due to increases in personnel costs.

2019-20 Adjusted Budget - Total Operating Requirements	\$ 3,442,410
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	1,038,200
Change in OCERS retirement costs	133,450
Change in group insurance costs	39,300
Other benefit cost adjustments	(13,700)
Other Cost Adjustments:	
Increase in meeting/training	16,545
Decrease in county service fee	(512,410)
Decrease in other contractual service	(345,000)
Increase in other professional services	227,425
Increase in utilities	24,055
Increase in repairs & maintenance	97,078
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(1,510)
2020-21 Proposed Budget - Total Operating Requirements	\$ 4,145,843
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	128,400
Change in OCERS retirement costs	15,500
Change in group insurance costs	19,200
Other benefit cost adjustments	6,400
Other Cost Adjustments:	
Decrease in meeting/training	(1,815)
Decrease in other contractual service	(10,000)
Decrease in other professional services	(17,875)
Increase in repairs & maintenance	1,843
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	3,582
2021-22 Proposed Budget - Total Operating Requirements	\$ 4,291,078

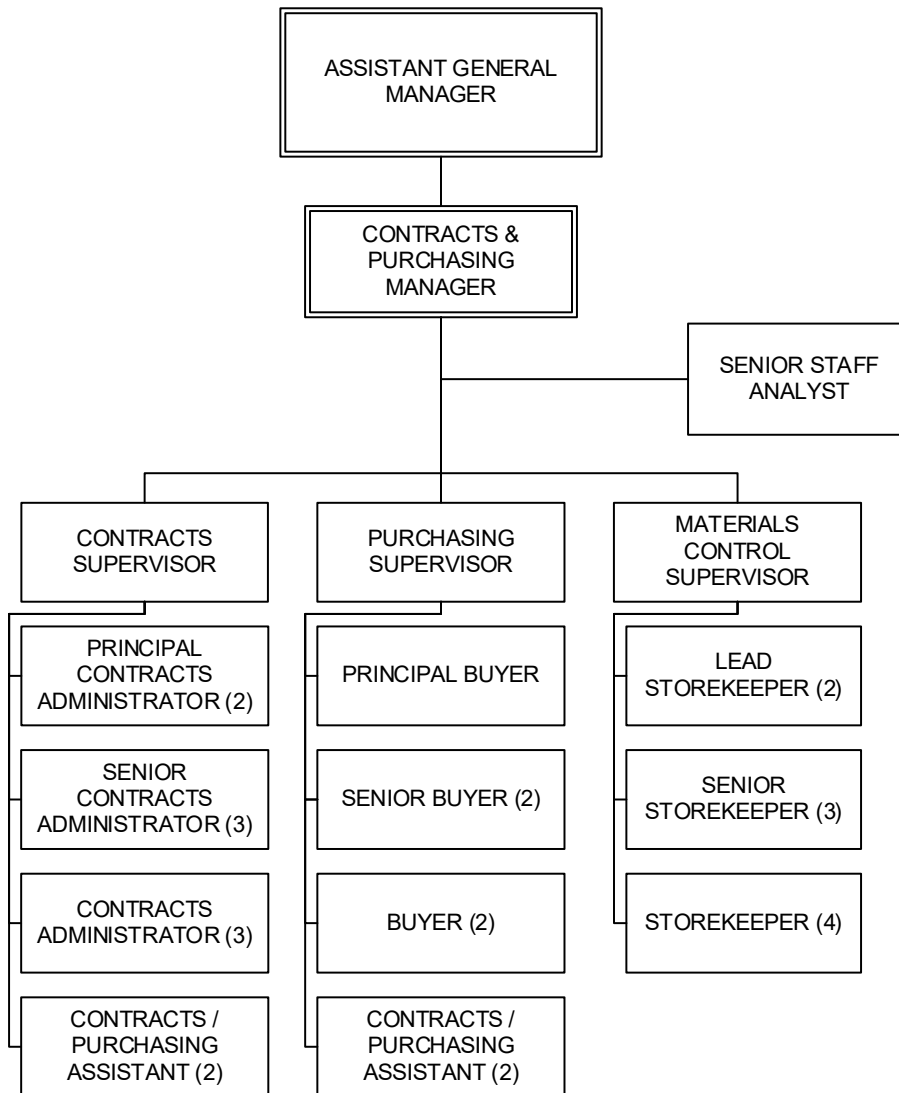
2020-21 & 2021-22 Budget

Operating Expenses By Category	2018-19 Actual	2019-20 Revised Budget	2019-20 Projected	2020-21 Proposed	Budget % Change	2021-22 Proposed	Budget % Change
Personnel	\$ 2,416,215	\$ 2,283,750	\$ 2,811,600	\$ 3,481,000	52.42%	\$ 3,650,500	4.87%
Supplies	23,528	40,610	40,065	56,595	39.36%	55,100	(2.64%)
Professional & Contractual Services	535,184	1,117,670	1,136,841	486,185	(56.50%)	461,210	(5.14%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	97,078	-	98,921	1.90%
Utilities	-	-	-	24,055	-	24,417	1.50%
Other	437	380	880	930	144.74%	930	0.00%
Total	\$ 2,975,364	\$ 3,442,410	\$ 3,989,386	\$ 4,145,843	20.43%	\$ 4,291,078	3.50%



Contracts, Purchasing, & Materials Management

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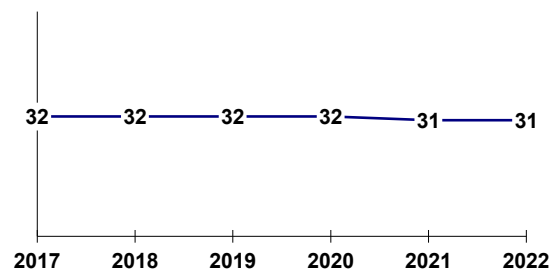


Staffing Trends

2020-21 & 2021-22 Authorized FTE Positions

Manager	1.00
Supervisors / Professionals	17.00
Administrative & Clerical	13.00

Total 31.00



2020-21 & 2021-22 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 the Sanitation Districts’ departments. The Districts’ warehouses receive, inventory and distribute supplies, materials and equipment to all departments in addition to inventory control analysis and surplus disposition.

2019-20 Performance Objectives

- ◆ Re-implement the cycle count program and maintain a 97% accuracy rate or better.
- ◆ Obtain the 2019 “Achievement of Excellence in Procurement” (AEP) award by meeting all National requirements.
- ◆ Successfully implement a new surplus ordinance.
- ◆ Conduct District-wide procurement training.
- ◆ Successfully implement a new Purchasing Ordinance.

2019-20 Performance Results

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

2020-21 & 2021-22 Performance Objectives

- ◆ Re-implement 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 District-wide procurement training.
- ◆ Review and track Certificates of Insurance for vendors and contractors.

Performance Measures

Summary	2018-19 Actual	2019-20 Projected	2020-21 Proposed	2021-22 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	N/A	Implement	Achieve	Achieve	Contract Compliance

Contracts, Purchasing, & Materials Management

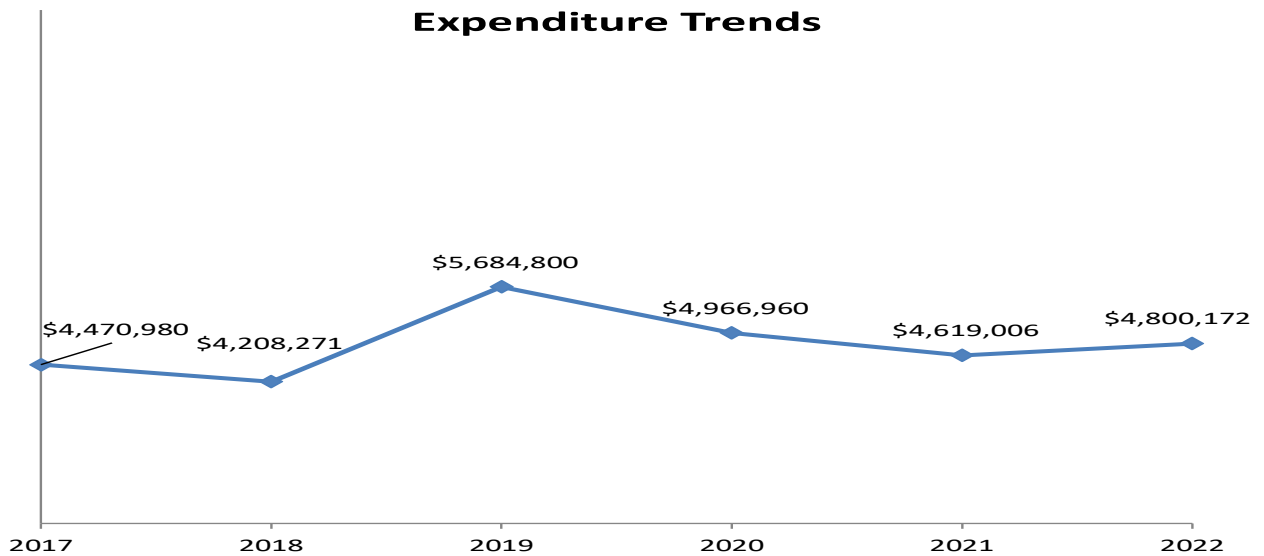
Budget Overview

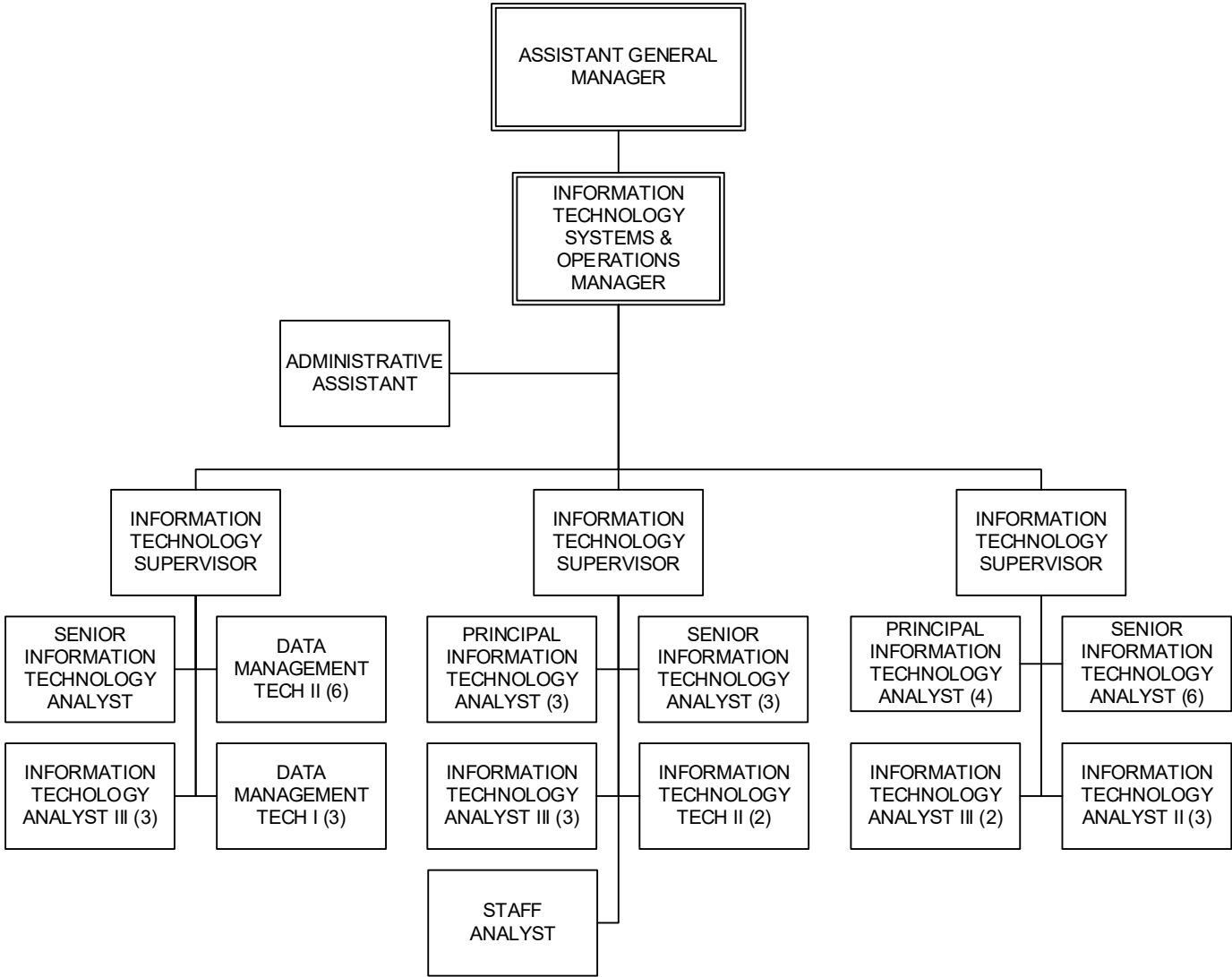
The FY 2020-21 & 2021-22 budgets for the Contracts, Purchasing, & Materials Management Division reflect a decrease of 7% and an increase of 4% over the prior year, respectively. These changes are primarily due to decrease in personnel costs and temporary services.

2019-20 Adjusted Budget - Total Operating Requirements	\$ 4,966,960
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(178,900)
Change in OCERS retirement costs	(84,400)
Change in group insurance costs	(105,000)
Other benefit cost adjustments	(16,100)
Other Cost Adjustments:	
Increase in minor furniture & fixtures	32,500
Increase in training	10,080
Increase in misc. operating supplies	11,000
Decrease in temporary services	(65,000)
Increase in software program consult	25,000
Decrease in loss on obsolete inventory	(10,000)
Increase in legal expenses	10,000
Increase in other operating supplies	24,500
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(1,634)
2020-21 Proposed Budget - Total Operating Requirements	\$ 4,619,006
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	162,000
Change in OCERS retirement costs	19,200
Change in group insurance costs	25,100
Other benefit cost adjustments	8,600
Other Cost Adjustments:	
Decrease in minor furniture/fixture	(32,500)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(1,234)
2021-22 Proposed Budget - Total Operating Requirements	\$ 4,800,172

2020-21 & 2021-22 Budget

Operating Expenses By Category	2018-19 Actual	2019-20 Revised Budget	2019-20 Projected	2020-21 Proposed	Budget % Change	2021-22 Proposed	Budget % Change
Personnel	\$ 4,460,836	\$ 4,617,600	\$ 3,914,100	\$ 4,233,200	(8.32%)	\$ 4,448,100	5.08%
Supplies	44,045	44,860	95,594	96,186	114.41%	62,452	(35.07%)
Professional & Contractual Services	208,093	205,000	130,490	175,000	(14.63%)	175,000	0.00%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	(39,558)	-	(26,140)	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	1,011,384	99,500	124,480	114,620	15.20%	114,620	0.00%
Total	\$ 5,684,800	\$ 4,966,960	\$ 4,238,524	\$ 4,619,006	(7.01%)	\$ 4,800,172	3.92%

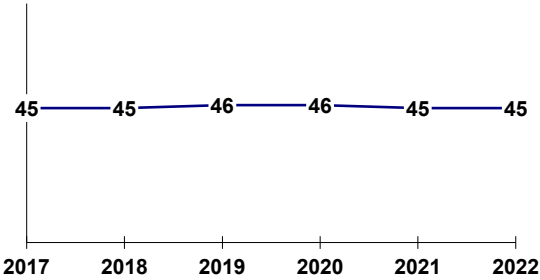




2020-21 & 2021-22 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	32.0
Technical Staff	11.0
Administrative/Clerical	1.0
<hr/>	
Total	<u>45.0</u>

Staffing Trends



2020-21 & 2021-22 Budget

Service Description

The Information Technology Division provides support to the users of the Sanitation District's information technology related assets and services, as well as developing and implementing technology solutions that best meet the needs of the Sanitation District. The Division procures and manages computer hardware/software and provides end user support with a Service Desk that performs computer and telecommunications installations, moves, and changes. The Division is also responsible for the design, installation, maintenance, troubleshooting, and upgrades of all enterprise applications, networking infrastructure component and back-end computer system, 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.

2019-20 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.

2019-20 Performance Results

- ◆ Replaced 44% of obsolete inventory.
- ◆ The Safety Scorecard is at 100%.
- ◆ OCSD's phish-prone percentage has decreased and is 27% better than industry average.
- ◆ Currently spent 95% of approved budget.

2020-21 & 2021-22 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 by 15% yearly.
- ◆ Replace 30% of obsolete network infrastructure for OCSD's office computing.
- ◆ Manage Operating Budget between 96% and 100% of approved budget.

Performance Measures

Summary	2018-19 Actual	2019-20 Projected	2020-21 Proposed	2021-22 Proposed	Justification
◆ Replace Obsolete Desktop, Mobile, and Server Computers	11%	15%	25% of total computers	25% of total computers	Rotate Desktops Every 5 Years, Mobiles 3 Years
◆ Maintain a Safety Scorecard above 95% for Overall Score	100%	100%	95%	95%	Sanitation District Goal
◆ Cyber Security Awareness/Protection	N/A	27%	15%	15%	GM Workplan
◆ Replace Obsolete Network Infrastructure for OCSD's Office Computing	N/A	N/A	30%	30%	Cyber security and system availability
◆ Manage Operating Budget	85%	98%	96-100%	96-100%	Sanitation District Goal

Information Technology

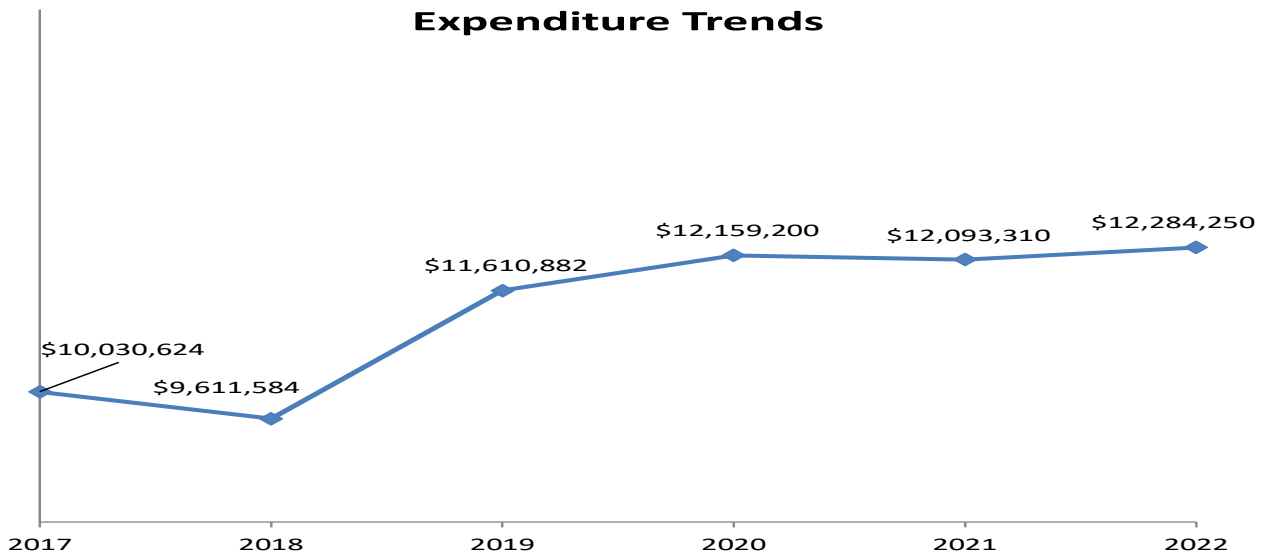
Budget Overview

The FY 2020-21 & 2021-22 budgets for the Information Technology Division reflect a decrease of 1% and an increase of 2% over the prior year, respectively. The decrease is primarily due to decrease in utility costs.

2019-20 Adjusted Budget - Total Operating Requirements	\$ 12,159,200
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	385,000
Change in OCERS retirement costs	(3,560)
Change in group insurance costs	(110,400)
Other benefit cost adjustments	(57,800)
Other Cost Adjustments:	
Increase in printing & publication	29,780
Decrease in temporary services	(38,640)
Decrease in other contractual services	(20,000)
Decrease in legal services	(175,000)
Increase in other professional services	300,000
Increase in service maintenance agreements	125,000
Decrease in telephone	(500,000)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(270)
2020-21 Proposed Budget - Total Operating Requirements	\$ 12,093,310
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	281,300
Change in OCERS retirement costs	32,900
Change in group insurance costs	36,100
Other benefit cost adjustments	12,000
Other Cost Adjustments:	
Increase in printing & publication	10,000
Decrease in temporary services	(31,360)
Increase in small computers	25,000
Decrease in other professional services	(300,000)
Increase in service maintenance agreements	125,000
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	-
2021-22 Proposed Budget - Total Operating Requirements	\$ 12,284,250

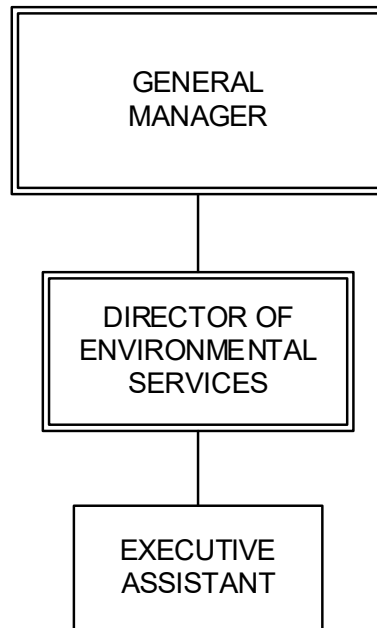
2020-21 & 2021-22 Budget

Operating Expenses By Category	2018-19 Actual	2019-20 Revised Budget	2019-20 Projected	2020-21 Proposed	Budget % Change	2021-22 Proposed	Budget % Change
Personnel	\$ 7,657,290	\$ 7,006,960	\$ 7,125,300	\$ 7,220,200	3.04%	\$ 7,582,500	5.02%
Supplies	858,021	1,254,750	1,238,950	1,304,410	3.96%	1,339,410	2.68%
Professional & Contractual Services	383,554	625,000	360,010	691,360	10.62%	360,000	(47.93%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	2,233,453	2,700,000	2,675,000	2,825,000	4.63%	2,950,000	4.42%
Utilities	452,722	500,000	500,000	-	(100.00%)	-	-
Other	25,842	72,490	30,840	52,340	(27.80%)	52,340	0.00%
Total	\$ 11,610,882	\$ 12,159,200	\$ 11,930,100	\$ 12,093,310	(0.54%)	\$ 12,284,250	1.58%



Environmental Services Administration

610

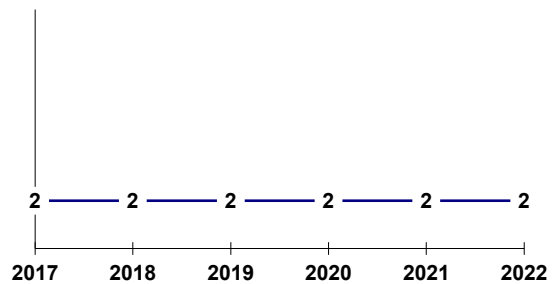


Staffing Trends

2020-21 & 2021-22 Authorized FTE Positions

Executive Manager	1.00
Administrative / Clerical	1.00

Total 2.00



2020-21 & 2021-22 Budget

Service Description

The Environmental Services Administration Division provides leadership, support, and oversight of the Environmental Services Department staff whose mission is: Protecting staff, facilities, the environment, and the public by influencing, tracking and ensuring compliance with environmental permits and regulations; providing laboratory services for plant process optimization, recreational water quality, and industrial discharge monitoring; and controlling industrial, commercial and residential discharges to create water, biosolids, and energy for reuse.

2019-20 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 every 3 years.

2019-20 Performance Results

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

2020-21 & 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.
- ◆ Conduct audits of all major environmental permits with adopted audit schedule: 1-5 years.

Performance Measures

Summary	2018-19 Actual	2019-20 Projected	2020-21 Proposed	2021-22 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 req.
◆ Compliance Reporting Requirements	100%	95%	100%	100%	Required by permit
◆ Audit Environmental Permits Every 3 Years	100%	100%	100%	100%	In-house standard & permit req.

Environmental Services Administration

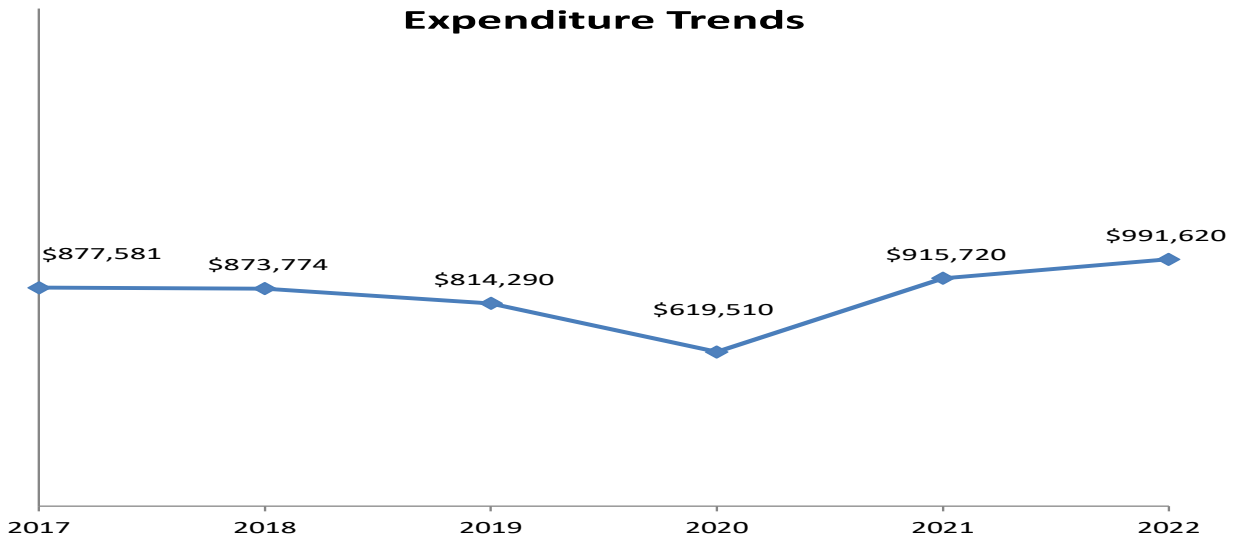
Budget Overview

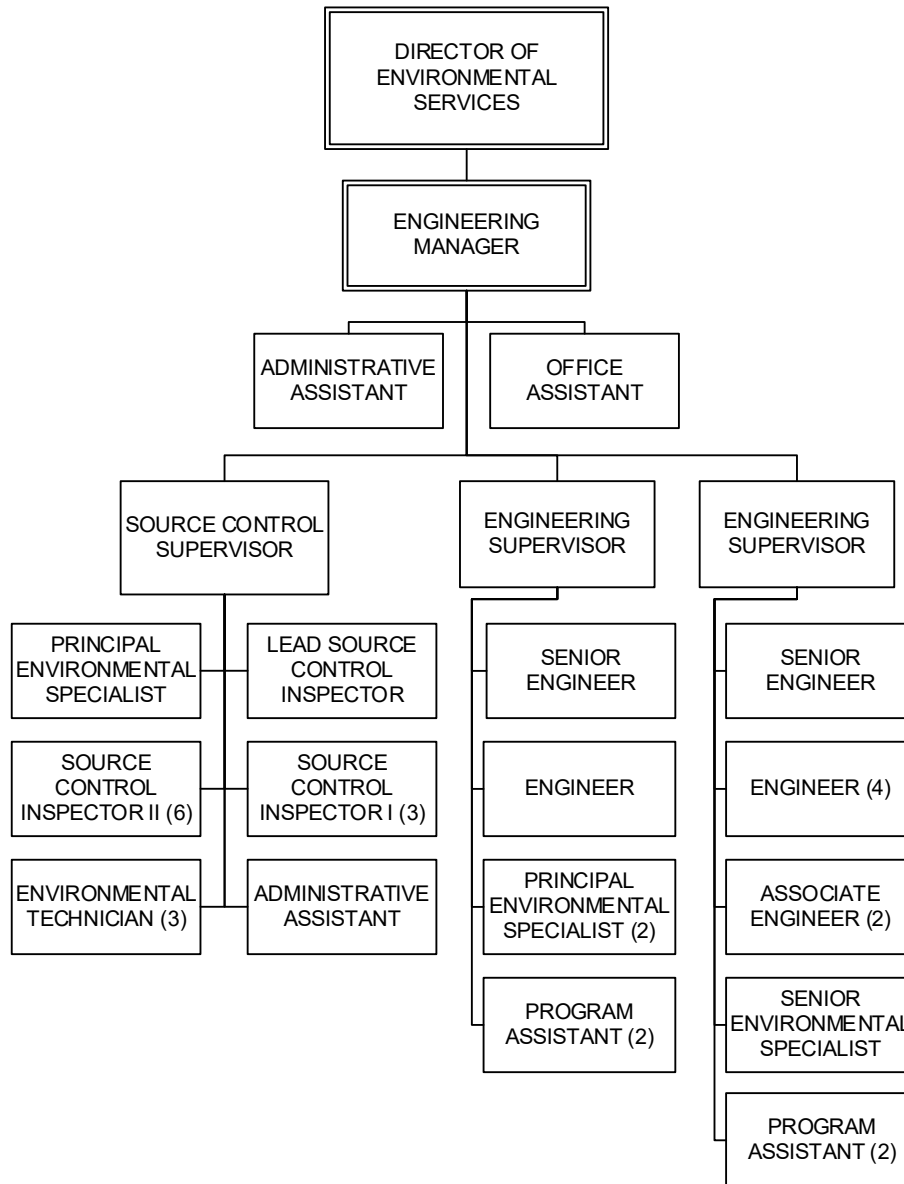
The FY 2020-21 & 2021-22 budgets for the Environmental Services Administration Division reflect an increase of 48% and 8% over the prior year, respectively. The increase is primarily due to salary and benefits adjustments and research and monitoring costs.

2019-20 Adjusted Budget - Total Operating Requirements	\$ 619,510
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	221,500
Change in OCERS retirement costs	26,160
Change in group insurance costs	(1,300)
Other benefit cost adjustments	2,800
Other Cost Adjustments:	
Increase in research & monitoring	50,000
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(2,950)
2020-21 Proposed Budget - Total Operating Requirements	\$ 915,720
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	21,100
Change in OCERS retirement costs	2,400
Change in group insurance costs	1,800
Other benefit cost adjustments	600
Other Cost Adjustments:	
Increase in research & monitoring	50,000
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	-
2021-22 Proposed Budget - Total Operating Requirements	\$ 991,620

2020-21 & 2021-22 Budget

Operating Expenses By Category	2018-19 Actual	2019-20 Revised Budget	2019-20 Projected	2020-21 Proposed	Budget % Change	2021-22 Proposed	Budget % Change
Personnel	\$ 404,536	\$ 155,140	\$ 384,500	\$ 404,300	160.60%	\$ 430,200	6.41%
Supplies	7,490	12,330	9,160	11,420	(7.38%)	11,420	0.00%
Professional & Contractual Services	910	2,000	-	-	(100.00%)	-	-
Research & Monitoring	401,321	450,000	475,000	500,000	11.11%	550,000	10.00%
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	33	40	-	-	(100.00%)	-	-
Total	\$ 814,290	\$ 619,510	\$ 868,660	\$ 915,720	47.81%	\$ 991,620	8.29%

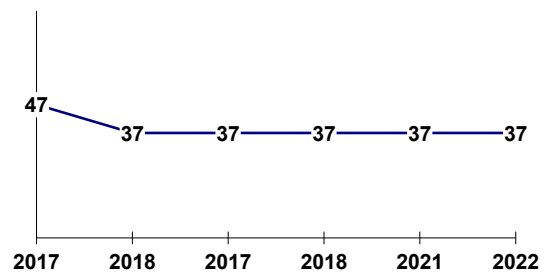




Staffing Trends

2020-21 & 2021-22 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	16.0
Technical Staff	13.0
Administrative / Clerical	7.0
Total	37.0



2020-21 & 2021-22 Budget

Service Description

The Resource Protection Division fulfills regulatory requirements with federal, state, and local pretreatment regulations, Ordinance terms and conditions, and supports water reclamation and reuse. This is done in the most cost effective, practical, and beneficial manner that meets regulatory requirements, protects the Sanitation District's assets, employees and ocean discharge.

2019-20 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.

2019-20 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.

2020-21 & 2021-22 Performance Objectives

- ◆ Ensure the division's expenditures are managed to 98-100% 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 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.

Performance Measures

Summary	Performance Measures				Justification
	2018-19 Actual	2019-20 Projected	2020-21 Proposed	2021-22 Proposed	
◆ Manage Division Budget	101%	100%	100%	100%	In-house Standard
◆ Meet 100% of Regulatory Deadlines (Reports)	100%	100%	100%	100%	NPDES Permit Requirement
◆ Implement Ordinance	100%	100%	N/A	N/A	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

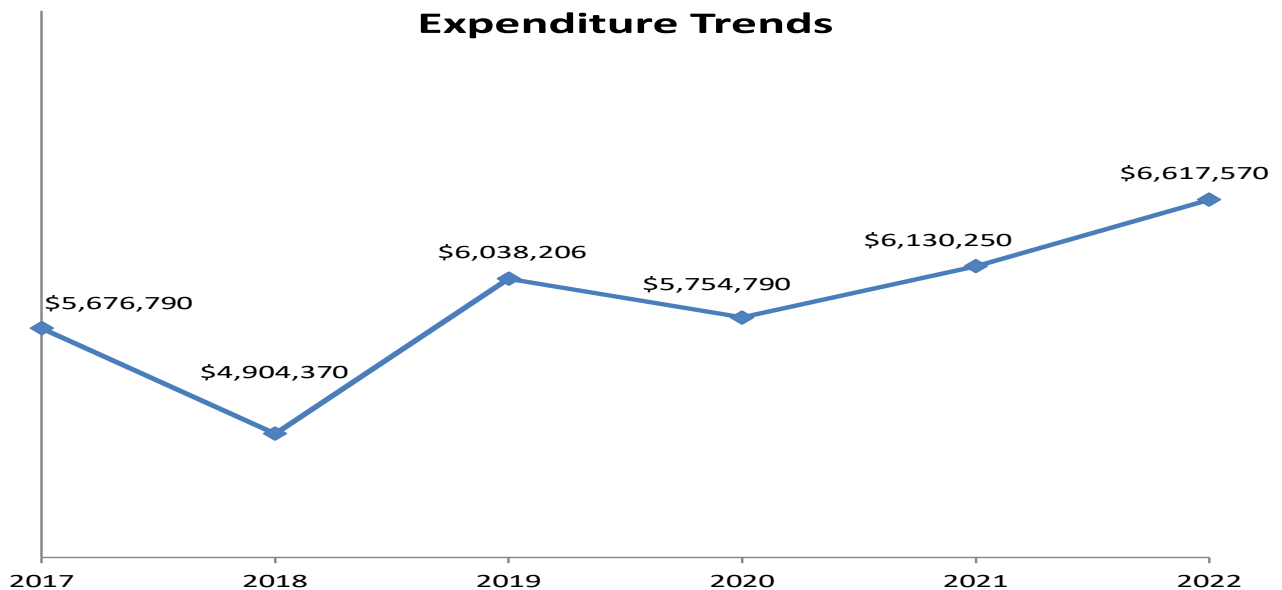
Budget Overview

The FY 2020-21 & 2021-22 budget for the Resource Protection Division reflects an increase of 7% and an increase of 8% over the prior year, respectively, primarily due to an increase in environmental consulting services, operating materials and supplies, and legal services.

2019-20 Adjusted Budget - Total Operating Requirements	\$ 5,754,790
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	276,100
Change in OCERS retirement costs	(1,970)
Change in group insurance costs	(80,400)
Other benefit cost adjustments	(122,100)
Other Cost Adjustments:	
Increase in operating materials & supplies	175,000
Increase in temporary services	25,000
Increase in legal services	35,000
Increase in enviro scientific consulting services	60,000
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	8,830
2020-21 Proposed Budget - Total Operating Requirements	\$ 6,130,250
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	218,400
Change in OCERS retirement costs	26,300
Change in group insurance costs	29,100
Other benefit cost adjustments	9,900
Other Cost Adjustments:	
Decrease in operating materials & supplies	(175,000)
Decrease in temporary services	(25,000)
Increase in enviro scientific consulting services	400,000
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	3,620
2021-22 Proposed Budget - Total Operating Requirements	\$ 6,617,570

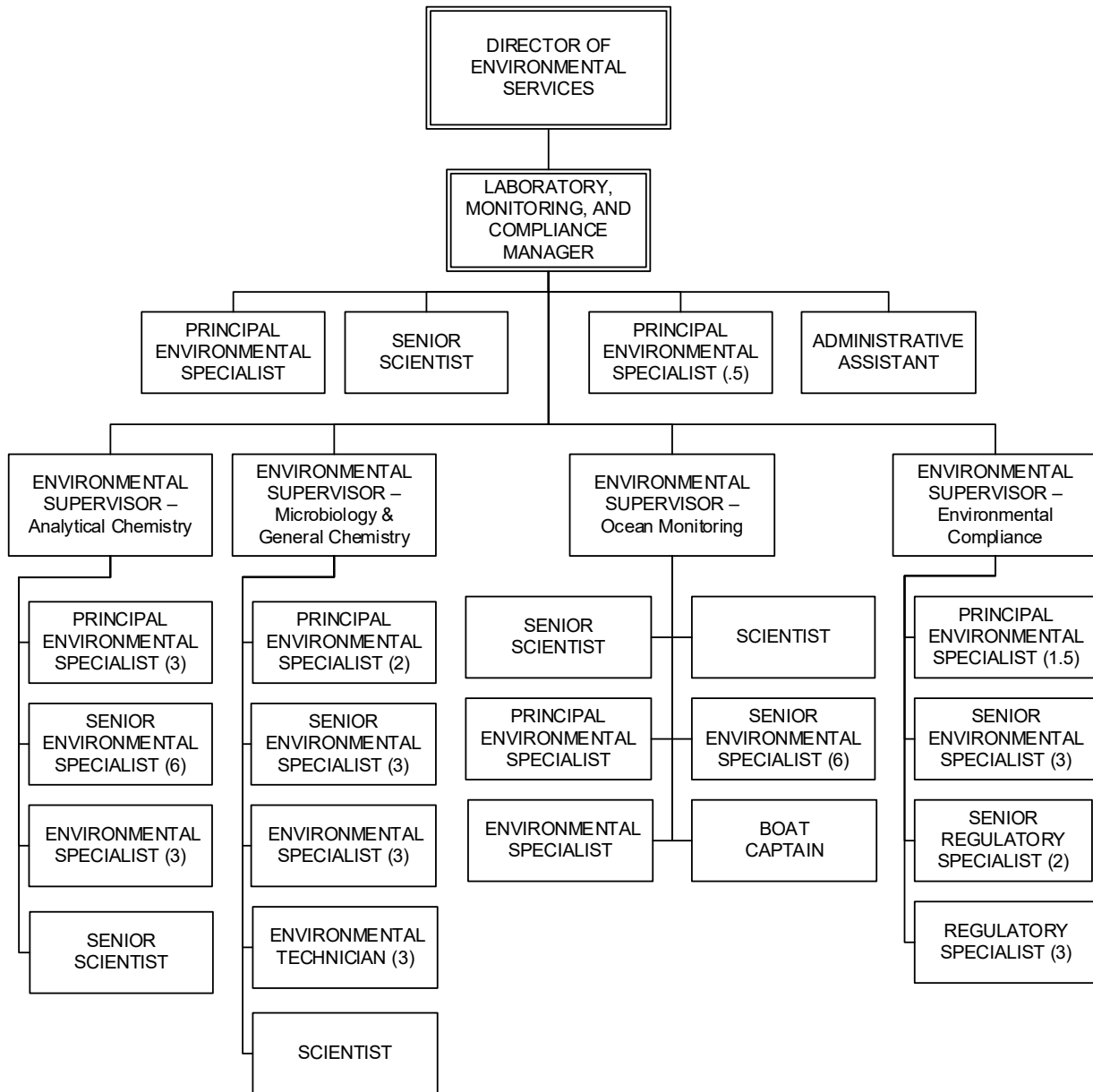
2020-21 & 2021-22 Budget

Operating Expenses By Category	2018-19 Actual	2019-20 Revised Budget	2019-20 Projected	2020-21 Proposed	Budget % Change	2021-22 Proposed	Budget % Change
Personnel	\$ 5,707,762	\$ 5,408,970	\$ 5,159,900	\$ 5,480,600	1.32%	\$ 5,764,300	5.18%
Supplies	131,908	170,090	178,090	348,110	104.66%	176,730	(49.23%)
Professional & Contractual Services	187,163	166,660	113,010	286,600	71.97%	661,600	130.84%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	10,988	7,330	11,060	14,000	91.00%	14,000	0.00%
Utilities	-	-	-	-	-	-	-
Other	385	1,740	1,000	940	(45.98%)	940	0.00%
Total	\$ 6,038,206	\$ 5,754,790	\$ 5,463,060	\$ 6,130,250	6.52%	\$ 6,617,570	7.95%



Laboratory, Monitoring & Compliance

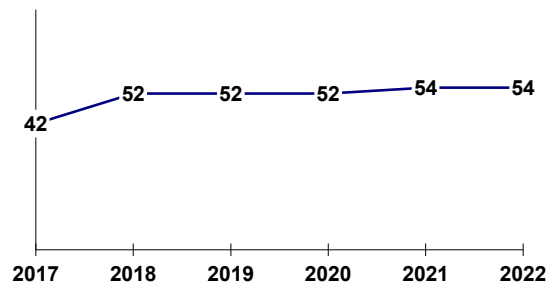
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2020-21 & 2021-22 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	49.0
Technical Staff	3.0
Administrative / Clerical	1.0
Total	54.0

Staffing Trends



2020-21 & 2021-22 Budget

Service Description

The mission of the Laboratory, Monitoring & Compliance Division is to perform sampling, environmental and process monitoring, accurate analysis, evaluation and compliance reporting for collection system, treatment processes, air emissions, coastal water quality, marine sediments and fish populations within the influence of OCSD's wastewater discharge and comparison sites to evaluate and address issues of concern to the Sanitation District.

2019-20 Performance Objectives

- ◆ Continued efficiency improvement as measured by internal standards and industry benchmarking with regional laboratories.
- ◆ Successful performance on proficiency test standards 100% correctly in no more than two attempts and achieve no less than 95% correct results on the first attempt.
- ◆ Manage division controllable costs to within 5% of projection.
- ◆ Support of GWRS, special projects and routine monitoring requirements.
- ◆ Meet all NPDES Permit compliance standards, Strategic Initiatives and Strategic Process Studies to advance OCSD's Mission.

2019-20 Performance Results

- ◆ Met all internal benchmarks in all major areas of laboratory established through regional benchmarking.
- ◆ Completed all proficiency tests on time and passed 100% on the first attempt.
- ◆ Managed division controllable costs to 99.41% of projected budget.
- ◆ All samples were collected, analyzed and reported on schedule, as defined by permit and interagency agreements.
- ◆ Met all monitoring and reporting requirements as defined by permit and RWQCB.

2020-21 & 2021-22 Performance Objectives

- ◆ Continued efficiency improvements as measured by internal standards and benchmarking with other laboratories.
- ◆ Successful performance on proficiency test standards 100% correctly in no more than two attempts and achieve no less than 95% correct results on first attempt.
- ◆ Manage division controllable costs to within 2% of projection.
- ◆ Support of GWRS, special projects and routine monitoring requirements.
- ◆ Meet all NPDES, Permit compliance standards, Strategic Initiatives and Strategic Process Studies to advance OCSD's Mission.

Performance Measures

Summary	2018-19 Actual	2019-20 Projected	2020-21 Proposed	2021-22 Proposed	Justification
◆ Laboratory Productivity	100%	100%	100%	100%	Internal and external benchmark comparison.
◆ Laboratory Standards	100%	100%	100%	100%	Blind check standards.
◆ Budget	99.85%	100%	≤100%	≤100%	In-house standard
◆ Support GWRS	100%	100%	100%	100%	Percent of requested work completed
◆ Permit Compliance	100%	100%	100%	100%	Compliance measure

Laboratory, Monitoring & Compliance

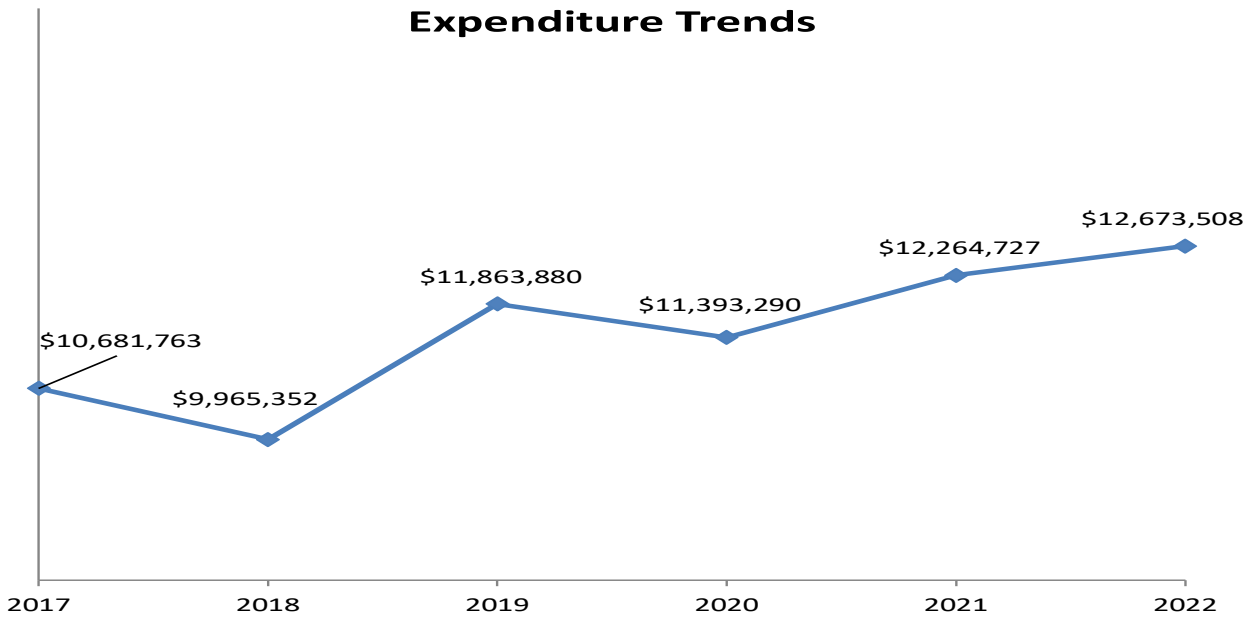
Budget Overview

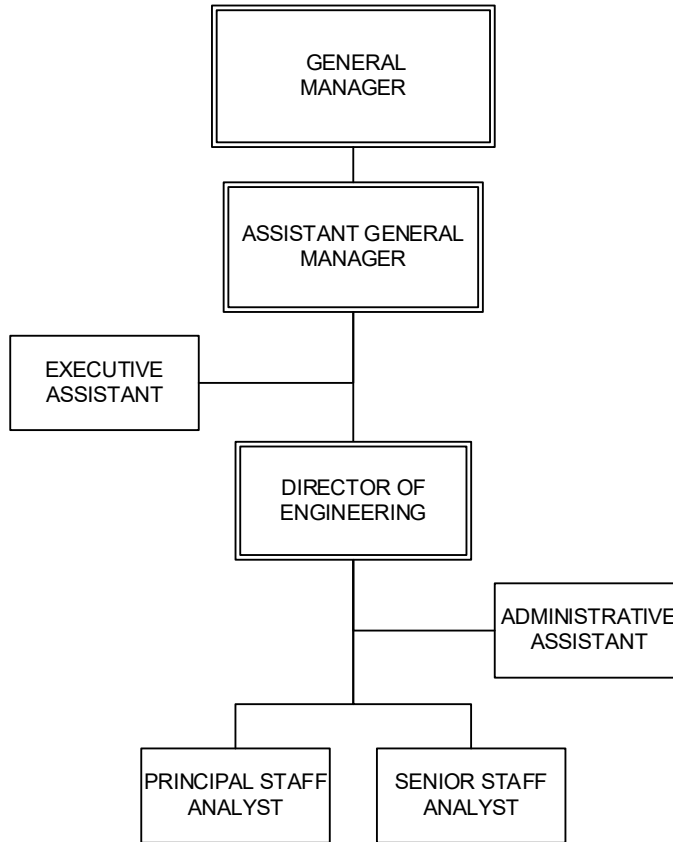
The FY 2020-21 & 2021-22 budgets for the Laboratory, Monitoring & Compliance Division reflect an increase of 8% and 3% over the prior year, respectively. The increase is primarily due to salary and benefits adjustments and an increase in research and monitoring costs, regulatory operating fees, repairs & maintenance costs, partially offset by a decrease in electricity costs.

2019-20 Adjusted Budget - Total Operating Requirements	\$ 11,393,290
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	829,000
Change in OCERS retirement costs	81,900
Change in group insurance costs	(93,700)
Other benefit cost adjustments	(131,100)
Other Cost Adjustments:	
Increase in temporary services	20,000
Increase in legal services	15,000
Decrease in audit & accounting services	(20,000)
Decrease in enviro scientific consult	(20,000)
Increase in other professional services	150,000
Increase in research & monitoring	155,100
Decrease in utilities costs	(380,500)
Increase in repairs & maintenances	49,107
Increase in regulatory operating fees	207,100
Increase in minor furniture & fixtures	14,000
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(4,470)
2020-21 Proposed Budget - Total Operating Requirements	\$ 12,264,727
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	293,400
Change in OCERS retirement costs	37,200
Change in group insurance costs	42,900
Other benefit cost adjustments	14,400
Other Cost Adjustments:	
Decrease in other professional services	(148,082)
Increase in research & monitoring	74,000
Increase in repairs & maintenances	10,163
Increase in regulatory operating fees	72,424
Increase in meeting & training	2,995
Increase in lab chemicals & supplies	10,649
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(1,268)
2021-22 Proposed Budget - Total Operating Requirements	\$ 12,673,508

2020-21 & 2021-22 Budget

Operating Expenses By Category	2018-19 Actual	2019-20 Revised Budget	2019-20 Projected	2020-21 Proposed	Budget % Change	2021-22 Proposed	Budget % Change
Personnel	\$ 8,820,584	\$ 8,006,300	\$ 8,479,500	\$ 8,692,400	8.57%	\$ 9,080,300	4.46%
Supplies	715,095	719,210	713,020	727,605	1.17%	734,351	0.93%
Professional & Contractual Services	317,838	485,000	377,500	635,035	30.94%	492,083	(22.51%)
Research & Monitoring	534,480	649,600	674,600	804,700	23.88%	878,700	9.20%
Repairs & Maintenance	292,578	307,640	325,000	356,747	15.96%	366,910	2.85%
Utilities	364,201	380,500	455,610	-	(100.00%)	-	-
Other	819,104	845,040	971,110	1,048,240	24.05%	1,121,164	6.96%
Total	\$ 11,863,880	\$ 11,393,290	\$ 11,996,340	\$ 12,264,727	7.65%	\$ 12,673,508	3.33%



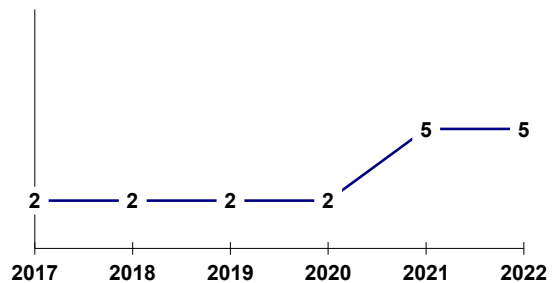


Staffing Trends

2020-21 & 2021-22 Authorized FTE Positions

Executive Manager	1.0
Supervisors / Professionals	2.0
Administrative / Clerical	2.0

Total **5.0**



2020-21 & 2021-22 Budget

Service Description

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

2019-20 Performance Objectives

- ◆ Expend 90 to 100% of project annual CIP cash flow.
- ◆ Ensure the department's expenditures are managed to 90- 100% of approved budget.
- ◆ Ensure that reporting divisions achieve 90% of individual performance objectives.
- ◆ Prepare and maintain 20-year District-wide capital plan.

2019-20 Performance Results

- ◆ Expected to expend 76%.
- ◆ Expected to be 90-100%.
- ◆ Expected to be 95%.
- ◆ Yes.

2020-21 & 2021-22 Performance Objectives

- ◆ Expend 90-100% of project annual CIP cash flow.
- ◆ Ensure the department's expenditures are managed to within 90-100% of the proposed budgets.
- ◆ Ensure that reporting divisions achieve 90% of individual performance objectives.
- ◆ Prepare and maintain a 20-year District-wide capital plan coordinating research, condition assessment, regulatory requirements, changing levels of service, and projected capacity requirements.

Performance Measures

Summary	2018-19 Actual	2019-20 Projected	2020-21 Proposed	2021-22 Proposed	Justification
◆ Expend 90-100% of Project Annual CIP Cash Flow	89.8%	76%	90-100%	90-100%	In-house standard
◆ Ensure Department's Expenditures 90-100%	96.5%	90-100%	96-100%	96-100%	In-house standard
◆ Ensure Reporting Divisions Achieve 90% Performance Measures	951	95%	90% min	90% min	In-house standard
◆ Prepare & Maintain 20-year District-wide Capital Plan	Yes	Yes	Yes	Yes	In-house standard

Engineering Administration

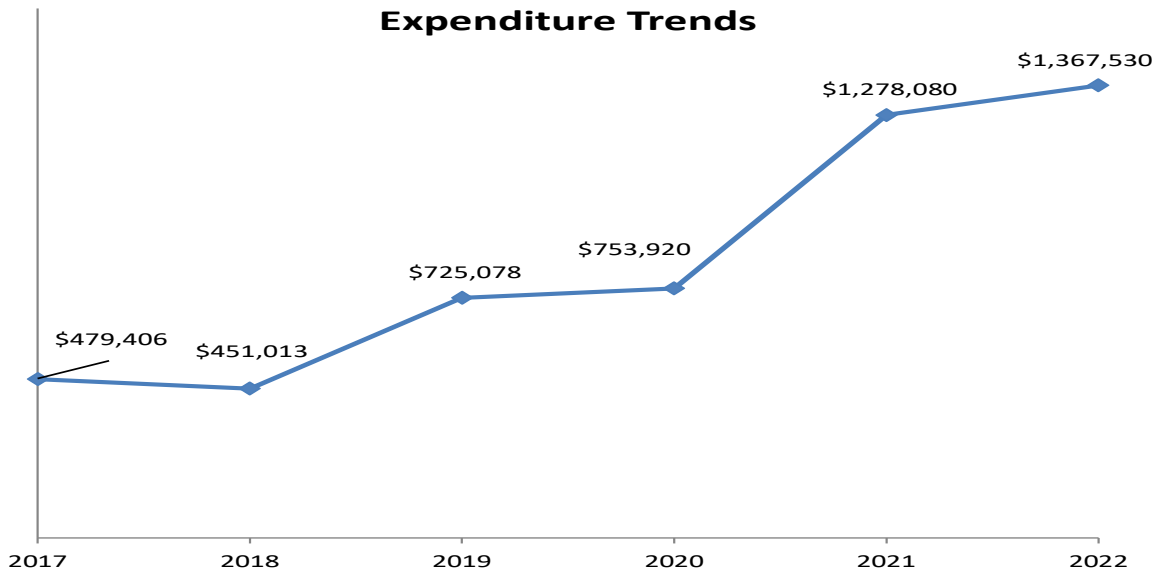
Budget Overview

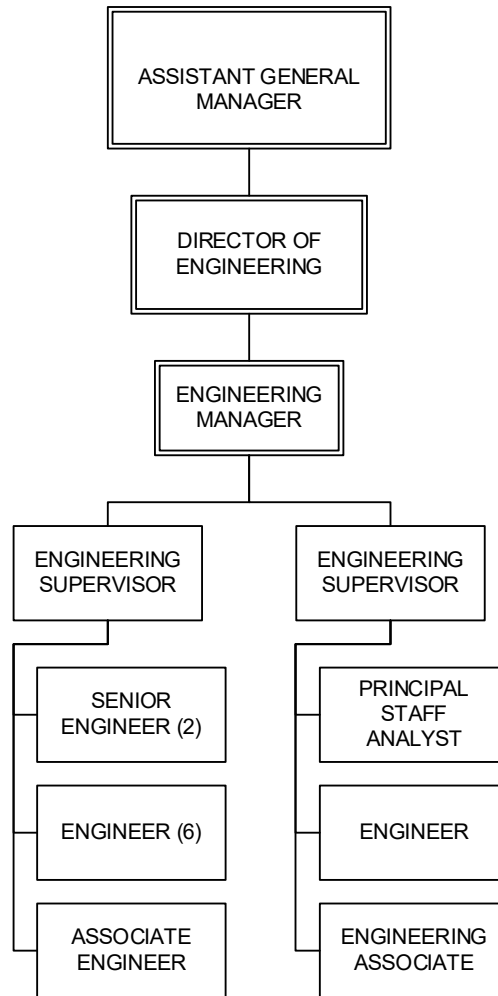
The FY 2020-21 & 2021-22 budgets for the Engineering Administration Division reflect an increase of 70% and an increase of 7% over the prior year, respectively. This is primarily due to increases in salary and benefits adjustments.

2019-20 Adjusted Budget - Total Operating Requirements	\$ 753,920
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	415,400
Change in OCERS retirement costs	60,410
Change in group insurance costs	39,200
Other benefit cost adjustments	10,800
Other Cost Adjustments:	
No other significant cost changes	
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(1,650)
2020-21 Proposed Budget - Total Operating Requirements	\$ 1,278,080
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	71,600
Change in OCERS retirement costs	10,800
Change in group insurance costs	5,400
Other benefit cost adjustments	1,600
Other Cost Adjustments:	
No other significant cost changes	
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	50
2021-22 Proposed Budget - Total Operating Requirements	\$ 1,367,530

2020-21 & 2021-22 Budget

Operating Expenses By Category	2018-19 Actual	2019-20 Revised Budget	2019-20 Projected	2020-21 Proposed	Budget % Change	2021-22 Proposed	Budget % Change
Personnel	\$ 720,423	\$ 746,490	\$ 1,072,200	\$ 1,272,300	70.44%	\$ 1,361,700	7.03%
Supplies	4,655	7,390	3,910	5,720	(22.60%)	5,770	0.87%
Professional & Contractual Services	-	-	1,050	-	-	-	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	-	40	40	60	50.00%	60	0.00%
Total	\$ 725,078	\$ 753,920	\$ 1,077,200	\$ 1,278,080	69.52%	\$ 1,367,530	7.00%



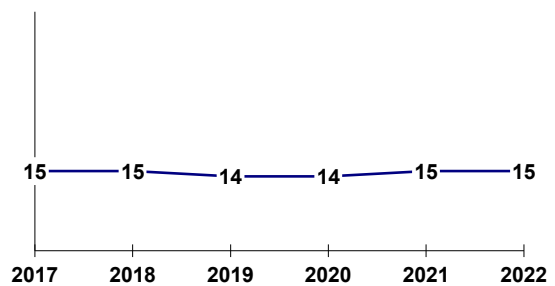


Staffing Trends

2020-21 & 2021-22 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	13.0
Administrative / Clerical	1.0

Total 15.0



2020-21 & 2021-22 Budget

Service Description

The mission of the Planning Division is to provide a comprehensive Capital Improvement Program for the Sanitation District considering projected capacity requirements, condition of current assets, projected regulatory and level of service changes, and business opportunities. The Planning Division takes a lead role in the Asset Management Program. The Division is also responsible for water resources management, California Environmental Quality Act (CEQA) preparation and review, annexations, connection permitting, easements, and interagency agreements.

2019-20 Performance Objectives

- ◆ Ensure the division's expenditures are managed to within 90-100% of proposed budget.
- ◆ Facilitate the District-wide project Clearinghouse.
- ◆ Maintain a 20-year District-wide Capital Improvement Plan (CIP).
- ◆ Response to 100% of environmental correspondence within 45 days.
- ◆ Complete the Facilities Master Plan Environmental Impact Report
- ◆ Complete the Biosolids Master Plan Environmental Impact Report.

2019-20 Performance Results

- ◆ Expected to be less than 90%.
- ◆ Yes, meetings occur bi-weekly.
- ◆ Completed the 2017 Facilities Master Plan. Since then, through Asset Management, the 20-year CIP has been updated on an annual basis.
- ◆ Yes.
- ◆ In progress, expected to be completed during FY21-22.
- ◆ Report was completed May 2018.

2020-21 & 2021-22 Performance Objectives

- ◆ Ensure the division's expenditures are managed to 90-100% of proposed budget.
- ◆ Facilitate the District-wide project clearinghouse to properly disposition maintenance, repair, replacement and capital expansion work into projects. Meet regularly and clearly assign tasks.
- ◆ Maintain a 20-year District-wide Capital Improvement Program considering research, condition assessment, regulatory requirements, changing levels of service, and projected capacity requirements.
- ◆ Response to 100% of environmental correspondence within 45 days.
- ◆ Complete the Facilities Master Plan Program Environmental Impact Report.
- ◆ Prepare and publish an Asset Management Plan annually.

Performance Measures

Summary	2018-19 Actual	2019-20 Projected	2020-21 Proposed	2021-22 Proposed	Justification
◆ Manage Budget	109%	<90%	90-100%	90-100%	In-house standard
◆ Facilitate Project Clearinghouse	Yes	Yes	Yes	Yes	In-house standard
◆ Maintain a 20-Year CIP	Yes	Yes	Yes	Yes	In-house standard
◆ CEQA Correspondence	100%	100%	100%	100%	CEQA requirement
◆ Facilities Master Plan EIR	In Progress	In Progress	In Progress	Yes	CEQA requirement
◆ Asset Management Plan	Yes	Yes	Yes	Yes	CEQA requirement

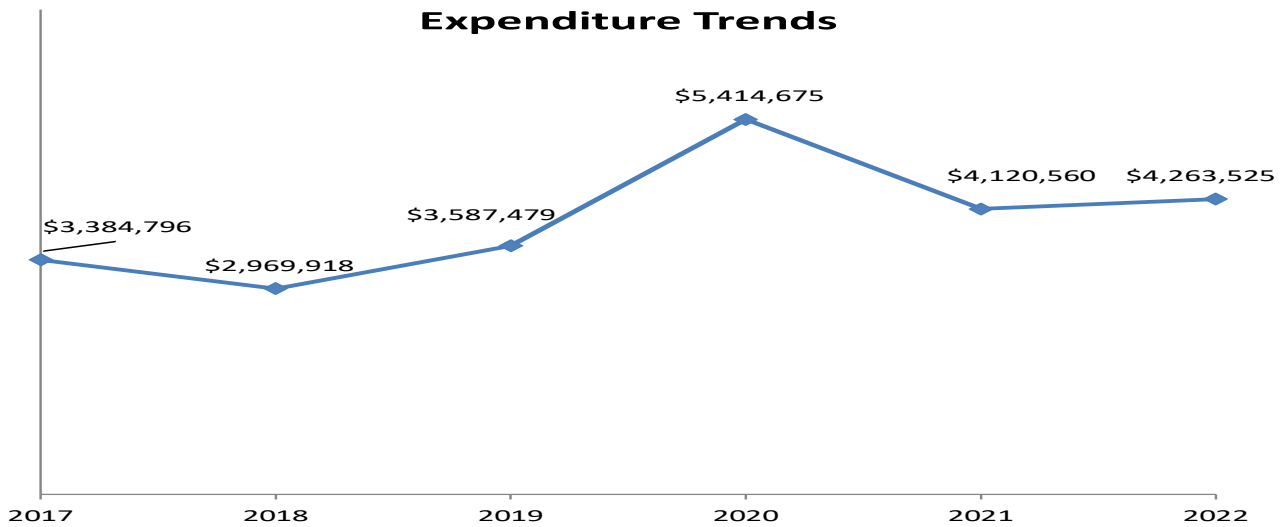
Budget Overview

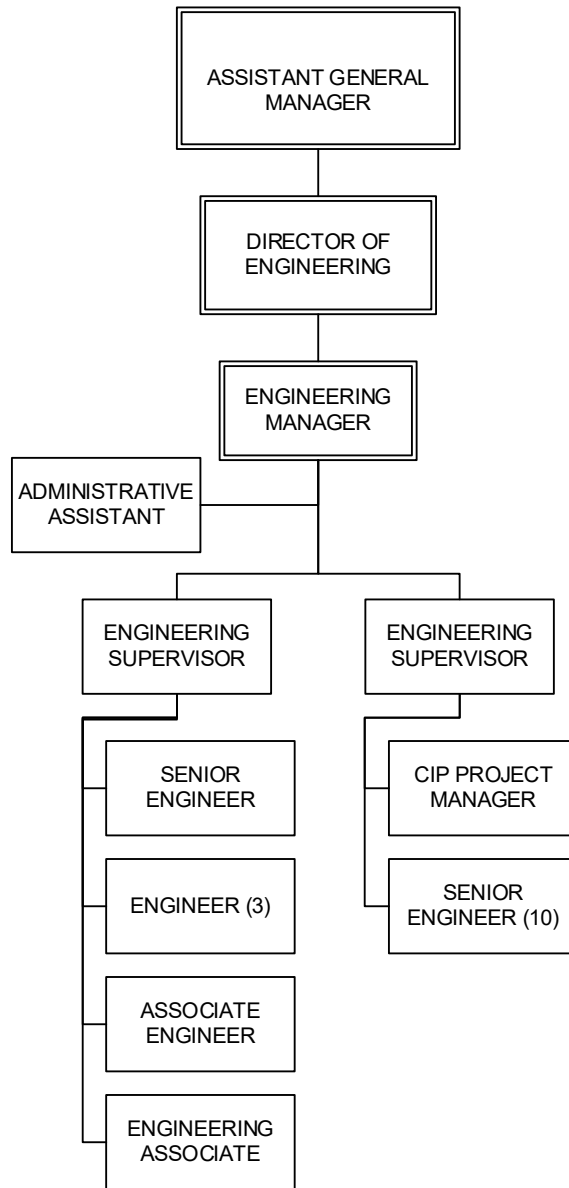
The FY 2020-21 budget for the Planning Division reflect a decrease of 24%. This is primarily due to decrease in personnel costs, repairs & maintenance, and electricity costs for rental properties that being re-allocated to Administrative Services Administration/ Consolidated Services department. The FY 2021-22 budget reflects an increase of 3% due to increase in personnel costs.

2019-20 Adjusted Budget - Total Operating Requirements	\$ 5,414,675
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(467,100)
Change in OCERS retirement costs	(61,550)
Change in group insurance costs	(69,100)
Other benefit cost adjustments	(15,500)
Other Cost Adjustments:	
Decrease in membership	(77,460)
Decrease in printing publication	(15,900)
Decrease in property tax fees	(82,500)
Decrease in janitorial services	(58,000)
Decrease in groundskeeping services	(11,000)
Decrease in legal services	(100,000)
Decrease in other professional services	(112,000)
Decrease in repairs & maintenance services and materials	(104,900)
Decrease in utilities costs	(133,500)
Increase in engineering	25,000
Decrease in misc. operating supplies	(7,950)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(2,655)
2020-21 Proposed Budget - Total Operating Requirements	\$ 4,120,560
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	113,100
Change in OCERS retirement costs	13,000
Change in group insurance costs	11,600
Other benefit cost adjustments	3,800
Other Cost Adjustments:	
Increase in membership	4,180
Decrease in meetings & training	(2,965)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	250
2021-22 Proposed Budget - Total Operating Requirements	\$ 4,263,525

2020-21 & 2021-22 Budget

Operating Expenses By Category	2018-19 Actual	2019-20 Revised Budget	2019-20 Projected	2020-21 Proposed	Budget % Change	2021-22 Proposed	Budget % Change
Personnel	\$ 2,502,642	\$ 3,176,850	\$ 2,448,100	\$ 2,563,600	(19.30%)	\$ 2,705,100	5.52%
Supplies	207,914	330,350	239,052	155,495	(52.93%)	156,960	0.94%
Professional & Contractual Services	428,439	1,664,615	924,800	1,400,615	(15.86%)	1,400,615	0.00%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	331,621	105,000	95,320	100	(99.90%)	100	0.00%
Utilities	115,570	133,500	112,780	-	(100.00%)	-	-
Other	1,293	4,360	760	750	(82.80%)	750	0.00%
Total	\$ 3,587,479	\$ 5,414,675	\$ 3,820,812	\$ 4,120,560	(23.90%)	\$ 4,263,525	3.47%



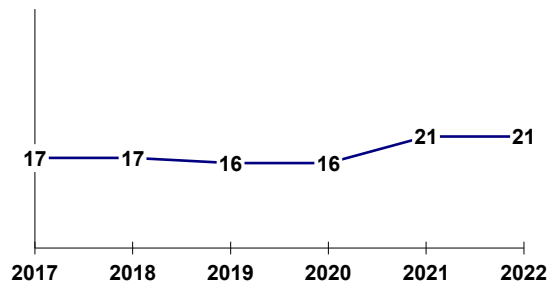


Staffing Trends

2020-21 & 2021-22 Authorized FTE Positions

Manager	1.00
Supervisors / Professionals	18.00
Administrative / Clerical	2.00

Total 21.00



2020-21 & 2021-22 Budget

Service Description

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

2019-20 Performance Objectives

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

2019-20 Performance Results

- ◆ Projected to be 55-65%.
- ◆ Projected at 76%.
- ◆ Projected to be 33.7%.
- ◆ Projected to be 23 days late.
- ◆ Projected to be 28 days early.

2020-21 & 2021-22 Performance Objectives

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

Performance Measures

Summary	2018-19 Actual	2019-20 Projected	2020-21 Proposed	2021-22 Proposed	Justification
◆ Manage Division Budget	53.13%	90-100%	90-100%	90-100%	In-house standard
◆ Expend 85-105% of Projected net CIP outlay	89.8%	76%	85-105%	85-105%	In-house standard
◆ Manage Non-construction Costs for Active Projects to <37.5% of Construction Costs	34.7%	33.7%	< 37.5%	< 37.5%	In-house standard
◆ Combined Advertising Variance of < 30 days late	15 days	23 days	< 30 late	< 30 late	In-house standard
◆ Combined Completion Variance of < 120 days late	-4 days	78 days	< 120 late	< 120 late	In-house standard

Project Management

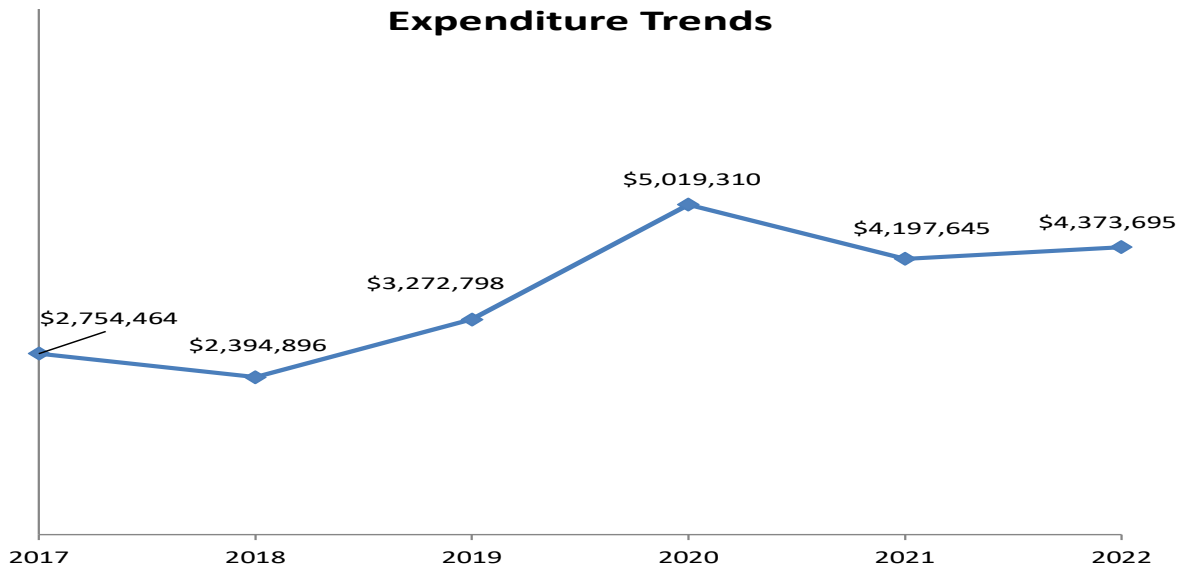
Budget Overview

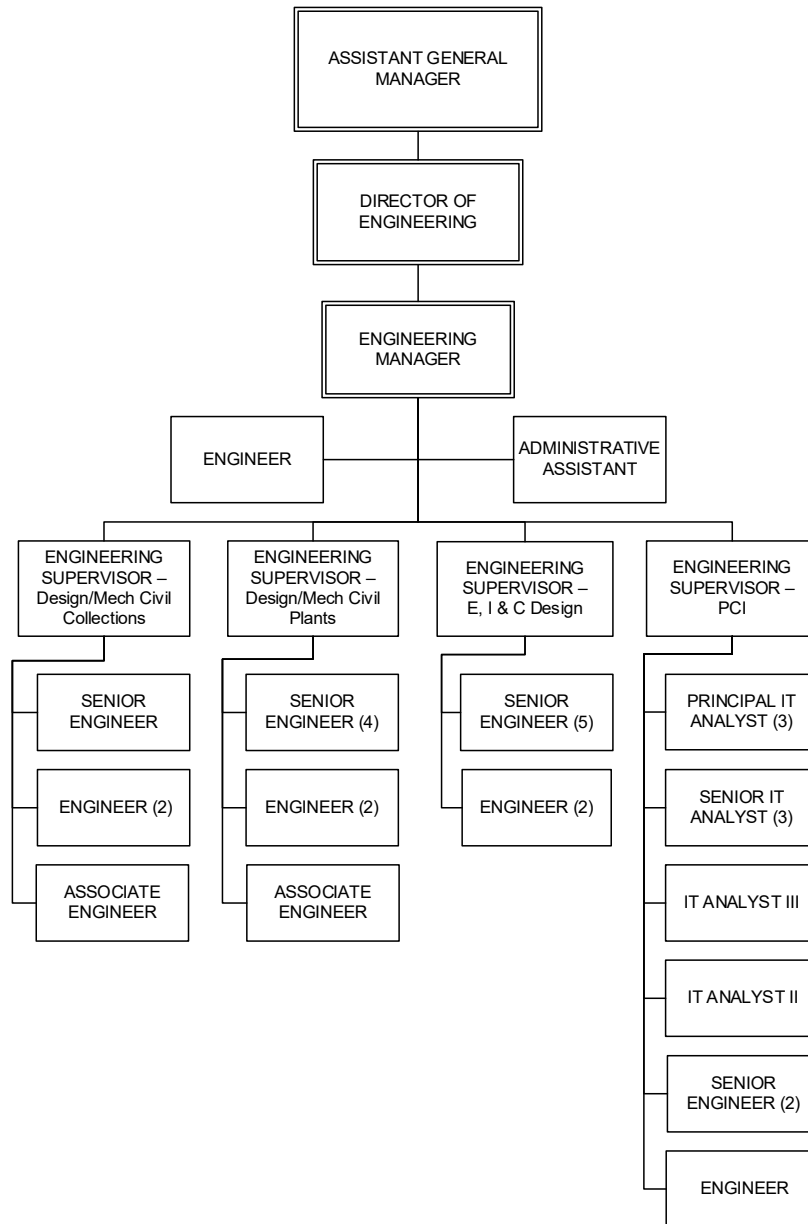
The FY 2020-21 & 2021-22 budgets for the Project Management Office Division reflect a decrease of 16% and an increase of 4% over the prior year, respectively. The decrease is primarily due to salary and benefits adjustments and engineering services. FY 2021-22 increase is due to decrease in personnel costs.

2019-20 Adjusted Budget - Total Operating Requirements	\$ 5,019,310
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(368,800)
Change in OCERS retirement costs	(95,280)
Change in group insurance costs	(54,500)
Other benefit cost adjustments	(400)
Other Cost Adjustments:	
Decrease in training & meetings expense	(10,360)
Decrease in engineering	(293,000)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	675
2020-21 Proposed Budget - Total Operating Requirements	\$ 4,197,645
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	135,800
Change in OCERS retirement costs	16,100
Change in group insurance costs	17,700
Other benefit cost adjustments	5,900
Other Cost Adjustments:	
No other significant cost changes	
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	550
2021-22 Proposed Budget - Total Operating Requirements	\$ 4,373,695

2020-21 & 2021-22 Budget

Operating Expenses By Category	2018-19 Actual	2019-20 Revised Budget	2019-20 Projected	2020-21 Proposed	Budget % Change	2021-22 Proposed	Budget % Change
Personnel	\$ 3,259,170	\$ 4,648,280	\$ 4,186,100	\$ 4,129,300	(11.16%)	\$ 4,304,800	4.25%
Supplies	11,952	27,660	18,275	17,945	(35.12%)	18,495	3.06%
Professional & Contractual Services	1,293	343,000	200,000	50,000	(85.42%)	50,000	0.00%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	150	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	233	370	320	400	8.11%	400	0.00%
Total	\$ 3,272,798	\$ 5,019,310	\$ 4,404,695	\$ 4,197,645	(16.37%)	\$ 4,373,695	4.19%



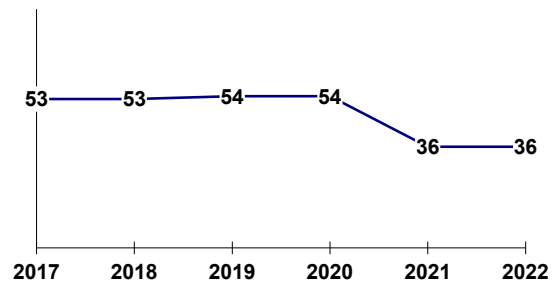


Staffing Trends

2020-21 & 2021-22 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	34.0
Administrative / Clerical	1.0

Total 36.0



2020-21 & 2021-22 Budget

Service Description

The mission of the Design Division is ensure that all projects are designed to be reliable, maintainable, and operable at optimum lifecycle costs in accordance with Engineering Standards and codes, with minimal impact to operations, maintenance, local agencies, and the public and properly commissioned in accordance with the contract documents. This division provides construction support to ensure projects conform with the contract documents. The division also provides control system hardware, software and data network support for collections and treatment plant processes that are highly reliable, safe, secure, online, and available to monitor, record, control, and operate our facilities.

2019-20 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 property configured and tested prior to energization.
- ◆ Division Injury Rate < 2.9 to support OCSD goal of < 5.7.
- ◆ Routinely update standards and design guidelines.

2019-20 Performance Results

- ◆ Expected to be 90-100%.
- ◆ 5.3% as of December 31 data.
- ◆ Expected to be 100%.
- ◆ Expected to be 100%.
- ◆ Expected to be 100%.
- ◆ Projected to be 0.0.
- ◆ > 12 annually.

2018-19 & 2019-20 Performance Objectives

- ◆ Ensure division's expenditures are managed to 90-100% of proposed budget.
- ◆ Manage construction change orders to a CIP Change Order Management Plan goal of 5.5%.
- ◆ Assure all mission critical real-time SCADA systems are online and available greater than 99.9% (8hr/year of unplanned downtime).
- ◆ SCADA system programming is completed and bench tested prior to functional acceptance testing.
- ◆ New electrical equipment is properly modeled in the power systems software and equipment is properly configured and tested prior to energization.
- ◆ Division Injury Incident Rate < 2.9 to support OCSD goal of < 5.7.
- ◆ Routinely update standard specifications and design guidelines based on lessons learned from executed projects and the latest industry standards.

Performance Measures

Summary	2018-19 Actual	2019-20 Projected	2020-21 Proposed	2021-22 Proposed	Justification
◆ Manage Division Budget	65%	90-100%	90-100%	90-100%	In-house standard
◆ Change Order Rate	5.3%	5.3%	< 5.5%	< 5.5%	In-house standard
◆ SCADA Systems Availability (less planned downtime)	100%	100%	99.9%	99.9%	In-house standard
◆ SCADA System Programming Complete	100%	100%	> 98%	> 98%	In-house standard
◆ New Electrical Equipment Configured and Tested.	100%	100%	> 98%	> 98%	In-house standard
◆ Injury Incident Rate < 2.9	3.1	0.0	< 2.9	< 2.9	In-house standard
◆ Update Standards	30	12	12 annually	12 annually	In-house standard

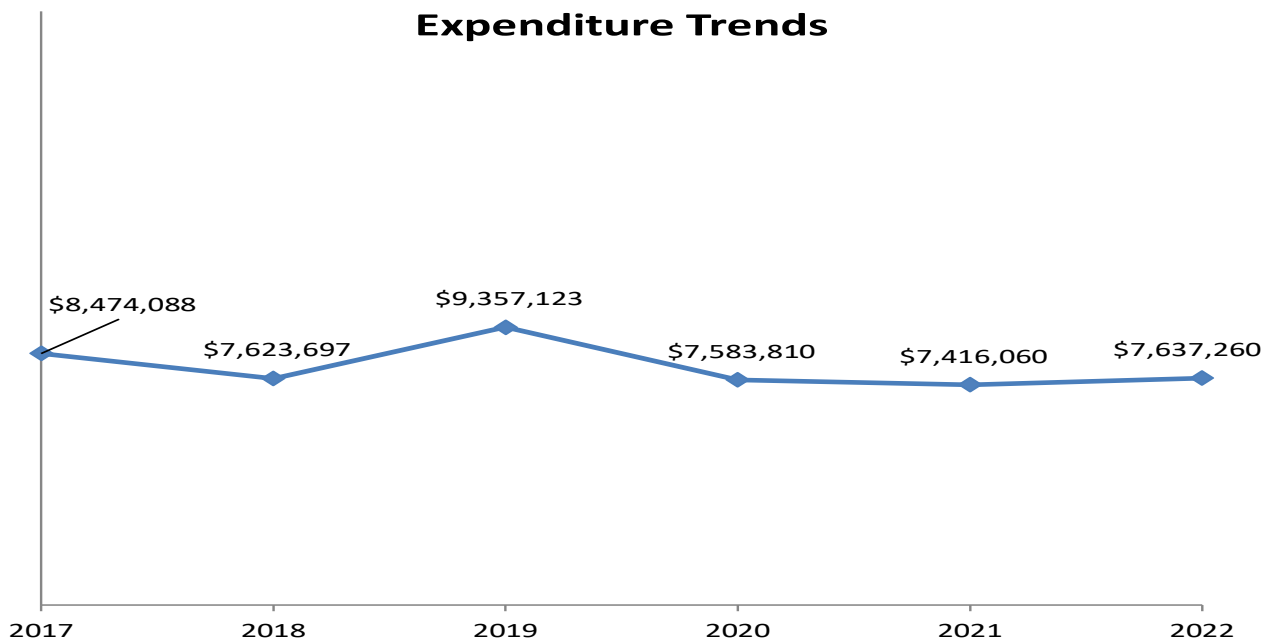
Budget Overview

The FY 2020-21 & 2021-22 budgets for the Design Division reflect a decrease of 2% and an increase of 3% over the prior year, respectively. The decreases is primarily due to salary and benefits adjustments and partially offset by increase in operating supplies and software program consulting service. The FY 2021/22 budget reflects an increase of 3% over the prior year, primarily due an increase in personnel costs.

2019-20 Adjusted Budget - Total Operating Requirements	\$ 7,583,810
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	18,500
Change in OCERS retirement costs	(23,760)
Change in group insurance costs	(285,200)
Other benefit cost adjustments	(73,300)
Other Cost Adjustments:	
Increase in minor furniture & fixture	60,000
Increase in meeting & training	44,480
Decrease in legal expenses	(10,000)
Increase in software program consult	100,000
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	1,530
2020-21 Proposed Budget - Total Operating Requirements	\$ 7,416,060
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	216,800
Change in OCERS retirement costs	26,600
Change in group insurance costs	29,700
Other benefit cost adjustments	9,900
Other Cost Adjustments:	
Decrease in minor furniture & fixture	(60,000)
Decrease in meeting & training	(3,300)
Increase in software program consult	5,000
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(3,500)
2021-22 Proposed Budget - Total Operating Requirements	\$ 7,637,260

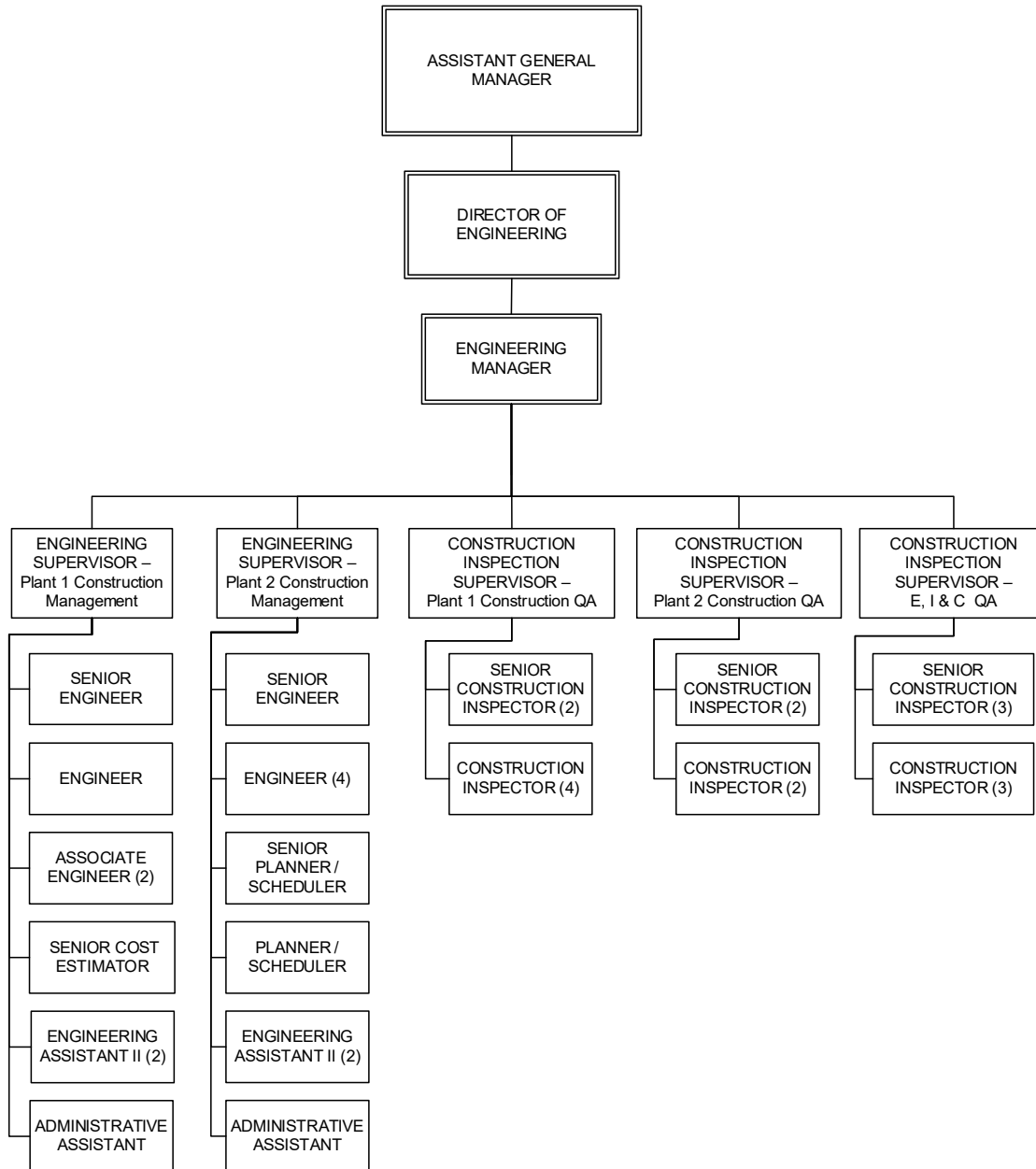
2020-21 & 2021-22 Budget

Operating Expenses By Category	2018-19 Actual	2019-20 Revised Budget	2019-20 Projected	2020-21 Proposed	Budget % Change	2021-22 Proposed	Budget % Change
Personnel	\$ 9,285,485	\$ 7,509,460	\$ 7,024,700	\$ 7,145,700	(4.84%)	\$ 7,428,700	3.96%
Supplies	27,602	60,270	103,460	162,960	170.38%	96,160	(40.99%)
Professional & Contractual Services	41,622	10,000	30,733	100,000	900.00%	105,000	5.00%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	1,497	500	2,000	3,500	600.00%	3,500	0.00%
Utilities	-	-	-	-	-	-	-
Other	917	3,580	3,788	3,900	8.94%	3,900	0.00%
Total	\$ 9,357,123	\$ 7,583,810	\$ 7,164,681	\$ 7,416,060	(2.21%)	\$ 7,637,260	2.98%



Construction Management

770

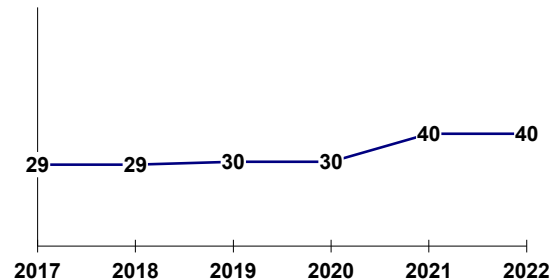


Staffing Trends

2020-21 & 2021-22 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	17.0
Administrative / Clerical	22.0

Total 40.0



2020-21 & 2021-22 Budget

Service Description

The mission of the Construction Management Division is to ensure timely and quality construction and commissioning execution. This division's role is to provide construction management and inspection services for OCSD projects to ensure they are safely constructed and inspected in accordance with contract requirements and regulatory and legal codes while minimizing impacts to operations, maintenance, local agencies and the public.

2019-20 Performance Objectives

- ◆ Ensure division's expenditures are managed to 90-100% of proposed budget
- ◆ Manage construction change orders to goal of 5.5%
- ◆ No sewer spills on CIP collections projects
- ◆ Division injury rate < 2.9 to support OCSD goal of < 5.7
- ◆ Update Construction Management guide manual
- ◆ Implement Project Management Information Systems to replace existing system

2019-20 Performance Results

- ◆ Expected to be <90%
- ◆ 5.3% as of December 31 data
- ◆ No spills
- ◆ Projected to be 0.0
- ◆ In progress. Framework has been developed
- ◆ New system is in implementation

2020-21 & 2021-22 Performance Objectives

- ◆ Ensure division's expenditures are managed to within 90-100% of proposed budget.
- ◆ Manage construction change order to CIP Change Order Management Plan goal of 5.5%.
- ◆ No sewer spills on CIP collections projects.
- ◆ Division Injury Incident Rate < 2.9 to support OCSD goal of < 5.7.
- ◆ Update Construction Management guide manual based on current practices and the latest industry standards.
- ◆ Implement the Project Management Information Systems (PMIS) to replace existing system.

Performance Measures

Summary	2018-19 Actual	2019-20 Projected	2020-21 Proposed	2021-22 Proposed	Justification
◆ Manage Division Budget	104%	< 90%	90-100%	90-100%	In-house standard
◆ Change Order Rate	5.3%	5.3%	< 5.5%	< 5.5%	In-house standard
◆ No Sewer Spills	0.0	0.0	0.0	0.0	In-house standard
◆ Injury Incident Rate < 2.9	0.0	0.0	< 2.9	< 2.9	In-house standard
◆ Update Construction Management Manual	N/A	In Progress	In Progress	In Progress	In-house standard
◆ Implement PMIS	In Progress	In Progress	Yes	Yes	In-house standard

Construction Management

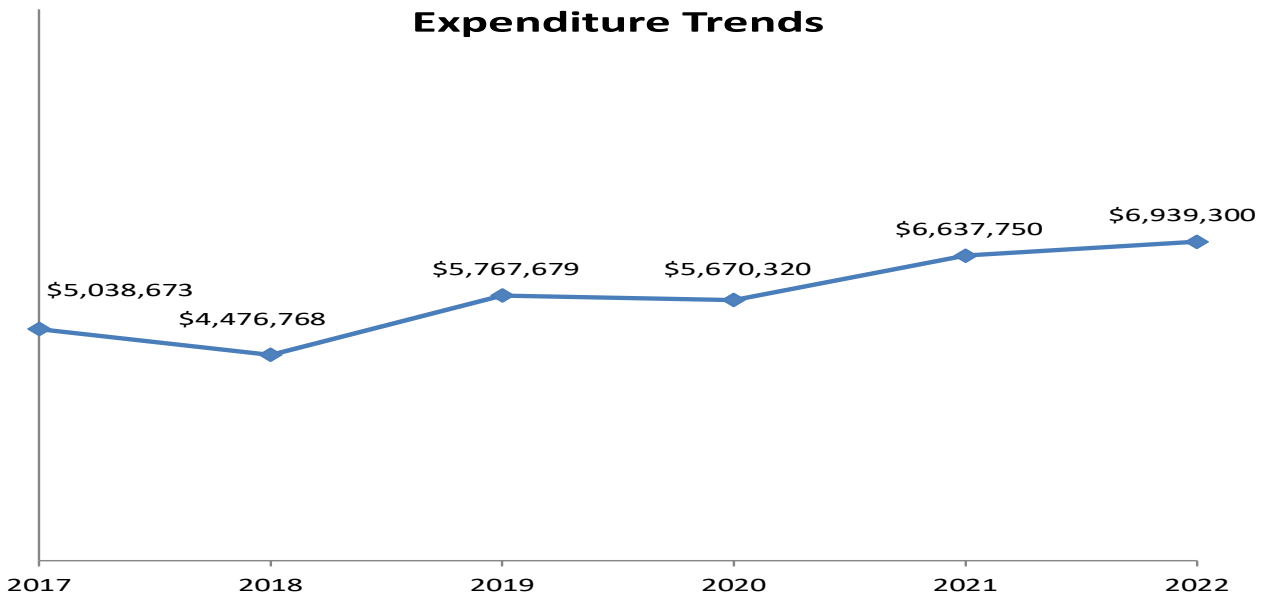
Budget Overview

The FY 2020-21 budget for the Construction Management Division reflects an increase of 17%. This is primarily due to increases in salary and benefits adjustments. The FY 2021-22 budget reflects an increase of 5% over the prior year, primarily due an increase in salary and benefits adjustments.

2019-20 Adjusted Budget - Total Operating Requirements	\$ 5,670,320
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	1,111,100
Change in OCERS retirement costs	35,770
Change in group insurance costs	66,200
Other benefit cost adjustments	(8,900)
Other Cost Adjustments:	
Decrease in meeting & training	(43,160)
Decrease in software program consult	(196,000)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	2,420
2020-21 Proposed Budget - Total Operating Requirements	\$ 6,637,750
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	243,200
Change in OCERS retirement costs	26,400
Change in group insurance costs	32,100
Other benefit cost adjustments	10,700
Other Cost Adjustments:	
Decrease in minor furniture & fixture	(13,000)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	2,150
2021-22 Proposed Budget - Total Operating Requirements	\$ 6,939,300

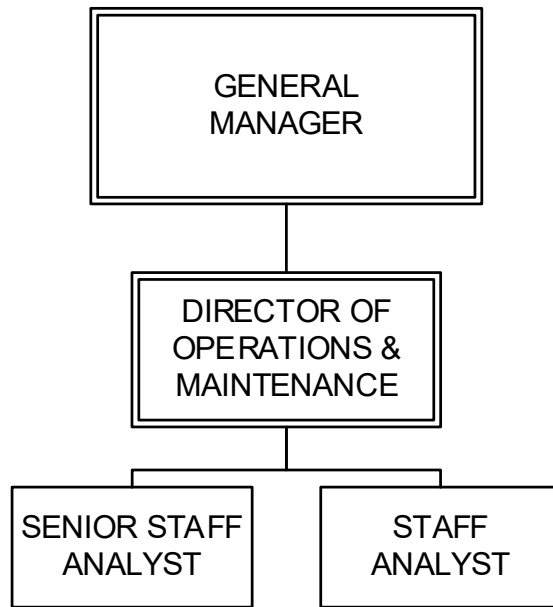
2020-21 & 2021-22 Budget

Operating Expenses By Category	2018-19 Actual	2019-20 Revised Budget	2019-20 Projected	2020-21 Proposed	Budget % Change	2021-22 Proposed	Budget % Change
Personnel	\$ 5,548,286	\$ 5,323,230	\$ 6,017,400	\$ 6,527,400	22.62%	\$ 6,839,800	4.79%
Supplies	69,346	122,920	58,813	69,230	(43.68%)	58,380	(15.67%)
Professional & Contractual Services	145,699	221,000	157,000	40,000	(81.90%)	40,000	0.00%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	3,771	2,500	310	300	(88.00%)	300	0.00%
Utilities	-	-	-	-	-	-	-
Other	577	670	620	820	22.39%	820	0.00%
Total	\$ 5,767,679	\$ 5,670,320	\$ 6,234,143	\$ 6,637,750	17.06%	\$ 6,939,300	4.54%



Operations and Maintenance Administration

810

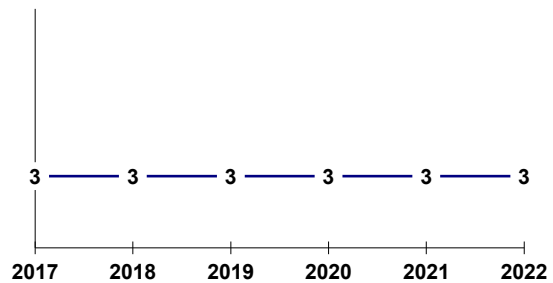


Staffing Trends

2020-21 & 2021-22 Authorized FTE Positions

Executive Manager	1.00
Supervisors / Professionals	2.00

Total 3.00



2020-21 & 2021-22 Budget

Service Description

The mission of the Operations and Maintenance (O&M) Administration Division is to provide leadership and support, as well as management oversight and development of the department. Ratepayer owned facilities and assets managed by the O&M Divisions have a replacement value that exceeds \$10 billion. The Director, as a member of the Executive Management Team, provides counsel and expertise in developing the necessary strategies to maintain alignment with the Sanitation District's Strategic Plan, levels of service, and annual divisional work plans. The Director and staff also proactively network with the OCSD member cities, sewerage agencies and regional regulators on operational issues.

2019-20 Performance Objectives

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

2019-20 Performance Results

- ◆ Achieved 100% compliance with water, solids, air, and energy permits and regulatory requirements.
 - ◆ Achieved 100% compliance level of 90 to 100% of the Level of Service targets.
 - ◆ Managed operating expenditures 97% of approved budget for the Department.
-

2020-2021 & 2021-22 Performance Objectives

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

Performance Measures

Summary	2018-19 Actual	2019-20 Projected	2020-21 Proposed	2021-22 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	96.7%	97%	96-100%	96-100%	In-house standard

Operations and Maintenance Administration

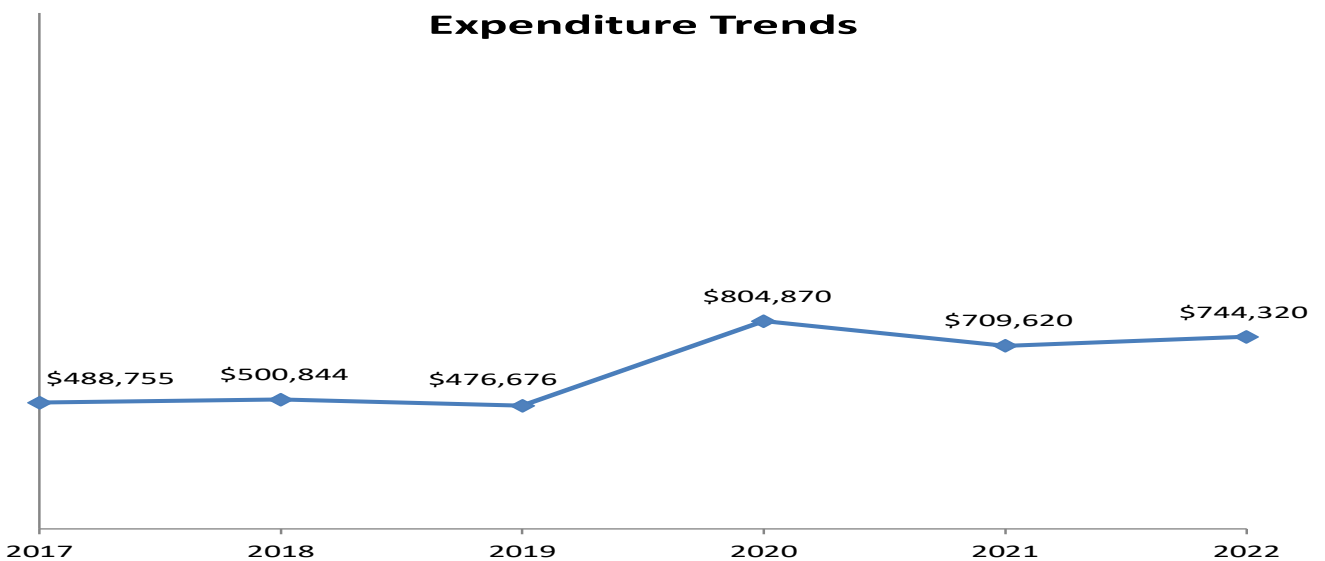
Budget Overview

The FY 2020-21 budget for the Operations and Maintenance Administration Division reflect a decrease of as%. This is primarily due to a decrease in temporary services. The FY 2021-22 budget reflects an increase of 5% over the prior year, is primarily due to adjustments in salaries and benefits osts. no significant changes affecting the budget.

2019-20 Adjusted Budget - Total Operating Requirements	\$ 804,870
<i>Salaries for Position Changes:</i>	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
<i>Changes in Personnel Expenses:</i>	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	179,100
Change in OCERS retirement costs	22,530
Change in group insurance costs	(6,600)
Other benefit cost adjustments	(39,100)
<i>Other Cost Adjustments:</i>	
Decrease in temporary services	(250,000)
<i>Aggregate change in Other Categories:</i>	
Aggregate change in other materials, supplies, and services	(1,180)
2020-21 Proposed Budget - Total Operating Requirements	\$ 709,620
<i>Changes in Personnel Expenses:</i>	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	28,600
Change in OCERS retirement costs	2,800
Change in group insurance costs	2,500
Other benefit cost adjustments	800
<i>Other Cost Adjustments:</i>	
No other significant cost changes	
<i>Aggregate change in Other Categories:</i>	
Aggregate change in other materials, supplies, and services	-
2021-22 Proposed Budget - Total Operating Requirements	\$ 744,320

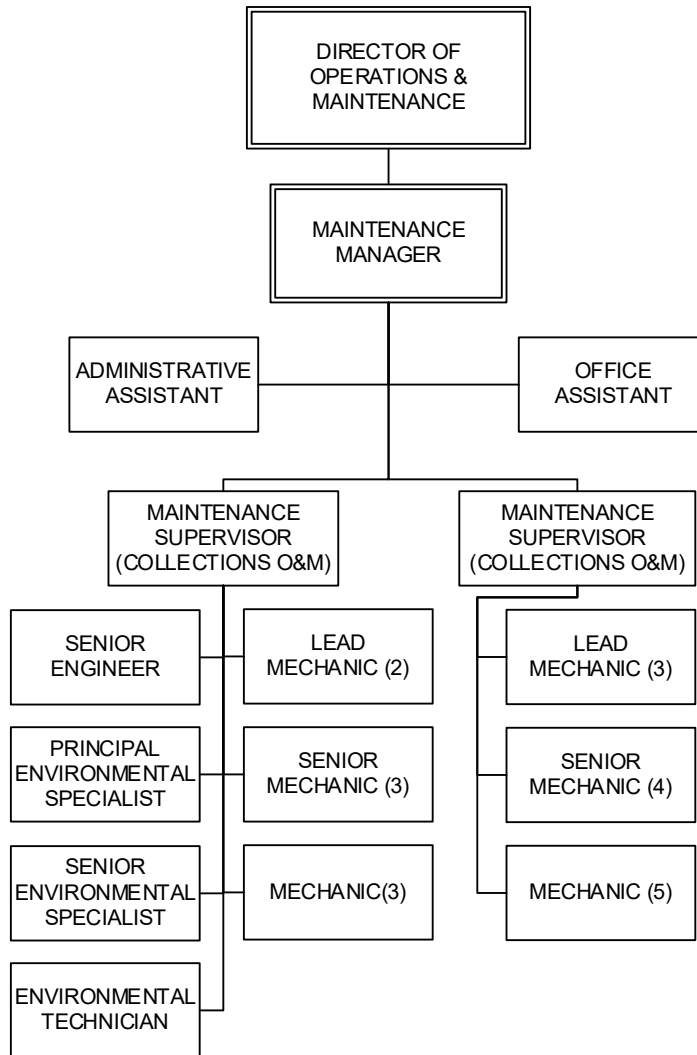
2020-21 & 2021-22 Budget

Operating Expenses By Category	2018-19 Actual	2019-20 Revised Budget	2019-20 Projected	2020-21 Proposed	Budget % Change	2021-22 Proposed	Budget % Change
Personnel	\$ 450,793	\$ 450,570	\$ 322,700	\$ 606,500	34.61%	\$ 641,200	5.72%
Supplies	1,496	2,810	1,000	1,980	(29.54%)	1,980	0.00%
Professional & Contractual Services	24,222	350,530	500	100,600	(71.30%)	100,600	0.00%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	165	960	1,000	540	(43.75%)	540	0.00%
Total	\$ 476,676	\$ 804,870	\$ 325,200	\$ 709,620	(11.83%)	\$ 744,320	4.89%



Collections Facilities Operations and Maintenance

820

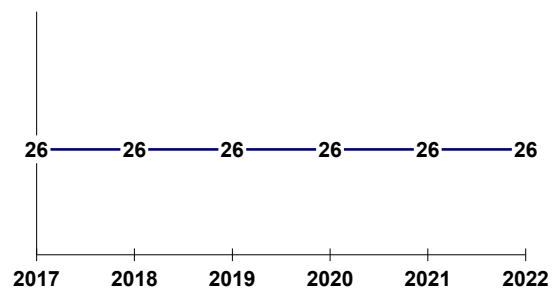


2020-21 & 2021-22 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	5.0
Operations & Maintenance	20.0
Technical Staff	1.0
Administrative / Clerical	2.0

Total 26.0

Staffing Trends



2020-21 & 2021-22 Budget

Service Description

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

2019-20 Performance Objectives

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

2019-20 Performance Results

- ◆ Achieved 100% compliance with water, solids, air, and energy permits and regulatory requirements.
- ◆ Achieved 100% compliance level of 90 to 100% of the Levels of Service targets.
- ◆ Managed operating expenditures to 83% of approved budget.
- ◆ Achieved 83.3% compliance with the safety scorecard.

2020-21 & 2021-22 Performance Objectives

- ◆ Achieve 100% compliance with water, solids, air, and energy permits and regulatory requirements.
- ◆ Achieve 100% compliance level of 90 to 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	2018-19 Actual	2019-20 Projected	2020-21 Proposed	2021-22 Proposed	Justification
◆ Compliance with Permits & Regulatory Requirements	< 100%	100%	100%	100%	In house standard
◆ Levels of Service Compliance	80%	100%	100%	100%	In house standard
◆ Manage Budget	91%	83%	96-100%	96-100%	In house standard
◆ Compliance with the Safety Scorecard	93.7%	83.3%	95%	95%	In house standard

Collections Facilities Operations and Maintenance

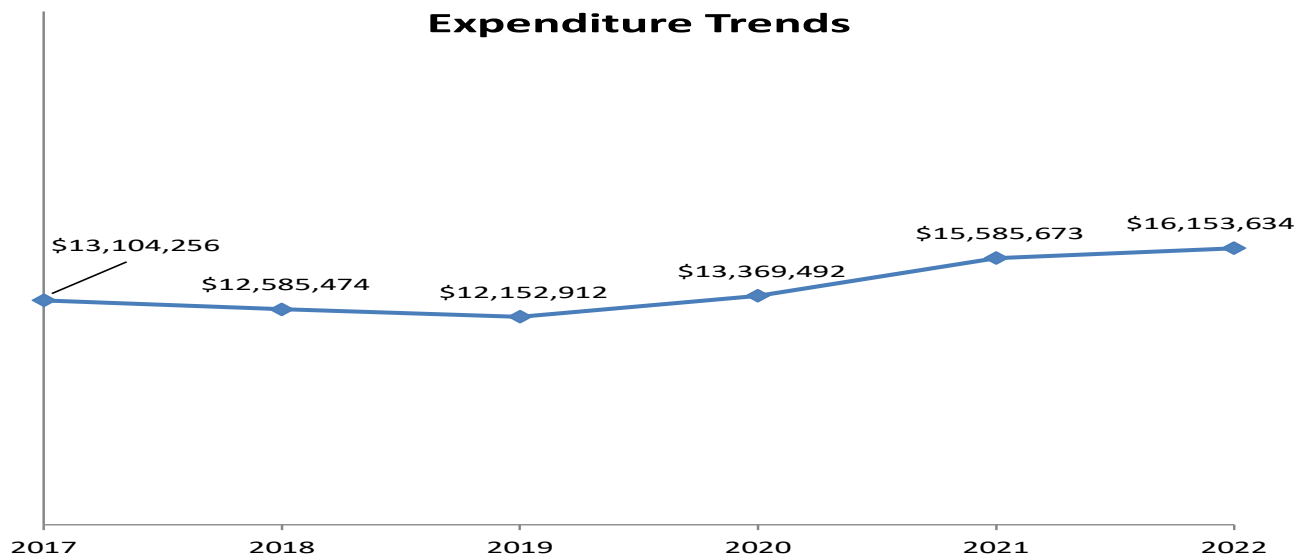
Budget Overview

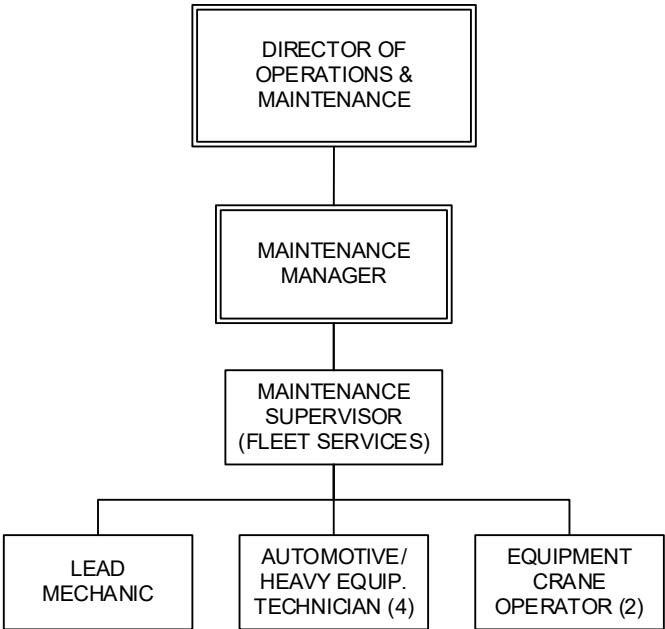
The FY 2020-21 budget for the Collections Facilities Operations and Maintenance Division reflect an increase of 17%. This is primarily due to increases in salary and benefits, and repairs and maintenance costs. The FY 2021-22 budget reflects an increase of 4% over the prior year. This is primarily due to the increase in personnel costs and repairs and maintenance charges.

2019-20 Adjusted Budget - Total Operating Requirements	\$ 13,369,492
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	956,800
Change in OCERS retirement costs	145,840
Change in group insurance costs	(5,400)
Other benefit cost adjustments	1,900
Other Cost Adjustments:	
Increase in meeting & training	17,600
Decrease in odor control costs	(694,012)
Increase in odor & corrosion control	150,000
Increase in tools	142,670
Increase in outside lab services	20,000
Decrease in other contractual services	(1,737,864)
Decrease in engineering	(78,000)
Increase in repairs and maintenance	3,280,320
Increase in utility costs	12,782
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	3,545
2020-21 Proposed Budget - Total Operating Requirements	\$ 15,585,673
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	142,200
Change in OCERS retirement costs	18,700
Change in group insurance costs	22,900
Other benefit cost adjustments	7,800
Other Cost Adjustments:	
Decrease in meeting & training	(3,700)
Increase in odor control costs	342,447
Decrease in odor & corrosion control	(50,000)
Decrease in tools	(141,225)
Increase in repairs and maintenance	218,656
Increase in utility costs	11,201
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(1,018)
2021-22 Proposed Budget - Total Operating Requirements	\$ 16,153,634

2020-21 & 2021-22 Budget

Operating Expenses By Category	2018-19 Actual	2019-20 Revised Budget	2019-20 Projected	2020-21 Proposed	Budget % Change	2021-22 Proposed	Budget % Change
Personnel	\$ 3,526,110	\$ 2,931,660	\$ 3,849,500	\$ 4,030,800	37.49%	\$ 4,222,400	4.75%
Supplies	5,932,358	7,144,188	5,752,133	6,783,407	(5.05%)	6,929,055	2.15%
Professional & Contractual Services	753,639	1,881,384	1,780,433	63,500	(96.62%)	63,000	(0.79%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	1,260,178	775,000	870,000	4,055,320	423.27%	4,273,976	5.39%
Utilities	634,029	576,740	578,530	589,522	2.22%	600,723	1.90%
Other	46,598	60,520	60,520	63,124	4.30%	64,480	2.15%
Total	\$ 12,152,912	\$ 13,369,492	\$ 12,891,116	\$ 15,585,673	16.58%	\$ 16,153,634	3.64%



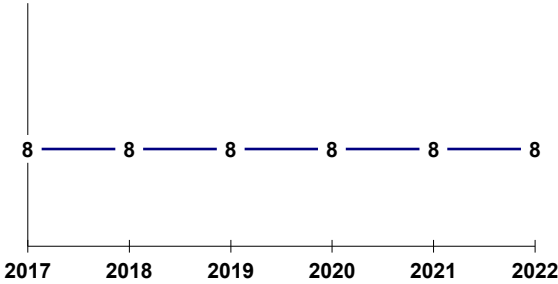


Staffing Trends

2020-21 & 2021-22 Authorized FTE Positions

Supervisors / Professionals	1.0
Operations & Maintenance	7.0

Total 8.0



2020-21 & 2021-22 Budget

Service Description

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

2019-20 Performance Objectives

- ◆ Achieve 100% compliance with water, solids, air, and energy permits and regulatory requirements.
- ◆ Achieve greater than 90% compliance with Safety Scorecard.
- ◆ Manage operating expenditures to within 96 to 100% of the approved budget.
- ◆ Fleet Services in-house survey published with results achieving 90% or above satisfaction ratings.
- ◆ Decrease average age of fleet over a 5-year period until all fleet vehicles meet the industry standard.

2019-20 Performance Results

- ◆ Achieved 100% compliance with state emissions regulations on all mobile equipment and vehicles.
- ◆ Achieved 100% compliance with the Safety Scorecard.
- ◆ Managed operating expenditures at 100% of approved budget.
- ◆ Fleet survey not administered.
- ◆ Achieved FY goal as part of multi-year approach.

2020-21 & 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.
- ◆ 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	2018-19 Actual	2019-20 Projected	2020-21 Proposed	2021-22 Proposed	Justification
◆ Regulatory Compliance	100%	100%	100%	100%	DOT & State Regulations
◆ Compliance with Safety Scorecard	100%	100%	> 95%	> 95%	In-house standard
◆ Manage Operating Expenditures	96.6%	100%	N/A	N/A	In-house standard
◆ Fleet Survey	N/A	N/A	N/A	N/A	In-house standard
◆ Decrease Fleet Average Age	20%	20%	20%	20%	Industry Best Practice
◆ PM Compliance	N/A	N/A	> 90%	> 90%	In-house standard
◆ Manage Budget	N/A	N/A	> 95%	> 95%	In-house standard

Fleet Services

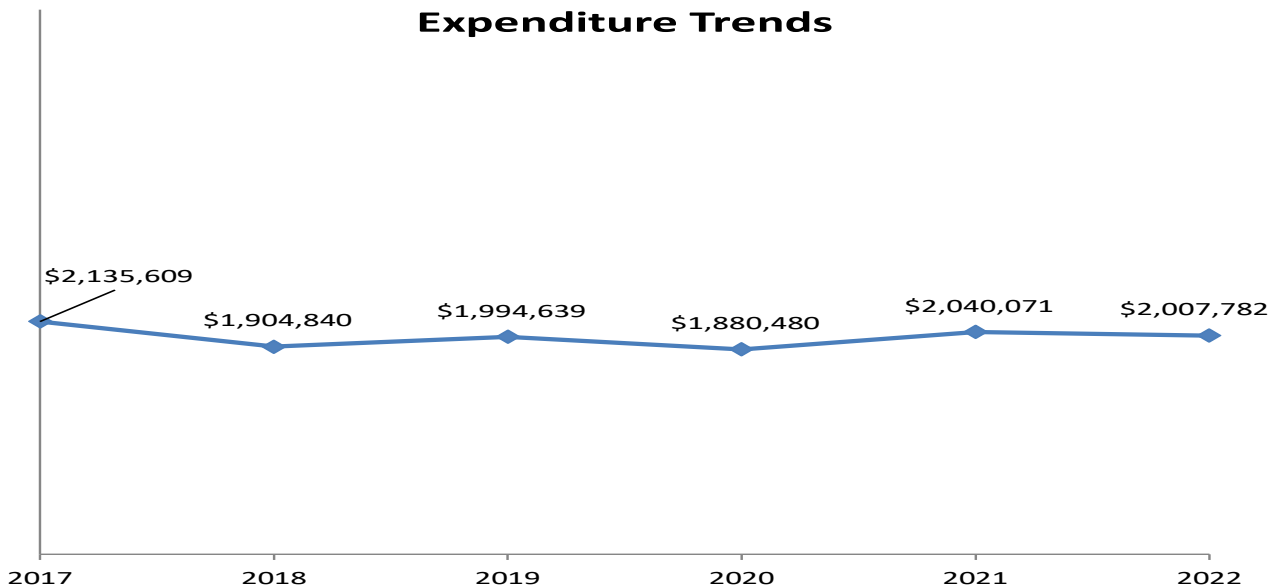
Budget Overview

The FY 2020-21 budget for the Fleet Services Division reflects an increase of 8%. This is primarily due to increases in salaries and benefits adjustments and repairs and maintenance expense. The FY 2021-22 budget reflects a decrease of 2% over the prior year, primarily due to decrease in tools.

2019-20 Adjusted Budget - Total Operating Requirements	\$ 1,880,480
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	138,200
Change in OCERS retirement costs	5,570
Change in group insurance costs	(300)
Other benefit cost adjustments	(200)
Other Cost Adjustments:	
Decrease in meeting & training	(6,710)
Decrease in compressed natural gas	(59,284)
Decrease in other professional services	(43,112)
Increase in repairs and maintenance	82,097
Increase in utility costs	22,500
Increase in tools	28,000
Decrease in memberships	(3,320)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(3,850)
2020-21 Proposed Budget - Total Operating Requirements	\$ 2,040,071
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	38,700
Change in OCERS retirement costs	4,800
Change in group insurance costs	6,200
Other benefit cost adjustments	2,100
Other Cost Adjustments:	
Increase in meeting & training	2,300
Decrease in tools	(92,800)
Increase in repairs and maintenance	1,000
Increase in utility costs	500
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	4,911
2021-22 Proposed Budget - Total Operating Requirements	\$ 2,007,782

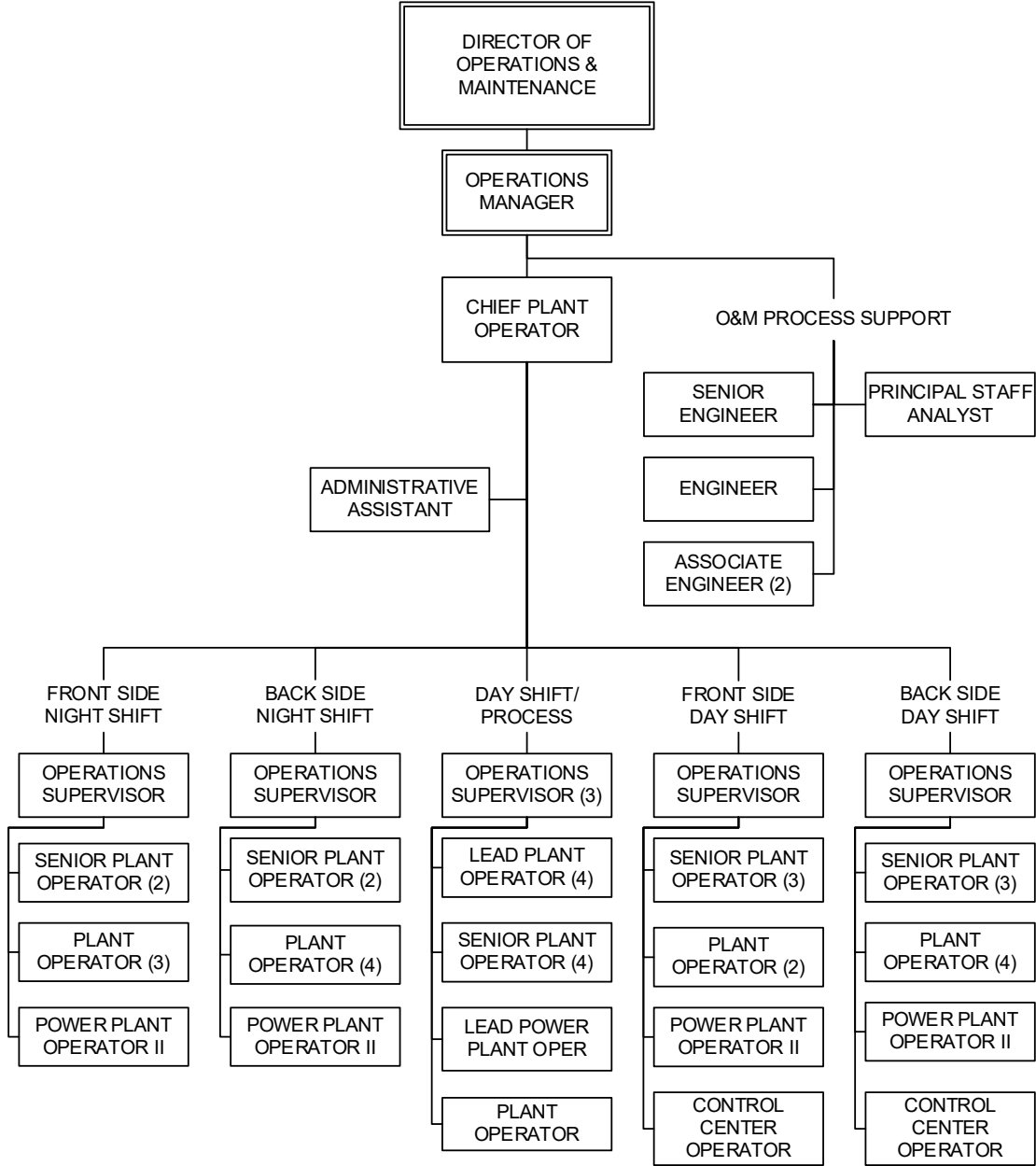
2020-21 & 2021-22 Budget

Operating Expenses By Category	2018-19 Actual	2019-20 Revised Budget	2019-20 Projected	2020-21 Proposed	Budget % Change	2021-22 Proposed	Budget % Change
Personnel	\$ 1,150,409	\$ 939,930	\$ 1,035,900	\$ 1,083,200	15.24%	\$ 1,135,000	4.78%
Supplies	359,527	435,190	312,520	390,513	(10.27%)	304,779	(21.95%)
Professional & Contractual Services	60,731	50,000	6,760	6,888	(86.22%)	7,019	1.90%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	392,202	404,000	401,540	486,097	20.32%	487,097	0.21%
Utilities	-	-	-	22,500	-	23,000	2.22%
Other	31,770	51,360	50,700	50,873	(0.95%)	50,887	0.03%
Total	\$ 1,994,639	\$ 1,880,480	\$ 1,807,420	\$ 2,040,071	8.49%	\$ 2,007,782	(1.58%)



Plant No. 1 Operations

830

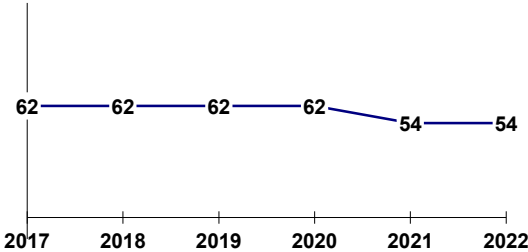


Staffing Trends

2020-21 & 2021-22 Authorized FTE Positions

Manager	1.00
Supervisors / Professionals	13.00
Operations & Maintenance	39.00
Administrative / Clerical	1.00

Total 54.00



2020-21 & 2021-22 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.

2019-20 Performance Objectives

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

2019-20 Performance Results

- ◆ Achieved 100% compliance with water, solids, air, and energy permits and regulatory requirements.
- ◆ Achieved overall 83.3% compliance level of the Level of Service targets.
- ◆ Managed operating expenditures to 98.3% of approved budget.
- ◆ Achieved 100% compliance with the Safety Scorecard.

2020-21 & 2021-22 Performance Objectives

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

Performance Measures

Summary	2016-17 Actual	2017-18 Projected	2018-19 Proposed	2019-20 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	104.4%	98.3%	96-100%	96-100%	In-house standard
◆ Compliance with Safety Scorecard	100%	100%	> 90%	> 90%	In-house standard

Plant No. 1 Operations

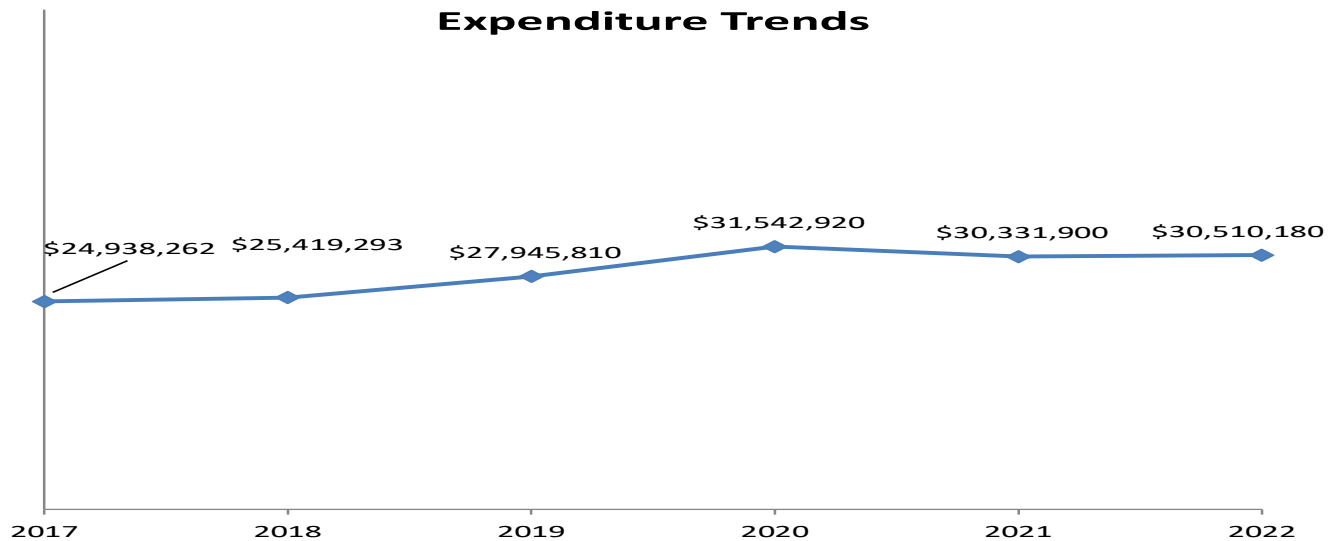
Budget Overview

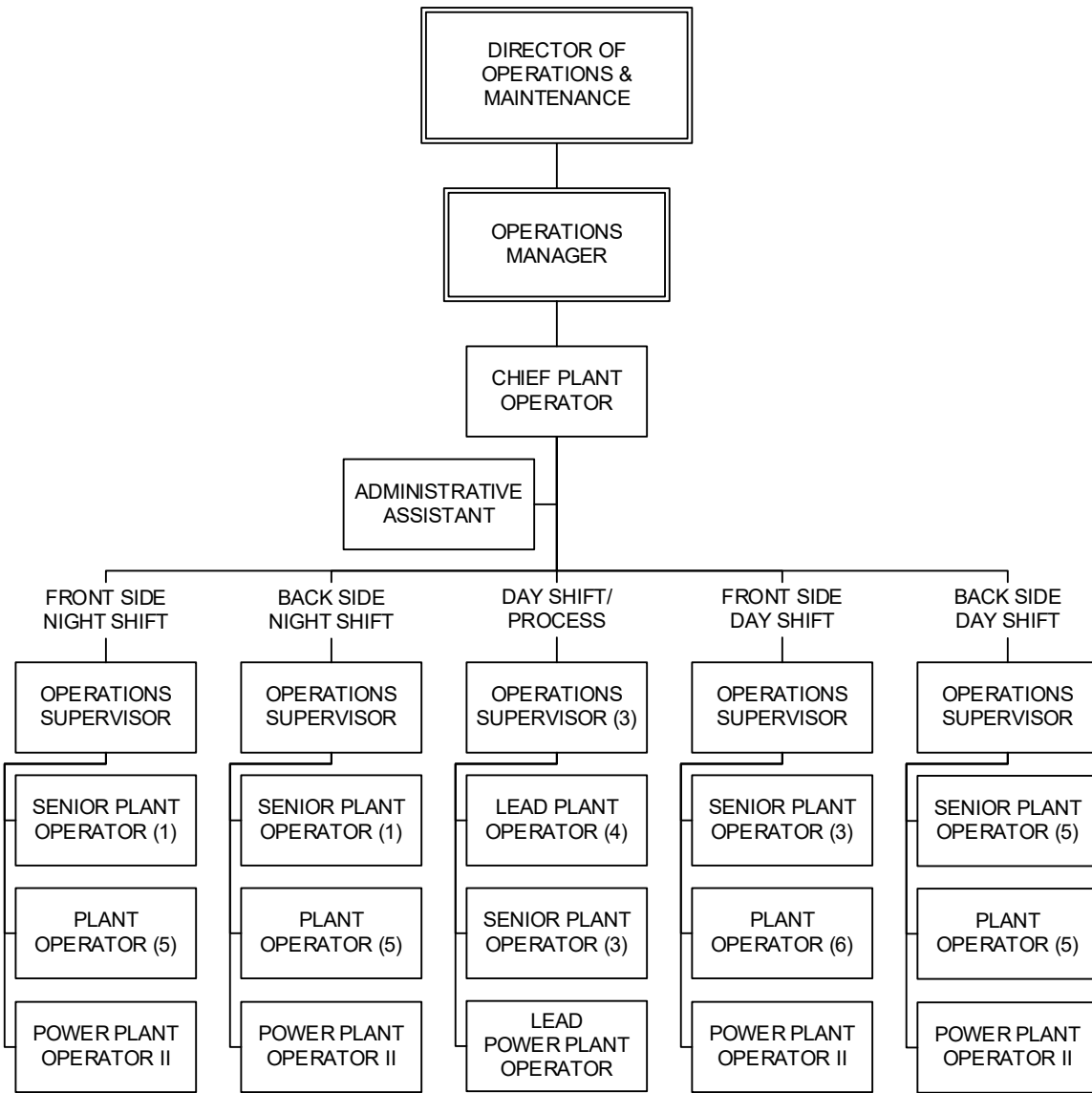
The FY 2020-21 budget for the Plant No. 1 Operations Division reflect a decrease of 4%. This is primarily due to decreases in solids removal costs and chemical coagulants, which is somewhat offset with increases in repairs & maintenance costs. The FY 2021-22 budget reflects an increase of 1% over the prior year. This is primarily due to an increase in personnel costs, which is somewhat offset by a decreases in repairs & maintenance costs.

2019-20 Adjusted Budget - Total Operating Requirements	\$ 31,542,920
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	308,500
Change in OCERS retirement costs	(18,190)
Change in group insurance costs	(256,000)
Other benefit cost adjustments	(158,200)
Other Cost Adjustments:	
Decrease in minor furniture & fixture	(160,000)
Decrease in meeting & training	(9,800)
Decrease in chemicals coagulants	(242,660)
Increase in odor control	52,300
Decrease in disinfection	(18,500)
Increase in chemicals - cogen	118,660
Decrease in solids removal	(1,020,000)
Decrease in other contractual services	(10,000)
Increase in engineering	30,000
Increase in repairs & maintenance	268,550
Decrease in utility costs	(83,370)
Decrease in other operating supplies	(6,000)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(6,310)
2020-21 Proposed Budget - Total Operating Requirements	\$ 30,331,900
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	289,400
Change in OCERS retirement costs	33,100
Change in group insurance costs	42,800
Other benefit cost adjustments	14,400
Other Cost Adjustments:	
Decrease in engineering	(30,000)
Decrease in repairs & maintenance	(175,000)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	3,580
2021-22 Proposed Budget - Total Operating Requirements	\$ 30,510,180

2020-21 & 2021-22 Budget

Operating Expenses By Category	2018-19 Actual	2019-20 Revised Budget	2019-20 Projected	2020-21 Proposed	Budget % Change	2021-22 Proposed	Budget % Change
Personnel	\$ 10,374,218	\$ 8,706,890	\$ 8,437,200	\$ 8,583,000	(1.42%)	\$ 8,962,700	4.42%
Supplies	5,702,398	8,494,010	8,143,284	8,215,700	(3.28%)	8,219,280	0.04%
Professional & Contractual Services	7,155,016	8,853,000	8,660,510	7,865,000	(11.16%)	7,835,000	(0.38%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	89,341	96,450	114,520	365,000	278.43%	190,000	(47.95%)
Utilities	4,622,636	5,383,370	5,557,148	5,300,000	(1.55%)	5,300,000	0.00%
Other	2,201	9,200	2,500	3,200	(65.22%)	3,200	0.00%
Total	\$ 27,945,810	\$ 31,542,920	\$ 30,915,162	\$ 30,331,900	(3.84%)	\$ 30,510,180	0.59%



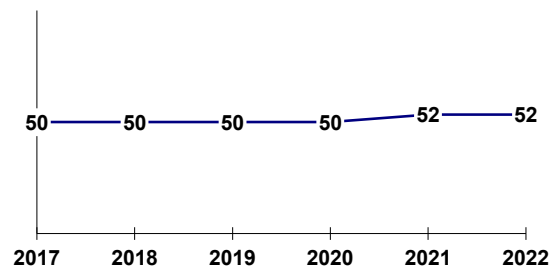


Staffing Trends

2020-21 & 2021-22 Authorized FTE Positions

Supervisors / Professionals	8.0
Operations & Maintenance	43.0
Administrative / Clerical	1.0

Total 52.0



2020-21 & 2021-22 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.

2019-20 Performance Objectives

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

2019-20 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 94.9% of approved budget
- ◆ Achieved 100% compliance with the Safety Scorecard.

2018-19 & 2019-20 Performance Objectives

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

Performance Measures

Summary	2018-19 Actual	2019-20 Projected	2020-21 Proposed	2021-22 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	105.7%	94.9%	96-100%	96-100%	In-house standard
◆ Compliance with Safety Scorecard	100%	100%	> 90%	> 90%	In-house standard

Plant No. 2 Operations

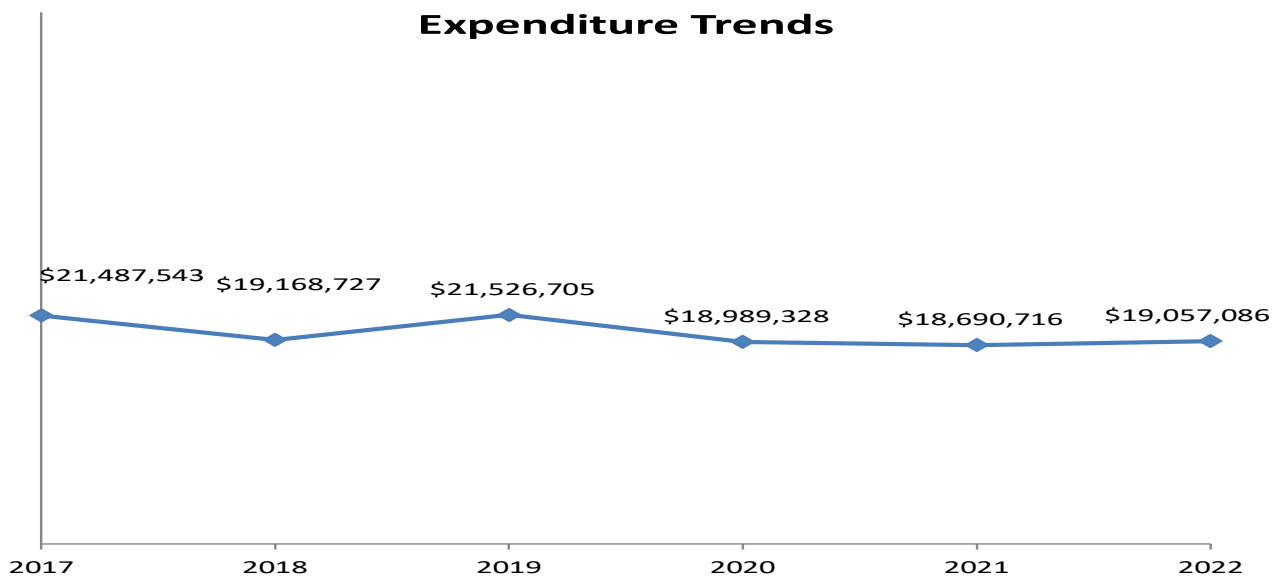
Budget Overview

The FY 2020-21 budget for the Plant No. 2 Operations Division reflect a decrease of 2%. This is primarily due to decreases in utilities costs, which is somewhat off-set with increases in salary and benefits adjustments and materials & supplies. The FY 2021-22 budget reflects an increase of 2% over the prior year. This is primarily due to an increase in salary and benefits adjustments.

2019-20 Adjusted Budget - Total Operating Requirements	\$ 18,989,328
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	438,400
Change in OCERS retirement costs	40,050
Change in group insurance costs	(78,400)
Other benefit cost adjustments	(100,100)
Other Cost Adjustments:	
Increase in minor furniture & fixture	10,000
Increase in chemicals coagulants	429,018
Increase in odor control	134,200
Decrease in chemicals - cogen Op.	(31,730)
Decrease in grit & screenings disposal	(24,000)
Increase in oxygen plant operating	29,000
Decrease in repairs & maintenance	(132,670)
Decrease in utility costs	(1,001,000)
Decrease in tools	(7,000)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(4,380)
2020-21 Proposed Budget - Total Operating Requirements	\$ 18,690,716
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	277,600
Change in OCERS retirement costs	31,600
Change in group insurance costs	41,100
Other benefit cost adjustments	13,900
Other Cost Adjustments:	
No other significant cost changes	
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	2,170
2021-22 Proposed Budget - Total Operating Requirements	\$ 19,057,086

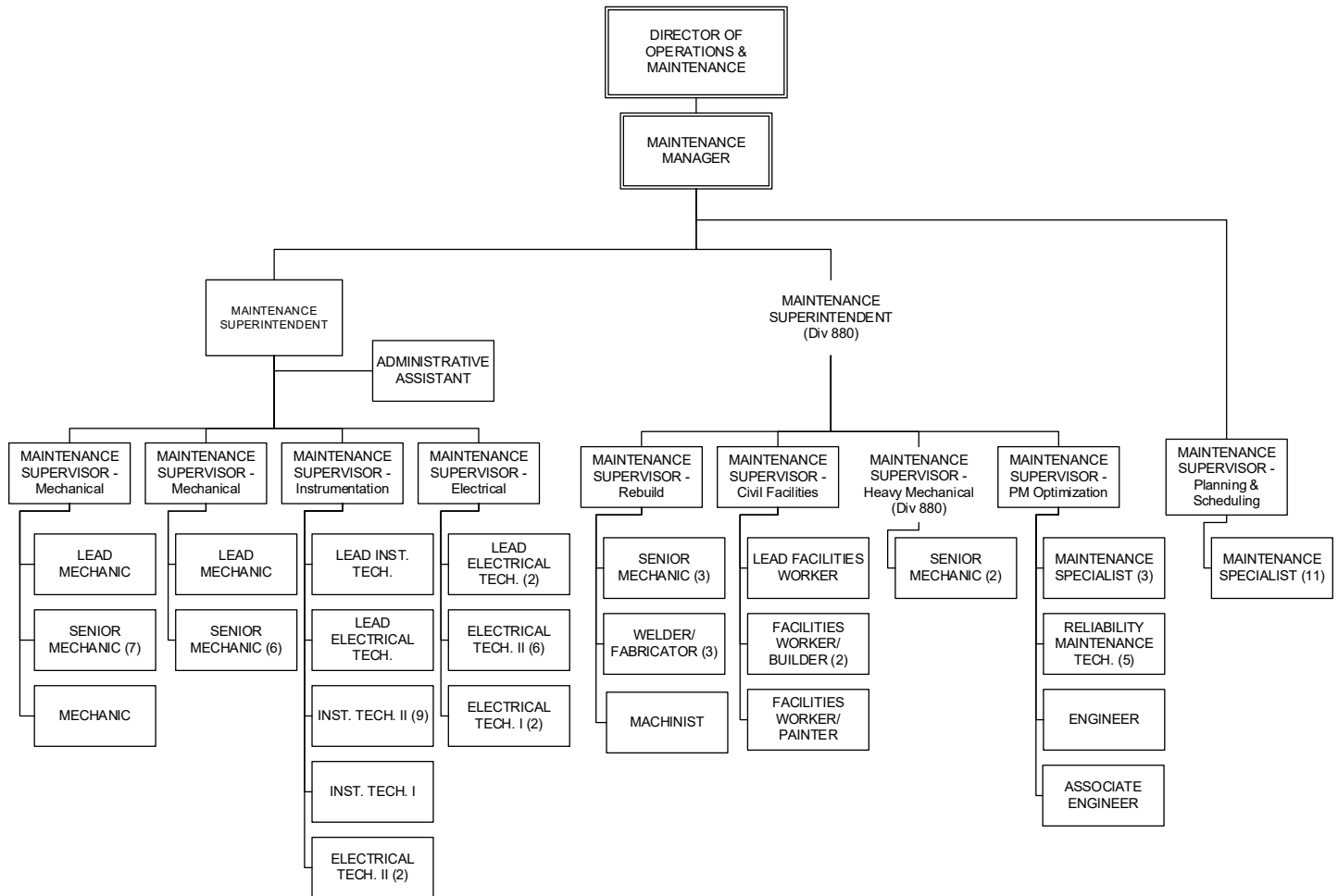
2020-21 & 2021-22 Budget

Operating Expenses By Category	2018-19 Actual	2019-20 Revised Budget	2019-20 Projected	2020-21 Proposed	Budget % Change	2021-22 Proposed	Budget % Change
Personnel	\$ 8,039,724	\$ 7,667,750	\$ 7,403,000	\$ 7,967,700	3.91%	\$ 8,331,900	4.57%
Supplies	3,273,386	3,338,668	3,841,271	3,871,776	15.97%	3,873,946	0.06%
Professional & Contractual Services	8,550,322	5,560,000	5,525,670	5,565,000	0.09%	5,565,000	0.00%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	174,159	267,670	157,600	135,000	(49.56%)	135,000	0.00%
Utilities	1,487,357	2,149,200	1,152,330	1,148,200	(46.58%)	1,148,200	0.00%
Other	1,757	6,040	2,530	3,040	(49.67%)	3,040	0.00%
Total	\$ 21,526,705	\$ 18,989,328	\$ 18,082,401	\$ 18,690,716	(1.57%)	\$ 19,057,086	1.96%



Plant No. 1 Maintenance

870

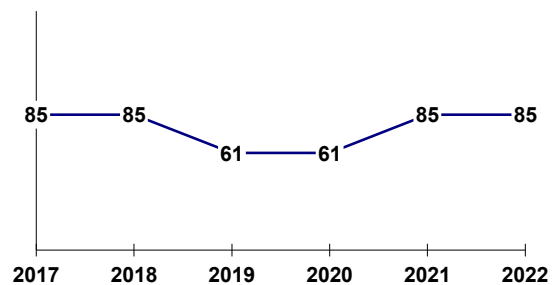


2020-21 & 2021-22 Authorized FTE Positions

Manager	1.0
Supervisors / Professionals	25.0
Operations & Maintenance	58.0
Administrative / Clerical	1.0

Total 85.0

Staffing Trends



2020-21 & 2021-22 Budget

Service Description

The mission of the Plant No. 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 Sanitation District staff with electrical power, control systems, environmental controls that are safe and on-line, and mechanical and facilities support to ensure and restore reliability.

2019-20 Performance Objectives

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

2019-20 Performance Results

- ◆ Achieved 100% compliance with water, solids, air, and energy permits and regulatory requirements.
- ◆ Achieved 100% compliance of the Levels of Service targets.
- ◆ Managed operating expenditures at 86% of approved budget.
- ◆ Maintained Work Order Backlog of less than 6 weeks.
- ◆ Achieved 100% compliance with the Safety Scorecard.
- ◆ Achieved 75.8% PM compliance.

2020-21 & 2021-22 Performance Objectives

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

Performance Measures

Summary	2016-17 Actual	2017-18 Projected	2018-19 Proposed	2019-20 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
◆ Operating expenditures	84%	86%	96-100%	96-100%	In-house standard
◆ Maintain Work Order Backlog	< 6 weeks	< 6 weeks	< 6 weeks	< 6 weeks	In-house standard
◆ Safety Scorecard Compliance	98.1%	100%	> 90%	> 90%	In-house standard
◆ PM Compliance	81.3%	75.8%	> 75%	> 75%	In-house standard

Plant No. 1 Maintenance

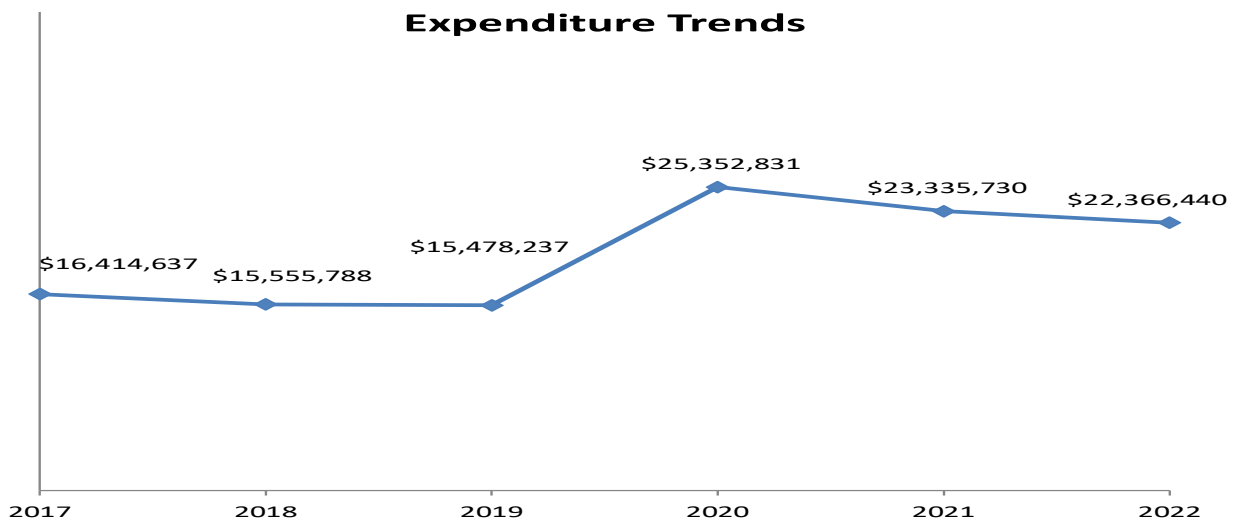
Budget Overview

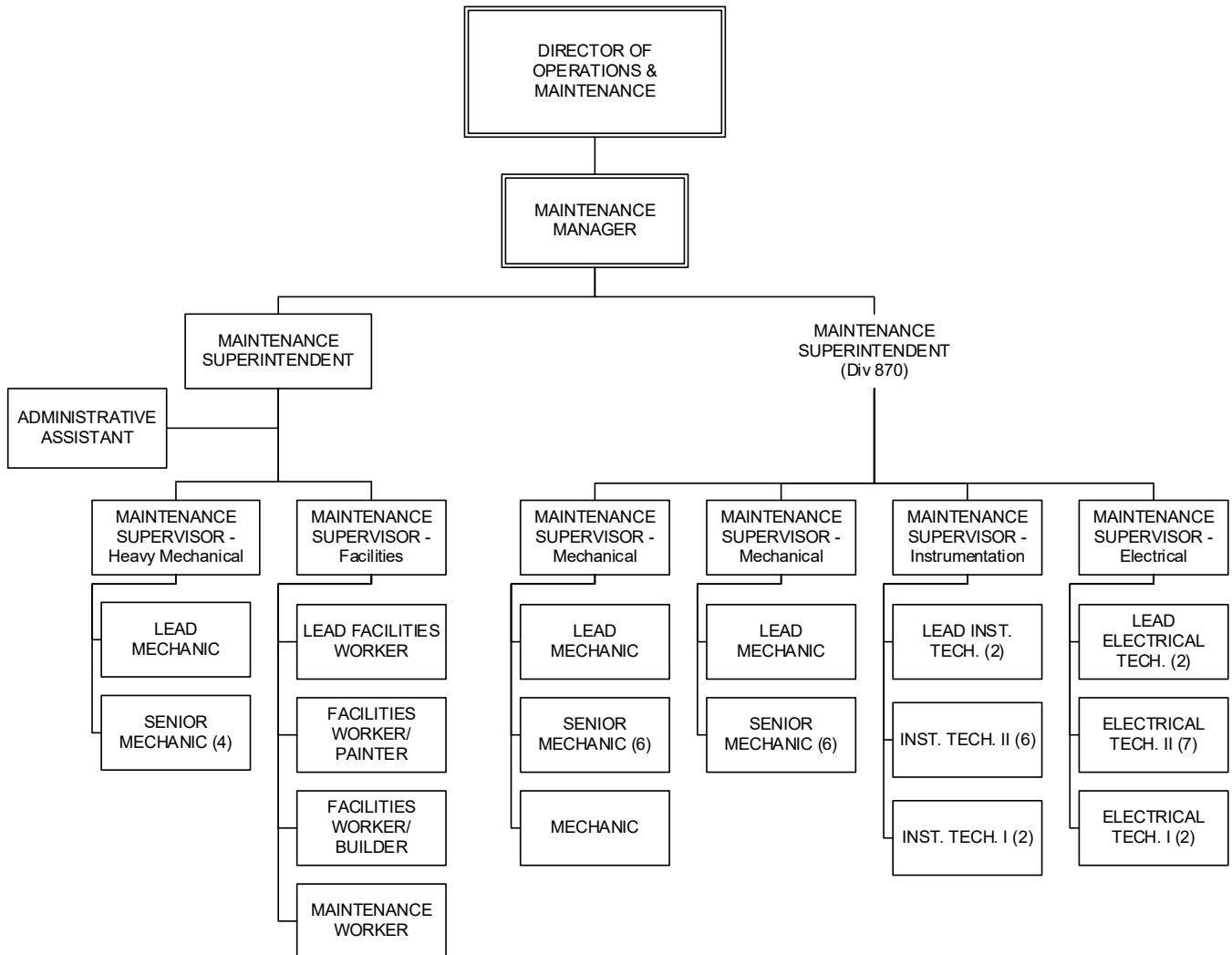
The FY 2020-21 budget for the Plant No. 1 Maintenance Division reflect a decrease of 8%. This is primarily due to decreases in salary and benefits adjustments, janitorial services and engineering services. The FY 2021-22 budget reflects a decrease of 4% over the prior year. This is primarily due to a decrease in repairs and maintenance, which is somewhat off-set with an increase in salary and benefits adjustments.

2019-20 Adjusted Budget - Total Operating Requirements	\$ 25,352,831
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	(1,459,800)
Change in OCERS retirement costs	(173,660)
Change in group insurance costs	(153,500)
Other benefit cost adjustments	(123,700)
Other Cost Adjustments:	
Increase in minor furniture & fixture	80,000
Decrease in meeting & training	(18,090)
Increase in tools	18,955
Decrease in groundskeeping	(92,000)
Decrease in janitorial	(271,360)
Increase in other contractual service	98,875
Increase in repairs & maintenance	247,529
Decrease in engineering	(180,000)
Decrease in other professional services	(50,000)
Increase in oil & grease	10,000
Increase in other waste disposal	52,000
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(2,350)
2020-21 Proposed Budget - Total Operating Requirements	\$ 23,335,730
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	480,500
Change in OCERS retirement costs	54,700
Change in group insurance costs	67,800
Other benefit cost adjustments	22,700
Other Cost Adjustments:	
Decrease in minor furniture & fixture	(80,000)
Decrease in meeting & training	(3,000)
Decrease in repairs & maintenance	(1,500,000)
Increase in engineering	30,000
Decrease in other professional services	(45,000)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	3,010
2021-22 Proposed Budget - Total Operating Requirements	\$ 22,366,440

2020-21 & 2021-22 Budget

Operating Expenses By Category	2018-19 Actual	2019-20 Revised Budget	2019-20 Projected	2020-21 Proposed	Budget % Change	2021-22 Proposed	Budget % Change
Personnel	\$ 8,488,563	\$ 14,612,360	\$ 11,120,900	\$ 12,701,700	(13.08%)	\$ 13,327,400	4.93%
Supplies	569,559	605,145	591,710	696,370	15.07%	614,980	(11.69%)
Professional & Contractual Services	605,810	1,587,485	1,264,350	1,145,000	(27.87%)	1,130,000	(1.31%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	5,794,367	8,530,831	8,971,850	8,778,360	2.90%	7,278,360	(17.09%)
Utilities	5,494	8,000	8,170	8,000	0.00%	8,000	0.00%
Other	14,444	9,010	50,150	6,300	(30.08%)	7,700	22.22%
Total	\$ 15,478,237	\$ 25,352,831	\$ 22,007,130	\$ 23,335,730	(7.96%)	\$ 22,366,440	(4.15%)



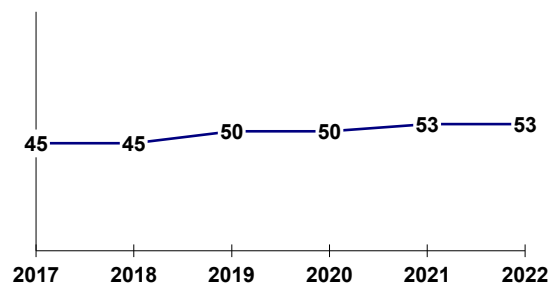


Staffing Trends

2020-21 & 2021-22 Authorized FTE Positions

Supervisors / Professionals	7.0
Operations & Maintenance	45.0
Administrative / Clerical	1.0

Total 53.0



2020-21 & 2021-22 Budget

Service Description

The mission of the Plant No. 2 Maintenance Division is to protect public health and the environment by providing reliable power distribution, and asset maintenance to the treatment plant and associated pump stations in outer lying service areas. The Division's professional, highly skilled staff use best practices and technology to provide Collections, and Plant Operations with electrical power, control systems, environmental controls, and mechanical and facilities support to ensure and restore reliability.

2019-20 Performance Objectives

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

2019-20 Performance Results

- ◆ Achieved 100% compliance with water, solids, air, and energy permits and regulatory requirements.
- ◆ Achieved 100% compliance of the Levels of Service targets.
- ◆ Managed operating expenditures to 107% of approved budget.
- ◆ Maintained a Work Order backlog of less than 6 weeks.
- ◆ Achieved 100% compliance with the Safety Scorecard.
- ◆ Achieved PM compliance of 80.2%.

2020-21 & 2021-22 Performance Objectives

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

Performance Measures

Summary	2016-17 Actual	2017-18 Projected	2018-19 Proposed	2019-20 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
◆ Operating expenditures	98%	107%	96-100%	96-100%	In-house standard
◆ Maintain Work Order Backlog	< 6 weeks	< 6 weeks	< 6 weeks	< 6 weeks	In-house standard
◆ Safety Scorecard Compliance	100%	100%	100%	100%	In-house standard
◆ PM Compliance	89.7%	80.2%	> 75%	> 75%	In-house standard

Plant No. 2 Maintenance

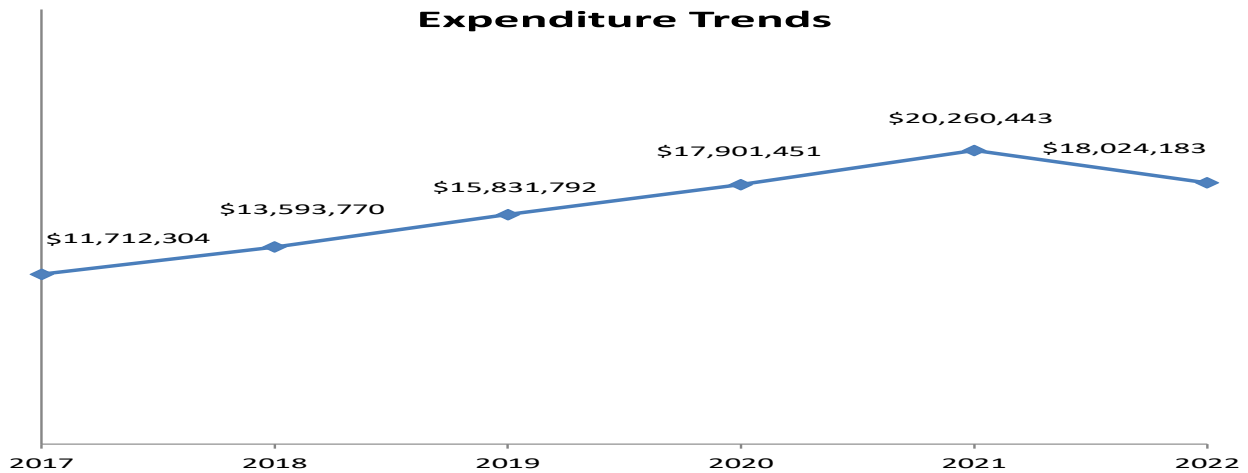
Budget Overview

The FY 2020-21 budget for the Plant No. 2 Maintenance Division reflect an increase of 13%. This is primarily due to increases in salary and benefits adjustments and repairs and maintenance costs. The FY 2021-22 budget reflects a decrease of 11% over the prior year. This is primarily due to a decrease in repairs and maintenance, which is somewhat off-set with an increase in salary and benefits adjustments.

2019-20 Adjusted Budget - Total Operating Requirements	\$ 17,901,451
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	794,800
Change in OCERS retirement costs	55,200
Change in group insurance costs	(59,900)
Other benefit cost adjustments	(109,000)
Other Cost Adjustments:	
Increase in minor furniture & fixture	18,500
Decrease in meeting & training	(17,580)
Increase in tools	90,600
Decrease in groundskeeping	(90,000)
Decrease in janitorial	(115,000)
Increase in other contractual service	430,000
Increase in repairs & maintenance	981,922
Increase in engineering	140,000
Increase in other professional services	114,100
Increase in oil & grease	23,070
Increase in other waste disposal	25,000
Increase in safety equipment/tools	77,360
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(80)
2020-21 Proposed Budget - Total Operating Requirements	\$ 20,260,443
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	334,400
Change in OCERS retirement costs	34,800
Change in group insurance costs	42,800
Other benefit cost adjustments	14,100
Other Cost Adjustments:	
Decrease in minor furniture & fixture	(15,000)
Decrease in meeting & training	(3,000)
Increase in other contractual service	250,000
Decrease in repairs & maintenance	(2,875,500)
Decrease in oil & grease	(20,000)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	1,140
2021-22 Proposed Budget - Total Operating Requirements	\$ 18,024,183

2020-21 & 2021-22 Budget

Operating Expenses By Category	2018-19 Actual	2019-20 Revised Budget	2019-20 Projected	2020-21 Proposed	Budget % Change	2021-22 Proposed	Budget % Change
Personnel	\$ 6,850,227	\$ 6,720,400	\$ 7,638,000	\$ 7,401,500	10.13%	\$ 7,827,600	5.76%
Supplies	452,774	412,720	484,330	602,490	45.98%	564,690	(6.27%)
Professional & Contractual Services	313,592	481,900	988,570	986,000	104.61%	1,236,000	25.35%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	8,189,833	10,269,671	10,647,920	11,251,593	9.56%	8,376,093	(25.56%)
Utilities	8,881	9,000	12,630	12,000	33.33%	12,000	0.00%
Other	16,485	7,760	6,640	6,860	(11.60%)	7,800	13.70%
Total	\$ 15,831,792	\$ 17,901,451	\$ 19,778,090	\$ 20,260,443	13.18%	\$ 18,024,183	(11.04%)



Self-Insurance Program Overview

SELF-FUNDED INSURANCE PLANS

OCSD 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 2020-21 and in FY 2021-22.

General Liability and Property

- The District'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 \$500,000.
- The District's current property insurance coverage is \$1 billion for perils of fire and \$300 million for perils of flood, subject to a self-insured retention of \$250,000. OCSD is partially self-insured for earthquake, but does carry \$25 million in coverage on 15 key structures with a \$5 million deductible. OCSD 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 \$55 million for FY 2020-21 and FY 2021-22 for the Property and General Liability program, appropriations for in-lieu premiums charged to the Revenue Areas are recommended at \$1,021,000 and \$1,680,000 for FY 2020-21 and FY 2021-22, respectively.

Workers' Compensation

- The District'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 \$518,800 and \$690,000 for FY 2020-21 and FY 2021-22, respectively.

2020-21 & 2021-22 Budget

Total of the Self-Insurance Program

DESCRIPTION OR ACCOUNT TITLE	2018-19 Actuals	2019-20 Budget	2019-20 Projected	2020-21 Proposed	2021-22 Proposed
Beginning Reserves	\$ 57,452,788	\$ 57,000,000	\$ 57,426,550	\$ 57,760,200	\$100,000,000
<u>Revenues</u>					
In-Lieu Premiums	1,885,900	2,500,000	2,500,000	1,539,800	2,370,000
Miscellaneous Other Revenue	3,794	10,000	-	-	-
Reserve Contribution	-	-	-	43,000,000	-
Service Department Allocation	105,600	20,000	105,600	110,000	110,000
Total Revenues	1,995,294	2,530,000	2,605,600	44,649,800	2,480,000
<u>Expenses</u>					
Benefits/Claims	395,789	790,000	491,900	460,000	470,000
Contractual Services	-	-	-	-	-
Legal Services	70,479	120,000	102,400	130,000	130,000
Professional Services	61,746	70,000	44,700	70,000	70,000
Subtotal	528,014	980,000	639,000	660,000	670,000
Policy Premium Expense	1,493,518	1,550,000	1,632,900	1,750,000	1,810,000
Total Expenses	2,021,532	2,530,000	2,271,900	2,410,000	2,480,000
Excess Revenue (Expenses)	(26,238)	-	333,700	42,239,800	-
Ending Reserves	\$ 57,426,550	\$ 57,000,000	\$ 57,760,250	\$100,000,000	\$100,000,000

Self-Insurance Program

General Liability and Property Self-Insurance Program

DESCRIPTION OR ACCOUNT TITLE	2018-19 Actuals	2019-20 Budget	2019-20 Projected	2020-21 Proposed	2021-22 Proposed
Beginning Reserves	\$ 55,367,246	\$ 55,000,000	\$ 55,389,842	\$ 55,609,000	\$ 98,000,000
<u>Revenues</u>					
In-Lieu Premiums	1,299,300	1,720,000	1,720,000	1,021,000	1,680,000
Miscellaneous Other Revenue	3,794	10,000	-	-	-
Reserve Contribution	-	-	-	43,000,000	-
Service Department Allocation	(3,096)	20,000	(3,100)	-	-
Total Revenues	1,299,998	1,750,000	1,716,900	44,021,000	1,680,000
<u>Expenses</u>					
Benefits/Claims	54	360,000	80,200	40,000	40,000
Contractual Services	-	-	-	-	-
Legal Services	-	40,000	-	40,000	40,000
Professional Services	451	10,000	-	20,000	20,000
Subtotal	505	410,000	80,200	100,000	100,000
Policy Premium Expense	1,276,897	1,340,000	1,417,500	1,530,000	1,580,000
Total Expenses	1,277,402	1,750,000	1,497,700	1,630,000	1,680,000
Excess Revenue (Expenses)	22,596	-	219,200	42,391,000	-
Ending Reserves	\$ 55,389,842	\$ 55,000,000	\$ 55,609,042	\$ 98,000,000	\$ 98,000,000

2020-21 & 2021-22 Budget

Workers' Compensation Self-Insurance Program

DESCRIPTION OR ACCOUNT TITLE	2018-19 Actuals	2019-20 Budget	2019-20 Projected	2020-21 Proposed	2021-22 Proposed
Beginning Reserves	\$ 2,085,542	\$ 2,000,000	\$ 2,036,708	\$ 2,151,200	\$ 2,000,000
<u>Revenues</u>					
In-Lieu Premiums	586,600	780,000	780,000	518,800	690,000
Miscellaneous Other Revenue	-	-	-	-	-
Transfer In	-	-	-	-	-
Service Department Allocation	108,696	-	108,700	110,000	110,000
Total Revenues	695,296	780,000	888,700	628,800	800,000
<u>Expenses</u>					
Benefits/Claims	395,735	430,000	411,700	420,000	430,000
Contractual Services	-	-	-	-	-
Legal Services	70,479	80,000	102,400	90,000	90,000
Professional Services	61,295	60,000	44,700	50,000	50,000
Subtotal	527,509	570,000	558,800	560,000	570,000
Policy Premium Expense	216,621	210,000	215,400	220,000	230,000
Total Expenses	744,130	780,000	774,200	780,000	800,000
Excess Revenue (Expenses)	(48,834)	-	114,500	(151,200)	-
Ending Reserves	\$ 2,036,708	\$ 2,000,000	\$ 2,151,208	\$ 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 2020-21 and 2021-22 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 OCS&D to maintain reliability and accommodate future growth, as well as meet future regulatory requirements, level of service goals, and strategic initiatives.

With this phased 20-year program as a starting point, the Asset Management Program within the Planning Division continues assessing the condition of the District'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, eight new projects are proposed for addition to the 2020-21 budget. These are:

- Project No. 7-68: MacArthur Pump Station Force Main Improvements
- Project No. J-135: Central Generation Engine Overhauls at Plant No. 1 and 2
- Project No. 11-33: Edinger Pump Station Replacement
- Project No. J-120: Process Control Systems Upgrades
- Project No. P1-137: Support Buildings Seismic Improvements at Plant No. 1
- Project No. P2-135: Sodium Bisulfite Station Rehabilitation at Plant No. 2

- Project No. P2-137: Digesters Rehabilitation at Plant No. 2
- Project No. P1-126: Primary Sedimentation Basins No. 3-5 Replacement at Plant No. 1

District 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, 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 \$4.18 billion. The total CIP budget authority has increased by \$153 million as compared to FY 2019-20 approved budget of \$4.03 billion. The changes are summarized below:

FY2019-20 Approved Budget Authority	Total CIP	\$4.03 B
Project Net Changes:		
Midyear Approvals		\$1.3 M
New		\$392 M
Budget Increases		\$265 M
Budget Decreases		(\$247 M)
Cancellation/Closures		(\$257 M)
Capital Equipment Purch.		<u>(\$0.7 M)</u>
	Total:	\$153 M
FY2020-21 Proposed Budget Authority	Total CIP	<u>\$4.1 B</u>

Following is a table of the FY 2020-21 proposed CIP budget:

Description	FY 2020-21 CIP Budget
Capital Improvement Program (CIP)	\$164.8 M
Less: Savings and Deferrals	<u>(\$17.3) M</u>
Net CIP Outlay	\$147.6 M

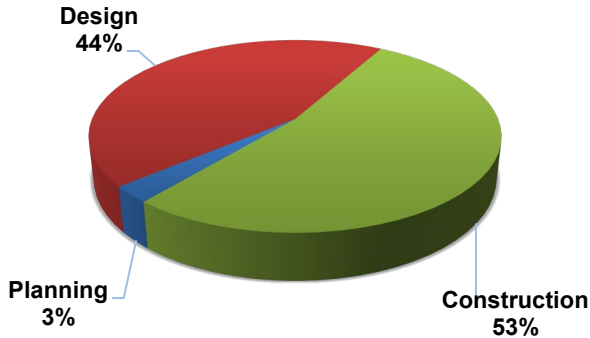
The proposed FY 2020-21 net CIP outlays can be categorized by the location of the projects in terms of wastewater treatment process, or by the reasons why the projects are needed, i.e. project drivers. Charts showing the distribution of the funds by CIP driver and location are shown on the following page.

The proposed net CIP outlays can also be categorized by project phase or status. The following chart shows the net CIP outlays of projects in the Planning, Design and Construction phases for FY 2020-21.

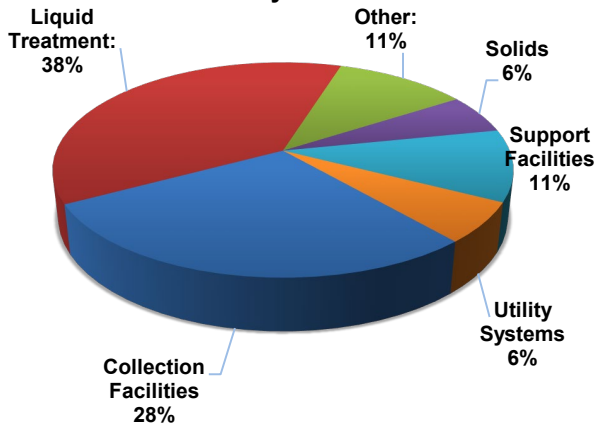
2020-21 & 2021-22 Budget

and Construction phases for FY 2020-21.

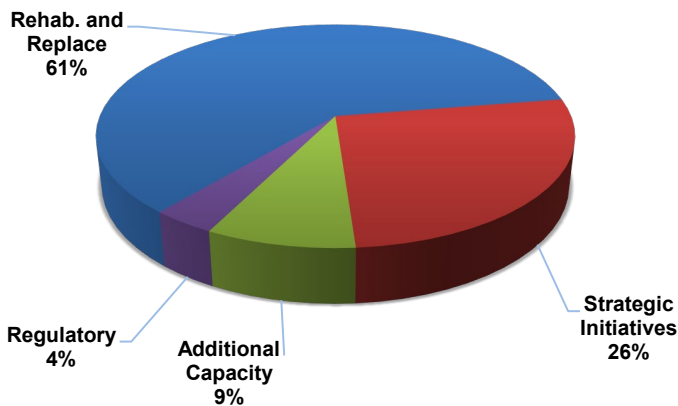
Projected FY20-21 Net CIP Outlay by Project Status



Projected FY20-21 Net CIP Outlay by Area



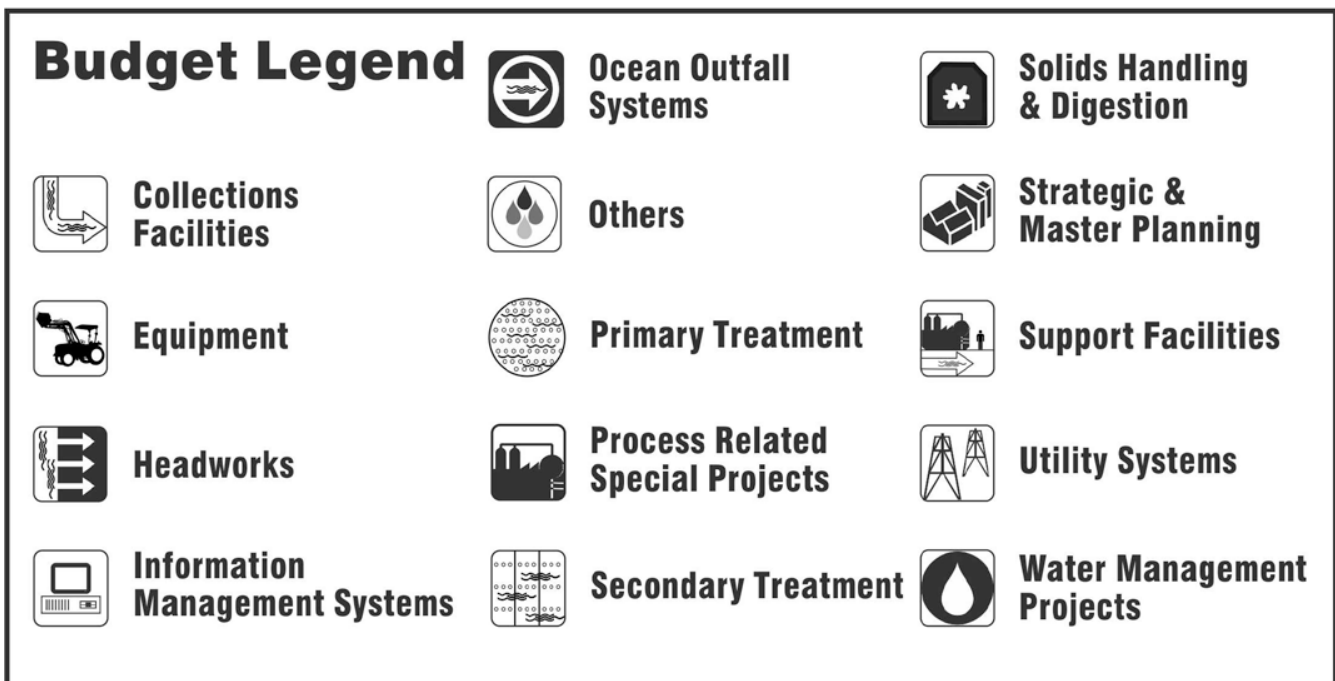
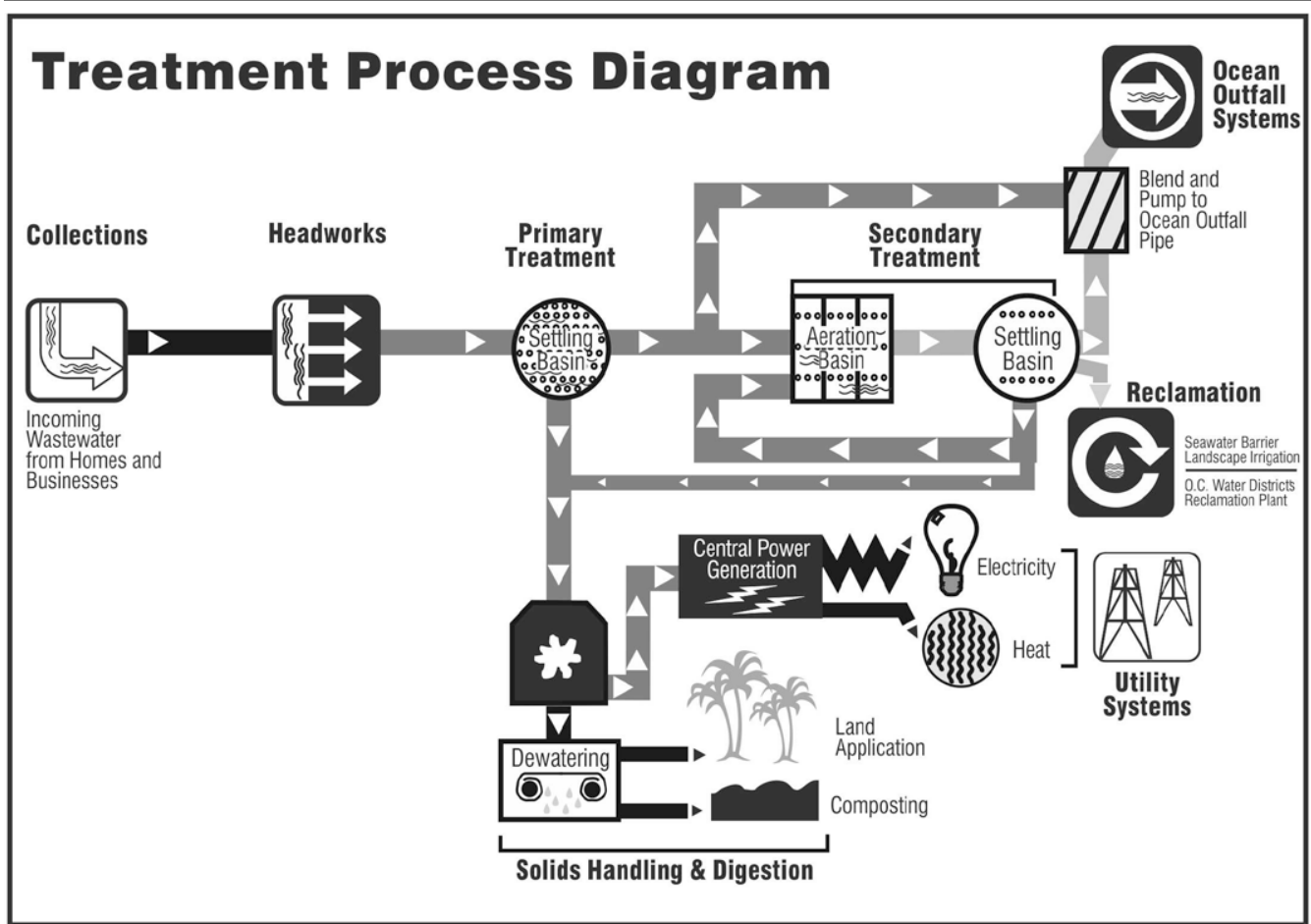
Projected FY20-21 Net CIP Outlay by Project Driver



Projects that are in the Planning phase make up about 3 percent of the FY 2020-21 net CIP outlay. Projects in the Planning phase are planning or research studies that are primarily managed under the Planning Studies Program, or M-Studies.

44 percent of the FY 2020-21 net CIP outlay will be for projects that are in the Design phase. The three largest projects in the Design phase are 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 \$5.9 million and \$8.9 million, \$8.1M respectively in FY 2020-21. Note these Projects are heading into construction towards the latter half of FY 2020-21 and portions of these expenditures include this.

53 percent of the FY 2020-21 net CIP outlay will be spent in construction. The four most significant construction projects are the Ocean Outfall System Rehabilitation (Project No. J-117), Westminster Blvd. Force Main Replacement (Project No. 3-62), Return Activated Sludge Piping Replacement at Plant No. 2 (Project No. P2-123), and Newhope-Placentia Trunk Replacement (Project No. 2-72) with projected FY 2020-21 expenditures of \$26.1 million, \$11.6 million, \$6.1 million, and \$18.4 million, respectively. Further information on these Projects can be found in Section 8.

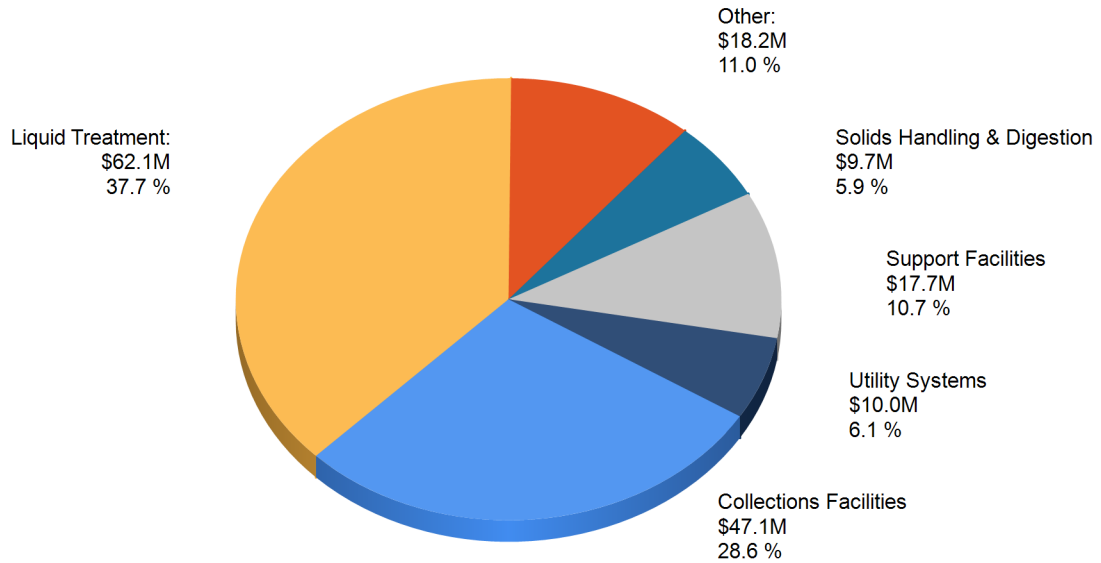


2020-21 & 2021-22 Budget

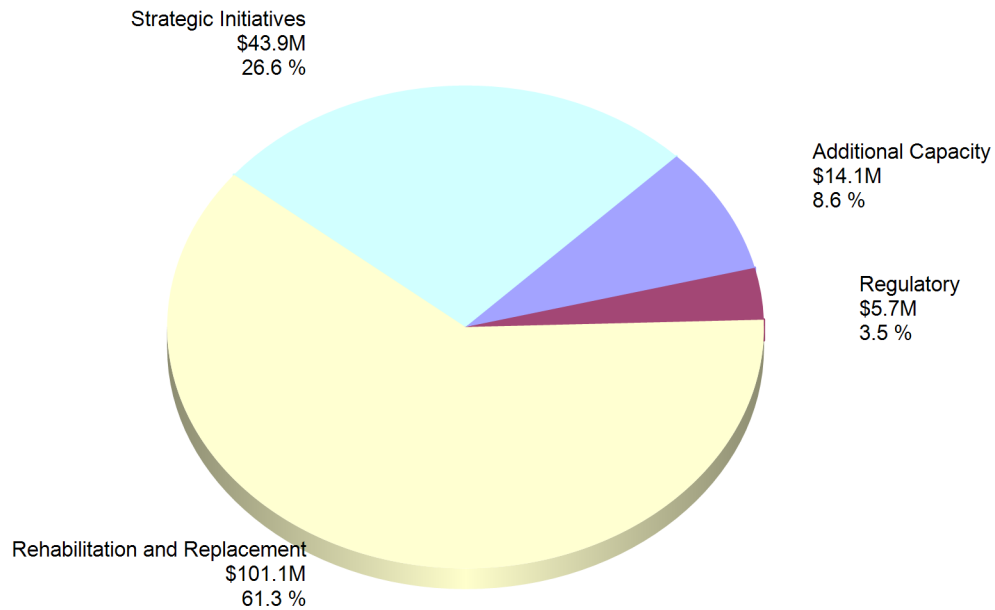
Project Summary FY 2020-21

Item	Rehabilitation and Replacement	Strategic Initiatives	Additional Capacity	Regulatory	Total Budget
Collections Facilities	\$ 30,890,189	\$ 5,011,674	\$ 10,978,333	\$ 173,024	\$ 47,053,220
Solids Handling & Digestion	7,765,701	1,505,089	448,210	-	9,719,000
Support Facilities	10,520,379	4,953,821	844,008	1,419,686	17,737,894
Utility Systems	9,002,424	993,766	-	-	9,996,190
Liquid Treatment:					
Ocean Outfall Systems	6,578,011	19,632,187	-	-	26,210,198
Headworks	9,418,986	5,413,951	-	-	14,832,937
Secondary Treatment	11,641,977	-	-	-	11,641,977
Primary Treatment	8,793,814	645,639	-	-	9,439,453
Liquid Treatment Subtotal	36,432,788	25,691,777	-	-	62,124,565
Other:					
Strategic & Master Planning	2,327,507	1,454,693	581,877	1,454,693	5,818,770
Equipment	1,265,450	1,265,450	1,265,450	1,265,450	5,061,800
Information Management Systems	2,896,601	1,837,100	-	59,707	4,793,408
Process Related Special Projects	-	-	-	1,326,635	1,326,635
Research	-	931,220	-	-	931,220
Water Management Projects	-	243,477	-	-	243,477
Others	-	26,901	-	-	26,901
Other Subtotal	6,489,558	5,758,841	1,847,327	4,106,485	18,202,211
Grand Total	\$ 101,101,039	\$ 43,914,968	\$ 14,117,878	\$ 5,699,195	\$ 164,833,080
Less: CIP Savings & Deferrals					(\$17,271,000)
Proposed Net CIP Outlay					\$ 147,562,080

Summary of Capital Requirements - FY 2020-21



FY 2020-21 Capital Improvement Program Outlay by Process - \$164.8 Million
Net CIP Outlay - \$147.6 Million



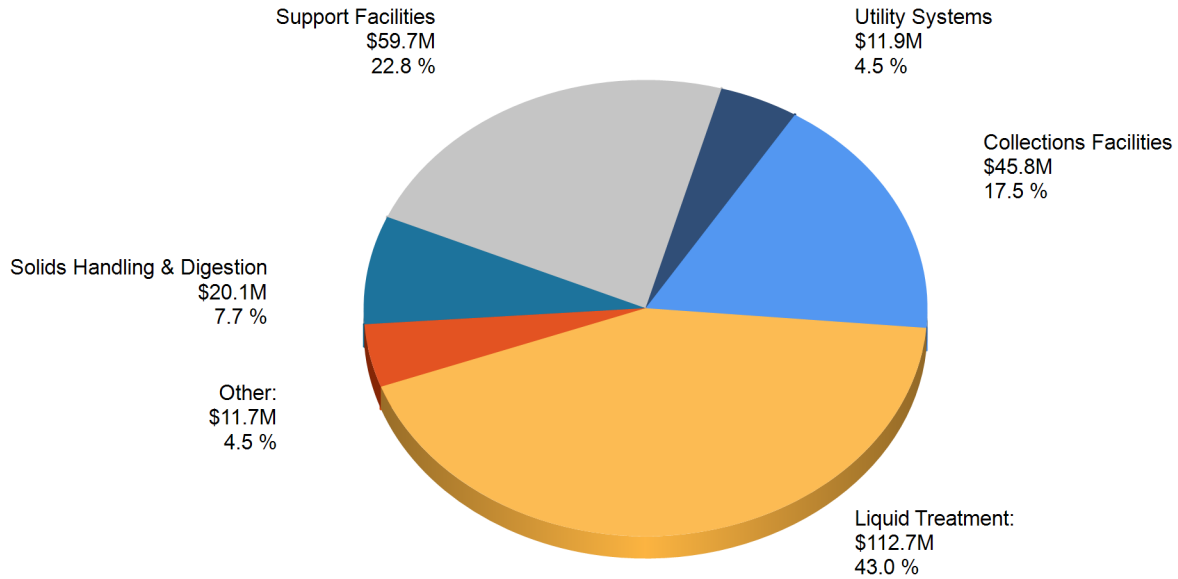
FY 2020-21 Capital Improvement Program Outlay by Driver - \$164.8 Million
Net CIP Outlay - \$147.6 Million

2020-21 & 2021-22 Budget

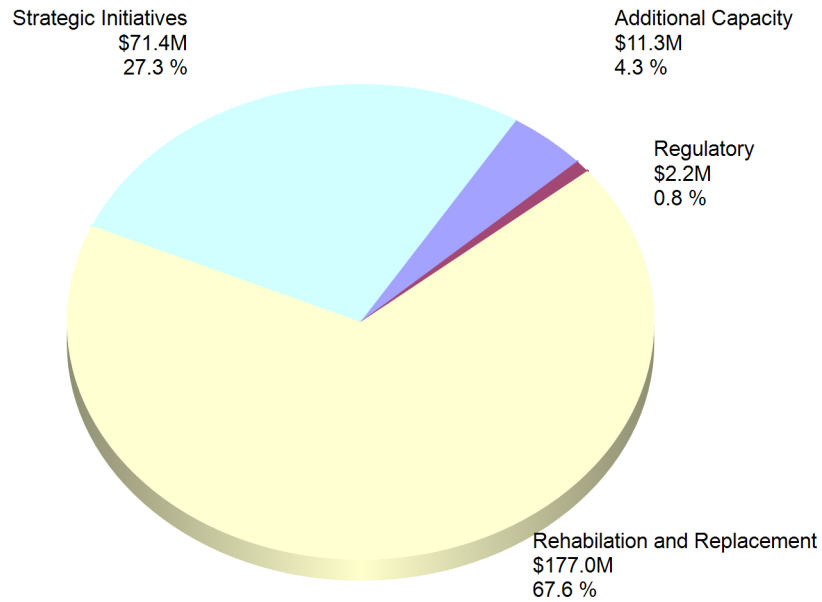
Project Summary FY 2021-22

Item	Rehabilitation and Replacement	Strategic Initiatives	Additional Capacity	Regulatory	Total Budget Authority
Collections Facilities	\$ 33,299,633	\$ 2,940,467	\$ 9,447,627	\$ 77,669	\$ 45,765,396
Solids Handling & Digestion	12,909,404	7,198,575	-	-	20,107,979
Support Facilities	29,914,745	27,782,184	1,010,484	1,010,484	59,717,897
Utility Systems	8,535,811	3,387,706	-	-	11,923,517
Liquid Treatment:					
Headworks	49,765,501	8,633,144	-	-	58,398,645
Primary Treatment	27,072,882	647,621	-	-	27,720,503
Ocean Outfall Systems	5,972,717	17,711,492	-	-	23,684,209
Secondary Treatment	2,892,546	-	-	-	2,892,546
Liquid Treatment Subtotal	85,703,646	26,992,257	-	-	112,695,903
Other:					
Information Management Systems	5,501,538	1,072,255	-	59,709	6,633,502
Equipment	647,750	647,750	647,750	647,750	2,591,000
Strategic & Master Planning	595,410	372,132	148,853	372,132	1,488,527
Research	-	729,331	-	-	729,331
Water Management Projects	-	265,666	-	-	265,666
Others	-	26,903	-	-	26,903
Process Related Special Projects	-	-	-	13	13
Other Subtotal	6,744,698	3,114,037	796,603	1,079,604	11,734,942
Grand Total	\$ 177,107,937	\$ 71,415,226	\$ 11,254,714	\$ 2,167,757	\$ 261,945,634
Less: CIP Savings & Deferrals					(\$21,101,000)
Proposed Net CIP Outlay					\$ 240,844,634

Summary of Capital Requirements - FY 2021-22



FY 2021-22 Capital Improvement Program Outlay by Process - \$261.9 Million
Net CIP Outlay - \$240.8 Million



FY 2021-22 Capital Improvement Program Outlay by Driver - \$261.9 Million
Net CIP Outlay - \$240.8 Million

2020-21 & 2021-22 Budget

Summary of Capital Requirement - Collection System Improvement Projects

	Project Number	Project Phase 7/1/20	Total Project Budget	Est. Cost to Date 6/30/20	Proposed 2020-21 Outlay	Proposed 2021-22 Outlay	Future Outlay	Project Status
Collections Facilities								
Santa Ana Trunk Sewer Rehab	1-23	Planning	\$ 54,620,000			\$ 1,051,179	\$ 53,568,821	New
Greenville-Sullivan Trunk Impr.	1-24	Planning	48,600,000			371,204	48,228,796	New
Edinger Pump Station Repl.	11-33	Planning	10,153,000		102,369	275,917	9,774,714	Revised
Slater Pump Station Rehab	11-34	Planning	26,622,000			600,988	26,021,012	Revised
SARI Rock Stabilizers Removal	2-41-8	Const./Impl.	4,860,000	4,809,921	45,869	4,210		Revised
Taft Branch Capacity Impr.	2-49	Design	14,000,000	167,488	314,739	724,782	12,792,991	Revised
Newhope - Placentia Trunk Grade Separation Repl.	2-65	Const./Impl.	4,300,000	4,196,520	92,123	11,357		Continuing
Newhope-Placentia Trunk Repl.	2-72	Const./Impl.	112,000,000	78,171,924	18,441,383	10,278,948	5,107,745	Continuing
Yorba Linda Dosing Station Installation	2-73	Planning	14,080,000				14,080,000	Revised
Beach Relief Trunk/Knott Interceptor/Miller Holder Trunk Rehab	3-60	Planning	35,132,000				35,132,000	Revised
Westminster Blvd Force Main Repl.	3-62	Const./Impl.	44,000,000	10,662,813	11,561,567	11,582,220	10,193,400	Revised
Rehab of Western Regional Sewers	3-64	Design	70,000,000	17,698,759	5,711,536	12,848,669	33,741,036	Revised
Interstate 405 Widening Project Impacts on OCSD Sewers	3-66	Design	250,000	137,799	35,032	62,102	15,067	Revised
Seal Beach Pump Station Repl.	3-67	Design	78,900,000	503,977	3,427,428	2,093,648	72,874,947	Continuing
Los Alamitos Sub-Trunk Extension	3-68	Planning	84,124,000				84,124,000	Revised
Crystal Cove Pump Station Rehab	5-66	Planning	13,200,000				13,200,000	Revised
Bay Bridge Pump Station Repl.	5-67	Design	74,000,000	2,991,087	5,684,572	1,145,952	64,178,389	Continuing
Newport Beach Pump Stations Pressurization Impr.	5-68	Design	4,300,000	116,903	378,513	343,555	3,461,029	Revised
District 6 Trunk Sewer Relief	6-17	Const./Impl.	7,250,000	7,219,964	30,036			Revised
MacArthur Pump Station Rehab	7-63	Planning	9,800,000				9,800,000	Revised
Main Street Pump Station Rehab	7-64	Planning	39,450,000				39,450,000	Revised
Gisler-Red Hill Interceptor & Baker Force Mains Rehab	7-65	Design	21,000,000	95,832	823,405	1,763,122	18,317,641	Revised
Sunflower & Red Hill Interceptor Repairs	7-66	Design	4,700,000	227,600	359,017	2,553,194	1,560,189	Revised
MacArthur Force Main Impr.	7-68	Planning	2,468,000		45,631	54,349	2,368,020	Revised
North Trunk Impr.	7-69	Planning	9,200,000				9,200,000	New
Collections Facilities Total Budget			787,009,000	127,000,588	47,053,220	45,765,396	567,189,797	

Summary of Capital Requirements

Summary of Capital Requirement - Treatment System Improvement Projects

	Project Number	Project Phase 7/1/20	Total Project Budget	Est. Cost to Date 6/30/20	Proposed 2020-21 Outlay	Proposed 2021-22 Outlay	Future Outlay	Project Status
Equipment								
Equipment Purchases	Equipment	Const./Impl.	9,062,800	1,410,000	5,061,800	2,591,000		Continuing
Equipment Total			9,062,800	1,410,000	5,061,800	2,591,000		
Headworks								
Headworks Rehab at P1	P1-105	Design	406,000,000	26,468,394	9,418,986	49,765,501	320,347,119	Continuing
Headworks Modification at P2 for GWRS Final Expansion	P2-122	Const./Impl.	32,000,000	8,972,891	5,413,951	8,633,144	8,980,014	Revised
Headworks Total			438,000,000	35,441,285	14,832,937	58,398,645	329,327,133	
Primary Treatment								
Primary Sedimentation Basins No. 3-5 Repl. at P1	P1-126	Planning	117,700,000	521,079	61,054	185,465	116,932,402	Revised
Primary Sedimentation Basins No. 6-31 Reliability Impr. at P1	P1-133	Planning	10,100,000	604,011	1,291,277	1,295,242	6,909,470	Revised
B/C-Side Primary Sedimentation Basins Rehab at P2	P2-133	Planning	279,842,000				279,842,000	Revised
Primary Treatment Rehabilitation at P2	P2-98	Design	237,000,000	26,329,990	8,087,122	26,239,796	176,343,092	Revised
Primary Treatment Total			644,642,000	27,455,080	9,439,453	27,720,503	580,026,964	
Secondary Treatment								
Return Activated Sludge Piping Repl. at Activated Sludge P1	P1-129	Const./Impl.	10,300,000	4,516,052	5,566,916	217,032		Continuing
Return Activated Sludge Piping Repl. at P2	P2-123	Const./Impl.	10,800,000	1,866,933	6,075,061	2,174,218	683,788	Revised
Activated Sludge Aeration Basin Rehab at P2	P2-136	Planning	65,600,000			501,296	65,098,704	New
Secondary Treatment Total			86,700,000	6,382,985	11,641,977	2,892,546	65,782,492	
Solids Handling & Digestion								
Sludge Dewatering & Odor Control at P1	P1-101	Const./Impl.	197,000,000	196,103,581	896,419			Revised
Digester Ferric Chloride Piping Repl. at P1	P1-135	Planning	1,360,000	115,689	170,893	1,021,560	51,858	Continuing
Interim Food Waste Receiving Facility	P2-124	Design	6,300,000	1,198,406	1,058,172	3,946,321	97,101	Continuing
TPAD Digester Facility at P2	P2-128	Planning	455,000,000	493,485	1,787,669	13,009,017	439,709,829	Revised
Digester P, Q, R, & S Repl.	P2-129	Planning	165,900,000				165,900,000	Future
Digesters Rehab at P2	P2-137	Planning	40,632,000		589,432	1,547,988	38,494,580	New
Sludge Dewatering & Odor Control at P2	P2-92	Const./Impl.	90,477,000	84,677,492	5,216,415	583,093		Continuing
Solids Handling & Digestion Total			956,669,000	282,588,653	9,719,000	20,107,979	644,253,368	
Ocean Outfall Systems								
Ocean Outfall System Rehab	J-117	Const./Impl.	166,000,000	59,745,674	26,108,350	23,477,550	56,668,426	Continuing
Sodium Bisulfite Station Rehab at P2	P2-135	Planning	3,834,000		101,848	206,659	3,525,493	New
Ocean Outfall Systems Total			169,834,000	59,745,674	26,210,198	23,684,209	60,193,919	
Utility Systems								
Digester Gas Facilities Repl.	J-124	Design	173,000,000	8,446,913	4,282,106	3,736,720	156,534,261	Revised
Natural Gas Pipelines Repl. at P1 & P2	J-127	Design	1,610,000	465,774	1,038,492	105,734		Revised

2020-21 & 2021-22 Budget

Summary of Capital Requirement - Treatment System Improvement Projects

	Project Number	Project Phase 7/1/20	Total Project Budget	Est. Cost to Date 6/30/20	Proposed 2020-21 Outlay	Proposed 2021-22 Outlay	Future Outlay	Project Status
Utility Systems								
Central Generation Engine Overhauls at P1 & 2	J-135	Planning	26,000,000		291,727	1,521,979	24,186,294	New
Power Building Structural Seismic Impr. at P1 & 2	J-136	Planning	7,080,000			239,060	6,840,940	New
Electrical Power Distribution System Impr.	J-98	Design	26,500,000	380,862	1,823,293	2,075,970	22,219,875	Revised
Central Generation Rehab at P1	P1-127	Planning	68,452,000				68,452,000	Revised
Uninterruptible Power Supply Impr. at P1	P1-132	Design	7,000,000	274,014	928,600	584,761	5,212,625	Continuing
12.47 kV Switchgear Repl. at Central Generation at P1	P1-136	Planning	14,800,000				14,800,000	New
Network & Server Relocation at P1	P1-138	Planning	3,027,000			228,012	2,798,988	New
Consolidated Demolition & Utility Impr. at P2	P2-110	Const./Impl.	30,000,000	29,069,004	914,715	16,281		Revised
Central Generation Rehab at P2	P2-119	Planning	108,000,000				108,000,000	Revised
Warehouse, Electrical Substation & 12kV Service Center Repl. at P2	P2-126	Design	65,000,000	31,317	717,257	3,415,000	60,836,426	Revised
Utility Systems Total			530,469,000	38,667,885	9,996,190	11,923,517	469,881,408	
Process Related Special Projects								
Safety Impr. Program	J-126	Const./Impl.	16,000,000	14,673,352	1,326,635	13		Revised
Process Related Special Projects Total			16,000,000	14,673,352	1,326,635	13		
Information Management Systems								
Process Control Systems Upgrades	J-120	Planning	33,000,000		10,000	4,987,341	28,002,659	Revised
Project Mgmt. Information System	J-128	Design	2,280,000	1,407,886	306,250	565,864		Revised
Information Technology Capital Program	M-MC-IT	Const./Impl.	10,000,000	1,695,335	3,061,700	1,012,782	4,230,183	Continuing
EAM Software & Process Implementation	SP-100	Const./Impl.	7,500,000	6,634,767			865,233	Continuing
Geographic Information System	SP-15	Const./Impl.	4,700,000	3,437,774	59,707	59,709	1,142,810	Revised
Process Control Systems Upgrades Study	SP-196	Planning	3,400,000	2,036,443	1,355,751	7,806		Revised
Information Management Systems Total			60,880,000	15,212,205	4,793,408	6,633,502	34,240,885	
Strategic & Master Planning								
Planning Studies Program	M-STUDIES	Planning	28,652,000	16,835,714	5,818,770	1,488,527	4,508,989	Continuing
Strategic & Master Planning Total			28,652,000	16,835,714	5,818,770	1,488,527	4,508,989	
Water Management Projects								
GWRS Final Expansion Coordination	J-36-2	Const./Impl.	1,132,000	435,267	243,477	265,666	187,590	Continuing
Water Management Projects Total			1,132,000	435,267	243,477	265,666	187,590	
Research								
Research Program	M-RESEARCH	Planning	8,500,000	2,153,331	931,220	729,331	4,686,118	Continuing
Research Total			8,500,000	2,153,331	931,220	729,331	4,686,118	
Support Facilities								
Laboratory Rehab at P1	J-133	Planning	44,200,000				44,200,000	Revised
Small Construction Projects Program	M-FE	Const./Impl.	65,000,000	14,111,262	8,440,078	10,104,836	32,343,824	Revised

Summary of Capital Requirements

Summary of Capital Requirement - Treatment System Improvement Projects

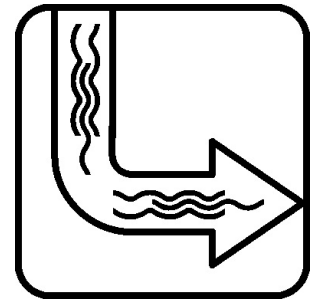
	Project Number	Project Phase 7/1/20	Total Project Budget	Est. Cost to Date 6/30/20	Proposed 2020-21 Outlay	Proposed 2021-22 Outlay	Future Outlay	Project Status
Support Facilities								
Operations & Maintenance Capital Program	M-SM-CAP	Const./Impl.	15,622,000	4,328,883	1,442,561	1,089,947	8,760,609	Continuing
Title 24 Access Compliance & Building Rehab Project	P1-115	Const./Impl.	18,400,000	17,824,322	575,678			Continuing
Headquarters Complex	P1-128	Design	167,500,000	29,406,431	6,339,527	42,138,713	89,615,329	Continuing
South Perimeter Security & Utility Impr. at P1	P1-134	Design	10,000,000	1,235,005	680,311	4,607,510	3,477,174	Revised
Support Buildings Seismic Impr. at P1	P1-137	Planning	23,730,000		259,739	519,477	22,950,784	New
Collections Yard Relocation	P2-127	Planning	1,840,000			106,701	1,733,299	Future
Operations & Maintenance Complex at P2	P2-138	Planning	95,000,000			1,150,713	93,849,287	New
Support Facilities Total			441,292,000	66,905,903	17,737,894	59,717,897	296,930,306	
Others								
Capital Improvement Program Mgmt. Services	SP-195	Planning	700,000	279,473	26,901	26,903	366,723	Revised
Others Total			700,000	279,473	26,901	26,903	366,723	
Total Treatment and Disposal Projects			3,383,470,000	566,776,808	112,718,060	213,589,238	2,490,385,894	
Total Collections Facilities			787,009,000	127,000,588	47,053,220	45,765,396	567,189,797	
Capital Equipment Purchases			9,062,800	1,410,000	5,061,800	2,591,000		
Total Capital Improvement Program Budget			\$ 4,179,541,800	\$695,187,395	\$164,833,080	\$261,945,634	\$3,057,575,691	
Less: CIP Savings & Deferrals					(\$17,271,000)	(\$21,101,000)		
Proposed Net CIP Outlay					\$147,562,080	\$240,844,634		

2020-21 & 2021-22 Budget

Project Name & Number	Santa Ana Trunk Sewer Rehabilitation - 1-23		
Project Category	Collections Facilities	Project Status:	New

Description

This project will rehabilitate a portion of the Santa Ana Trunk sewer. This will include rehabilitation of pipelines (lining) and manholes. The project includes rehabilitation of 14,525 feet along Alton Avenue and easements crossing MacArthur Boulevard, Harbor Boulevard, Scenic Avenue, Hyland Avenue, Sunflower Avenue and Interstate 405 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.

The project budget is \$54,620,000. The project's estimated construction contract cost is \$31,920,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design			1,051,179	1,257,464	1,744,080	2,245,994	6,837,090	13,135,807
Construction							31,923,979	31,923,979
Commissioning								
Close-out								
Contingency							9,560,214	9,560,214
Total			1,051,179	1,257,464	1,744,080	2,245,994	48,321,283	54,620,000

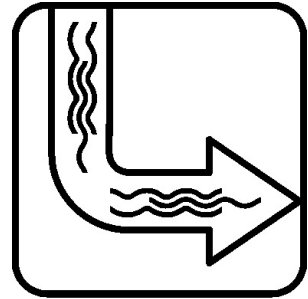
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Greenville-Sullivan Trunk Improvements - 1-24		
Project Category	Collections Facilities	Project Status:	New

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 due to planned development strategies, economic influences, and potential wet weather surcharges.

The project budget is \$48,600,000. The project's estimated construction contract cost is \$28,410,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design			371,204	775,804	964,663	1,274,817	8,302,424	11,688,912
Construction							28,407,587	28,407,587
Commissioning								
Close-out								
Contingency							8,503,501	8,503,501
Total			371,204	775,804	964,663	1,274,817	45,213,512	48,600,000

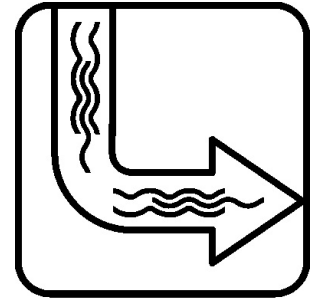
Reimbursable Costs: N/A

2020-21 & 2021-22 Budget

Project Name & Number	Edinger Pump Station Replacement - 11-33		
Project Category	Collections Facilities	Project Status:	Revised

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.

The project budget has been decreased from \$14,100,000 to \$10,153,000. The reduced budget is a result of an updated cost estimate, start date and duration changes. The project's estimated construction contract cost is \$5,250,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design		102,369	275,917	392,052	392,053	452,111	1,715,234	3,329,736
Construction							5,254,963	5,254,963
Commissioning								
Close-out								
Contingency							1,568,301	1,568,301
Total		102,369	275,917	392,052	392,053	452,111	8,538,498	10,153,000

Reimbursable Costs: N/A

CIP Project Detail Sheets

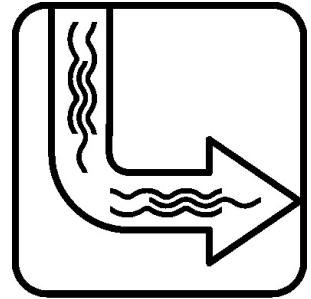
Project Name & Number | Slater Pump Station Rehabilitation - 11-34

Project Category | Collections Facilities

Project Status: Revised

Description

This project will rehabilitate the existing Slater Avenue Pump Station to meet current building, electrical and safety codes, and OCSD design standards, and to extend the useful life of the pump station. In addition to the improvements to the pump station, both force mains currently serving this pump station will be rehabilitated.



**Collections
Facilities**

Justification

Slater Avenue Pump Station was constructed in the late 1990s and needs rehabilitation to maintain the pump station’s reliability in the coming decades. The electrical system does not meet current building code requirements. The ductile iron force mains, one of which was constructed with the original Slater Avenue Pump Station, are aging and need to be rehabilitated.

The project budget has been increased from \$25,300,000 to \$26,622,000. The increased budget is the result of scope, start date and duration changes. The project’s estimated construction contract cost is \$14,468,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design			600,988	951,228	998,988	1,046,699	4,244,777	7,842,680
Construction							14,462,168	14,462,168
Commissioning								
Close-out								
Contingency							4,317,152	4,317,152
Total			600,988	951,228	998,988	1,046,699	23,024,097	26,622,000

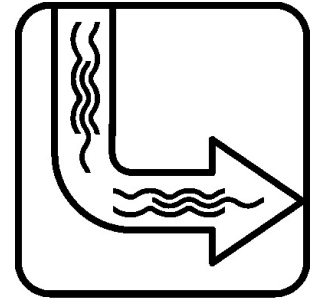
Reimbursable Costs: N/A

2020-21 & 2021-22 Budget

Project Name & Number	SARI Rock Stabilizers Removal - 2-41-8		
Project Category	Collections Facilities	Project Status:	Revised

Description

This project involves the removal and disposal of approximately 22,000 tons of rip rap rocks from within sensitive habitat in the Santa Ana River bed between the Green River Golf Course and Weir Canyon Road in Yorba Linda. The work also includes mitigation and restoration work associated with temporary access roads. This project is approaching close-out.



**Collections
Facilities**

Justification

The Sanitation District had installed large rocks, called rip rap, on an emergency basis to protect its Santa Ana Regional Interceptor in the Santa Ana River downstream of Prado Dam until a better-protected new pipe could be constructed. The US Army Corps of Engineers permit that allowed the rock to be installed obligated the Sanitation District to remove the rock when the new pipe was completed.

The project budget has been decreased from \$6,860,000 to \$4,860,000. The reduced budget is a result of an updated estimate to complete the work. The project's estimated construction contract cost is \$2,810,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	205,126							205,126
Prelim Design	323,096							323,096
Design	442,518							442,518
Construction	3,581,162							3,581,162
Commissioning								
Close-out	18,019	17,797						35,816
Contingency	240,000	28,072	4,210					272,282
Total	4,809,921	45,869	4,210					4,860,000

Reimbursable Costs: 38,060

CIP Project Detail Sheets

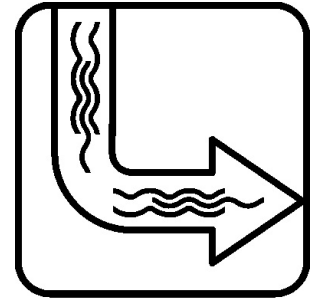
Project Name & Number | Taft Branch Capacity Improvements - 2-49

Project Category | Collections Facilities

Project Status: Revised

Description

This project will upsize the Taft Branch sewer from Santiago Blvd and Meats Ave to Taft Ave and Glassell St. This will include replacement of nearly 10,000 feet of pipe and associated manholes along Meats Ave, Tustin Street, and Taft Avenue in the City of Orange.



**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 due to planned development strategies, economic influences, and potential wet weather surcharges.

The project budget has been increased from \$8,130,000 to \$14,000,000. The increased budget is needed based on an updated estimate to complete the work. The project's estimated construction contract cost is \$9,000,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	156,040							156,040
Prelim Design	8,751	314,739	225,793					549,283
Design	2,697		498,989	738,077	13,085			1,252,848
Construction					4,589,568	4,920,865	563,960	10,074,393
Commissioning								
Close-out							35,879	35,879
Contingency					120,000		1,811,557	1,931,557
Total	167,488	314,739	724,782	738,077	4,722,653	4,920,865	2,411,396	14,000,000

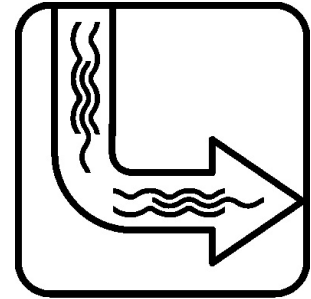
Reimbursable Costs: N/A

2020-21 & 2021-22 Budget

Project Name & Number	Newhope - Placentia Trunk Grade Separation Replacement - 2-65		
Project Category	Collections Facilities	Project Status:	Continuing

Description

This project was needed to replace a section of the Sanitation District's Newhope-Placentia Trunk in State College Boulevard between Orangethorpe and Commonwealth to accommodate a railroad grade separation project being done by the City of Fullerton. The work has been completed, but a repair of a construction defect still needs to be completed.



**Collections
Facilities**

Justification

The existing sewer needed to be relocated to accommodate the undergrounding of State College Boulevard below the railroad tracks at the intersection of Valencia Drive and State College Boulevard . These improvements also accommodated a capacity increase.

The project budget is \$4,300,000. The project's estimated construction contract cost is \$3,570,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	103,062							103,062
Prelim Design	64,933							64,933
Design	313,041							313,041
Construction	3,697,774							3,697,774
Commissioning								
Close-out	17,711							17,711
Contingency		92,123	11,357					103,480
Total	4,196,520	92,123	11,357					4,300,000

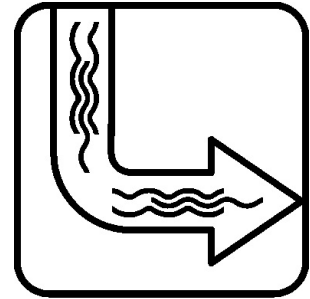
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Newhope-Placentia Trunk Replacement - 2-72		
Project Category	Collections Facilities	Project Status:	Continuing

Description

This project will increase the size of approx. 35,000 feet of the Newhope-Placentia Trunk sewer from Yorba Linda Boulevard to Orangewood Avenue. The upsized sewer will accommodate flows from the newly abandoned Yorba Linda Pump Station and the newly interconnected Atwood Sub-trunk. The scope also includes rehabilitating five sections of the Rolling Hill Sub trunk, and abandoning any remaining portion of the wastewater disposal company sewer alignment not used for the new pipeline.



**Collections
Facilities**

Justification

This section of the Newhope-Placentia Trunk Sewer was originally constructed in 1961. These improvements will accommodate the projected flow increases due to the abandonment of the aging Yorba Linda Pump Station, increase capacity in a short portion of the Rolling Hills Sub-trunk that is undersized when burdened by 2030 wet weather flows, and increase operational flexibility of the collection system.

The project budget is \$112,000,000. The project's estimated construction contract cost is \$80,810,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	132,601							132,601
Prelim Design	5,390,814							5,390,814
Design	4,712,611							4,712,611
Construction	67,865,140	18,441,383	5,316,264					91,622,787
Commissioning								
Close-out	70,758		359,282	18,331				448,371
Contingency			4,603,402	5,089,414				9,692,816
Total	78,171,924	18,441,383	10,278,948	5,107,745				112,000,000

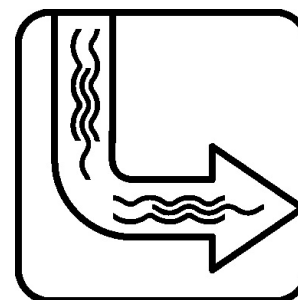
Reimbursable Costs: 2,180,000

2020-21 & 2021-22 Budget

Project Name & Number	Yorba Linda Dosing Station Installation - 2-73		
Project Category	Collections Facilities	Project Status:	Revised

Description

This project will abandon the Yorba Linda Pump Station and 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 by the Yorba Linda Pump Station east will be conveyed by gravity through the newly upsized Newhope-Placentia Trunk located in State College Boulevard to the west. 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.



**Collections
Facilities**

Justification

The Yorba Linda Pump Station was built, in part, to convey flow away from undersized gravity sewers located in State College Boulevard. Land development in the vicinity necessitates the upsizing of the same gravity sewers and the project to do so is currently in design. When complete the pump station will no longer be needed. Costly rehabilitation would be necessary for the pump station to remain in service. 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.

The project budget has been increased from \$10,800,000 to \$14,080,000. The increased budget is the result of scope, start date and duration changes. The project's estimated construction contract cost is \$7,650,000. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design					324,040	654,643	3,168,188	4,146,871
Construction							7,646,996	7,646,996
Commissioning								
Close-out								
Contingency							2,286,133	2,286,133
Total					324,040	654,643	13,101,317	14,080,000

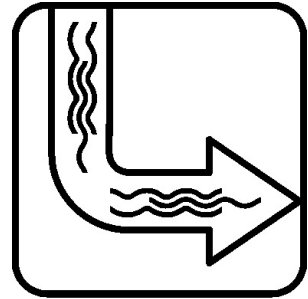
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Beach Relief Trunk/Knott Interceptor/Miller Holder Trunk Rehabilitation - 3-60		
Project Category	Collections Facilities	Project Status:	Revised

Description

This project will rehabilitate a portion of the Beach Relief Trunk, Knott Interceptor and Miller Holder Trunk sewers located in the City of Buena Park. The project includes repairs over 37,000 feet of sewer pipe and manholes along Artesia Boulevard, Tulare Steet, Kingman Avenue, Franklin Street, Rostrata Avenue, Knott Avenue, Caballero Boulevard, Dodds Avenue and easements in the City of Buena Park.



**Collections
Facilities**

Justification

Physical and video assessments of this sewer indicate there is corrosion in the concrete and rehabilitation must be performed to prevent a risk of structural failure.

The project budget has been increased from \$20,910,000 to \$35,132,000. The increased budget is the result of being combined with a nearby sewer rehabilitaiton project. The project's estimated construction contract cost is \$20,540,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design				609,677	1,145,038	1,237,532	5,457,885	8,450,132
Construction							20,536,360	20,536,360
Commissioning								
Close-out								
Contingency							6,145,508	6,145,508
Total				609,677	1,145,038	1,237,532	32,139,753	35,132,000

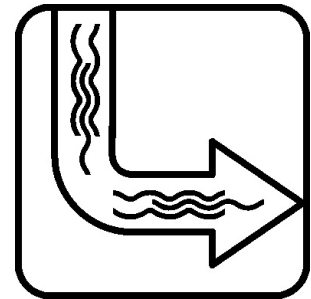
Reimbursable Costs: N/A

2020-21 & 2021-22 Budget

Project Name & Number	Westminster Blvd Force Main Replacement - 3-62		
Project Category	Collections Facilities	Project Status:	Revised

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 cathodic protection system. The other force mains 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.

The project budget has been decreased from \$54,000,000 to \$44,000,000. The reduced budget is a result of an updated estimate to complete the work. The project's estimated construction contract cost is \$27,740,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	199,656							199,656
Prelim Design	4,103,528							4,103,528
Design	3,035,366							3,035,366
Construction	3,324,263	11,561,567	11,582,220	4,820,178				31,288,228
Commissioning								
Close-out				190,848				190,848
Contingency				4,692,600	489,774			5,182,374
Total	10,662,813	11,561,567	11,582,220	9,703,626	489,774			44,000,000

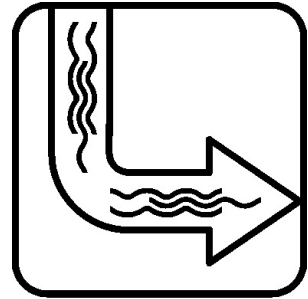
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Rehabilitation of Western Regional Sewers - 3-64		
Project Category	Collections Facilities	Project Status:	Revised

Description

This project will replace or rehabilitate a portion of the sewers and manholes located in Sanitation District's northwestern service area. The work will be completed under three construction contracts. The Orange Western Sub-Trunk Rehabilitation covers approximately 13,000 feet of pipe, the Los Alamitos Trunk Sewer Rehabilitation covers approximately 34,000 feet, and the Cypress Trunk Sewer Rehabilitation covers approximately 32,000 feet. 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.

The project budget has been decreased from \$202,069,000 to \$70,000,000. 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 \$30,510,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	489,084							489,084
Prelim Design	12,815,742	38,251						12,853,993
Design	4,308,181	1,531,889	1,798,577	642,659				8,281,306
Construction	44,010	3,641,396	9,601,865	9,301,236	10,997,595	3,714,130		37,300,232
Commissioning								
Close-out	41,742		59,267	64,962	7,701	69,961		243,633
Contingency		500,000	1,388,960	1,395,861	56,857	7,490,074		10,831,752
Total	17,698,759	5,711,536	12,848,669	11,404,718	11,062,153	11,274,165		70,000,000

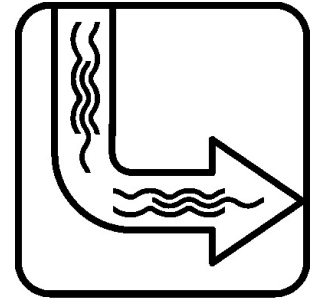
Reimbursable Costs: N/A

2020-21 & 2021-22 Budget

Project Name & Number	Interstate 405 Widening Project Impacts on OCSD Sewers - 3-66		
Project Category	Collections Facilities	Project Status:	Revised

Description

This project will provide reimbursement for staff support for the realignment/conflicts of District facilities as part of Orange County Transportation's proposed widening of the I-405 Freeway between State Route 73 and the I-605 Freeway.



**Collections
Facilities**

Justification

Widening of the I-405 Freeway will require relocation of Sanitation District facilities. Agreements between the Sanitation District and the Orange County Transportation Authority provide for reimbursements up to \$427,151.

The project budget has been decreased from \$528,000 to \$250,000. The reduced budget is a result of a reduction in the extent of Sanitation District facilities impacted by the freeway widening project. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design	99,738							99,738
Construction	30,117	8,630	3,467					42,214
Commissioning								
Close-out	763	2,173	9,596	358				12,890
Contingency	7,181	24,229	49,039	14,709				95,158
Total	137,799	35,032	62,102	15,067				250,000

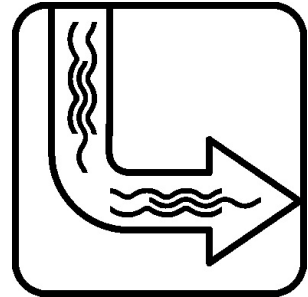
Reimbursable Costs: 112,201

CIP Project Detail Sheets

Project Name & Number	Seal Beach Pump Station Replacement - 3-67		
Project Category	Collections Facilities	Project Status:	Continuing

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.

The project budget is \$78,900,000. The project's estimated construction contract cost is \$43,930,000. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	218,175							218,175
Prelim Design	284,133	3,010,614						3,294,747
Design	1,669	416,814	2,093,648	1,765,440	381,961			4,659,532
Construction				181,413	7,783,320	21,924,142	22,557,307	52,446,182
Commissioning							879,139	879,139
Close-out							230,865	230,865
Contingency					597,173		16,574,187	17,171,360
Total	503,977	3,427,428	2,093,648	1,946,853	8,762,454	21,924,142	40,241,498	78,900,000

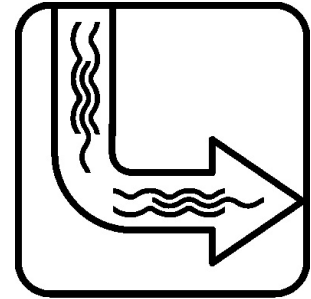
Reimbursable Costs: N/A

2020-21 & 2021-22 Budget

Project Name & Number	Los Alamitos Sub-Trunk Extension - 3-68		
Project Category	Collections Facilities	Project Status:	Revised

Description

This project will extend the Los Alamitos Sub-trunk by gravity from the Westside Pump Station to the new, deeper Seal Beach Pump Station to be constructed under Seal Beach Pump Station Replacement, Project No.3-67. It will also abandon the existing Westside Pump Station.



**Collections
Facilities**

Justification

Extension of this section of gravity sewer will allow the Westside Pump Station to be abandoned when it reaches the end of its useful life, at which point it would require replacement on a different site.

The project budget has been increased from \$66,000,000 to \$84,124,000. The increased budget is the result of an estimated longer project duration. The project's estimated construction contract cost is \$52,000,000. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design							16,568,627	16,568,627
Construction							51,995,772	51,995,772
Commissioning								
Close-out								
Contingency							15,559,601	15,559,601
Total							84,124,000	84,124,000

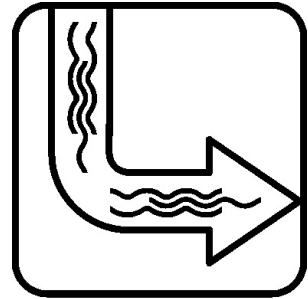
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Crystal Cove Pump Station Rehabilitation - 5-66		
Project Category	Collections Facilities	Project Status:	Revised

Description

This project will rehabilitate the existing Crystal Cove Pump Station to maintain compliance with electrical and safety codes, and to restore the condition of the aging facility. The project also consists of rehabilitating the two 8-inch ductile iron force mains. The existing gravity system in the vicinity of the pump station, located in Pacific Coast Highway, will also be assessed and rehabilitated as needed.



**Collections
Facilities**

Justification

The Crystal Cove Pump Station was originally constructed in 1995 and needs rehabilitation to maintain the pump station's reliability in the coming decades. The electrical system does not meet current code requirements. The control system is out of date and does not meet OCSD standards. The force mains are not currently protected from corrosion.

The project budget has been decreased from \$17,900,000 to \$13,200,000. The reduced budget is a result of scope, start date and duration changes. The project's estimated construction contract cost is \$7,160,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design				27,072	307,639	515,709	3,030,462	3,880,882
Construction							7,156,498	7,156,498
Commissioning								
Close-out								
Contingency							2,162,620	2,162,620
Total				27,072	307,639	515,709	12,349,580	13,200,000

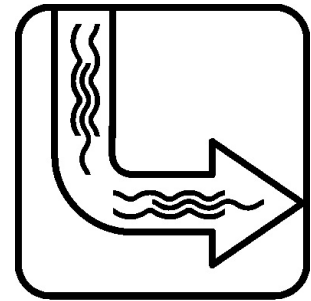
Reimbursable Costs: N/A

2020-21 & 2021-22 Budget

Project Name & Number	Bay Bridge Pump Station Replacement - 5-67		
Project Category	Collections Facilities	Project Status:	Revised

Description

This project will replace the existing Bay Bridge Pump Station to meet current building, electrical, and safety codes and the Sanitation District'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.

The project budget has been increase from \$64,000,000 to \$74,000,000. The project's estimated construction contract cost is \$38,120,000. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	271,914							271,914
Prelim Design	2,572,773	2,684,572	423,691					5,681,036
Design	144,626	3,000,000	722,261	2,230,775	1,045,444			7,143,106
Construction	1,774				4,788,843	19,378,574	21,954,278	46,123,469
Commissioning					5,840	190,616	307,689	504,145
Close-out							172,379	172,379
Contingency				58,630	286,114		13,759,207	14,103,951
Total	2,991,087	5,684,572	1,145,952	2,289,405	6,126,241	19,569,190	36,193,553	74,000,000

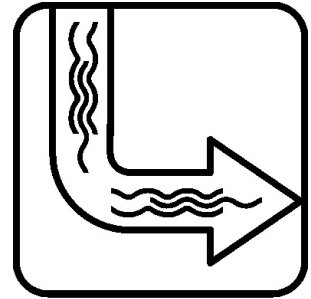
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Newport Beach Pump Stations Pressurization Improvements - 5-68		
Project Category	Collections Facilities	Project Status:	Revised

Description

This project will address pressurization of the air in wet wells of the Crystal Cover, A-Street, 15th Street, Lido, Bitter Point, and Rocky Point Pump Stations. 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.

The project budget has been increased from \$4,066,000 to \$4,300,000. The increased budget is needed based on an updated estimate to complete the work. The project's estimated construction contract cost is \$1,830,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	115,577							115,577
Prelim Design	1,326	318,926						320,252
Design		59,587	343,555	173,084				576,226
Construction				1,759,971	982,764			2,742,735
Commissioning								
Close-out					37,396			37,396
Contingency				64,500	195,360	247,954		507,814
Total	116,903	378,513	343,555	1,997,555	1,215,520	247,954		4,300,000

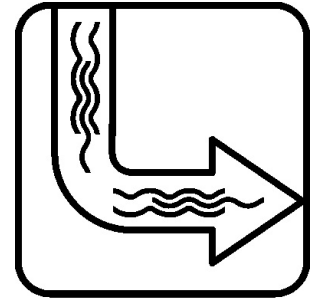
Reimbursable Costs: N/A

2020-21 & 2021-22 Budget

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

Description

This project increases the capacity, rehabilitates and performs access improvements for OCSD 6 Trunk sewer. The existing 3,700 feet of 12-inch through 18-inch pipeline runs near Pomona Ave to Newport Boulevard near 15th St, and southerly along Newport Boulevard towards Coast Highway in the Cities of Costa Mesa and Newport Beach. Portions of the sewer that are not being increased in size are being rehabilitated so the life of this sewer will be extended by 30 years. Combined into this work are maintenance access improvements for OCSD personnel. This project is approaching close-out.



**Collections
Facilities**

Justification

The need for this project was identified in the January 2006 Draft Strategic Plan Update. This project is needed to reduce the potential for surcharging and sewer spills due to a projected increase in flow from planned developments and growth. Investigations during preliminary design also revealed the that segments not being up-sized, required rehabilitation and maintenance access improvements.

The project budget has been decreased from \$7,965,000 to \$7,250,000. The reduced budget is a result of an updated estimate to complete the work. The project's estimated construction contract cost is \$4,200,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	70,429							70,429
Prelim Design	442,648							442,648
Design	936,967							936,967
Construction	5,676,188							5,676,188
Commissioning	1,435							1,435
Close-out	21,195							21,195
Contingency	71,102	30,036						101,138
Total	7,219,964	30,036						7,250,000

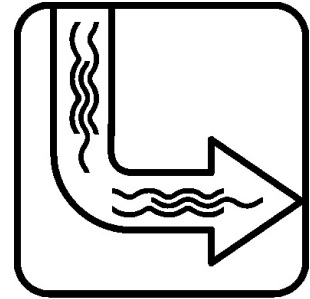
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	MacArthur Pump Station Rehabilitation - 7-63		
Project Category	Collections Facilities	Project Status:	Revised

Description

The MacArthur Pump Station is located west of MacArthur Boulevard and north of Jamboree Road in the City of Newport Beach. This project includes rehabilitation of the existing civil structures such as the wet well and underground electrical and pump room. Replacement of mechanical equipment (pumps, valves, piping, etc.) 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. The wet well is an original structure and is not coated or lined to prevent corrosion of the concrete from the hazardous sewer gases. Corrosion is also present on the existing mechanical equipment. The electrical equipment is outdated and obtaining replacement electrical parts is becoming increasingly difficult. At the completion of this project the pump station will follow the latest applicable electrical and safety codes.

The project budget has been increased from \$9,151,000 to \$9,800,000. The increased budget is the result of start date and duration changes. The project's estimated construction contract cost is \$5,330,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design				20,146	228,927	383,760	2,255,090	2,887,923
Construction							5,325,439	5,325,439
Commissioning								
Close-out								
Contingency				18,646	211,889	215,279	1,140,824	1,586,638
Total				38,792	440,816	599,039	8,721,353	9,800,000

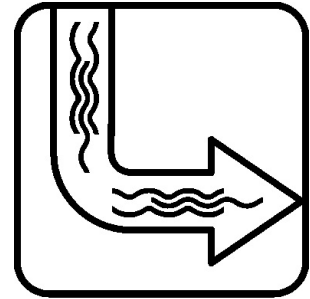
Reimbursable Costs: N/A

2020-21 & 2021-22 Budget

Project Name & Number	Main Street Pump Station Rehabilitation - 7-64		
Project Category	Collections Facilities	Project Status:	Revised

Description

The Main Street Pump Station is located on Main Street 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. Although the pump station is performing well the piping throughout and the pumps on the west side are nearing the end of their useful life. The supporting on-site civil structures such as the flow diversion structure is suffering from corrosion due to high levels of corrosive gases. Corrosion also persists in the wet wells. The pump station structure needs seismic retrofitting to remain reliable.

The project budget has been decreased from \$40,660,000 to \$39,450,000. The reduced budget is a result of scope, start date and duration changes. The project's estimated construction contract cost is \$21,430,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design							11,619,878	11,619,878
Construction							21,427,456	21,427,456
Commissioning								
Close-out								
Contingency							6,402,666	6,402,666
Total							39,450,000	39,450,000

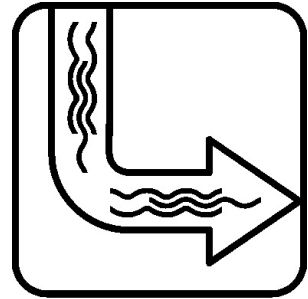
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Gisler-Red Hill Interceptor and Baker Force Mains Rehabilitation - 7-65		
Project Category	Collections Facilities	Project Status:	Revised

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 also 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 the majority 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.

The project budget has been increased from \$14,800,000 to \$21,000,000. The increased budget is the result of combining the force main rehabilitation work of the Main Street Pump Replacement and Force Main Rehabilitation, Project No. 7-67, into this project. The project's estimated construction contract cost is \$13,000,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	95,077	47,742						142,819
Prelim Design		645,646	53,386					699,032
Design	755	130,017	1,381,660	109,506				1,621,938
Construction			328,076	13,346,723	781,487			14,456,286
Commissioning								
Close-out				57,268	22,089			79,357
Contingency				1,470,000	2,530,568			4,000,568
Total	95,832	823,405	1,763,122	14,983,497	3,334,144			21,000,000

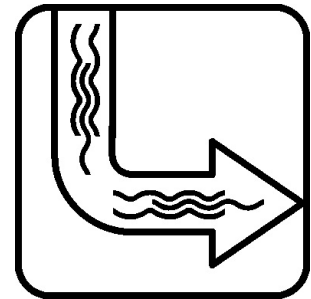
Reimbursable Costs: N/A

2020-21 & 2021-22 Budget

Project Name & Number	Sunflower and Red Hill Interceptor Repairs - 7-66		
Project Category	Collections Facilities	Project Status:	Revised

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 artificially keep the low flows above the area of 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.

The project budget has been decreased from \$5,500,000 to \$4,700,000. The reduced budget is a result of an updated estimate to complete the work. The project's estimated construction contract cost is \$2,500,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	20,451							20,451
Prelim Design	64,743							64,743
Design	142,406	323,410	53,971					519,787
Construction		35,607	2,466,106	846,766				3,348,479
Commissioning								
Close-out			2,246	22,825				25,071
Contingency			30,871	399,617	290,981			721,469
Total	227,600	359,017	2,553,194	1,269,208	290,981			4,700,000

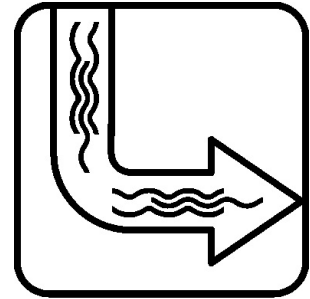
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	MacArthur Force Main Improvements - 7-68		
Project Category	Collections Facilities	Project Status:	Revised

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 new forcemain and rehabilitation of the existing forcemain.



**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 of a parallel forcemain will increase reliability and lessen the impact on the surrounding community during routine maintenance and assessment efforts.

The project budget has been increased from \$2,385,000 to \$2,468,000. The increased budget is the result of an estimated longer project duration. The project's estimated construction contract cost is \$1,440,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design		45,631	54,349	74,089	92,630	115,968	210,951	593,618
Construction						149,009	1,293,665	1,442,674
Commissioning								
Close-out								
Contingency							431,708	431,708
Total		45,631	54,349	74,089	92,630	264,977	1,936,324	2,468,000

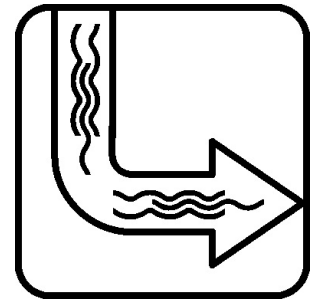
Reimbursable Costs: N/A

2020-21 & 2021-22 Budget

Project Name & Number	North Trunk Improvements - 7-69		
Project Category	Collections Facilities	Project Status:	New

Description

This project will upsize a portion of the North Trunk System to increase capacity. The project includes improvements of up to 6,400 feet of sewer and manholes along Yorba Street and 17th Street in the City of Tustin and Unincorporated Orange County.



**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 due to planned development strategies, economic influences, and potential wet weather surcharges.

The project budget is \$9,200,000. The project's estimated construction contract cost is \$5,370,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design				201,716	244,846	365,468	1,398,305	2,210,335
Construction							5,371,817	5,371,817
Commissioning								
Close-out								
Contingency							1,617,848	1,617,848
Total				201,716	244,846	365,468	8,387,970	9,200,000

Reimbursable Costs: N/A

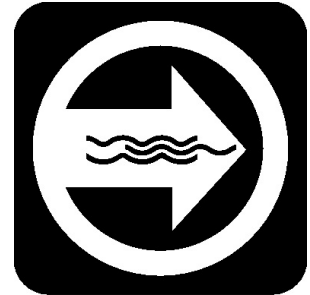
CIP Project Detail Sheets

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

Description

This project will rehabilitate the 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 includes the rehabilitation of the 84-inch and 120-inch interplant effluent lines between Plant No. 1 and Plant No. 2 completed 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.

The project budget is \$166,000,000. The project's estimated construction contract cost is \$105,110,000. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	287,945							287,945
Prelim Design	4,159,490							4,159,490
Design	9,174,473							9,174,473
Construction	45,355,870	26,108,350	23,201,508	20,254,902	15,053,745	3,638,430		133,612,805
Commissioning	476,869		276,042	1,802,328	2,235,271	231,963	10,644	5,033,117
Close-out	291,029					2,941,669	975,781	4,208,479
Contingency					1,351,608	6,702,242	1,469,842	9,523,692
Total	59,745,674	26,108,350	23,477,550	22,057,230	18,640,624	13,514,304	2,456,268	166,000,000

Reimbursable Costs: 14,000,000

2020-21 & 2021-22 Budget

Project Name & Number	Process Control Systems Upgrades - J-120		
Project Category	Information Management Systems	Project Status:	Revised

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.

The project budget has been decreased from \$46,000,000 to \$33,000,000. The reduced budget is a result of changes in the project elements identified from recent engineering efforts. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design		10,000						10,000
Construction			4,987,341	6,238,182	6,238,179	6,337,990	2,084,283	25,885,975
Commissioning								
Close-out							44,866	44,866
Contingency							7,059,159	7,059,159
Total		10,000	4,987,341	6,238,182	6,238,179	6,337,990	9,188,308	33,000,000

Reimbursable Costs: N/A

CIP Project Detail Sheets

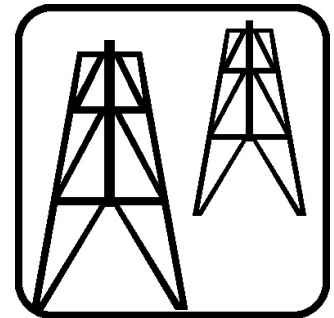
Project Name & Number | **Digester Gas Facilities Replacement - J-124**

Project Category | **Utility Systems**

Project Status: **Revised**

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.

The project budget has been increased from \$156,500,000 to \$173,000,000. The increased budget is needed based on an updated estimate to complete the work. The project's estimated construction contract cost is \$116,840,000. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	281,020							281,020
Prelim Design	5,935,195							5,935,195
Design	2,218,560	4,282,106	2,400,210	156,784				9,057,660
Construction			390,796	23,318,381	34,415,409	35,134,370	46,250,194	139,509,150
Commissioning					787,117	956,868	2,070,103	3,814,088
Close-out	12,139						734,333	746,472
Contingency			945,714	181,287			12,529,415	13,656,416
Total	8,446,913	4,282,106	3,736,720	23,656,452	35,202,526	36,091,238	61,584,045	173,000,000

Reimbursable Costs: N/A

2020-21 & 2021-22 Budget

Project Name & Number	Safety Improvements Program - J-126		
Project Category	Process Related Special Projects	Project Status:	Revised

Description

This project will address approximately 900 safety deficiencies throughout the Sanitation District's Facilities that could not be readily addressed with staff resources, or that require engineering efforts. This project is being completed using a number of construction contracts to allow the highest priority items to be constructed while the design of lower priority items is being completed.



Process Related Special Projects

Justification

Correction of these safety deficiencies is needed to address potential safety risks to Sanitation District staff, consultants, contractors, and visitors, and to comply with code requirements.

The project budget has been decreased from \$19,000,000 to \$16,000,000. The reduced budget is a result of an updated estimate to complete the work. The project's estimated construction contract cost is \$7,860,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	294,080							294,080
Prelim Design	614,853	24,684						639,537
Design	3,246,528	53,703						3,300,231
Construction	10,434,536	430,293						10,864,829
Commissioning								
Close-out								
Contingency	83,356	817,955	13					901,324
Total	14,673,352	1,326,635	13					16,000,000

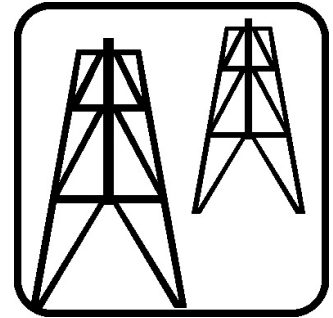
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Natural Gas Pipelines Replacement at Plant Nos. 1 and 2 - J-127		
Project Category	Utility Systems	Project Status:	Revised

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.

The project budget has been increased from \$1,310,000 to \$1,610,000. The increased budget is needed based on an updated estimate to complete the work. The project's estimated construction contract cost is \$630,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	86,463							86,463
Prelim Design								
Design	376,375	21,214						397,589
Construction		858,590						858,590
Commissioning								
Close-out		34,497						34,497
Contingency	2,936	124,191	105,734					232,861
Total	465,774	1,038,492	105,734					1,610,000

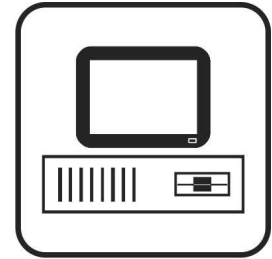
Reimbursable Costs: N/A

2020-21 & 2021-22 Budget

Project Name & Number	Project Management Information System - J-128		
Project Category	Information Management Systems	Project Status:	Revised

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, a number of business processes involved in managing the capital improvement program could be more efficiently and effectively performed using a modern commercially available software system.

The project budget has been decreased from \$4,000,000 to \$2,280,000. The reduced budget is a result of an updated estimate to complete the work. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	129,322							129,322
Prelim Design	450							450
Design	1,277,777	306,250	14,700					1,598,727
Construction	337							337
Commissioning								
Close-out								
Contingency			551,164					551,164
Total	1,407,886	306,250	565,864					2,280,000

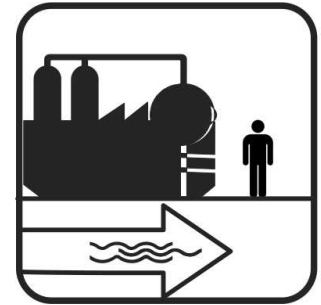
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Laboratory Rehabilitation at Plant No. 1 - J-133		
Project Category	Support Facilities	Project Status:	Revised

Description

This project will rehabilitate the existing Laboratory building at Plant No. 1 to meet current building, electrical and safety codes and to incorporate recommendations from the Seismic Evaluation Study. Amenities, utilities, and equipment will be upgraded and working spaces will be re-purposed and optimized to meet the existing needs of the Laboratory. This project also includes temporary Laboratory service relocations since it will need to be shut down during rehabilitation.



Support Facilities

Justification

The Laboratory was built in 1989 and has not been rehabilitated. The laboratory does not meet various building codes. 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 so it can be modernized to efficiently meet these requirements. The Seismic Evaluation of Structures at Plant Nos. 1 and 2 study that was completed in 2020 identified seismic risks associated with this building. These risks need to be addressed to ensure the reliability and safety of this building.

The project budget has been increased from \$15,000,000 to \$44,200,000. The increased budget is the result of a revised cost estimate that included further detail and an increased overall Project duration. The project's estimated construction contract cost is \$28,217,046. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design				671,904	741,030	900,712	5,088,646	7,402,292
Construction							28,217,046	28,217,046
Commissioning								
Close-out								
Contingency							8,580,662	8,580,662
Total				671,904	741,030	900,712	41,886,354	44,200,000

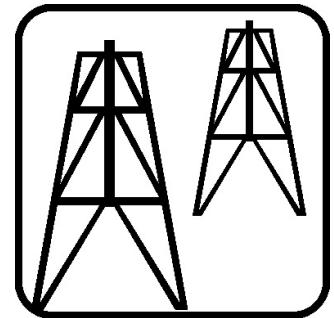
Reimbursable Costs: N/A

2020-21 & 2021-22 Budget

Project Name & Number	Central Generation Engine Overhauls at Plant No. 1 and 2 - J-135		
Project Category	Utility Systems	Project Status:	New

Description

This project will overhaul six of the Central Generation Facility Gas Engines at Plant No. 1 and 2. This work will also include the replacement of other miscellaneous engine related components such as the electrical generator bearings and heat exchangers.



Utility Systems

Justification

Complete overhauls of Central Generation Facility Gas Engines are needed when they reach a run-time of 120,000 hours. Currently, two of the eight engines are being overhauled. This work is required to ensure reliable operation of the Central Generation Facility at both treatment plants.

The project budget is \$26,000,000. The project's estimated construction contract cost is \$20,000,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design		216,576						216,576
Construction		75,151	1,521,979	6,627,566	9,492,879	3,562,447	449,090	21,729,112
Commissioning								
Close-out								
Contingency							4,054,312	4,054,312
Total		291,727	1,521,979	6,627,566	9,492,879	3,562,447	4,503,402	26,000,000

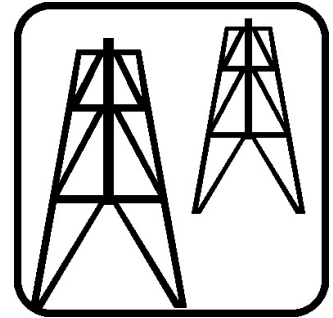
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Power Building Structural Seismic Improvements at Plant No. 1 and 2 - J-136		
Project Category	Utility Systems	Project Status:	New

Description

The buildings at Plant No. 1 and 2 that house electrical systems will undergo structural and geotechnical (soil) improvements to reduce the risk of failure during a significant seismic event. At Plant No. 1, this includes the 12 kV Service Center, Central Power Generation, and Power Buildings 2 and 4. At Plant No. 2, this includes the Boiler Building, Headworks Power, Headworks Standby Power, Central Power Generation, and Power Buildings B, C, 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.

The project budget is \$7,080,000. The project's estimated construction contract cost is \$3,490,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design			239,060	296,220	304,013	308,877	1,395,009	2,543,179
Construction							3,486,906	3,486,906
Commissioning								
Close-out								
Contingency							1,049,915	1,049,915
Total			239,060	296,220	304,013	308,877	5,931,830	7,080,000

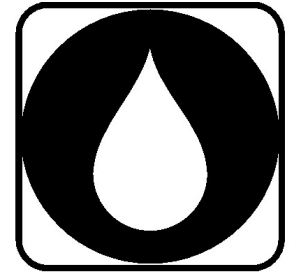
Reimbursable Costs: N/A

2020-21 & 2021-22 Budget

Project Name & Number	GWRs Final Expansion Coordination - J-36-2		
Project Category	Water Management Projects	Project Status:	Continuing

Description

This project is used to track costs, forecast resources, and coordinate Sanitation District reviews related to the Orange County Water District's Groundwater Replenishment System Final Expansion project. This project does not address modification of Sanitation District 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 Sanitation District Facilities at both plants and along the interplant effluent pipelines.

The project budget is \$1,132,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev								
Prelim Design	79,091							79,091
Design	242,720							242,720
Construction	113,456	243,477	264,388	170,265				791,586
Commissioning								
Close-out				17,325				17,325
Contingency			1,278					1,278
Total	435,267	243,477	265,666	187,590				1,132,000

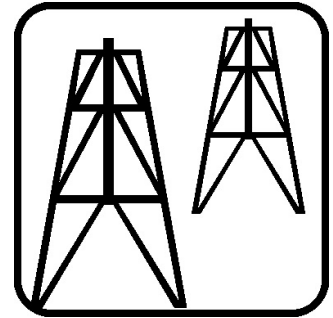
Reimbursable Costs: N/A

CIP Project Detail Sheets

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

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 and 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 and replacement to maintain electrical system reliability and improved safety.

The project budget has been decreased from \$30,000,000 to \$26,500,000. The reduced budget is a result of an updated estimate to complete the work. The project's estimated construction contract cost is \$12,380,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	229,161							229,161
Prelim Design	139,022	891,568	636,195	29,548				1,696,333
Design	7,999	882,975	1,391,025	209,529				2,491,528
Construction				1,848,965	4,472,725	5,691,997	4,656,163	16,669,850
Commissioning					301,365	417,034	410,735	1,129,134
Close-out							82,277	82,277
Contingency	4,680	48,750	48,750	251,495			3,848,042	4,201,717
Total	380,862	1,823,293	2,075,970	2,339,537	4,774,090	6,109,031	8,997,217	26,500,000

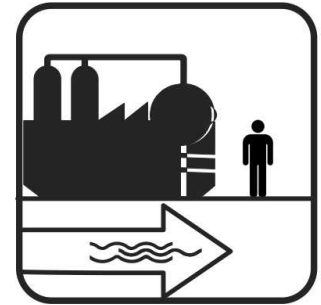
Reimbursable Costs: N/A

2020-21 & 2021-22 Budget

Project Name & Number	Small Construction Projects Program - M-FE		
Project Category	Support Facilities	Project Status:	Revised

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 Sanitation District 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 Sanitation District staff to complete small construction projects more quickly and cost effectively than larger projects that require specific Board authorization. Of the requested budget, \$33,000,000 is allocated for small construction projects active as of April 1, 2020. The remainder is for not-yet-identified projects.

The project budget has been increased from \$53,250,000 to \$65,000,000. The increased budget is needed to accommodate a larger volume of small projects that are being generated by the Sanitation District's Asset Management Program. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	270,861							270,861
Prelim Design	29,297							29,297
Design	3,421,263	1,426,045	156,903					5,004,211
Construction	8,766,718	2,921,371	6,416,111	5,135,912	1,681,283	281,117		25,202,512
Commissioning	7,748	2,421						10,169
Close-out	16,570	44,233	24,657	49,738	6,232			141,430
Contingency	1,598,805	4,046,008	3,507,165	3,951,202	3,908,647	3,197,039	14,132,654	34,341,520
Total	14,111,262	8,440,078	10,104,836	9,136,852	5,596,162	3,478,156	14,132,654	65,000,000

Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Information Technology Capital Program - M-MC-IT		
Project Category	Information Management Systems	Project Status:	Continuing

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.

The project budget is \$10,000,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	150,000							150,000
Prelim Design	4,392							4,392
Design	715,103							715,103
Construction	660,547	2,664,360	615,440	169,150	579,170	210,957		4,899,624
Commissioning								
Close-out								
Contingency	165,293	397,340	397,342	397,340	397,340	403,698	2,072,528	4,230,881
Total	1,695,335	3,061,700	1,012,782	566,490	976,510	614,655	2,072,528	10,000,000

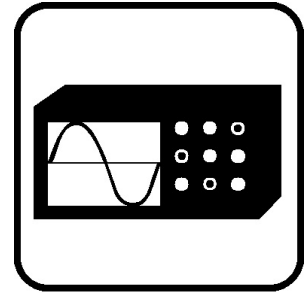
Reimbursable Costs: N/A

2020-21 & 2021-22 Budget

Project Name & Number	Research Program - M-RESEARCH		
Project Category	Research	Project Status:	Continuing

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 Fiscal Year 2024/2025. These research projects are individually managed within the Research Program budget.



Research & Development

Justification

Research projects are used 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. Of the requested budget, \$6,400,000 is allocated for Research Projects active as of April 1, 2020. The remainder is for not-yet-identified projects.

The project budget is \$8,500,000. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	1,694,017	115,035						1,809,052
Prelim Design	138,979	184,253	144,590					467,822
Design	256							256
Construction	3,176							3,176
Commissioning								
Close-out	1,088							1,088
Contingency	315,815	631,932	584,741	569,255	569,255	578,364	2,969,244	6,218,606
Total	2,153,331	931,220	729,331	569,255	569,255	578,364	2,969,244	8,500,000

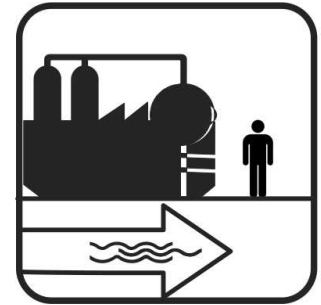
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Operations & Maintenance Capital Program - M-SM-CAP		
Project Category	Support Facilities	Project Status:	Continuing

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.

The project budget is \$15,622,000. The project's estimated construction contract cost is \$4,010,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	678,145							678,145
Prelim Design	63	28,755						28,818
Design	318,636	114,675	101,321	134,603	149,986	179,565	1,323,175	2,321,961
Construction	3,034,034	423,281	219,310	85,428	68,684	87,905	718,839	4,637,481
Commissioning	1,057	235	11,503					12,795
Close-out			59	2,397	288			2,744
Contingency	296,948	875,615	757,754	750,673	729,702	738,420	3,790,944	7,940,056
Total	4,328,883	1,442,561	1,089,947	973,101	948,660	1,005,890	5,832,958	15,622,000

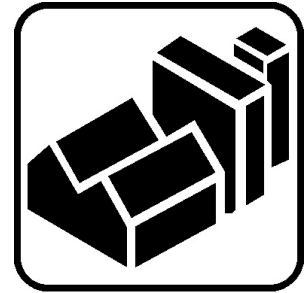
Reimbursable Costs: N/A

2020-21 & 2021-22 Budget

Project Name & Number	Planning Studies Program - M-STUDIES		
Project Category	Strategic & Master Planning	Project Status:	Continuing

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 Fiscal Year 2024/2025. These planning studies are individually managed within the Planning Studies Program budget.



Strategic & Master Planning

Justification

Planning studies provide comprehensive capital program planning for OCSD 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. Of the requested budget, \$5,800,000 is allocated for planning studies active as of April 1, 2020. The remainder is for not-yet-identified projects.

The project budget is \$28,652,000. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	13,367,920	408,005						13,775,925
Prelim Design	2,139,559	3,556,344	428,829					6,124,732
Design	34,937	4,082						39,019
Construction	5,071	237						5,308
Commissioning								
Close-out	5,273	18,314	34,793	514				58,894
Contingency	1,282,954	1,831,788	1,024,905	568,426	544,808	553,525	2,841,716	8,648,122
Total	16,835,714	5,818,770	1,488,527	568,940	544,808	553,525	2,841,716	28,652,000

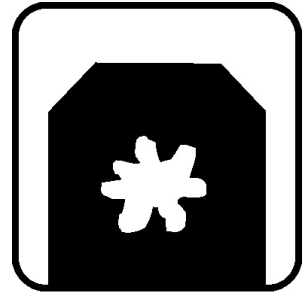
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Sludge Dewatering and Odor Control at Plant No. 1 - P1-101		
Project Category	Solids Handling & Digestion	Project Status:	Revised

Description

This project has constructed primary sludge thickening facilities to improve solids handling capacity, replace sludge dewatering facilities with aging equipment and reduce biosolids handling and disposal, rehabilitate solids handling odor control equipment for aging equipment, and temporarily expand sludge dewatering facilities to accommodate temporary construction needs. This project is in close-out.



**Solids Handling
& Digestion**

Justification

This project was necessary to support the need for more capacity to thicken and dewater sludge due to conversion of Plant No. 1 to full secondary treatment and increased flows to support expansion of the GWR System. The existing sludge dewatering facilities that were built in the late 1970's had reached the end of useful life and are in need of replacement. This project has increased cake dryness which will reduce biosolids management costs; improve sludge thickening to optimize use of existing digesters while eliminating construction of new digesters and improve site constraints at Plant No. 1 by building compact solids treatment facilities and facilitate future expansion.

The project budget has been decreased from \$199,500,000 to \$197,000,000. The reduced budget is a result of an updated estimate to complete the work. The project's estimated construction contract cost is \$143,930,000. The facilities constructed by this project are now in service and will have no further impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	330,031							330,031
Prelim Design	6,904,058							6,904,058
Design	11,414,244							11,414,244
Construction	171,057,997							171,057,997
Commissioning	5,231,494							5,231,494
Close-out	668,153	241,297						909,450
Contingency	497,604	655,122						1,152,726
Total	196,103,581	896,419						197,000,000

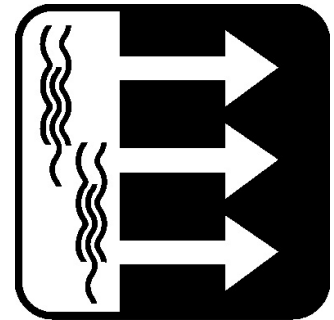
Reimbursable Costs: N/A

2020-21 & 2021-22 Budget

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

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.

The project budget is \$406,000,000. The project's estimated construction contract cost is \$293,270,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	152,473							152,473
Prelim Design	6,334,946							6,334,946
Design	19,873,680	3,817,846					1	23,691,527
Construction	107,258	5,134,598	49,260,668	63,678,784	63,678,787	47,488,397	106,163,435	335,511,927
Commissioning			504,833	942,897	942,899	1,096,893	2,805,323	6,292,845
Close-out	36						1,085,244	1,085,280
Contingency		466,542					32,464,459	32,931,001
Total	26,468,394	9,418,986	49,765,501	64,621,681	64,621,686	48,585,290	142,518,462	406,000,000

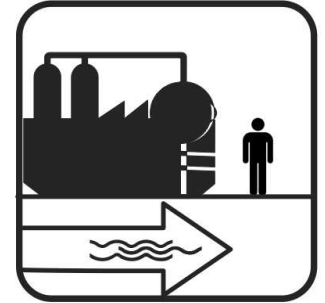
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Title 24 Access Compliance and Building Rehabilitation Project - P1-115		
Project Category	Support Facilities	Project Status:	Continuing

Description

This project was created to upgrade existing office facilities and grounds at Plant No. 1 to comply with accessibility and other code requirements. Following the decision to build a new Headquarters Complex, the scope of this project was limited to the Warehouse, Maintenance Facilities, and Fleet Services. The project also demolished Building H and provided area improvements adjacent to these buildings. The project involved two construction contracts, Title 24 Access Compliance and Building Rehabilitation Project, Contract No. P1-115A, and Rehabilitation of Fleet Services Building, Building 8 and Paving Area, Contract No. P1-115B. This project is approaching close-out.



Support Facilities

Justification

The Sanitation District was obligated under the terms of an agreement with the City of Fountain Valley to upgrade these facilities to comply with accessibility and code requirements .

The project budget is \$18,400,000. The project's estimated construction contract cost is \$9,970,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	86,853							86,853
Prelim Design	1,600,880							1,600,880
Design	2,697,317							2,697,317
Construction	13,163,743	741						13,164,484
Commissioning								
Close-out	134,209							134,209
Contingency	141,320	574,937						716,257
Total	17,824,322	575,678						18,400,000

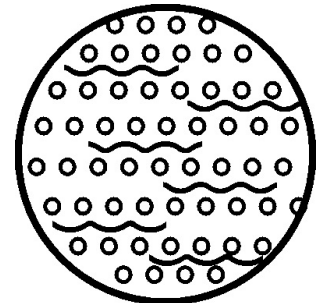
Reimbursable Costs: N/A

2020-21 & 2021-22 Budget

Project Name & Number	Primary Sedimentation Basins No. 3-5 Replacement at Plant No. 1 - P1-126		
Project Category	Primary Treatment	Project Status:	Revised

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 3-5 will be raised to allow gravity flow to secondary treatment. This project will demolish PSB 1 and 2. The existing 12-kV load interrupter switches, double ended motor control centers, and standby engine generator will be replaced with new load interruptible switches, 480-volt switchgear, and motor control centers. Replace Eastside Basins Distribution Box and rehabilitate the 10, 16, and 24-inch force mains between Waste Sidestream Pump Station 1 and Eastside Basins Distribution Box.



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.

The project budget has been increased from \$106,000,000 to \$117,700,000. The increased budget is the result of an estimated longer Project duration. The project's estimated construction contract cost is \$69,770,000. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	520,582	61,054	105,971					687,607
Prelim Design	497		78,163	182,048	24			260,732
Design				64,137	2,863,615	4,174,072	1,787,570	8,889,394
Construction							80,065,149	80,065,149
Commissioning							4,983,074	4,983,074
Close-out							901,943	901,943
Contingency			1,331	64,679	152,398	244,703	21,448,990	21,912,101
Total	521,079	61,054	185,465	310,864	3,016,037	4,418,775	109,186,726	117,700,000

Reimbursable Costs: N/A

CIP Project Detail Sheets

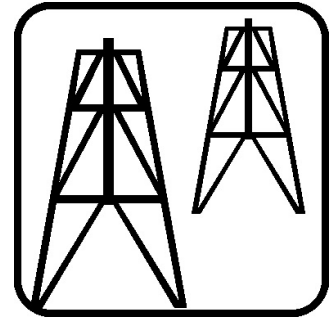
Project Name & Number | Central Generation Rehabilitation at Plant No. 1 - P1-127

Project Category | Utility Systems

Project Status: Revised

Description

This project will rehabilitate the 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 had been rebuilt through the planned maintenance program, or by CIP projects working in the area. 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.

The project budget has been decreased from \$87,000,000 to \$68,452,000. The reduced budget is a result of an updated cost estimate, start date and duration changes. The project's estimated construction contract cost is \$41,100,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design							15,022,126	15,022,126
Construction							41,099,657	41,099,657
Commissioning								
Close-out								
Contingency							12,330,217	12,330,217
Total							68,452,000	68,452,000

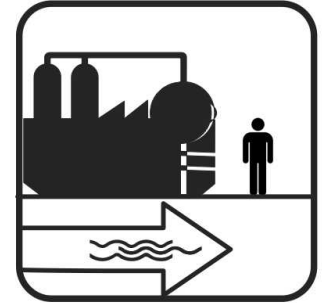
Reimbursable Costs: N/A

2020-21 & 2021-22 Budget

Project Name & Number	Headquarters Complex - P1-128		
Project Category	Support Facilities	Project Status:	Continuing

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.

The project budget is \$167,500,000. The project's estimated construction contract cost is \$103,200,000. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	115,017							115,017
Prelim Design	6,153,063	129,339						6,282,402
Design	23,075,933	2,735,617	212,008					26,023,558
Construction	52,545	3,051,870	39,676,669	57,316,243	18,501,723			118,599,050
Commissioning		99,999	92,127	1,051,028	1,120,968			2,364,122
Close-out		24,081	9,364		3,396,362			3,429,807
Contingency	9,873	298,621	2,148,545		5,932,551	2,296,454		10,686,044
Total	29,406,431	6,339,527	42,138,713	58,367,271	28,951,604	2,296,454		167,500,000

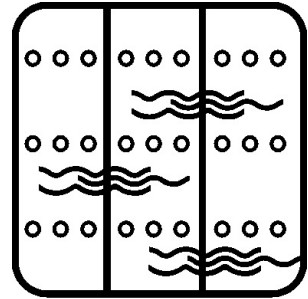
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Return Activated Sludge Piping Replacement at Activated Sludge Plant No. 1 - P1-129		
Project Category	Secondary Treatment	Project Status:	Continuing

Description

This project involves replacement of an existing deteriorated 30-inch steel discharge header piping, valves, flexible couplings, and pipe hangers in the Return Activated Sludge (RAS) Pump Room at Activated Sludge Plant No. 1 and approximately 220 linear feet of buried discharge piping.



Secondary Treatment

Justification

The discharge header was constructed with Activated Sludge Plant No. 1 in 1974. The pipe has had numerous leaks due to corrosion and requires complete replacement.

The project budget is \$10,300,000. The project's estimated construction contract cost is \$6,860,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	30,417							30,417
Prelim Design	395,290							395,290
Design	542,535							542,535
Construction	3,547,810	4,673,777						8,221,587
Commissioning		22,580						22,580
Close-out		60,250	1,264					61,514
Contingency		810,309	215,768					1,026,077
Total	4,516,052	5,566,916	217,032					10,300,000

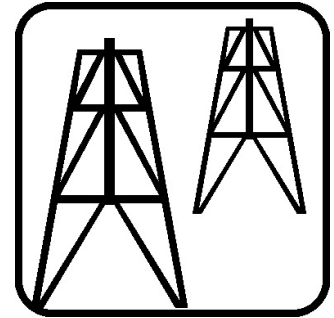
Reimbursable Costs: N/A

2020-21 & 2021-22 Budget

Project Name & Number	Uninterruptible Power Supply Improvements at Plant No. 1 - P1-132		
Project Category	Utility Systems	Project Status:	Continuing

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.

The project budget is \$7,000,000. The project's estimated construction contract cost is \$3,390,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	98,021							98,021
Prelim Design	174,700	337,354						512,054
Design	1,293	591,246	264,670					857,209
Construction			241,623	3,142,197	1,272,141			4,655,961
Commissioning				189,325	59,812			249,137
Close-out					42,811	18,277		61,088
Contingency			78,468		358,780	129,282		566,530
Total	274,014	928,600	584,761	3,331,522	1,733,544	147,559		7,000,000

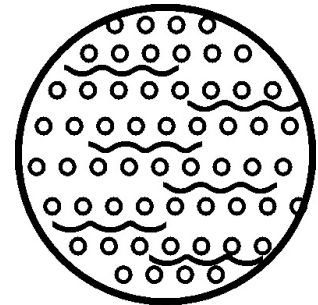
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Primary Sedimentation Basins No. 6-31 Reliability Improvements at Plant No. 1 - P1-133		
Project Category	Primary Treatment	Project Status:	Revised

Description

This project will increase the reliability of the rectangular primary clarifiers at Plant No. 1 by replacing three primary sludge pumps, replacing the failing launders in the Primary Influent Splitter Box, and installing a sump pump to remove water accumulation in a below-grade foul air pipe.



**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.

The project budget has been decreased from \$12,000,000 to \$10,100,000. 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 \$2,700,000. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	291,775							291,775
Prelim Design	242,099	345,728						587,827
Design	70,137	945,549	435,884					1,451,570
Construction			737,391	2,434,070	1,893,172			5,064,633
Commissioning				74,244	94,492			168,736
Close-out					44,928	64,123		109,051
Contingency			121,967			696,509	1,607,932	2,426,408
Total	604,011	1,291,277	1,295,242	2,508,314	2,032,592	760,632	1,607,932	10,100,000

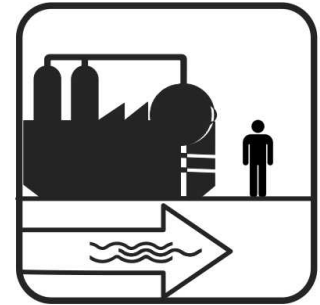
Reimbursable Costs: N/A

2020-21 & 2021-22 Budget

Project Name & Number	South Perimeter Security and Utility Improvements at Plant No.1 - P1-134		
Project Category	Support Facilities	Project Status:	Revised

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 Sanitation District'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.

The project budget has been decreased from \$10,500,000 to \$10,000,000. 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 \$5,110,000. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev								
Prelim Design	555,611							555,611
Design	679,394	575,536						1,254,930
Construction		104,775	4,607,510	1,807,974				6,520,259
Commissioning								
Close-out				71,262				71,262
Contingency				546,200	1,051,738			1,597,938
Total	1,235,005	680,311	4,607,510	2,425,436	1,051,738			10,000,000

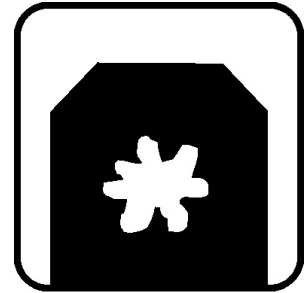
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Digester Ferric Chloride Piping Replacement at Plant No. 1 - P1-135		
Project Category	Solids Handling & Digestion	Project Status:	Continuing

Description

This project will replace the digester ferric chloride piping, valves and appurtenances from the ferric chloride facility to each of the digesters.



**Solids Handling
& Digestion**

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.

The project budget is \$1,360,000. The project's estimated construction contract cost is \$600,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	23,976							23,976
Prelim Design	58,792	135						58,927
Design	32,921	104,179						137,100
Construction		48,979	744,965					793,944
Commissioning			1,642					1,642
Close-out			14,953	20,603				35,556
Contingency		17,600	260,000	15,140	16,115			308,855
Total	115,689	170,893	1,021,560	35,743	16,115			1,360,000

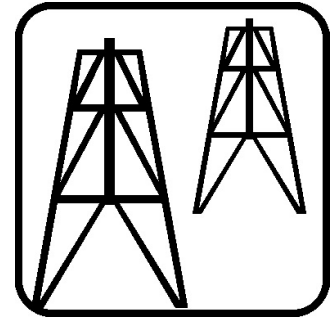
Reimbursable Costs: N/A

2020-21 & 2021-22 Budget

Project Name & Number	12.47 kV Switchgear Replacement at Central Generation at Plant No. 1 - P1-136		
Project Category	Utility Systems	Project Status:	New

Description

The project will be replacing existing 12.47kV electrical switchgear at the Plant No. 1 Central Generation facility. The project will also assess existing Central Generation 12.47kV feeders and replace ones that fail electric tests. The 125 volt direct current battery system will be replaced to address new control power demands.



Utility Systems

Justification

Plant No. 1 Central Generation equipment was installed in 1994 and is critical equipment for plant operation and feeds multiple Power Buildings. This equipment requires replacement to prevent the risk of system power supply failure.

The project budget is \$14,800,000. The project's estimated construction contract cost is \$8,660,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design							3,564,904	3,564,904
Construction							8,663,816	8,663,816
Commissioning								
Close-out								
Contingency							2,571,280	2,571,280
Total							14,800,000	14,800,000

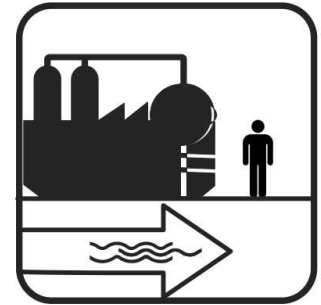
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Support Buildings Seismic Improvements at Plant No. 1 - P1-137		
Project Category	Support Facilities	Project Status:	New

Description

Staff occupied buildings at Plant No. 1 will receive structural and geotechnical (soil) 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.

The project budget is \$23,730,000. The project's estimated construction contract cost is \$12,760,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design		259,739	519,477	804,963	819,988	833,108	3,906,200	7,143,475
Construction							12,759,883	12,759,883
Commissioning								
Close-out								
Contingency							3,826,642	3,826,642
Total		259,739	519,477	804,963	819,988	833,108	20,492,725	23,730,000

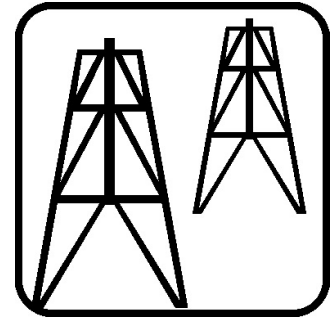
Reimbursable Costs: N/A

2020-21 & 2021-22 Budget

Project Name & Number	Network and Server Relocation at Plant No. 1 - P1-138		
Project Category	Utility Systems	Project Status:	New

Description

This project will relocate the existing data network and telecommunications room that is located in the Administration Building at Plant No. 1 to Power Building 3.



Utility Systems

Justification

Once the new headquarters complex is complete, the current Administration Building will need to be demolished and the data network, telecommunications, and server room which is housed in there, will need to be relocated.

The project budget is \$3,027,000. The project's estimated construction contract cost is \$1,490,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design			228,012	264,476	327,056	268,494		1,088,038
Construction					243,917	1,247,863		1,491,780
Commissioning								
Close-out								
Contingency						447,182		447,182
Total			228,012	264,476	570,973	1,963,539		3,027,000

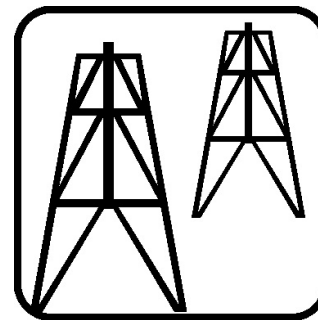
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Consolidated Demolition and Utility Improvements at Plant 2 - P2-110		
Project Category	Utility Systems	Project Status:	Revised

Description

This project was created to clear space for future facilities at Plant No. 2 by demolishing obsolete and abandoned facilities. Facilities to be demolished included Digesters A and B; Primary Clarifiers A, B and C; the Air Compressor Building; the Emergency Power Building, and several other facilities at the end of useful life. Several tunnels were demolished or rehabilitated with pipe supports, drainage improvements, structural repair, and lighting improvements. Demolition areas have also received extensive grading, drainage and paving improvements. This project is approaching close-out.



Utility Systems

Justification

Upcoming projects will be build new facilities that require large areas of clear space.

The project budget has been decreased from \$31,000,000 to \$30,000,000. The reduced budget is a result of an updated estimate to complete the work. The project's estimated construction contract cost is \$18,270,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	221,226							221,226
Prelim Design	1,535,233							1,535,233
Design	2,013,629							2,013,629
Construction	24,423,562	139,786						24,563,348
Commissioning	776,160	19,768						795,928
Close-out	99,195	168,904						268,099
Contingency		586,257	16,281					602,538
Total	29,069,004	914,715	16,281					30,000,000

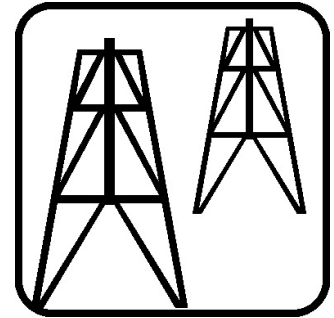
Reimbursable Costs: N/A

2020-21 & 2021-22 Budget

Project Name & Number	Central Generation Rehabilitation at Plant No. 2 - P2-119		
Project Category	Utility Systems	Project Status:	Revised

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 had been rebuilt through planned maintenance program, or by CIP projects working in the area. There has not been a project just focusing on the rehabilitation of the overall Central Generation facility equipment, particularly the equipment that are too large to be rebuilt through regular maintenance.

The project budget has been decreased from \$114,000,000 to \$108,000,000. The reduced budget is a result of an updated cost estimate, start date and duration changes. The project's estimated construction contract cost is \$64,850,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design							23,701,566	23,701,566
Construction							64,846,049	64,846,049
Commissioning								
Close-out								
Contingency							19,452,385	19,452,385
Total							108,000,000	108,000,000

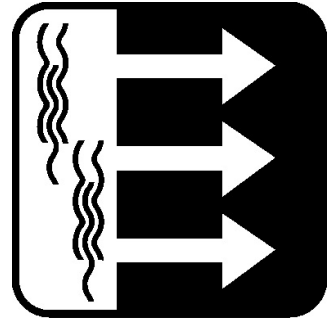
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Headworks Modification at Plant No. 2 for GWRs Final Expansion - P2-122		
Project Category	Headworks	Project Status:	Revised

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.

The project budget has been decreased from \$54,000,000 to \$32,000,000. The reduced budget is a result of an updated estimate to complete the work. The project's estimated construction contract cost is \$14,490,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	234,102							234,102
Prelim Design	2,326,715							2,326,715
Design	4,514,410							4,514,410
Construction	1,897,664	5,105,155	8,071,863	5,133,100				20,207,782
Commissioning		308,796	561,281	272,655				1,142,732
Close-out				348,355	203,989			552,344
Contingency				1,932,236	1,089,679			3,021,915
Total	8,972,891	5,413,951	8,633,144	7,686,346	1,293,668			32,000,000

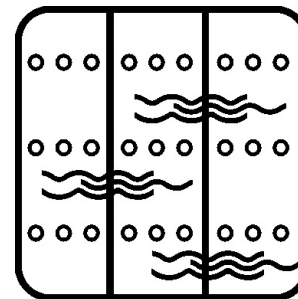
Reimbursable Costs: 23,000,000

2020-21 & 2021-22 Budget

Project Name & Number	Return Activated Sludge Piping Replacement at Plant No. 2 - P2-123		
Project Category	Secondary Treatment	Project Status:	Revised

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 lightpoles 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.

The project budget has been decreased from \$20,000,000 to \$10,800,000. The reduced budget is a result of an updated estimate to complete the work. The project's estimated construction contract cost is \$6,040,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	83,703							83,703
Prelim Design	1,326							1,326
Design	831,176							831,176
Construction	950,728	6,018,564	1,406,572					8,375,864
Commissioning		56,497	16,131					72,628
Close-out			122,071					122,071
Contingency			629,444	683,788				1,313,232
Total	1,866,933	6,075,061	2,174,218	683,788				10,800,000

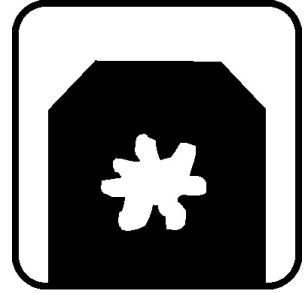
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Interim Food Waste Receiving Facility - P2-124		
Project Category	Solids Handling & Digestion	Project Status:	Continuing

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.



**Solids Handling
& Digestion**

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 Sanitation District's costs to construct, operate the facilities, and handle the additional biosolids production will be offset by tipping fees charged to haulers 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.

The project budget is \$6,300,000. The project's estimated construction contract cost is \$2,690,000. The increased operational costs associated with these facilities will be offset by tipping fees collected from food waste haulers and by the value of additional digester gas generated.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	111,148							111,148
Prelim Design	366,066							366,066
Design	721,192	107,316						828,508
Construction		902,073	2,540,384					3,442,457
Commissioning			117,759					117,759
Close-out			57,401	54,193				111,594
Contingency		48,783	1,230,777	42,908				1,322,468
Total	1,198,406	1,058,172	3,946,321	97,101				6,300,000

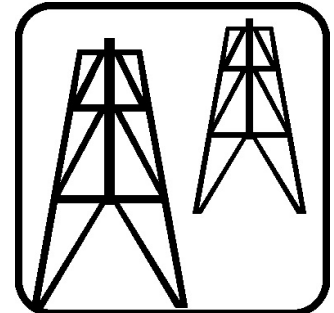
Reimbursable Costs: N/A

2020-21 & 2021-22 Budget

Project Name & Number	Warehouse, Electrical Substation and 12kV Service Center Replacement at Plant No. 2 - P2-126		
Project Category	Utility Systems	Project Status:	Revised

Description

This project will add a second 66-kV electrical feed to Plant No. 2, replace Southern California Edison’s substation, replace the Electrical Service Center, and build a replacement Warehouse. The project will also relocate a major power distribution ductbank to clear space for a future Operations and Maintenance Complex.



Utility Systems

Justification

Plant No. 2 currently has only one 66-kV power feed from Southern California Edison (SCE). A second power feed from a different section of SCE’s power distribution system will reduce the risk that a major shutdown of one node of their network would impact the ability to maintain permit requirements. The second power feed requires the existing SCE substation to be replaced. The Electrical Service Center is nearing the end of its useful life and reconfiguration of the area of the plant associated with the new SCE substation and Warehouse provides a good opportunity to replace it in a better location and relocate a key duct bank to accommodate future construction of an Operations and Maintenance Complex. The area where the Warehouse is currently located is needed for the new Temperature Phased Anaerobic Digestion facilities (TPAD).

The project budget has been increased from \$9,800,000 to \$65,000,000. The increased budget is the result of combining the work of two other projects into this one. Those other projects include Substation Replacement at Plant No. 2, Project No. P2-134, and a future 12 kV Service Center Replacement project. The project’s estimated construction contract cost is \$41,300,000. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	26,491	63,685	7,133					97,309
Prelim Design	4,826	653,572	2,094,666					2,753,064
Design			1,313,201	1,283,946				2,597,147
Construction				606,426	9,312,351	18,877,698	17,861,636	46,658,111
Commissioning					73,322	100,114	129,994	303,430
Close-out							109,557	109,557
Contingency				300,000			12,181,382	12,481,382
Total	31,317	717,257	3,415,000	2,190,372	9,385,673	18,977,812	30,282,569	65,000,000

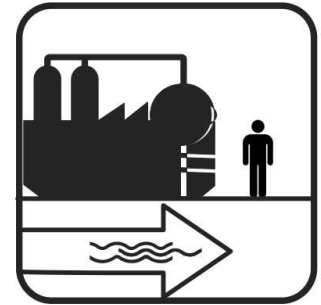
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Collections Yard Relocation - P2-127		
Project Category	Support Facilities	Project Status:	Future

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.

The project budget is \$1,840,000. The project's estimated construction contract cost is \$900,000. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design			106,701	143,178	167,836	167,839	82,799	668,353
Construction					226,301	671,937		898,238
Commissioning								
Close-out								
Contingency							273,409	273,409
Total			106,701	143,178	394,137	839,776	356,208	1,840,000

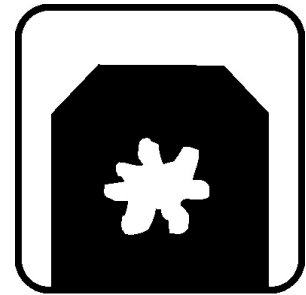
Reimbursable Costs: N/A

2020-21 & 2021-22 Budget

Project Name & Number	TPAD Digester Facility at Plant No. 2 - P2-128		
Project Category	Solids Handling & Digestion	Project Status:	Revised

Description

This project will enhance the existing anaerobic 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 southwestern plant boundary. Replacement and demolition of existing digesters will be included in a separate project.



Solids Handling & Digestion

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, the Sanitation District would be able to produce classified sludge even if the existing digesters failed due to seismic event.

The project budget has been increased from \$405,100,000 to \$455,000,000. The increased budget is needed based on changes in the project elements identified from recent engineering efforts. The project's estimated construction contract cost is \$317,480,000. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	493,485	122,615						616,100
Prelim Design		1,665,054	10,505,758	301,417				12,472,229
Design			2,503,259	9,320,405	9,326,857	8,949,531	845,340	30,945,392
Construction						300,987	354,455,214	354,756,201
Commissioning							6,568,601	6,568,601
Close-out							426,361	426,361
Contingency							49,215,116	49,215,116
Total	493,485	1,787,669	13,009,017	9,621,822	9,326,857	9,250,518	411,510,632	455,000,000

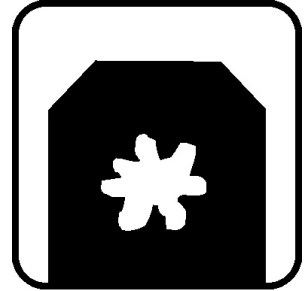
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Digester P, Q, R, and S Replacement - P2-129		
Project Category	Solids Handling & Digestion	Project Status:	Future

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 relocated the ferric chloride dosing facility to the new digesters location.



**Solids Handling
& Digestion**

Justification

Digesters P, Q, R, and S are subject to liquefaction 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.

The project budget is \$165,900,000. The project's estimated construction contract cost is \$99,640,000. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design							36,418,448	36,418,448
Construction							99,638,778	99,638,778
Commissioning								
Close-out								
Contingency							29,842,774	29,842,774
Total							165,900,000	165,900,000

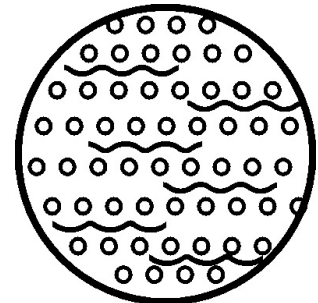
Reimbursable Costs: N/A

2020-21 & 2021-22 Budget

Project Name & Number	B/C-Side Primary Sedimentation Basins Rehabilitation at Plant 2 - P2-133		
Project Category	Primary Treatment	Project Status:	Revised

Description

This project will rehabilitate B & C sides of primary basins at Plant No. 2. The work will rehabilitate 10 primary basins with new flat covers; rehabilitate sludge/scum pump stations; replace all mechanical and electrical systems; rehabilitate structural and yard piping; replace North Scrubber Complex; relocate electrical and controls to Distribution Center F; and miscellaneous upgrades.



Primary Treatment

Justification

The project is necessary to modify aging clarifiers and their associated mechanical and electrical systems. A concept study was completed in 2015 that recommended these permanent repairs.

The project budget has been increased from \$249,560,000 to \$279,842,000. The increased budget is a result of an increased Project duration. The project's estimated construction contract cost is \$168,140,000. The impacts to operational budgets have not yet been determined.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design							61,455,272	61,455,272
Construction							168,137,999	168,137,999
Commissioning								
Close-out								
Contingency							50,248,729	50,248,729
Total							279,842,000	279,842,000

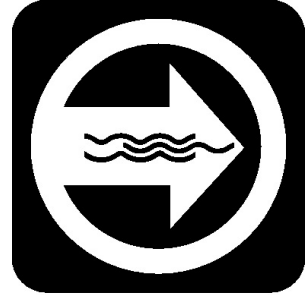
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Sodium Bisulfite Station Rehabilitation at Plant No. 2 - P2-135		
Project Category	Ocean Outfall Systems	Project Status:	New

Description

Since 2012, The Sanitaiton District no longer discharges primary effluent to the ocean. In 2015, the Sanitaiton District received approval to stop disinfection for the long outfall. Even though the use of the short outfall is for emergencies or planned maintenance, all flow must be disinfected when it is used. Sodium Bisulfite is the chemical that is used to disinfect through the short outfall. This project will downsize the existing sodium bisulfite facility to address new design conditions and rehabilitate structural, mechanical, electrical, and instrumentation to extend the useful life.



**Ocean Outfall
Systems**

Justification

The existing station requires modernization and rehabilitation in order to maintain operations.

The project budget is \$3,830,000. The project's estimated construction contract cost is \$1,890,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design		101,848	206,659	234,960	271,285	311,942	251,317	1,378,011
Construction						715,668	1,173,695	1,889,363
Commissioning								
Close-out								
Contingency							566,626	566,626
Total		101,848	206,659	234,960	271,285	1,027,610	1,991,638	3,834,000

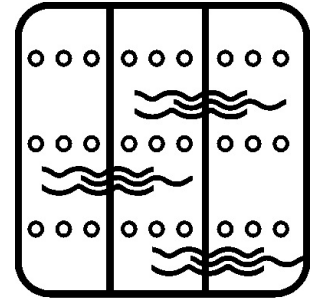
Reimbursable Costs: N/A

2020-21 & 2021-22 Budget

Project Name & Number	Activated Sludge Aeration Basin Rehabilitation at Plant No. 2 - P2-136		
Project Category	Secondary Treatment	Project Status:	New

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.

The project budget is \$65,600,000. The project's estimated construction contract cost is \$39,390,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design			501,296	1,043,832	1,280,797	1,695,061	9,875,173	14,396,159
Construction							39,387,066	39,387,066
Commissioning								
Close-out								
Contingency							11,816,775	11,816,775
Total			501,296	1,043,832	1,280,797	1,695,061	61,079,014	65,600,000

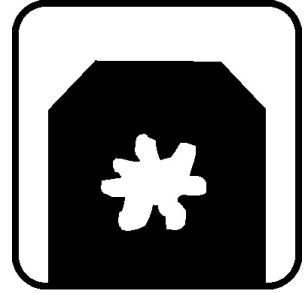
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Digesters Rehabilitation at Plant No. 2 - P2-137		
Project Category	Solids Handling & Digestion	Project Status:	New

Description

The project will rehabilitate all existing Plant No. 2 digesters to extend their useful lives by 10-15 years. Work includes 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.



**Solids Handling
& Digestion**

Justification

These digesters require rehabilitation to keep them in operable condition until the new thermophilic phase digesters are constructed and in operation.

The project budget is \$40,630,000. The project's estimated construction contract cost is \$21,850,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design		589,432	1,547,988	1,867,525	2,014,505	2,497,130	3,714,321	12,230,901
Construction				409,281	7,056,566	7,169,472	7,211,811	21,847,130
Commissioning								
Close-out								
Contingency							6,553,969	6,553,969
Total		589,432	1,547,988	2,276,806	9,071,071	9,666,602	17,480,101	40,632,000

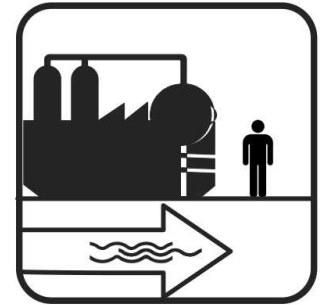
Reimbursable Costs: N/A

2020-21 & 2021-22 Budget

Project Name & Number	Operations and Maintenance Complex at Plant No. 2 - P2-138		
Project Category	Support Facilities	Project Status:	New

Description

This Project will replace the Operations and Maintenance Buildings at Plant No. 2. The new location will be along the westerly border, just south of Banning Avenue. The main entrance will be relocated to Banning Avenue. The existing buildings and main entrance 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 these buildings. These risks need to be addressed to ensure the reliability and safety of this building. Also, the Operations Building does not meet various building code requirements and cannot readily accommodate the upgrades. Relocation of the main entrance to Banning Avenue will add circulation, safety and security improvements.

The project budget is \$95,000,000. The project's estimated construction contract cost is \$56,997,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev								
Prelim Design								
Design			1,150,713	1,749,646	2,113,630	2,147,449	13,671,175	20,832,613
Construction							56,996,764	56,996,764
Commissioning								
Close-out								
Contingency							17,170,623	17,170,623
Total			1,150,713	1,749,646	2,113,630	2,147,449	87,838,562	95,000,000

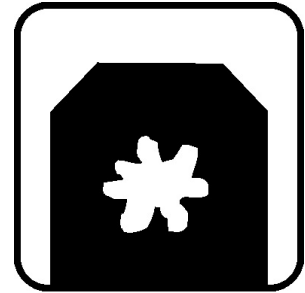
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Sludge Dewatering and Odor Control at Plant No. 2 - P2-92		
Project Category	Solids Handling & Digestion	Project Status:	Continuing

Description

This project constructed new dewatering facilities to reduce biosolids handling and disposal costs, replaced the aging sludge dewatering facilities, and provided associated odor control facilities. The project also demolished the existing Belt Press Dewatering Building, and two unused sludge cake storage silos. This budget also included construction of Truck Loading Bay Odor Control, Contract No. P2-92A, which was built under a separate construction contract. This project is approaching close-out.



Solids Handling & Digestion

Justification

This project replaced the belt press dewatering facilities that have reached the end of their service life. Based on the Long Range Biosolids Master Plan, a newer dewatering technology, centrifuges, was utilized to reduce the amount of water in the biosolids hauled offsite to reduce biosolids management disposal costs.

The project budget is \$90,477,000. The project's estimated construction contract cost is \$55,630,000. The facilities constructed by this project are now in service and will have no further impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	637,454							637,454
Prelim Design	2,793,707							2,793,707
Design	7,164,915							7,164,915
Construction	72,452,258	727,394						73,179,652
Commissioning	1,501,743	34,994						1,536,737
Close-out	127,415	388,401						515,816
Contingency		4,065,626	583,093					4,648,719
Total	84,677,492	5,216,415	583,093					90,477,000

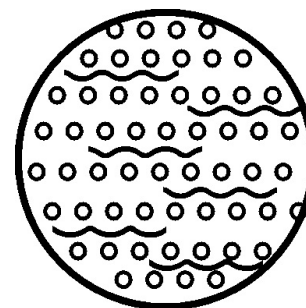
Reimbursable Costs: N/A

2020-21 & 2021-22 Budget

Project Name & Number	Primary Treatment Rehabilitation at Plant No. 2 - P2-98		
Project Category	Primary Treatment	Project Status:	Revised

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 construction contract to provide interim repairs to the other ten clarifiers in the B-Side and C-Side and associated pipelines to improve reliability until they can be more extensively rehabilitated on 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.

The project budget has been decreased from \$245,000,000 to \$237,000,000. The reduced budget is a result of an updated estimate to complete the work. The project's estimated construction contract cost is \$148,100,000. This project will increase operational budgets by \$50,000 annually. Additional one hour a day for inspecting the clarifiers.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	828,160							828,160
Prelim Design	8,892,709							8,892,709
Design	10,928,392	3,403,156	226,130					14,557,678
Construction	5,680,729	4,683,966	24,065,917	30,284,533	52,922,174	28,048,273	29,789,490	175,475,082
Commissioning			21,209	62,245	64,322	71,112	63,203	282,091
Close-out			125,468				790,550	916,018
Contingency			1,801,072	139,445			34,107,745	36,048,262
Total	26,329,990	8,087,122	26,239,796	30,486,223	52,986,496	28,119,385	64,750,988	237,000,000

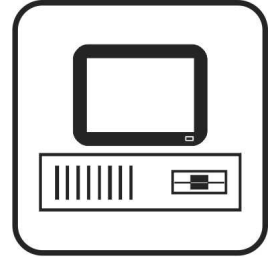
Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	EAM Software and Process Implementation - SP-100		
Project Category	Information Management Systems	Project Status:	Continuing

Description

This project will implement the IBM Maximo System in support of the Enterprise Asset Management program. The system will replace the current Computerized Maintenance Management System. The system will manage asset data and asset activities throughout the asset lifecycle.



Information Management Systems

Justification

The IBM Maximo System will provide the means to manage 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 paper work order, and reduce maintenance cost. The system will be integrated with other District system (i.e. FIS, GIS, and Timecard).

The project budget is \$7,500,000. The project's estimated construction contract cost is \$210,000. This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	1,306,829							1,306,829
Prelim Design	412,837							412,837
Design	3,139,389							3,139,389
Construction	1,427,910							1,427,910
Commissioning	311,956							311,956
Close-out	35,846							35,846
Contingency					865,233			865,233
Total	6,634,767				865,233			7,500,000

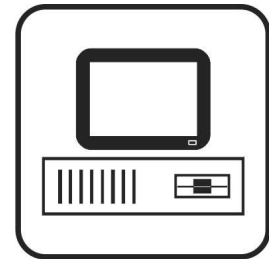
Reimbursable Costs: N/A

2020-21 & 2021-22 Budget

Project Name & Number	Geographic Information System - SP-15		
Project Category	Information Management Systems	Project Status:	Revised

Description

Geographic Information Systems (GIS) can be utilized at the Sanitation District for any works project such as collections, ocean monitoring, flow studies, rate structure studies, and construction. The GIS can be a planning tool for Asset Management, and a reporting tool for Permits and Sewer Shed Modeling. Other regional programs that would utilize the GIS are Bacteria Investigations, Air Quality, Special Purpose Discharge Permits, Connection Permits, and Source Control Permits. A goal of the project is to enable Internet access to the Sanitation District's GIS and Electronic Data Management System (EDMS) by consultants to collect data for projects and to check out and check in drawings. The public would also benefit through Internet access to reports and news about Sanitation District's projects.



Information Management Systems

Justification

There is a need and an opportunity for cost savings, spatial data control, and a reporting tool that can graphically display the District's data on maps via the Internet to reporting agencies, the public, and across the organization.

The project budget has been increased from \$4,568,000 to \$4,700,000. The increased budget is a result of increases to software vendor contracts.

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	801,985							801,985
Prelim Design	126,890							126,890
Design	183,934	16,282	16,283	16,281	7,228			240,008
Construction	2,275,489	43,425	43,426	43,425	19,280			2,425,045
Commissioning	25,000							25,000
Close-out	24,476							24,476
Contingency				951,272	105,324			1,056,596
Total	3,437,774	59,707	59,709	1,010,978	131,832			4,700,000

Reimbursable Costs: N/A

CIP Project Detail Sheets

Project Name & Number	Capital Improvement Program Management Services - SP-195		
Project Category	Others	Project Status:	Revised

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.

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

Budget Projections

Budget Phase	Cost To-Date	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	5,826							5,826
Prelim Design	2,938							2,938
Design	204,538	26,901	26,903	26,902				285,244
Construction	66,171							66,171
Commissioning								
Close-out								
Contingency				339,821				339,821
Total	279,473	26,901	26,903	366,723				700,000

Reimbursable Costs: N/A

2020-21 & 2021-22 Budget

Project Name & Number	Process Control Systems Upgrades Study - SP-196		
Project Category	Information Management Systems	Project Status:	Revised

Description

This study will evaluate and identify suitable replacements for the existing Supervisory Control and Data Acquisition (SCADA) Systems for the treatment plants and pump stations. The study will include a formal, two-phase procurement selection process comprised of a qualification-phase to shortlist prospective system vendors and a proposal-phase to perform a best-value selection of a vendor to enter into a long-term agreement for supplying a new SCADA system. The SCADA system includes Human Machine Interface (HMI) hardware and software, Programmable Logic Controllers (PLCs), Historian, and security and administrative requirements for the Industrial Control System (ICS) network. These improvements will provide greater reliability and system continuity by replacing the existing obsolete systems with current technology that enhances trending, diagnostic data, monitoring, control, automation and management information. This study will evaluate the latest technology offerings; define system reliability, redundancy, and performance; evaluate enterprise wide process data integration needs; define requirements for current and future SCADA and ICS security requirements; and define requirements for upgrading HMI and PLC hardware and software standards.



**Information
Management
Systems**

Justification

The existing HMI system consisting of the CRISP software and associated SCADA sub systems is obsolete. The CRISP software has a limited customer installed base and technical expertise for support and source code modifications will become scarce in the future. The CRISP HMI software in conjunction with the SCADA sub systems provides important data communications for treatment process and plant monitoring, control, automation, visualization, alarm handling and notification. The existing Quantum PLCs that are currently being used throughout the treatment plants and pump stations are no longer being manufactured.. The manufacturer has developed a family of replacement PLC processors and ancillary equipment with enhanced capabilities and security features. A new processor system will also be evaluated and selected to provide a long-term, 20-year plus life. Reliability and maintainability of the SCADA systems is critical to maintaining regulatory compliance for both the collections system and the treatment plants.

The project budget has been decreased from \$3,554,000 to \$3,400,000. The reduced 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	2020-2021	2021-22	2022-23	2023-24	2024-25	Thereafter	Total Project Budget
Proj Dev	2,002,212	1,033,834	2,278					3,038,324
Prelim Design	2,352							2,352
Design	31,879	20,136	81					52,096
Construction								
Commissioning								
Close-out								
Contingency		301,781	5,447					307,228
Total	2,036,443	1,355,751	7,806					3,400,000

Reimbursable Costs: N/A

Summary by Project Status

Collection System Improvement Projects - Budget by Project Status

Project Number	Title	Total Budget	New Project	Continuing Project	Revised Project	Future Project
Collections Facilities						
1-23	Santa Ana Trunk Sewer Rehab	\$ 54,620,000	\$ 54,620,000			
1-24	Greenville-Sullivan Trunk Impr.	48,600,000	48,600,000			
11-33	Edinger Pump Station Repl.	10,153,000			10,153,000	
11-34	Slater Pump Station Rehab	26,622,000			26,622,000	
2-41-8	SARI Rock Stabilizers Removal	4,860,000			4,860,000	
2-49	Taft Branch Capacity Impr.	14,000,000			14,000,000	
2-65	Newhope - Placentia Trunk Grade Separation Repl.	4,300,000		4,300,000		
2-72	Newhope-Placentia Trunk Repl.	112,000,000		112,000,000		
2-73	Yorba Linda Dosing Station Installation	14,080,000			14,080,000	
3-60	Beach Relief Trunk/Knott Interceptor/Miller Holder Trunk Rehab	35,132,000			35,132,000	
3-62	Westminster Blvd Force Main Repl.	44,000,000			44,000,000	
3-64	Rehab of Western Regional Sewers	70,000,000			70,000,000	
3-66	Interstate 405 Widening Project Impacts on OCSD Sewers	250,000			250,000	
3-67	Seal Beach Pump Station Repl.	78,900,000		78,900,000		
3-68	Los Alamitos Sub-Trunk Extension	84,124,000			84,124,000	
5-66	Crystal Cove Pump Station Rehab	13,200,000			13,200,000	
5-67	Bay Bridge Pump Station Repl.	74,000,000		74,000,000		
5-68	Newport Beach Pump Stations Pressurization Impr.	4,300,000			4,300,000	
6-17	District 6 Trunk Sewer Relief	7,250,000			7,250,000	
7-63	MacArthur Pump Station Rehab	9,800,000			9,800,000	
7-64	Main Street Pump Station Rehab	39,450,000			39,450,000	
7-65	Gisler-Red Hill Interceptor & Baker Force Mains Rehab	21,000,000			21,000,000	
7-66	Sunflower & Red Hill Interceptor Repairs	4,700,000			4,700,000	
7-68	MacArthur Force Main Impr.	2,468,000			2,468,000	
7-69	North Trunk Impr.	9,200,000	9,200,000			
Collections Facilities Total Budget		787,009,000	112,420,000	269,200,000	405,389,000	

2020-21 & 2021-22 Budget

Treatment & Disposal Projects - Budget by Project Status

Project Number	Title	Total Budget	New Project	Continuing Project	Revised Project	Future Project
Headworks						
P1-105	Headworks Rehab at P1	406,000,000		406,000,000		
P2-122	Headworks Modification at P2 for GWRS Final Expansion	32,000,000			32,000,000	
Headworks Total Budget		438,000,000		406,000,000	32,000,000	
Primary Treatment						
P1-126	Primary Sedimentation Basins No. 3-5 Repl. at P1	117,700,000			117,700,000	
P1-133	Primary Sedimentation Basins No. 6-31 Reliability Impr. at P1	10,100,000			10,100,000	
P2-133	B/C-Side Primary Sedimentation Basins Rehab at P2	279,842,000			279,842,000	
P2-98	Primary Treatment Rehabilitation at P2	237,000,000			237,000,000	
Primary Treatment Total Budget		644,642,000			644,642,000	
Secondary Treatment						
P2-136	Activated Sludge Aeration Basin Rehab at P2	65,600,000	65,600,000			
P1-129	Return Activated Sludge Piping Repl. at Activated Sludge P1	10,300,000		10,300,000		
P2-123	Return Activated Sludge Piping Repl. at P2	10,800,000			10,800,000	
Secondary Treatment Total Budget		86,700,000	65,600,000	10,300,000	10,800,000	
Solids Handling & Digestion						
P2-124	Interim Food Waste Receiving Facility	6,300,000		6,300,000		
P2-128	TPAD Digester Facility at P2	455,000,000			455,000,000	
P2-129	Digester P, Q, R, & S Repl.	165,900,000				165,900,000
P1-135	Digester Ferric Chloride Piping Repl. at P1	1,360,000		1,360,000		
P1-101	Sludge Dewatering & Odor Control at P1	197,000,000			197,000,000	
P2-137	Digesters Rehab at P2	40,632,000	40,632,000			
P2-92	Sludge Dewatering & Odor Control at P2	90,477,000		90,477,000		
Solids Handling & Digestion Total Budget		956,669,000	40,632,000	98,137,000	652,000,000	165,900,000
Ocean Outfall Systems						
P2-135	Sodium Bisulfite Station Rehab at P2	3,834,000	3,834,000			
J-117	Ocean Outfall System Rehab	166,000,000		166,000,000		
Ocean Outfall Systems Total Budget		169,834,000	3,834,000	166,000,000		
Utility Systems						
J-124	Digester Gas Facilities Repl.	173,000,000			173,000,000	
J-127	Natural Gas Pipelines Repl. at P1 & P2	1,610,000			1,610,000	
J-135	Central Generation Engine Overhauls at P1 & 2	26,000,000	26,000,000			
J-136	Power Building Structural Seismic Impr. at P1 & 2	7,080,000	7,080,000			

Summary by Project Status

Treatment & Disposal Projects - Budget by Project Status

Project Number	Title	Total Budget	New Project	Continuing Project	Revised Project	Future Project
Utility Systems						
J-98	Electrical Power Distribution System Impr.	26,500,000			26,500,000	
P1-136	12.47 kV Switchgear Repl. at Central Generation at P1	14,800,000	14,800,000			
P1-132	Uninterruptible Power Supply Impr. at P1	7,000,000		7,000,000		
P1-127	Central Generation Rehab at P1	68,452,000			68,452,000	
P1-138	Network & Server Relocation at P1	3,027,000	3,027,000			
P2-110	Consolidated Demolition & Utility Impr. at P2	30,000,000			30,000,000	
P2-119	Central Generation Rehab at P2	108,000,000			108,000,000	
P2-126	Warehouse, Electrical Substation & 12kV Service Center Repl. at P2	65,000,000			65,000,000	
Utility Systems Total Budget		530,469,000	50,907,000	7,000,000	472,562,000	
Process Related Special Projects						
J-126	Safety Impr. Program	16,000,000			16,000,000	
Process Related Special Projects Total Budget		16,000,000			16,000,000	
Information Management Systems						
J-120	Process Control Systems Upgrades	33,000,000			33,000,000	
J-128	Project Mgmt. Information System	2,280,000			2,280,000	
M-MC-IT	Information Technology Capital Program	10,000,000		10,000,000		
SP-100	EAM Software & Process Implementation	7,500,000		7,500,000		
SP-15	Geographic Information System	4,700,000			4,700,000	
SP-196	Process Control Systems Upgrades Study	3,400,000			3,400,000	
Information Management Systems Total Budget		60,880,000		17,500,000	43,380,000	
Strategic & Master Planning						
M-STUDIES	Planning Studies Program	28,652,000		28,652,000		
Strategic & Master Planning Total Budget		28,652,000		28,652,000		
Water Management Projects						
J-36-2	GWRS Final Expansion Coordination	1,132,000		1,132,000		
Water Management Projects Total Budget		1,132,000		1,132,000		
Research						
M-RESEARCH	Research Program	8,500,000		8,500,000		
Research Total Budget		8,500,000		8,500,000		
Support Facilities						
M-SM-CAP	Operations & Maintenance Capital Program	15,622,000		15,622,000		
M-FE	Small Construction Projects Program	65,000,000			65,000,000	
P1-115	Title 24 Access Compliance & Building Rehab Project	18,400,000		18,400,000		

2020-21 & 2021-22 Budget

Treatment & Disposal Projects - Budget by Project Status

Project Number	Title	Total Budget	New Project	Continuing Project	Revised Project	Future Project
Support Facilities						
J-133	Laboratory Rehab at P1	44,200,000			44,200,000	
P2-127	Collections Yard Relocation	1,840,000				1,840,000
P1-128	Headquarters Complex	167,500,000		167,500,000		
P1-137	Support Buildings Seismic Impr. at P1	23,730,000	23,730,000			
P1-134	South Perimeter Security & Utility Impr. at P1	10,000,000			10,000,000	
P2-138	Operations & Maintenance Complex at P2	95,000,000	95,000,000			
Support Facilities Total Budget		441,292,000	118,730,000	201,522,000	119,200,000	1,840,000
Others						
SP-195	Capital Improvement Program Mgmt. Services	700,000			700,000	
Others Total Budget		700,000			700,000	
Total Treatment and Disposal Projects		3,383,469,997	279,703,000	944,742,997	1,991,284,000	167,740,000
Total Collections Facilities		787,008,999	112,420,000	269,200,000	405,388,999	
Capital Equipment Purchases		9,062,800		9,062,800		
Total Capital Improvement Program Budget		\$4,179,541,796	\$392,123,000	\$1,223,005,797	\$2,396,672,999	\$167,740,000

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
Collections Facilities									
Santa Ana Trunk Sewer Rehab	\$ 54,620,000	100%				\$ 54,620,000	-	-	-
Greenville-Sullivan Trunk Impr.	48,600,000			100%		-	-	48,600,000	-
Edinger Pump Station Repl.	10,153,000	100%				10,153,000	-	-	-
Slater Pump Station Rehab	26,622,000	100%				26,622,000	-	-	-
SARI Rock Stabilizers Removal	4,860,000				100%	-	-	-	4,860,000
Taft Branch Capacity Impr.	14,000,000			100%		-	-	14,000,000	-
Newhope - Placentia Trunk Grade Separation Repl.	4,300,000				100%	-	-	-	4,300,000
Newhope-Placentia Trunk Repl.	112,000,000	25%	25%	50%		28,000,000	28,000,000	56,000,000	-
Yorba Linda Dosing Station Installation	14,080,000		100%			-	14,080,000	-	-
Beach Relief Trunk/Knott Interceptor/Miller Holder Trunk Rehab	35,132,000	100%				35,132,000	-	-	-
Westminster Blvd Force Main Repl.	44,000,000	100%				44,000,000	-	-	-
Rehab of Western Regional Sewers	70,000,000	75%		25%		52,500,000	-	17,500,000	-
Interstate 405 Widening Project Impacts on OCSD Sewers	250,000				100%	-	-	-	250,000
Seal Beach Pump Station Repl.	78,900,000	100%				78,900,000	-	-	-
Los Alamitos Sub-Trunk Extension	84,124,000	75%		25%		63,093,000	-	21,031,000	-
Crystal Cove Pump Station Rehab	13,200,000	100%				13,200,000	-	-	-
Bay Bridge Pump Station Repl.	74,000,000	100%				74,000,000	-	-	-
Newport Beach Pump Stations Pressurization Impr.	4,300,000		100%			-	4,300,000	-	-
District 6 Trunk Sewer Relief	7,250,000	50%		50%		3,625,000	-	3,625,000	-
MacArthur Pump Station Rehab	9,800,000	100%				9,800,000	-	-	-
Main Street Pump Station Rehab	39,450,000	100%				39,450,000	-	-	-
Gisler-Red Hill Interceptor & Baker Force Mains Rehab	21,000,000	100%				21,000,000	-	-	-
Sunflower & Red Hill Interceptor Repairs	4,700,000	100%				4,700,000	-	-	-
MacArthur Force Main Impr.	2,468,000	50%	50%			1,234,000	1,234,000	-	-
North Trunk Impr.	9,200,000			100%		-	-	9,200,000	-
Collections Facilities Projects Total	787,009,000					560,029,000	47,614,000	169,956,000	9,410,000

2020-21 & 2021-22 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	406,000,000	100%				406,000,000	-	-	-
Headworks Modification at P2 for GWRS Final Expansion	32,000,000		100%			-	32,000,000	-	-
Headworks Projects Total	438,000,000					406,000,000	32,000,000	-	-
Process Control Systems Upgrades	33,000,000	100%				33,000,000	-	-	-
Project Mgmt. Information System	2,280,000		100%			-	2,280,000	-	-
Information Technology Capital Program	10,000,000	50%	50%			5,000,000	5,000,000	-	-
EAM Software & Process Implementation	7,500,000	100%				7,500,000	-	-	-
Geographic Information System	4,700,000				100%	-	-	-	4,700,000
Process Control Systems Upgrades Study	3,400,000	100%				3,400,000	-	-	-
Information Management Systems Projects Total	60,880,000					48,900,000	7,280,000	-	4,700,000
Ocean Outfall System Rehab	166,000,000	25%	75%			41,500,000	124,500,000	-	-
Sodium Bisulfite Station Rehab at P2	3,834,000	50%	50%			1,917,000	1,917,000	-	-
Ocean Outfall Systems Projects Total	169,834,000					43,417,000	126,417,000	-	-
Capital Improvement Program Mgmt. Services	700,000		100%			-	700,000	-	-
Others Projects Total	700,000					-	700,000	-	-
Primary Sedimentation Basins No. 3-5 Repl. at P1	117,700,000	100%				117,700,000	-	-	-
Primary Sedimentation Basins No. 6-31 Reliability Impr. at P1	10,100,000	50%	50%			5,050,000	5,050,000	-	-
B/C-Side Primary Sedimentation Basins Rehab at P2	279,842,000	100%				279,842,000	-	-	-
Primary Treatment Rehabilitation at P2	237,000,000	100%				237,000,000	-	-	-
Primary Treatment Projects Total	644,642,000					639,592,000	5,050,000	-	-
Safety Impr. Program	16,000,000				100%	-	-	-	16,000,000
Process Related Special Projects Projects Total	16,000,000					-	-	-	16,000,000
Research Program	8,500,000		100%			-	8,500,000	-	-
Research Projects Total	8,500,000					-	8,500,000	-	-
Activated Sludge Aeration Basin Rehab at P2	65,600,000	100%				65,600,000	-	-	-
Return Activated Sludge Piping Repl. at Activated Sludge P1	10,300,000	100%				10,300,000	-	-	-
Return Activated Sludge Piping Repl. at P2	10,800,000	100%				10,800,000	-	-	-
Secondary Treatment Projects Total	86,700,000					86,700,000	-	-	-

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
Interim Food Waste Receiving Facility	6,300,000		100%			-	6,300,000	-	-
TPAD Digester Facility at P2	455,000,000	75%	25%			341,250,000	113,750,000	-	-
Digester P, Q, R, & S Repl.	165,900,000	75%	25%			124,425,000	41,475,000	-	-
Digester Ferric Chloride Piping Repl. at P1	1,360,000	100%				1,360,000	-	-	-
Digesters Rehab at P2	40,632,000	100%				40,632,000	-	-	-
Sludge Dewatering & Odor Control at P2	90,477,000	100%				90,477,000	-	-	-
Sludge Dewatering & Odor Control at P1	197,000,000	50%		50%		98,500,000	-	98,500,000	-
Solids Handling & Digestion Projects Total	956,669,000					696,644,000	161,525,000	98,500,000	-
Planning Studies Program	28,652,000	40%	25%	10%	25%	11,460,800	7,163,000	2,865,200	7,163,000
Strategic & Master Planning Projects Total	28,652,000					11,460,800	7,163,000	2,865,200	7,163,000
Operations & Maintenance Capital Program	15,622,000	100%				15,622,000	-	-	-
Small Construction Projects Program	65,000,000	70%	10%	10%	10%	45,500,000	6,500,000	6,500,000	6,500,000
Title 24 Access Compliance & Building Rehab Project	18,400,000				100%	-	-	-	18,400,000
Laboratory Rehab at P1	44,200,000	75%	25%			33,150,000	11,050,000	-	-
Operations & Maintenance Complex at P2	95,000,000	50%	50%			47,500,000	47,500,000	-	-
Collections Yard Relocation	1,840,000	100%				1,840,000	-	-	-
Headquarters Complex	167,500,000	50%	50%			83,750,000	83,750,000	-	-
Support Buildings Seismic Impr. at P1	23,730,000		100%			-	23,730,000	-	-
South Perimeter Security & Utility Impr. at P1	10,000,000		100%			-	10,000,000	-	-
Support Facilities Projects Total	441,292,000					227,362,000	182,530,000	6,500,000	24,900,000
12.47 kV Switchgear Repl. at Central Generation at P1	14,800,000	100%				14,800,000	-	-	-
Uninterruptible Power Supply Impr. at P1	7,000,000	100%				7,000,000	-	-	-
Central Generation Rehab at P1	68,452,000	100%				68,452,000	-	-	-
Network & Server Relocation at P1	3,027,000	70%	30%			2,118,900	908,100	-	-
Consolidated Demolition & Utility Impr. at P2	30,000,000	100%				30,000,000	-	-	-
Central Generation Rehab at P2	108,000,000	100%				108,000,000	-	-	-
Warehouse, Electrical Substation & 12kV Service Center Repl. at P2	65,000,000	25%	75%			16,250,000	48,750,000	-	-
Digester Gas Facilities Repl.	173,000,000	100%				173,000,000	-	-	-
Natural Gas Pipelines Repl. at P1 & P2	1,610,000	100%				1,610,000	-	-	-
Central Generation Engine Overhauls at P1 & 2	26,000,000	100%				26,000,000	-	-	-

2020-21 & 2021-22 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
Power Building Structural Seismic Impr. at P1 & 2	7,080,000		100%			-	7,080,000	-	-
Electrical Power Distribution System Impr.	26,500,000	75%	25%			19,875,000	6,625,000	-	-
Utility Systems Projects Total	530,469,000					467,105,900	63,363,100	-	-
GWRS Final Expansion Coordination	1,132,000		100%			-	1,132,000	-	-
Water Management Projects Projects Total	1,132,000					-	1,132,000	-	-
Total Treatment and Disposal Projects	3,383,470,000					2,627,181,698	595,660,099	107,865,200	52,763,000
Total Collections Facilities	787,009,000					560,028,999	47,614,000	169,956,000	9,410,000
Capital Equipment Purchases	9,062,800					2,265,700	2,265,700	2,265,700	2,265,700
Total Capital Improvement Program	\$4,179,541,800					\$3,189,476,397	\$645,539,799	\$280,086,900	\$64,438,700

Summary of Revenue Program Category

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2020-21 & 2021-22 Budget

Proposed Capital Equipment Budget 2020-21

Department	Trucks & Vehicles 09410000	Other Mobile Eq 09410001	Machine Eq & Tools 09410002	Comm Equipment 09410003
Public Affairs	\$ -	\$ -	\$ -	\$ -
Risk Management/Safety/Security	-	-	-	-
Information Technology	-	-	-	-
Laboratory, Monitoring and Compliance	-	-	60,500	-
Design	-	-	-	-
Collection Facilities O&M	-	-	162,100	-
Fleet Services	2,305,000	787,300	75,700	-
Plant No. 1 Operations	-	-	109,300	-
Plant No. 1 Maintenance	-	-	141,100	-
Total Proposed Capital Equipment	\$ 2,305,000	\$ 787,300	\$ 548,700	\$ -

Proposed Capital Equipment Budget Summary

Proposed Capital Equipment Budget 2020-21

Department	Instr / Test Equipment 09410004	Safety & Traffic Eq 09410005	Office Fix & Eq 09410006	Computer Equipment 09410007	2020-21 Proposed Budget
Public Affairs	\$ -	\$ -	\$ -	\$ 70,000	\$ 70,000
Risk Management/Safety/Security	-	-	-	27,000	27,000
Information Technology	-	-	-	15,000	15,000
Laboratory, Monitoring and Compliance	919,000	-	-	-	979,500
Design	21,600	-	-	-	21,600
Collection Facilities O&M	15,400	-	-	-	177,500
Fleet Services	-	-	-	-	3,168,000
Plant No. 1 Operations	239,000	-	-	34,300	382,600
Plant No. 1 Maintenance	79,500	-	-	-	220,600
Total Proposed Capital Equipment	\$ 1,274,500	\$ -	\$ -	\$ 146,300	\$ 5,061,800

2020-21 & 2021-22 Budget

Proposed Capital Equipment Budget Detail

<u>Division</u>	<u>Equipment Type</u>	<u>Proposed Capital Equip. Budget</u>
<u>140 - Public Affairs</u>	Digital Messaging System	\$ 70,000
	Total	<u>70,000</u>
<u>161 - Risk Management/Safety/Security</u>	myCority	27,000
	Total	<u>27,000</u>
<u>250 - Information Technology</u>	DJI Phantom 4 RTK	15,000
	Total	<u>15,000</u>
<u>630 - Laboratory, Monitoring, and Compliance</u>	Freeze Dryer	60,500
	Triple Quadrupole Gas Chromatography Mass Spectrometry (GC-MS) Systems	350,000
	GC-SDC	77,000
	Hot Block Digestem System	33,000
	Humidified Incubators (2)	34,800
	Acoustic Doppler Current Profiler (ADCP)	49,200
	Phytoplankton Autosampler	163,400
	Ocean Acidification and Hypoxia Sensors (6)	211,600
	Total	<u>979,500</u>
<u>760 - Design</u>	PLC Test Units	21,600
	Total	<u>21,600</u>
<u>820 - Collection Facilities O&M</u>	Sewer Inspection Camera	14,100
	Manhole CCTV Inspection Equipment	148,000
	Methane Analyzer 2020	15,400
	Total	<u>177,500</u>
<u>822 - Fleet Services</u>	Heavy Duty Specialty Truck - Sewer Pull Rig	250,000
	Combination Sewer Cleaning Truck	875,000
	Heavy Duty Trucks (3)	385,000
	Light Duty Trucks (6)	300,000
	Medium Duty Trucks (4)	355,000
	Sedans and SUVs (4)	140,000
	Portable Electrical Generator - 175kW (2)	350,000
	Electric Carts O&M (23)	437,300
	6-Post Portable Heavy Truck Lift	75,700
	Total	<u>3,168,000</u>

Proposed Capital Equipment Budget Detail

Proposed Capital Equipment Budget Detail

870 - Plant No. 1 Maintenance

Weldsale Platens with Steel Stands (4)	40,200
Industrial Walk Behind Floor Scrubber	14,200
Ruger Industries Inc., 1 Ton Shop Crane	54,900
Calibration Work Station	71,700
Motion Amplification MX High Speed Camera for IRIS-M System	23,400
Referenced High Temperature Calibration Blocks	33,500
Reference Low Temperature Calibration Block	33,500
Rotalign Touch Laser Shaft Alignment System	30,500
SDT270DU Static/Dynamic/UAS ATEX	19,600
Beamex Multi-Calibrator	26,800
TruVu 360 Pro Software on DVD & USB Media	34,300
Total	<u>382,600</u>

880 - Plant No. 2 Maintenance

Industrial Walk Behind Floor Scrubber	14,200
Ruger Industries Inc., 1 Ton Shop Crane	54,900
Skid Mounted Pump System (2)	72,000
Fluke Networks Fiber Optics OTDR Tester	16,300
GE Oil & Gas Dresser Flow Meter and Instrument Model 5 Prover	63,200
Total	<u>220,600</u>

Total Proposed 2020-21 Capital Equipment Budget \$ 5,061,800

2020-21 & 2021-22 Budget

Proposed Capital Equipment Budget 2021-22

Department	Trucks & Vehicles 09410000	Other Mobile Eq 09410001	Machine Eq & Tools 09410002	Comm Equipment 09410003
Public Affairs	\$ -	\$ -	\$ -	\$ -
Laboratory, Monitoring and Compliance	-	-	-	-
Design	-	-	-	-
Collection Facilities O&M	-	-	-	-
Fleet Services	1,055,000	407,400	-	-
Plant No. 1 Maintenance	-	-	191,300	-
Total Proposed Capital Equipment	\$ 1,055,000	\$ 407,400	\$ 191,300	\$ -

Proposed Capital Equipment Budget Summary

Proposed Capital Equipment Budget 2021-22

Department	Instr / Test Equipment 09410004	Safety & Traffic Eq 09410005	Office Fix & Eq 09410006	Computer Equipment 09410007	2019-20 Proposed Budget
Public Affairs	\$ -	\$ -	\$ -	\$ -	\$ -
Laboratory, Monitoring and Compliance	842,200	-	-	-	842,200
Design	21,600	-	-	-	21,600
Collection Facilities O&M	25,000	-	-	48,500	73,500
Fleet Services	-	-	-	-	1,462,400
Plant No. 1 Maintenance	-	-	-	-	191,300
Total Proposed Capital Equipment	\$ 888,800	\$ -	\$ -	\$ 48,500	\$ 2,591,000

2020-21 & 2021-22 Budget

Proposed Capital Equipment Budget Detail

<u>Division</u>	<u>Equipment Type</u>	<u>Proposed Capital Equip. Budget</u>
<u>630 - Laboratory, Monitoring, and Compliance</u>		
	Fourier Transform Infrared Spectroscopy (FTIR)	\$ 110,000
	Triple Quadrupole GC/MS (Gas Chromatography Mass Spectrometry)	308,000
	Acoustic Doppler Current Profiler (ADCP)	49,200
	Phytoplankton Autosampler	163,400
	Ocean Acidification and Hypoxia Sensors (6)	211,600
	Total	<u>842,200</u>
<u>760 - Design</u>		
	PLC Test Units	21,600
	Total	<u>21,600</u>
<u>820 - Collection Facilities O&M</u>		
	FLIR GF77a - Optical Gas Imaging Camera	48,500
	Providence Photonics QL320	25,000
	Total	<u>73,500</u>
<u>822 - Fleet Services</u>		
	Heavy Duty Speciality Truck - Sewer Pull Rig	260,000
	Light Duty Trucks (12)	450,000
	Medium Duty Trucks (2)	135,000
	Sedans & Van (Pass) (6)	210,000
	Electric Carts O&M (21)	407,400
	Total	<u>1,462,400</u>
<u>870 - Plant No. 1 Maintenance</u>		
	Aaladin Model 2260E Parts Washer	47,300
	Pipe and Angle Bender	20,800
	Quincy QGS 75 Rotary Air Compressor	123,200
	Total	<u>191,300</u>
Total Proposed 2021-22 Capital Equipment Budget		<u>\$ 2,591,000</u>

Debt Financing Program

CERTIFICATES OF PARTICIPATION DEBT FINANCING PROGRAM

A Ten-Year Financial Plan is maintained to establish financing parameters regarding the issuance of debt, the levying of user charges and the funding level for required reserves in accordance with the Sanitation District's reserve policy. The Financial Plan is revised annually to reflect the most current cost and revenue figures resulting from capital program revisions and operating changes.

In December 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 the Sanitation

District 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, Sanitation District 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

<u>Summary of Certificates of Participation / Revenue Obligations and Notes</u>				
Series	2010A Series	2010C Series	2011A Series	2012A Series
Issue Name	Taxable BABs	Taxable BABs	Refund Rev Oblig	Refund Rev Oblig
Issue Date	05-18-10	11-29-10	10-03-11	03-22-12
Original Par	\$80,000,000	\$157,000,000	\$147,595,000	\$100,645,000
Outstanding Par	\$80,000,000	\$157,000,000	\$75,370,000	\$100,645,000
Payment Date	February 1	February 1	February & August 1	February 1
Use of Proceeds	Current/Future CIP	Current/Future CIP	Advance Refund	Advance Refund
Lien or Tier	Open Senior	Open Senior	Open Senior	Open Senior
Interest Rate Mode	Fixed	Fixed	Fixed	Fixed
Final Maturity Date	02-01-2040	02-01-2044	02-01-2026	02-01-2031
Series	2012B Series	2014A Series	2015A Series	2016A Series
Issue Name	Refund Rev Oblig	Refund Rev Oblig	Refund Rev Oblig	Refund Rev Oblig
Issue Date	08-16-12	08-07-14	02-12-15	03-30-16
Original Par	\$66,395,000	\$85,090,000	\$127,510,000	\$145,880,000
Outstanding Par	\$25,560,000	\$63,930,000	\$127,510,000	\$141,465,000
Payment Date	February 1	February 1	February 1	February 1
Use of Proceeds	Advance Refund	Advance Refund	Advance Refund	Advance Refund
Lien or Tier	Open Senior	Open Senior	Open Senior	Open Senior
Interest Rate Mode	Fixed	Fixed	Fixed	Fixed
Final Maturity Date	02-01-2026	02-01-2027	02-01-2037	02-01-2039
Series	2017A Series	2018A Series		
Issue Name	Refund Rev Oblig	Refunding CANs		
Issue Date	02-01-17	11-29-18		
Original Par	\$66,370,000	\$102,200,000		
Outstanding Par	\$66,370,000	\$102,200,000		
Payment Date	February 1	August 15		
Use of Proceeds	Advance Refund	Current Refund		
Lien or Tier	Open Senior	Open Senior		
Interest Rate Mode	Fixed	Fixed		
Final Maturity Date	02-01-2030	08-15-2021		

2020-21 & 2021-22 Budget

In conjunction with preparation for the 2020-21 Budget, Sanitation District staff has developed and reviewed with the Board of Directors a capital program to deliver the levels of service included in the Sanitation District's 5-year Strategic Plan.

Sanitation District staff has also validated the active CIP projects currently being executed to ensure that the active project scopes of work and cost estimates were accurate. The validated CIP includes 75 active and future capital projects, five programs, and capital equipment purchases, with a 10-year expenditure of \$2.7 billion.

The Sanitation District embarked upon its Debt Financing and Management Program, and specifically its Variable and Fixed Rate Debt Program (the "Program"), in 1990 with the issuance of \$100 million in Certificates of Participation ("COP"), Capital Improvement Program, 1990 Series "A." The Program was established to:

- Finance assets with long useful lives with long-term debt;
- Achieve the lowest possible interest costs and highest investment returns, commensurate with the appropriate risk;
- Recoup reserve moneys that had previously been spent.

COPs are repayment obligations based on a lease or installment sale agreement. The COP structure was selected over other structures because COPs are not viewed as debt by the State of California, as the purchaser does not actually receive a "bond," but rather a share in an installment sale arrangement where the Sanitation District serves as the purchaser. Accordingly, the Sanitation District is not subject to the usual State restrictions surrounding the issuance of debt. COPs can be issued with fixed or variable interest rates.

As of July 1, 2020, the total outstanding COP indebtedness is \$940.1 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, the Sanitation District developed a written debt policy for the following underlying reasons:

- committing to long-term financial planning;
- promoting credit quality to rating agencies;
- rationalizing the decision making process;
- enhancing the quality of decisions; and
- promoting consistency and continuity.

This Board adopted policy serves as the agency's guide in the management of existing debt and in the issuance of future debt.

Debt Coverage Ratios

The only legal debt limits pertaining to the Sanitation District are those that are provided within the existing COP indenture agreements requiring minimum coverage ratios of 1.25. The minimum coverage ratio is the ratio of net annual revenues available for debt service requirements to total annual debt service requirements for all senior lien COP debt. The coverage ratio for senior lien COP debt is proposed at 4.07 and 4.54 for FY 2020-21 and FY 2021-22, respectively.

Debt Financing Program

Build America Bonds Financings

The Sanitation District issued the \$80.0 million Wastewater Revenue Obligation, Series 2010A in May 2010 and the \$157.0 million Wastewater Revenue Obligations, Series 2010C in November 2010 as “Build America Bonds” (BABs) fixed rate debt.

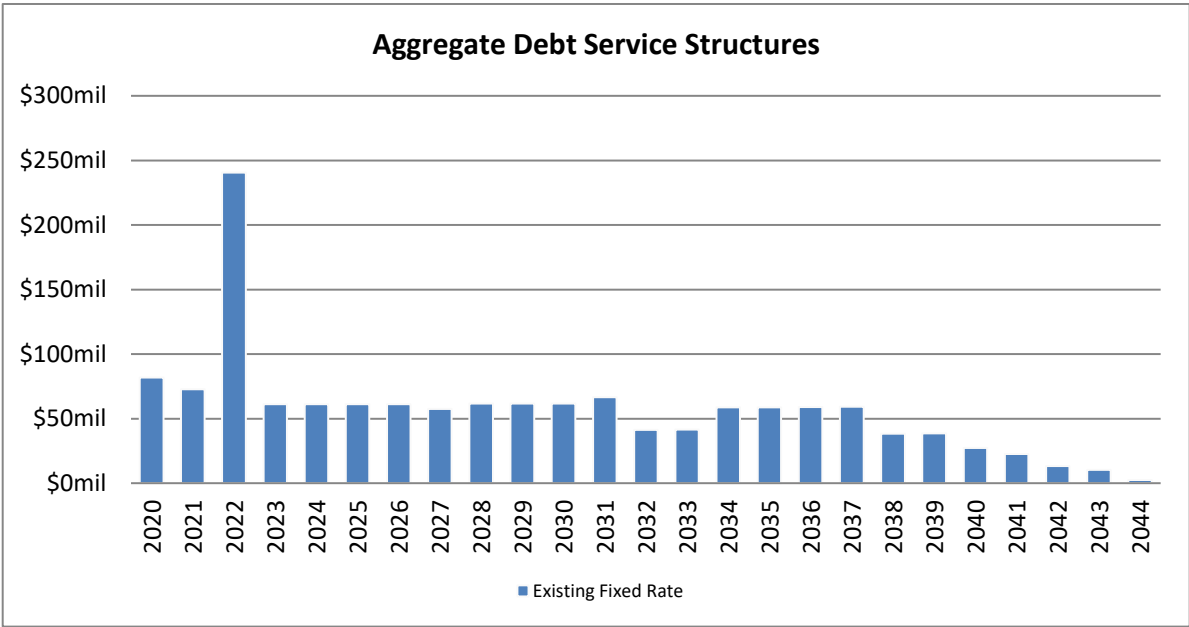
The American Recovery and Reinvestment Act of 2009 created a new financing product, BABs, for the municipal issuer. BABs are issued as higher interest taxable bonds; however, the U.S. Treasury provides a 35 percent subsidy on interest payments. The net cost, after accounting for the 35 percent subsidy payment, frequently results in lower net costs to the issuer, specifically in the maturity years beyond ten years.

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

Future Financings

As a result of having a prudent reserve policy, experienced management, and prudent planning, the Sanitation District has been able to secure “AAA” credit ratings from Fitch Ratings and Moody’s. The Sanitation District’s long-range financing plan is designed to maintain these high ratings. Over the next 10 years, the Sanitation District is projecting an additional \$2.7 billion in future treatment plant and collection system capital replacement, refurbishment, and rehabilitation improvements. In accordance with the Sanitation District’s long-term debt fiscal policy, the Sanitation District will confine long-term borrowing to capital improvements that cannot be financed from current revenue. Before any new debt is issued, the impact of debt service payments on total annual fixed costs will be analyzed.

The Sanitation District’s cash flow forecast does not require any new money debt issuances over the next ten years as all capital improvements planned over this time period primarily consist of replacement, refurbishment, and rehabilitation of existing projects which are to be funded through existing reserves and current sewer charges.



2020-21 & 2021-22 Budget

Figure 2

<u>Schedule of Future Certificates of Participation Issues and CIP Cash Flows</u>										
(in millions)										
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
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	\$147.6	\$240.8	\$294.4	\$301.1	\$257.1	\$296.0	\$346.7	\$322.8	\$309.3	\$230.2

Debt Financing Program

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2020-21 & 2021-22 Budget

Total Certificates of Participation / Revenue Obligations and Notes Debt Service Requirements

Principal and Interest Combined

Fiscal Year Of Payments	2010A Build America Bonds Acq./Const.	2010C Build America Bonds Acq./Const.	2011A Refunding (Partial 2000 & 2003)	2012A Refunding (Remain 2003)	2012B Refunding (2000-A & 2000-B)	2014A Refunding (Partial 2007B)
2020-21	2,897,639	6,523,780	3,348,350	3,735,900	18,535,650	11,046,500
2021-22	2,897,639	6,523,780	17,143,350	75,390,900	1,776,150	11,049,000
2022-23	2,897,639	6,523,780	17,093,600	869,700	1,821,150	11,046,750
2023-24	2,897,639	6,523,780	17,136,200	869,700	1,781,950	11,044,000
2024-25	2,897,639	6,523,780	17,088,450	869,700	1,818,050	11,049,750
2025-26	2,897,639	6,523,780	17,141,250	869,700	1,771,600	11,052,500
2026-27	2,897,639	6,523,780	-	869,700	-	11,051,250
2027-28	2,897,639	6,523,780	-	869,700	-	-
2028-29	2,897,639	6,523,780	-	869,700	-	-
2029-30	2,897,639	6,523,780	-	869,700	-	-
2030-31	2,897,639	12,258,780	-	29,859,700	-	-
2031-32	2,897,639	23,382,068	-	-	-	-
2032-33	2,897,639	23,476,472	-	-	-	-
2033-34	12,487,639	13,967,040	-	-	-	-
2034-35	12,696,056	13,897,232	-	-	-	-
2035-36	12,919,416	13,834,528	-	-	-	-
2036-37	13,151,453	13,758,096	-	-	-	-
2037-38	13,399,607	13,667,936	-	-	-	-
2038-39	13,658,823	13,574,048	-	-	-	-
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	-	-	-	-
Totals	\$ 129,920,132	\$ 269,579,770	\$ 88,951,200	\$ 115,944,100	\$ 27,504,550	\$ 77,339,750

Debt Financing Program

Total Certificates of Participation / Revenue Obligations and Notes Debt Service Requirements

Principal and Interest Combined

Fiscal Year Of Payments	2015A Refunding (Partial 2007B)	2016A Refunding (Partial 2009A)	2017A Refunding (Remain 2007A)	2018A Refunding Notes (2016B)	Total Payment Per Fiscal Year
2020-21	6,375,500	11,391,550	3,873,500	5,110,000	72,838,369
2021-22	6,375,500	11,389,800	3,290,750	104,755,000	240,591,869
2022-23	6,375,500	11,391,550	3,290,750	-	61,310,419
2023-24	6,375,500	11,396,050	3,290,750	-	61,315,569
2024-25	6,375,500	11,392,550	3,290,750	-	61,306,169
2025-26	6,375,500	11,390,800	3,290,750	-	61,313,519
2026-27	6,375,500	11,390,050	18,405,750	-	57,513,669
2027-28	21,615,500	11,394,550	18,365,000	-	61,666,169
2028-29	21,658,500	11,388,300	18,323,500	-	61,661,419
2029-30	20,776,250	11,391,050	19,204,500	-	61,662,919
2030-31	10,228,000	11,411,550	-	-	66,655,669
2031-32	3,702,250	11,413,050	-	-	41,395,007
2032-33	3,702,250	11,415,550	-	-	41,491,911
2033-34	20,882,250	11,408,050	-	-	58,744,979
2034-35	20,883,250	11,415,050	-	-	58,891,588
2035-36	20,881,250	11,409,800	-	-	59,044,994
2036-37	20,879,250	11,411,800	-	-	59,200,599
2037-38	-	11,411,000	-	-	38,478,543
2038-39	-	11,414,000	-	-	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>\$ 209,837,250</u>	<u>\$ 216,626,100</u>	<u>\$ 94,626,000</u>	<u>\$ 109,865,000</u>	<u>\$ 1,340,193,852</u>

2020-21 & 2021-22 Budget

Certificates of Participation/ Revenue Obligations and Notes Debt Service Requirements

Annual Interest Payments

Fiscal Year Of Payments	2010A Build America Bonds Acq./Const.	2010C Build America Bonds Acq./Const.	2011A Refunding (Partial 2000 & 2003)	2012A Refunding (Remain 2003)	2012B Refunding (2000-A & 2000-B)	2014A Refunding (Partial 2007B)
2020-21	\$ 2,897,639	\$ 6,523,780	\$ 3,348,350	\$ 3,735,900	\$ 1,145,650	\$ 3,196,500
2021-22	2,897,639	6,523,780	3,348,350	3,735,900	276,150	2,804,000
2022-23	2,897,639	6,523,780	2,658,600	869,700	216,150	2,391,750
2023-24	2,897,639	6,523,780	2,081,200	869,700	151,950	1,959,000
2024-25	2,897,639	6,523,780	1,328,450	869,700	103,050	1,504,750
2025-26	2,897,639	6,523,780	816,250	869,700	51,600	1,027,500
2026-27	2,897,639	6,523,780	-	869,700	-	526,250
2027-28	2,897,639	6,523,780	-	869,700	-	-
2028-29	2,897,639	6,523,780	-	869,700	-	-
2029-30	2,897,639	6,523,780	-	869,700	-	-
2030-31	2,897,639	6,523,780	-	869,700	-	-
2031-32	2,897,639	6,287,068	-	-	-	-
2032-33	2,897,639	5,581,472	-	-	-	-
2033-34	2,897,639	4,837,040	-	-	-	-
2034-35	2,551,056	4,457,232	-	-	-	-
2035-36	2,184,416	4,064,528	-	-	-	-
2036-37	1,796,453	3,658,096	-	-	-	-
2037-38	1,384,607	3,237,936	-	-	-	-
2038-39	948,823	2,804,048	-	-	-	-
2039-40	487,832	2,356,016	-	-	-	-
2040-41	-	1,893,216	-	-	-	-
2041-42	-	1,027,728	-	-	-	-
2042-43	-	510,640	-	-	-	-
2043-44	-	103,168	-	-	-	-
Totals	\$ 49,920,132	\$ 112,579,770	\$ 13,581,200	\$ 15,299,100	\$ 1,944,550	\$ 13,409,750

Debt Financing Program

Certificates of Participation/ Revenue Obligations and Notes Debt Service Requirements

Annual Interest Payments

Fiscal Year Of Payments	2015A Refunding (Partial 2007B)	2016A Refunding (Partial 2009A)	2017A Refunding (Remain 2007A)	2018A Refunding Notes (2016B)	Total Interest Per Fiscal Year
2020-21	\$ 6,375,500	\$ 6,756,550	\$ 3,318,500	\$ 5,110,000	\$ 42,408,369
2021-22	6,375,500	6,524,800	3,290,750	2,555,000	38,331,869
2022-23	6,375,500	6,281,550	3,290,750	-	31,505,419
2023-24	6,375,500	6,026,050	3,290,750	-	30,175,569
2024-25	6,375,500	5,757,550	3,290,750	-	28,651,169
2025-26	6,375,500	5,475,800	3,290,750	-	27,328,519
2026-27	6,375,500	5,180,050	3,290,750	-	25,663,669
2027-28	6,375,500	4,869,550	2,535,000	-	24,071,169
2028-29	5,613,500	4,543,300	1,743,500	-	22,191,419
2029-30	4,811,250	4,201,050	914,500	-	20,217,919
2030-31	4,013,000	3,841,550	-	-	18,145,669
2031-32	3,702,250	3,463,050	-	-	16,350,007
2032-33	3,702,250	3,065,550	-	-	15,246,911
2033-34	3,702,250	2,648,050	-	-	14,084,979
2034-35	2,843,250	2,210,050	-	-	12,061,588
2035-36	1,941,250	1,749,800	-	-	9,939,994
2036-37	994,250	1,266,800	-	-	7,715,599
2037-38	-	861,000	-	-	5,483,543
2038-39	-	439,000	-	-	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
Totals	<u>\$ 82,327,250</u>	<u>\$ 75,161,100</u>	<u>\$ 28,256,000</u>	<u>\$ 7,665,000</u>	<u>\$ 400,143,852</u>

2020-21 & 2021-22 Budget

Certificates of Participation/ Revenue Obligations and Notes Debt Service Requirements

Annual Principal Payments

Fiscal Year Of Payments	2010A Build America Bonds Acq./Const.	2010C Build America Bonds Acq./Const.	2011A Refunding (Partial 2000 & 2003)	2012A Refunding (Remain 2003)	2012B Refunding (2000-A & 2000-B)	2014A Refunding (Partial 2007B)
2020-21	\$ -	\$ -	\$ -	\$ -	\$ 17,390,000	\$ 7,850,000
2021-22	-	-	13,795,000	71,655,000	1,500,000	8,245,000
2022-23	-	-	14,435,000	-	1,605,000	8,655,000
2023-24	-	-	15,055,000	-	1,630,000	9,085,000
2024-25	-	-	15,760,000	-	1,715,000	9,545,000
2025-26	-	-	16,325,000	-	1,720,000	10,025,000
2026-27	-	-	-	-	-	10,525,000
2027-28	-	-	-	-	-	-
2028-29	-	-	-	-	-	-
2029-30	-	-	-	-	-	-
2030-31	-	5,735,000	-	28,990,000	-	-
2031-32	-	17,095,000	-	-	-	-
2032-33	-	17,895,000	-	-	-	-
2033-34	9,590,000	9,130,000	-	-	-	-
2034-35	10,145,000	9,440,000	-	-	-	-
2035-36	10,735,000	9,770,000	-	-	-	-
2036-37	11,355,000	10,100,000	-	-	-	-
2037-38	12,015,000	10,430,000	-	-	-	-
2038-39	12,710,000	10,770,000	-	-	-	-
2039-40	13,450,000	11,125,000	-	-	-	-
2040-41	-	20,805,000	-	-	-	-
2041-42	-	12,430,000	-	-	-	-
2042-43	-	9,795,000	-	-	-	-
2043-44	-	2,480,000	-	-	-	-
Totals	\$ 80,000,000	\$ 157,000,000	\$ 75,370,000	\$ 100,645,000	\$ 25,560,000	\$ 63,930,000

Debt Financing Program

Certificates of Participation/ Revenue Obligations and Notes Debt Service Requirements

Annual Principal Payments

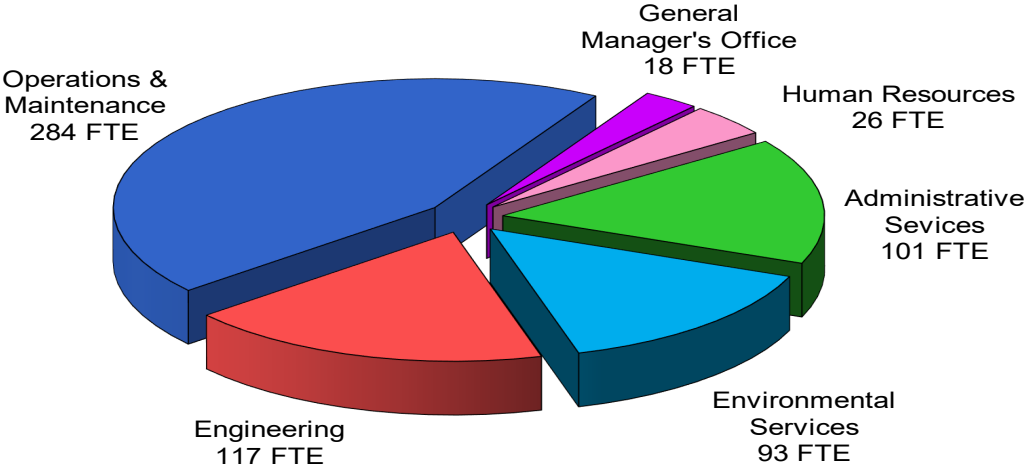
Fiscal Year Of Payments	2015A Refunding (Partial 2007B)	2016A Refunding (Partial 2009A)	2017A Refunding (Remain 2007A)	2018A Refunding Notes (2016B)	Total Principal Per Fiscal Year
2020-21	\$ -	\$ 4,635,000	\$ 555,000	\$ -	\$ 30,430,000
2021-22	-	4,865,000	-	102,200,000	202,260,000
2022-23	-	5,110,000	-	-	29,805,000
2023-24	-	5,370,000	-	-	31,140,000
2024-25	-	5,635,000	-	-	32,655,000
2025-26	-	5,915,000	-	-	33,985,000
2026-27	-	6,210,000	15,115,000	-	31,850,000
2027-28	15,240,000	6,525,000	15,830,000	-	37,595,000
2028-29	16,045,000	6,845,000	16,580,000	-	39,470,000
2029-30	15,965,000	7,190,000	18,290,000	-	41,445,000
2030-31	6,215,000	7,570,000	-	-	48,510,000
2031-32	-	7,950,000	-	-	25,045,000
2032-33	-	8,350,000	-	-	26,245,000
2033-34	17,180,000	8,760,000	-	-	44,660,000
2034-35	18,040,000	9,205,000	-	-	46,830,000
2035-36	18,940,000	9,660,000	-	-	49,105,000
2036-37	19,885,000	10,145,000	-	-	51,485,000
2037-38	-	10,550,000	-	-	32,995,000
2038-39	-	10,975,000	-	-	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	\$ 127,510,000	\$ 141,465,000	\$ 66,370,000	\$ 102,200,000	\$ 940,050,000

2020-21 & 2021-22 Budget

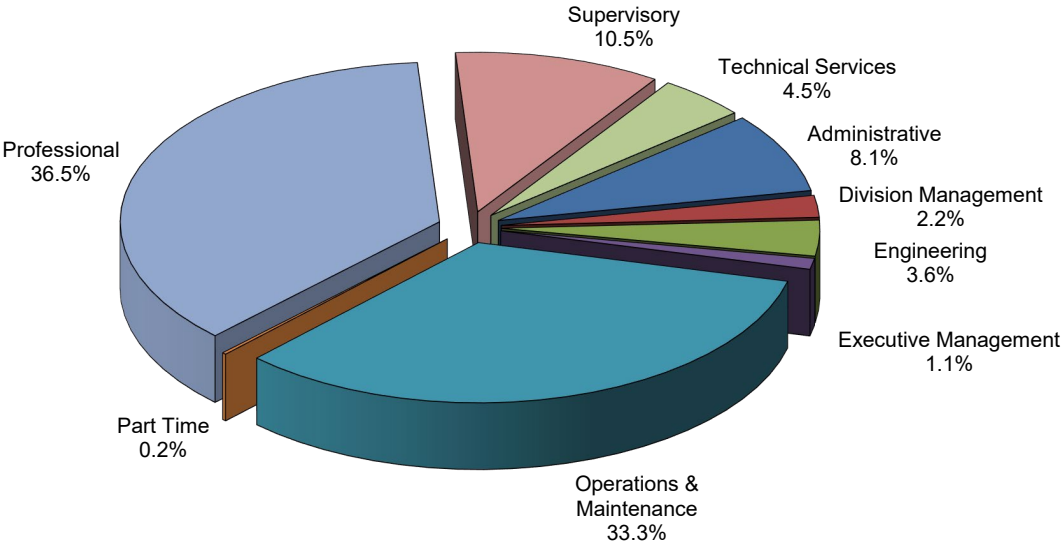
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Staffing Allocation

Staffing by Department
Total 639 FTE

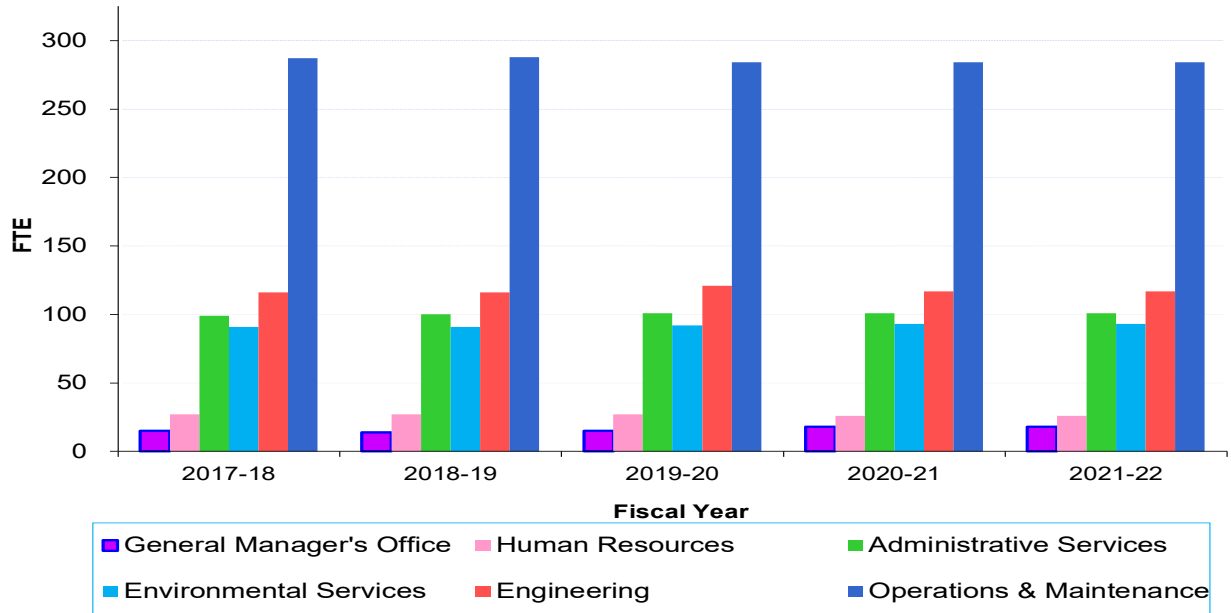


Staffing by Category

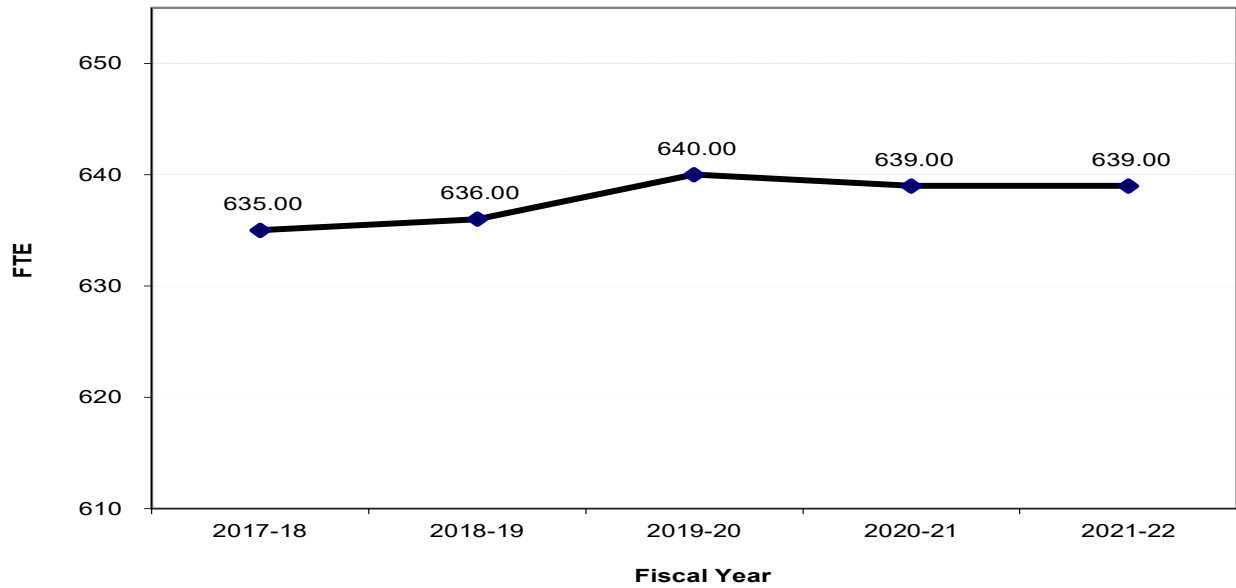


2020-21 & 2021-22 Budget

Historical Staffing By Department



Total Historical Staffing



Staffing Allocation

Department and Division Name	Authorized FTEs 2017-18	Authorized FTEs 2018-19	Authorized FTEs 2019-20	Proposed FTEs 2020-21	Proposed FTEs 2021-22
General Manager's Office					
General Management Administration	5.00	4.00	4.00	5.00	5.00
Board Services	5.00	5.00	5.00	7.00	7.00
Public Affairs	5.00	5.00	6.00	6.00	6.00
Department Subtotal*	15.00	14.00	15.00	18.00	18.00
Human Resources Department					
Human Resources Administration	16.00	16.00	16.00	16.00	16.00
Risk Management/Safety/Security	11.00	11.00	11.00	10.00	10.00
Department Subtotal	27.00	27.00	27.00	26.00	26.00
Administrative Services Department					
Administrative Services Administration	3.00	3.00	3.00	1.00	1.00
Financial Management	19.00	19.00	19.00	24.00	24.00
Contracts, Purchasing and Materials Management	32.00	32.00	32.00	31.00	31.00
Information Technology	45.00	46.00	47.00	45.00	45.00
Department Subtotal	99.00	100.00	101.00	101.00	101.00
Environmental Services Department					
Environmental Services Administration	2.00	2.00	2.00	2.00	2.00
Resource Protection	37.00	37.00	37.00	37.00	37.00
Laboratory, Monitoring and Compliance	52.00	52.00	53.00	54.00	54.00
Department Subtotal	91.00	91.00	92.00	93.00	93.00
Engineering Department					
Engineering Administration	2.00	2.00	3.00	5.00	5.00
Planning	15.00	14.00	18.00	15.00	15.00
Project Management	17.00	16.00	17.00	21.00	21.00
Design	53.00	54.00	52.00	36.00	36.00
Construction Management	29.00	30.00	31.00	40.00	40.00
Environmental Compliance	-	-	-	-	-
Department Subtotal	116.00	116.00	121.00	117.00	117.00
Operations and Maintenance Department					
Operations and Maintenance Administration	3.00	3.00	2.00	3.00	3.00
Collection Facilities Operations and Maintenance	26.00	26.00	26.00	29.00	29.00
Fleet Services	8.00	8.00	8.00	8.00	8.00
Plant No. 1 Operations	61.00	62.00	62.00	54.00	54.00
Plant No. 2 Operations	51.00	50.00	50.00	52.00	52.00
Plant No. 1 Maintenance	62.00	61.00	86.00	85.00	85.00
Maintenance Reliability and Planning	28.00	28.00	-	-	-
Plant No. 2 Maintenance	48.00	50.00	50.00	53.00	53.00
Environmental Laboratory and Ocean Monitoring	-	-	-	-	-
Department Subtotal	287.00	288.00	284.00	284.00	284.00
Grand Total - All Departments*	635.00	636.00	640.00	639.00	639.00

2020-21 & 2021-22 Budget

Division & Position	Authorized FTEs 2017-18	Authorized FTEs 2018-19	Authorized FTEs 2019-20	Proposed FTEs 2020-21	Proposed FTEs 2021-22
General Manager's Office					
110 General Management Administration					
General Manager	1.00	1.00	1.00	1.00	1.00
Assistant General Manager	1.00	1.00	1.00	2.00	2.00
Public Affairs Manager	-	-	-	-	-
Principal Staff Analyst	1.00	1.00	1.00	-	-
Records Management Specialist	1.00	-	-	-	-
Administration Manager	-	-	-	1.00	1.00
Secretary to the General Manager	1.00	1.00	1.00	1.00	1.00
Total General Management Administration*	5.00	4.00	4.00	5.00	5.00
120 Board Services					
Clerk of the Board	1.00	1.00	1.00	1.00	1.00
Records Management Specialist	-	-	-	1.00	1.00
Deputy Clerk of the Board	1.00	1.00	1.00	-	-
Assistant Clerk of the Board	-	-	-	1.00	1.00
Data Management Technician I	-	-	-	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	5.00	5.00	7.00	7.00
140 Public Affairs					
Administrative Manager	-	-	1.00	-	-
Public Affairs Supervisor	1.00	1.00	-	-	-
Principal Public Affairs Specialist	-	-	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	1.00	1.00	2.00	2.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Graphics Designer	-	1.00	1.00	1.00	1.00
Graphics Coordinator	1.00	-	-	-	-
Total Public Affairs	5.00	5.00	6.00	6.00	6.00
Total General Manager's Office	15.00	14.00	15.00	18.00	18.00
Human Resources Department					
160 Human Resources Administration					
Director of Human Resources	1.00	1.00	1.00	1.00	1.00
HR and Risk Manager	1.00	1.00	1.00	1.00	1.00
Human Resources Manager	-	-	-	-	-
Human Resources Supervisor	-	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	5.00	4.00	4.00	4.00	4.00
Human Resources Analyst	4.00	4.00	4.00	4.00	4.00
Human Resources Assistant	1.00	2.00	2.00	2.00	2.00
Program Assistant	2.00	-	-	-	-
Total Human Resources Administration	16.00	16.00	16.00	16.00	16.00
161 Risk Management/Safety/Security					
Safety & Health Supervisor	1.00	1.00	1.00	1.00	1.00
Principal Financial Analyst	1.00	1.00	1.00	-	-
Safety & Health Specialist	1.00	1.00	2.00	2.00	2.00
Security & Emergency Planning Specialist	1.00	1.00	1.00	1.00	1.00
Occupational Health Nurse	1.00	1.00	1.00	-	-
Senior Safety & Health Representative	2.00	2.00	1.00	2.00	2.00
Senior Construction Inspector	-	-	-	1.00	1.00
Safety & Health Representative	3.00	3.00	3.00	2.00	2.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Total Risk Management/Safety/Security	11.00	11.00	11.00	10.00	10.00
Total Human Resources Department	27.00	27.00	27.00	26.00	26.00

Historical Staffing Detail

Division & Position	Authorized FTEs 2017-18	Authorized FTEs 2018-19	Authorized FTEs 2019-20	Proposed FTEs 2020-21	Proposed FTEs 2021-22
Administrative Services Department					
210 Administrative Services Administration					
Director of Finance & Administrative Services / Treasurer	1.00	1.00	1.00	-	-
Assistant General Manager				-	-
Principal Financial Analyst	1.00	-	-	-	-
Principal Staff Analyst	-	1.00	1.00	-	-
Administrative Assistant				1.00	1.00
Executive Assistant	1.00	1.00	1.00	-	-
Total Administrative Services Administration	3.00	3.00	3.00	1.00	1.00
220 Financial Management					
Controller	1.00	1.00	1.00	1.00	1.00
Accounting Supervisor	3.00	3.00	3.00	3.00	3.00
Principal Accountant	2.00	2.00	2.00	2.00	2.00
Principal Project Controls Analyst				1.00	1.00
Principal Staff Analyst				4.00	4.00
Senior Accountant	2.00	2.00	2.00	2.00	2.00
Senior Staff Analyst	1.00	1.00	1.00	1.00	1.00
Accountant	2.00	2.00	2.00	2.00	2.00
Staff Analyst	1.00	-	-	-	-
Payroll Technician	2.00	2.00	2.00	2.00	2.00
Accounting Assistant II	5.00	6.00	6.00	6.00	6.00
Total Financial Management	19.00	19.00	19.00	24.00	24.00
230 Contracts, Purchasing and Materials Management					
Contracts & Purchasing Manager	1.00	1.00	1.00	1.00	1.00
Contracts Supervisor	1.00	1.00	1.00	1.00	1.00
Principal Contracts Administrator	2.00	2.00	2.00	2.00	2.00
Purchasing Supervisor	1.00	1.00	1.00	1.00	1.00
Materials Control Supervisor	1.00	1.00	1.00	1.00	1.00
Senior Contracts Administrator	3.00	3.00	3.00	3.00	3.00
Principal Buyer	1.00	-	1.00	1.00	1.00
Contracts Administrator	3.00	3.00	3.00	3.00	3.00
Senior Buyer	1.00	3.00	2.00	2.00	2.00
Buyer	3.00	2.00	2.00	2.00	2.00
Contracts/Purchasing Assistant	5.00	5.00	5.00	4.00	4.00
Senior Staff Analyst				1.00	1.00
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	5.00	5.00	4.00	4.00
Total Contracts, Purchasing and Materials Management	32.00	32.00	32.00	31.00	31.00
250 Information Technology					
Information Technology Systems and Operations Manager	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	6.00	7.00	7.00	7.00	7.00
Senior Information Technology Analyst	10.00	10.00	10.00	10.00	10.00
Information Technology Analyst III	6.00	6.00	7.00	8.00	8.00
Records Management Specialist	-	1.00	1.00	-	-
Data Management Technician II	7.00	7.00	7.00	6.00	6.00
Information Technology Analyst II	3.00	3.00	3.00	3.00	3.00
Data Management Technician I	4.00	4.00	4.00	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	1.00	1.00	2.00	2.00
Information Technology Technician I	1.00	1.00	1.00	-	-
Program Assistant	1.00	-	-	-	-
Total Information Technology	45.00	46.00	47.00	45.00	45.00
Total Administrative Services Department	99.00	100.00	101.00	101.00	101.00

2020-21 & 2021-22 Budget

Division & Position	Authorized FTEs 2017-18	Authorized FTEs 2018-19	Authorized FTEs 2019-20	Proposed FTEs 2020-21	Proposed FTEs 2021-22
Environmental Services Department					
610 Environmental Services Administration					
Director of Environmental Services	1.00	1.00	1.00	1.00	1.00
Executive Assistant	1.00	1.00	1.00	1.00	1.00
Total Environmental Services Administration	2.00	2.00	2.00	2.00	2.00
620 Resource Protection					
Engineering Manager	1.00	1.00	1.00	1.00	1.00
Environmental Compl & Reg Affairs Manager	-	-	-	-	-
Engineering Supervisor	2.00	2.00	2.00	2.00	2.00
Environmental Supervisor	-	-	-	-	-
Senior Engineer	1.00	2.00	2.00	2.00	2.00
Senior Regulatory Specialist	-	-	-	-	-
Engineer	5.00	4.00	4.00	5.00	5.00
Source Control Supervisor	1.00	1.00	1.00	1.00	1.00
Regulatory Specialist	-	-	-	-	-
Associate Engineer	3.00	3.00	3.00	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	7.00	7.00	6.00	6.00
Source Control Inspector I	2.00	2.00	2.00	3.00	3.00
Administrative Assistant	2.00	2.00	2.00	2.00	2.00
Environmental Technician	3.00	3.00	3.00	3.00	3.00
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
630 Laboratory, Monitoring and Compliance					
Environmental Lab & Ocean Monitoring Manager	1.00	1.00	1.00	1.00	1.00
Environmental Supervisor	4.00	4.00	4.00	4.00	4.00
Laboratory Supervisor	-	-	-	-	-
Senior Regulatory Specialist	1.00	1.00	2.00	2.00	2.00
Senior Scientist	3.00	3.00	3.00	3.00	3.00
Regulatory Specialist	2.00	3.00	3.00	3.00	3.00
Scientist	1.00	1.00	1.00	2.00	2.00
Associate Engineer	1.00	1.00	1.00	-	-
Principal Environmental Specialist	8.50	8.00	8.00	9.00	9.00
Principal Laboratory Analyst	-	-	-	-	-
Senior Environmental Specialist	18.50	18.00	18.00	18.00	18.00
Boat Captain	1.00	1.00	1.00	1.00	1.00
Senior Laboratory Analyst	-	-	-	-	-
Environmental Specialist	7.00	7.00	7.00	7.00	7.00
Laboratory Analyst	-	-	-	-	-
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Environmental Technician	3.00	3.00	3.00	3.00	3.00
Laboratory Assistant	-	-	-	-	-
Total Laboratory, Monitoring and Compliance	52.00	52.00	53.00	54.00	54.00
Total Environmental Services Department	91.00	91.00	92.00	93.00	93.00

Historical Staffing Detail

Division & Position	Authorized FTEs 2017-18	Authorized FTEs 2018-19	Authorized FTEs 2019-20	Proposed FTEs 2020-21	Proposed FTEs 2021-22
Engineering Department					
710 Engineering Administration					
Administrative Assistant	-	-	-	1.00	1.00
Assistant General Manager	-	1.00	1.00	-	-
Director of Engineering	1.00	-	1.00	1.00	1.00
Principal Staff Analyst				1.00	1.00
Senior Staff Analyst				1.00	1.00
Executive Assistant	1.00	1.00	1.00	1.00	1.00
Total Engineering Administration	2.00	2.00	3.00	5.00	5.00
740 Planning					
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	3.00	3.00	2.00	2.00
Engineer	3.00	3.00	6.00	7.00	7.00
Principal Financial Analyst	1.00	-	-	-	-
Principal Staff Analyst	1.00	2.00	2.00	1.00	1.00
Associate Engineer	2.00	1.00	2.00	1.00	1.00
Engineering Associate	1.00	1.00	1.00	1.00	1.00
Senior Staff Analyst	-	-	-	-	-
Administrative Assistant	1.00	1.00	1.00	-	-
Total Planning	15.00	14.00	18.00	15.00	15.00
750 Project Management					
Engineering Manager	1.00	1.00	1.00	1.00	1.00
CIP Project Manager	-	-	-	1.00	1.00
Engineering Supervisor	-	1.00	1.00	2.00	2.00
Capital Improvement Program Project Manager	9.00	9.00	9.00	-	9.00
Senior Engineer	1.00	1.00	2.00	11.00	2.00
Principal Project Controls Analyst	1.00	1.00	1.00	-	-
Engineer	-	-	-	3.00	3.00
Engineering Associate				1.00	1.00
Principal Staff Analyst	2.00	2.00	2.00	-	-
Cost Estimator	-	-	-	-	-
Planner/Scheduler	-	-	-	-	-
Associate Engineer	-	-	-	1.00	1.00
Engineering Assistant II	1.00	-	-	-	-
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Office Assistant	1.00	-	-	-	-
Total Project Management Office	17.00	16.00	17.00	21.00	21.00
760 Design					
Engineering Manager	1.00	1.00	1.00	1.00	1.00
Engineering Supervisor	5.00	4.00	4.00	4.00	4.00
Senior Engineer	7.00	7.00	7.00	12.00	12.00
Construction Inspection Supervisor	2.00	2.00	2.00	-	-
Engineer	13.00	13.00	13.00	8.00	8.00
Senior Cost Estimator	-	1.00	1.00	-	-
Senior Planner/Scheduler	-	1.00	1.00	-	-
Associate Engineer	3.00	4.00	4.00	2.00	2.00
Cost Estimator	1.00	-	-	-	-
Planner/Scheduler	1.00	-	-	-	-
Senior Construction Inspector	5.00	5.00	5.00	-	-
Assistant Engineer	1.00	-	-	-	-
Engineering Associate	1.00	1.00	1.00	-	-
Senior Staff Analyst	2.00	2.00	1.00	-	-
Construction Inspector	5.00	6.00	6.00	-	-
Engineering Assistant II	3.00	4.00	4.00	-	-

2020-21 & 2021-22 Budget

	Authorized FTEs 2017-18	Authorized FTEs 2018-19	Authorized FTEs 2019-20	Proposed FTEs 2020-21	Proposed FTEs 2021-22
Information Tech Analyst II	-	-	-	1.00	1.00
Information Tech Analyst III	-	-	-	1.00	1.00
Administrative Assistant	2.00	2.00	2.00	1.00	1.00
Principal Info Tech Analyst				3.00	3.00
Senior Info Tech Analyst				3.00	3.00
Engineering Assistant I	1.00	1.00	-	-	-
Total Civil and Mechanical Engineering	53.00	54.00	52.00	36.00	36.00
770 Construction Management					
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 Construction Insp Supv	1.00	1.00	1.00	-	-
Senior Engineer	6.00	6.00	7.00	2.00	2.00
Principal Info Tech Analyst	4.00	4.00	4.00	-	-
Engineer	4.00	4.00	4.00	5.00	5.00
Senior Info Tech Analyst	3.00	3.00	3.00	-	-
Information Tech Analyst III	1.00	1.00	1.00	-	-
Senior Construction Inspector	2.00	3.00	3.00	7.00	7.00
Information Tech Analyst II	1.00	1.00	1.00	-	-
Construction Insp Supervisor				3.00	3.00
Construction Inspector	4.00	3.00	3.00	9.00	9.00
Engineering Assistant II				4.00	4.00
Senior Cost Estimator				1.00	1.00
Senior Planner/Scheduler				1.00	1.00
Planner/Scheduler				1.00	1.00
Associate Engineer				2.00	2.00
Administrative Assistant	-	1.00	1.00	2.00	2.00
Total Electrical and Control Systems Engineering	29.00	30.00	31.00	40.00	40.00
Total Engineering Department	116.00	116.00	121.00	117.00	117.00
Operations and Maintenance Department					
810 Operations and Maintenance Administration					
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	1.00	1.00
Total Operations and Maintenance Administration	3.00	3.00	2.00	3.00	3.00
820 Collection Facilities Operations and Maintenance					
Engineering Manager	1.00	1.00	1.00	-	-
Maintenance Manager				1.00	1.00
Maintenance Supervisor	2.00	2.00	2.00	1.00	1.00
Lead Mechanic	5.00	5.00	5.00	5.00	5.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Senior Mechanic	8.00	8.00	8.00	7.00	7.00
Mechanic	8.00	8.00	8.00	8.00	8.00
Sr Environmental Specialist				1.00	1.00
Senior Engineer				1.00	1.00
Pr Environmental Specialist				1.00	1.00
Maintenance Supervisor				1.00	1.00
Environmental Technician				1.00	1.00
Office Assistant	1.00	1.00	1.00	1.00	1.00
Total Collection Facilities Operations and Maintenance	26.00	26.00	26.00	29.00	29.00
822 Fleet Services					
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	3.00	3.00	4.00	4.00
Mobile Crane Operator	2.00	2.00	2.00	2.00	2.00
Automotive/ Heavy Equipment Assistant	1.00	1.00	1.00	-	-
Total Fleet Services	8.00	8.00	8.00	8.00	8.00

Historical Staffing Detail

Division & Position	Authorized FTEs 2017-18	Authorized FTEs 2018-19	Authorized FTEs 2019-20	Proposed FTEs 2020-21	Proposed FTEs 2021-22
830 Plant No. 1 Operations					
Operations Manager	1.00	1.00	1.00	1.00	1.00
Engineering Supervisor	1.00	1.00	1.00	-	-
Chief Plant Operator	1.00	1.00	1.00	1.00	1.00
Senior Engineer	1.00	1.00	1.00	-	-
Principal Information Technology Analyst Engineer	-	-	-	-	-
Engineer	2.00	1.00	1.00	1.00	1.00
Operations Supervisor	6.00	7.00	7.00	7.00	7.00
Principal Staff Analyst	-	1.00	1.00	1.00	1.00
Control Center Operator	-	-	-	2.00	2.00
Senior Engineer	-	-	-	1.00	1.00
Scientist	1.00	1.00	1.00	-	-
Associate Engineer	2.00	2.00	2.00	2.00	2.00
Principal Environmental Specialist	1.00	1.00	1.00	-	-
Information Technology Analyst III	-	-	-	-	-
Assistant Engineer	1.00	1.00	1.00	-	-
Senior Environmental Specialist	1.00	1.00	1.00	-	-
Information Technology Analyst II	-	-	-	-	-
Lead Plant Operator	4.00	4.00	4.00	4.00	4.00
Lead Power Plant Operator	1.00	1.00	1.00	1.00	1.00
Power Plant Operator II	4.00	4.00	4.00	4.00	4.00
Senior Plant Operator	15.00	14.00	14.00	15.00	15.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Plant Operator	15.00	16.00	16.00	13.00	13.00
Environmental Technician	1.00	1.00	1.00	-	-
Control Center Technician	2.00	2.00	2.00	-	-
Total Plant No. 1 Operations	61.00	62.00	62.00	54.00	54.00
840 Plant No. 2 Operations					
Chief Plant Operator	1.00	1.00	1.00	1.00	1.00
Operations Supervisor	7.00	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	1.00	1.00
Power Plant Operator II	4.00	4.00	4.00	4.00	4.00
Senior Plant Operator	14.00	14.00	14.00	13.00	13.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Plant Operator	19.00	18.00	18.00	21.00	21.00
Program Assistant	-	-	-	-	-
Total Plant No. 2 Operations	51.00	50.00	50.00	52.00	52.00

2020-21 & 2021-22 Budget

Division & Position	Authorized FTEs 2017-18	Authorized FTEs 2018-19	Authorized FTEs 2019-20	Proposed FTEs 2020-21	Proposed FTEs 2021-22
870 Plant No. 1 Maintenance					
Engineering Manager	-	-	1.00	-	-
Maintenance Manager	1.00	1.00	1.00	1.00	1.00
Engineering Supervisor	-	-	1.00	-	-
Maintenance Superintendent	1.00	1.00	1.00	1.00	1.00
Senior Engineer	-	-	1.00	-	-
Engineer	-	-	1.00	1.00	1.00
Maintenance Supervisor	6.00	6.00	7.00	8.00	8.00
Associate Engineer	-	-	1.00	1.00	1.00
Maintenance Specialist	-	-	11.00	14.00	14.00
Lead Electrical Technician	3.00	3.00	3.00	3.00	3.00
Lead Heavy Equip Mechanic	1.00	1.00	1.00	-	-
Lead Instrumentation Technician	-	-	1.00	1.00	1.00
Maintenance Planner/Scheduler	-	-	-	-	-
Reliability Maintenance Technician	-	-	5.00	5.00	5.00
Electrical Technician II	8.00	8.00	8.00	8.00	8.00
Instrumentation Technician II	6.00	6.00	7.00	9.00	9.00
Lead Mechanic	2.00	2.00	2.00	2.00	2.00
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	17.00	18.00	18.00	18.00
Senior Heavy Equip 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	1.00	1.00	2.00	2.00	2.00
Instrumentation Technician I	3.00	3.00	2.00	1.00	1.00
Facilities Worker/Builder	2.00	2.00	2.00	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	2.00	-	-	-
Total Plant No. 1 Maintenance	62.00	61.00	86.00	85.00	85.00
875 Maintenance Reliability and Planning					
Engineering Manager	1.00	1.00	-	-	-
Engineering Supervisor	1.00	1.00	-	-	-
Senior Engineer	3.00	3.00	-	-	-
Engineer	4.00	4.00	-	-	-
Maintenance Supervisor	1.00	1.00	-	-	-
Associate Engineer	2.00	2.00	-	-	-
Maintenance Specialist	11.00	11.00	-	-	-
Reliability Maintenance Technician	5.00	5.00	-	-	-
Total Maintenance Reliability and Planning	28.00	28.00	-	-	-

Historical Staffing Detail

Division & Position	Authorized FTEs 2017-18	Authorized FTEs 2018-19	Authorized FTEs 2019-20	Proposed FTEs 2020-21	Proposed FTEs 2021-22
880 Plant No. 2 Maintenance					
Maintenance Superintendent	1.00	1.00	1.00	1.00	1.00
Maintenance Supervisor	5.00	5.00	5.00	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	8.00	8.00	7.00	6.00	5.00
Lead Mechanic	2.00	2.00	2.00	3.00	3.00
Administrative Assistant	-	1.00	1.00	1.00	1.00
Senior Mechanic	14.00	15.00	14.00	16.00	15.00
Lead Facilities Worker	1.00	1.00	1.00	1.00	1.00
Electrical Technician I	1.00	1.00	2.00	2.00	3.00
Instrumentation Technician I	-	-	1.00	2.00	3.00
Facilities Worker/Builder	1.00	1.00	1.00	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
Maintenance Worker	2.00	2.00	2.00	1.00	1.00
Total Plant No. 2 Maintenance	48.00	50.00	50.00	53.00	53.00
Total Operations and Maintenance Department	287.00	288.00	284.00	284.00	284.00
Grand Total, All Departments*	635.00	636.00	640.00	639.00	639.00

2020-21 & 2021-22 Budget

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Appropriations Limit

Appropriations Limit

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

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

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

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

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

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

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

a successful override vote.

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

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

The law requires a governing body to annually adopt, by resolution, an appropriations limit for the following year, along with a recorded vote regarding which of the annual adjustment factors have been selected. The Orange County Sanitation District's appropriations limit and annual adjustment factors are adopted at the same meeting as the budget. The adjustment factors used for 2020-21 are the weighted average change in city population and the change in state per capita personal income.

The following table shows the annual appropriations limit for each of the last two years and for 2020-21. The increase in the limit is based upon population changes ranging from negative 0.77 percent to positive 0.20 percent for major cities within the Sanitation District as provided by the State Department of Finance and a per capita personal income change of 3.73 percent as provided by the State Department of Finance.

Annual Appropriation Limits:

2018-19	\$110,229,598
2019-20	\$114,427,648
2020-21	\$118,695,799

As a result of the July 1998 consolidation of the 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 the Sanitation District's service area. This method results in a lower limit than using the County-wide change.

2020-21 & 2021-22 Budget

Budget Glossary

Accounting System:

The set of records and procedures which are used to record, classify, and report information on the financial status and operations of an entity.

Accrual Basis Accounting:

Under this accounting method, transactions are recognized when they occur, regardless of the timing of related cash receipts and disbursements.

Administrative and Clerical:

An employee group that provides administrative and clerical support.

Ad Valorem Taxes:

OCSD's allocated share of the property taxes assessed by the County representing a 2% annual increase in assessed values of property taxes.

Annual Budget:

A budget applicable to a single fiscal year.

Appropriation Ordinance:

The official legal document approved by OCSD's Board of Directors authorizing officials to obligate and expend resources.

Appropriation:

An authorization made by OCSD'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.

BLAST:

A District program that stands for Building Leaders, Abilities and Skills for Tomorrow. The BLAST program is an employee designed leadership development program that aims to provide training and opportunities for staff at levels of the organization to develop themselves as leaders

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 OCSD follows in preparing and adopting the budget.

Capital Facilities Capacity Charge:

A one-time, nondiscriminatory charge imposed at the time a building or structure is newly connected to OCSD's system, directly or indirectly, or an existing structure or category of use is expanded or increased. This charge is to pay for OCSD facilities in existence at the time the charge is imposed, or to pay for new facilities to be constructed in the future, that are of benefit to the property being charged. This charge does not apply to temporary facilities.

Capital Improvement Program:

A plan over a period of five years setting forth each capital project, the amount to be expended in each year, and the method of financing capital expenditures.

Capital Outlay:

Cash outlays which result in the acquisition of or additions to capital assets. Examples include land, buildings, machinery, equipment, and other improvements.

Budget Glossary

Capital Assets:

Assets of significant value which have a useful life of several years. Examples are land, buildings, other improvements, machinery, and equipment.

Cash Basis Accounting:

A basis of accounting under which transactions are recognized only when cash is received or disbursed.

CCTV:

Closed-circuit television (CCTV), also known as video surveillance, is technology often used by the OCSD 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.

Comprehensive Annual Financial Report (CAFR):

The official financial report of a government. It includes an audit opinion as well as basic financial statements and supporting schedules necessary to demonstrate compliance with legal and contractual requirements of OCSD.

Contingency:

A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Contingent Liabilities:

Items which may become liabilities of OCSD 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 OCSD 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 the OCSD'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:

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. OCSD'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.

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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 the District'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.

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 OCSD, the GWRS reclaims up to 100 million gallons a day of the District'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.

Budget Glossary

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 OCSD with a maturity of more than one year after the date of issuance.

Maintenance Employees:

An employee group of OCSD.

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.

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 OCSD.

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 OCSD's employees. Included are items such as special duty pay, insurance, and retirement.

Personnel Benefits:

Those benefits paid by OCSD 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.

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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 OCSD to support wastewater treatment services. This income may be in the form of property taxes, fees, user charges, grants, and interest.

Risk Register:

The Risk Register is a compilation of the various risks facing OCSD, as seen by the management team.

Service Charges:

Charges for specific services rendered.

Service Description:

A description of the services or functions provided by each department or division.

SCADA (Supervisory Control And Data Acquisition):

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:

District-wide goals that demonstrate OCSD's long-term commitment to excellence and that

establish the framework necessary to maintain the District's high level of service standards.

Strategic Plan:

A planning effort to define OCSD'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 OCSD'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

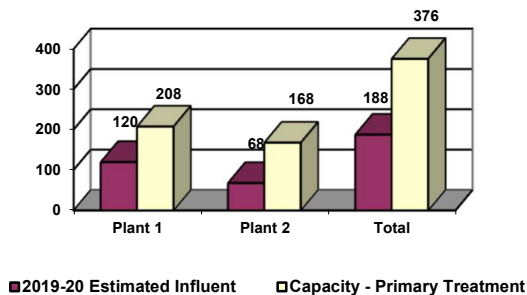
General Information

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
 2019-20 Assessed Value \$468.7 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) 639.00

Treatment Information

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



2018-19 Influent BOD:
 Plant No. 1 296 milligrams per liter
 Plant No. 2 288 milligrams per liter

2018-19 Influent Suspended Solids:
 Plant No. 1 353 milligrams per liter
 Plant No. 2 411 milligrams per liter

2018-19 Effluent BOD 6 milligrams per liter
 2018-19 Effluent Suspended Solids.. 10 milligrams per liter
 2018-19 Biosolids Produced & Reused .. 254,616 wet tons

Primary Treatment Capacity (includes standby):
 Plant No. 1 208 MGD
 Plant No. 2 168 MGD
 TOTAL 376 MGD

2019-20 Estimated Average Daily Influent:
 Plant No. 1 120 MGD
 Plant No. 2 68 MGD
 TOTAL 188 MGD

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

2019-20 Estimated Electricity Generated:
 Plant No. 1 39,778,706 kwh
 Plant No. 2 59,154,981 kwh
 TOTAL 98,933,687 kwh

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

Financial Information

	2018-19 Actual	2019-20 Projected	2020-21 Proposed	2021-22 Proposed
Fees and Charges:				
One-Time 3-Bedroom Residence Connection	\$4,228.00	\$4,601.00	\$4,973.00	\$5,346.00
Average Annual Single-Family Residence Fee	\$335	\$339	\$343	\$347
Local SRF Fee	\$108	\$108	\$108	\$108
District's Avg. Share of Ad Valorem Property Tax	1.59%	1.60%	1.60%	1.60%
Cost to Collect, Treat, & Dispose of One Million Gallons	\$ 2,274.73	\$ 2,339.36	\$2,534.40	\$2,536.65

Summary of COP Issues:

May 2010A New Money	\$ 80,000,000	August 2014A Refunding	63,930,000
November 2010C New Money	157,000,000	February 2015A Refunding	127,510,000
October 2011A Refunding	75,370,000	March 2016A Refunding	141,465,000
March 2012A Refunding	100,645,000	February 2017A Refunding	66,370,000
August 2012B Refunding	25,560,000	November 2018A Refunding	102,200,000
		Total Outstanding COP Balance 7/1/20	<u>\$ 940,050,000</u>

2020-21 & 2021-22 Budget

ORANGE COUNTY SANITATION DISTRICT

Estimated Population Served by the
Orange County Sanitation District

	Population as of <u>January 1, 2020</u>
Anaheim	357,325
Brea	45,629
Buena Park	81,998
Costa Mesa	114,778
Cypress	49,272
Fountain Valley	55,878
Fullerton	141,863
Garden Grove	174,801
Huntington Beach	201,281
Irvine	281,707
La Habra	63,371
La Palma	15,492
Los Alamitos	11,567
Newport Beach	85,780
Orange	140,065
Placentia	51,494
Santa Ana	335,052
Seal Beach	24,992
Stanton	39,077
Tustin	80,382
Villa Park	5,766
Westminster	92,421
Yorba Linda	68,650
Subtotal Cities ⁽¹⁾	<u>2,518,641</u>
Estimated Population Served in Unincorporated Areas ⁽²⁾	<u>71,505</u>
	<u><u>2,590,146</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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