

***IRVINE RANCH WATER DISTRICT
OPERATING BUDGET
FISCAL YEAR 2016-17***



“ADOPTED”

APRIL 25, 2016



OPERATING BUDGET

*Assumptions as of April 25, 2016
Fiscal Year 2016-17*

The goal of the District's budgeting process remains to fund the resources required to provide services to the District's customers as cost-efficiently as possible. Over the past several years, the District's operating budget has aggressively pursued reductions in expenses to offset uncontrollable expenses such as pass-through rate increases from outside agencies on which the District depends for the purchase of water and the treatment of wastewater and biosolids.

Pass through rate increases account for more than half of the increases in the proposed FY 2016-17 budget. The District's rate setting strategy provides for volume fluctuations in commodity sales without requiring rate increases to make up for the reduced sales. In other words, rate increases are driven by the increases in operational expenses of which over 50% are a direct result of higher pass through expenses and not as a result of reduced commodity sales. With significant additional capital facilities in development in FY 2016-17, the remaining recommended increases in the operating budget reflect additional expenses associated with operating or planning for the operation of those facilities.

This document is a preliminary summary of the major assumptions driving the development of the operating budget for FY 2016-17 for input by Board.

I. REVENUES

Growth Estimates:

Residential development growth includes both apartments and single family homes for FY 2016-17. The unit estimate is based on the most current projections received from the major developers throughout the service area. Current estimates identify approximately 3,700 mixed units coming on line in FY 2016-17. As a result, the growth factor for residential development was estimated at 3.0% for FY 2016-17.

The District experienced an increase in commercial volume which is helping to meet a return of the previously lost revenue due to the economy. Current development projections for the commercial/industrial sector identify 98 acres of development occurring in FY 2016-17 as well as 105 acres developing in the current fiscal year. Staff included a 1% growth rate for commercial and industrial development for FY 2016-17. Revenue assumptions used to estimate sewer revenue match the assumptions included for potable water.

Minimizing the Rate Impact:

The FY 2016-17 budget includes a significant increase in operating expenses and higher pass through costs from outside agencies. As a result, in order to minimize the rate increases, staff has allocated a majority of the projected additional imported water purchases from the over allocation tiers.

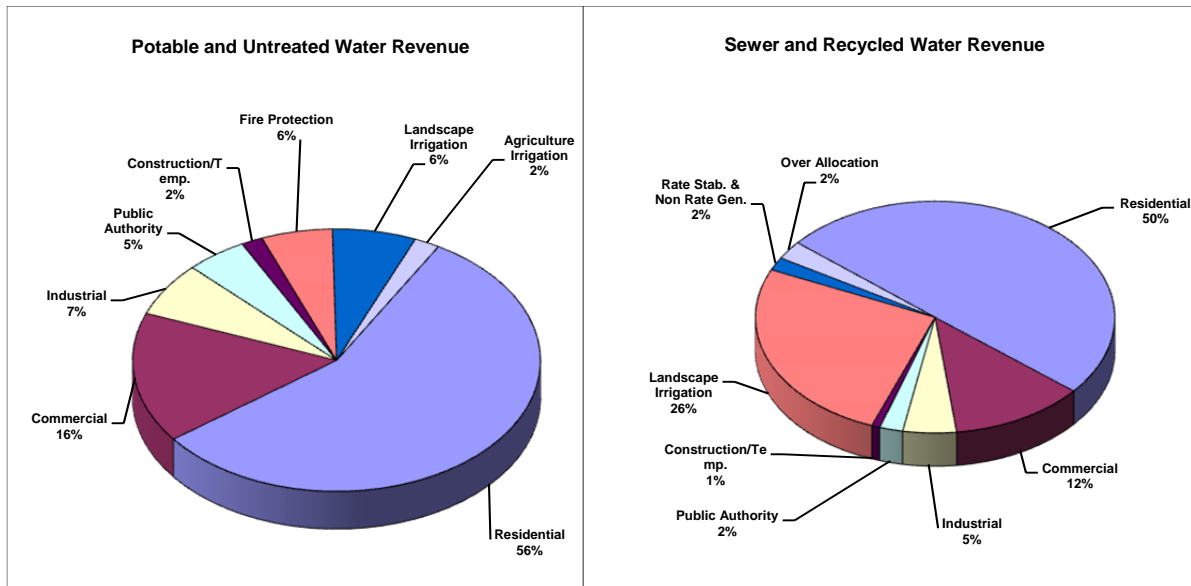


OPERATING BUDGET

*Assumptions as of April 25, 2016
Fiscal Year 2016-17*

FY 2016-17 Estimate for Operating Revenue Sources, by Customer Type (in thousands):

Customer Type	Potable	Sewer	Recycled	Total
Residential	\$ 42,525	\$ 36,347	\$ 1,134	\$ 80,006
Commercial	12,143	8,670	409	21,222
Industrial	5,011	3,569	40	8,620
Public Authority	3,659	1,577		5,236
Construction/Temp.	1,280		557	1,838
Fire Protection	4,263			4,263
Landscape Irrigation	5,006		19,531	24,538
Agriculture Irrigation	1,519		0	1,519
Rate Stab. & Non Rate Gen.		1,071	300	1,371
Over Allocation	10,092		1,929	12,021
Total	\$ 85,499	\$ 51,234	\$ 23,901	\$ 160,634



The projected revenue sources and their respective percentage of the total are presented in the graph above. Total Residential, Landscape, Commercial, and Industrial revenue constitute over approximately 80% of the total operating revenues for both water and sewer.



OPERATING BUDGET

*Assumptions as of April 25, 2016
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The “Other” category in the chart above includes revenue from the following sources in the order of total estimated receipts:

- Construction/Temporary accounts
- United States Department of the Navy contribution for the Shallow Ground Water Unit identified as Irvine Desalter Project (IDP) Reimbursements
- Recycled water sales to the Santa Margarita Water District
- Green Acres Project (GAP) recycled water sales
- Recycled Water Conversion Loan payments

II. OPERATING EXPENSES

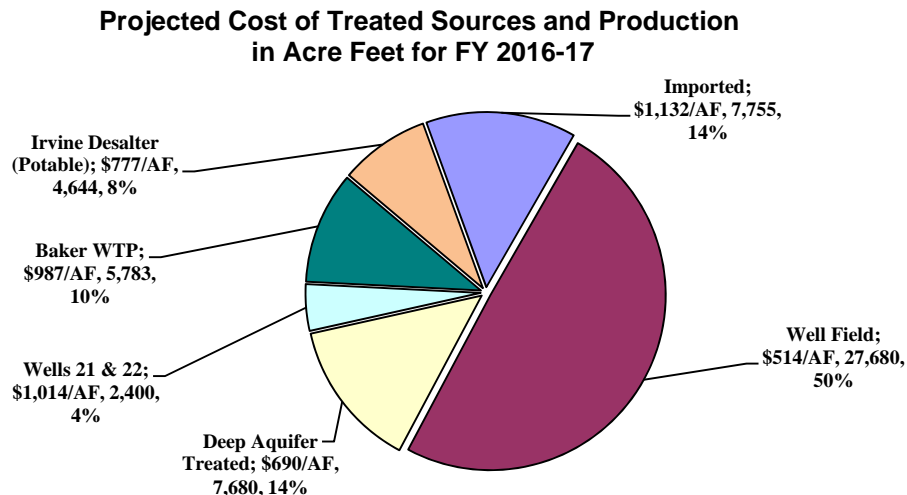
Notable expected changes in operating expenses are addressed below by system and function:

A. Treated Water

The State Water Resources Control Board (SWRCB) extended the restrictions to October 2016. California continues to face a significant drought and District customers have been receiving this messaging from a variety of sources. In addition, the District will continue to make efforts to do its part in encouraging its customers to conserve. The District intends to continue encouraging conservation through its rate structure, which provides an incentive for customers to limit water use to their base allocation. Customers have responded well to this messaging and the SWRCB has reduced the required reduction and, as a result, the District plans to increase its customer allocations slightly.

The FY 2016-17 budget anticipates a slight increase from forecasted usage in FY 2015-16. The District is projecting the potable sales for FY 2016-17 to be 52,504 acre feet (AF), an increase of approximately 2,900 over the prior year forecast.

The sources used to meet potable sales, their respective cost per AF, inclusive of labor, electricity, chemicals, etc., and their respective share of the total water purchased are identified in the graph:





OPERATING BUDGET

Assumptions as of April 25, 2016 Fiscal Year 2016-17

Groundwater Production

The major assumptions associated with the respective sources of water include the following:

- The Replenishment Assessment (RA) in FY 2015-16 was \$322 per AF and the rate used in FY 2016-17 is \$400 per AF, an increase of 24%. The District's basin production percentage (BPP) is set at a maximum of 70%, per the OCWD / IRWD Annexation Agreement executed in 2013.
- The Dyer Road Well Field (DRWF) pumping costs:
 - Actual energy usage will be factored with a rate decrease of 6%.
 - Chemical expense is relatively flat.

Treated Water – Metropolitan Water District (MWD) and Municipal Water District of Orange County (MWDOC)

- MWD is expected to increase its potable rates again on January 1, 2017 by 4%.
- The MWDOC meter surcharge will be applied to all imported purchases equally as part of the variable rate.
- Staff assumes no substantial change to the costs associated with the IRWD Reservoir Management Systems.
- The proposed FY 2016-17 budget assumes the Baker Water Treatment Plant will come on line October 2016. The budget reflects the full cost of operating the plant in the individual line items with the reimbursement to IRWD for 76% of the operating expenses by the Baker Water Treatment Facility partners shown as a "reimbursement from Baker Partners" in the Consolidated Operating Budget for all Departments.
- Los Alisos rate area demands are met almost entirely from the Baker Water Treatment Plant, which uses untreated water purchased from Santiago Aqueduct Commission (SAC) who purchases the water from MWDOC. The untreated rate will increase by 12%. The majority of the remaining demand will be met with MWDOC treated imported water.

Untreated Water

The sources for untreated water for FY 2016-17 will include purchased water.

- MWDOC purchases, Native Water and SAC water is expected to be used to meet all untreated demands.
- Any MWDOC increases discussed above also apply to purchases for the untreated system.

B. Sewer

The Michelson biosolids treatment facility is expected to go online in June 2017 and the FY 2016-17 operating budget includes one month (June) of operational expense. Current biosolids treatment is performed by the Orange County Sanitation District based upon a lease agreement that expires in December 2016. The District is in the process of negotiating a lease extension.



OPERATING BUDGET

Assumptions as of April 25, 2016 Fiscal Year 2016-17

C. Recycled Water

Customer demands for the recycled system decreased significantly from the prior year as customers embrace water conservation. Total recycled sales are estimated at 27,004 AF, a decrease of approximately 5,800 AF from the FY 2015-16 budget. Sources are as follows:

- Production and storage generated from operations at the Michelson Water Recycling Plant (MWRP) and Los Alisos Water Recycling Plant (LAWRP) are expected to provide 22,300 AF.
- The Irvine Desalter will provide 3,540 AF net of water lost through treatment.
- SAC water will provide 264 AF of water.
- The recycled water system is expected to purchase 3,402 acre-feet of supplemental water from the untreated system.

D. Salaries and Benefits

- Each year, staff prepares a labor budget based upon the total positions in the organization chart, expected merit and cost of living increases, and promotional allowances.
 - Each salary is identified and included in January and then projected forward adding merit increases that are based on prior review ratings where necessary in order to reach a starting July salary base.
 - New positions and promotions are added and all salaries are projected forward on a month by month basis.
 - In July, a COLA and promotional factor are applied to all salaries - Assumed at 2.0% and 0.9%, respectively.
 - Although staffing is below the current budget, staff anticipates all positions being occupied by FY 2016-17.

Regular Salaries and Wages	
FY 2015-16	\$29,085
Vacancy Factor	112
New positions	773
Promotions	309
COLA	495
Merit/Other	484
FY 2016-17	\$31,258



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The following table identifies the current and proposed contribution of the District toward employee benefits.

Additional Contributions Provided by the District		
	FY 15-16	FY 16-17
PERS Employer Contribution	18.3%	19.3%
PERS in Excess of ARC	<u>6.7%</u>	<u>5.7%</u>
Combined Total	25.0%	25.0%
District Direct 401A Match	0.0%	0.2%
401A Matching Contribution of 3%	2.4%	2.3%

User rates in the FY 2016-17 budget are based on budgeted PERS contributions.

III. USE OF OTHER FUNDS

A. Over Allocation Revenue

Over allocation revenue is used to offset the following expenses:

- o The cost associated with additional imported water purchases;
- o Customers who receive the \$2 low volume capacity rebate on the fixed service charge;
- o Budgeted conservation expenses; and
- o Urban runoff (NTS) and San Joaquin Marsh maintenance expenses.

Total conservation expense is expected to exceed over allocation revenue in FY 2016-17, thereby reducing the conservation fund balance. The conservation fund is projected to be approximately \$10.0 million at the end of FY 2016-17.

B. Enhancement Fund User Rate Component

The current enhancement fund contribution for both the water and sewer system for FY 2015-16 was a combined \$1.52 per month (\$0.70 for water and \$0.82 for sewer) for the average residential customer. It is estimated that the fund balance will be approximately \$20.0 million at the end of FY 2016-17.

C. Replacement Fund User Rate Component

The current replacement sewer service charge of \$10.11 per month for the average residential customer in FY 2015-16 will increase by \$1.30 to \$11.41 to provide additional funding for the biosolids project. A \$0.65 increase was assumed for the water fixed service charge replacement component. It is estimated that the fund balance will be approximately \$200 million as of the end of FY 2016-17.

IV. ALLOCATION OF COSTS BETWEEN IRWD AND LOS ALISOS RATE AREAS

- A. Costs that are directly related to providing service or are clearly associated with the Irvine Ranch or Los Alisos rate areas for treated water are allocated to the respective system expenses of that rate area.



OPERATING BUDGET

Assumptions as of April 25, 2016
Fiscal Year 2016-17

- B. Those costs that are attributable to system operations but that are not unique to one rate area are allocated based upon the ratio of the budgeted acre-feet.
- C. All direct labor costs are allocated General & Administrative (G&A) charges based upon the budgeted G&A factor.

Irvine Ranch Water District
Consolidated Operating Budget for All Departments FY 2016-17

(in thousands)

Expense Category / Name		2014-15 Actual	2015-16 Actual 12/31/15	2015-16 Original Budget	2016-17 Proposed Budget	Incr/(Decr)	%
Salaries & Benefits	Regular Labor	\$26,123	\$13,309	\$29,085	\$31,258	\$2,173	7.5%
	Overtime Labor	1,478	864	1,560	1,758	198	12.7%
	Contract Labor	1,902	1,460	1,483	1,347	(136)	-9.2%
	Employee Benefits	7,267	4,010	15,280	16,938	1,658	10.9%
Salaries & Benefits Total		\$36,770	\$19,644	\$47,407	\$51,300	\$3,893	8.2%
Water & Utilities	Water	32,892	14,492	34,975	36,234	1,259	3.6%
	Electricity	13,601	6,358	16,391	14,829	(1,562)	-9.5%
	Fuel	617	161	702	566	(136)	-19.3%
	Telecommunication	489	227	477	502	25	5.1%
	Other Utilities	155	76	156	178	22	13.8%
Water & Utilities Total		\$47,754	\$21,313	\$52,702	\$52,309	(\$393)	-0.7%
Materials & Supplies	Chemicals	2,284	1,123	2,016	3,133	1,118	55.5%
	Operating Supplies	(443)	524	1,391	1,484	93	6.7%
	Printing	182	64	291	265	(26)	-9.0%
	Postage	496	336	518	579	61	11.9%
	Permits, Licenses and Fees	359	612	888	1,219	331	37.3%
	Office Supplies	59	31	113	128	15	13.6%
	Duplicating Equipment	166	100	200	225	25	12.5%
	Equipment Rental	92	49	131	129	(2)	-1.6%
Materials & Supplies Total		\$3,196	\$2,839	\$5,546	\$7,162	\$1,616	29.1%
Professional Services	Rep & Maint OCSD & Others	21,995	7,821	14,189	14,400	211	1.5%
	Rep & Maint IRWD	6,376	3,447	7,582	8,726	1,144	15.1%
	Insurance	583	444	940	1,004	64	6.8%
	Legal Fees	394	215	480	455	(25)	-5.2%
	Engineering Fees	424	176	669	736	67	10.0%
	Accounting Fees	56	63	75	95	20	26.5%
	Data Processing	2,224	1,612	2,663	3,027	364	13.7%
	Personnel Training	654	312	1,093	1,103	10	1.0%
	Personnel Physicals	19	11	43	51	8	18.6%
	Other Professional Fees	1,594	1,354	3,049	4,401	1,352	44.3%
Professional Services Total		\$34,454	\$15,522	\$30,931	\$34,154	\$3,223	10.4%
Other	Mileage Reimbursement	104	50	132	132	0	0.1%
	Collection Fees	7	9	21	21	0	1.0%
	Election Expense	30	15	30	145	115	383.3%
	Safety	59	41	96	83	(13)	-13.8%
	Alarm and Patrol Services	92	62	130	170	40	30.8%
	Biosolids Disposals	140	55	151	374	223	147.2%
	Commuter Program	126	50	142	156	14	9.9%
	Computer Backup Storage	43	13	23	24	1	4.3%
	Contract Meter Reading	1,289	655	1,350	1,350	0	0.0%
	Other	27	6	22	12	(10)	-44.4%
	Conservation Rebates	1,415	232	1,694	2,948	1,254	74.0%
Other Total		\$3,331	\$1,188	\$3,791	\$5,415	\$1,624	42.8%
TOTAL		\$125,505	\$60,506	\$140,378	\$150,341	\$9,963	7.1%
Less: Reimbursement from Baker Partners					(3,408)	(3,408)	
Grand Total		\$125,505	\$60,506	\$140,378	\$146,933	\$6,555	4.7%



REVENUES AND EXPENSES BY SYSTEM

(in thousands)

	<u>Water</u>	<u>Sewer</u>	<u>Recycled</u>	<u>Consolidated</u>
Revenue:				
Commodity	\$ 41,832	\$ -	\$ 15,353	\$ 57,185
Service	33,575	50,683	6,319	90,577
Over Allocation	10,092	-	1,929	12,021
Rate Stabilization	-	551	300	851
Total Revenues	<u>\$ 85,499</u>	<u>\$ 51,234</u>	<u>\$ 23,901</u>	<u>\$ 160,634</u>
Contribution to Enhancement and Replacement Funds	(8,308)	(18,619)	(1,089)	(28,016)
Net Revenues	<u>\$ 77,191</u>	<u>\$ 32,615</u>	<u>\$ 22,812</u>	<u>\$ 132,618</u>
Expenses:				
Cost of Water	\$ 42,719	\$ -	\$ 9,222	\$ 51,941
Operations	10,013	9,961	5,904	25,878
Water Banking	373	-	-	373
OCSD - O&M	-	13,125	-	13,125
<i>Total Direct</i>	<u>53,105</u>	<u>23,086</u>	<u>15,126</u>	<u>91,317</u>
Customer Records and Collections	2,516	839	839	4,194
General & Admin Expense	9,740	7,821	3,452	21,013
<i>Total Indirect</i>	<u>12,256</u>	<u>8,660</u>	<u>4,291</u>	<u>25,207</u>
General Plant	2,111	869	1,566	4,546
Marsh/NTS/Conservation	9,719	-	1,829	11,548
Total Expenses	<u>\$ 77,191</u>	<u>\$ 32,615</u>	<u>\$ 22,812</u>	<u>\$ 132,618</u>
Net Operating Position	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>



NON-OPERATING

SUMMARY OF SOURCES AND USES

(in thousands)

	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>Incr/(Decr)</u>
Non-operating Revenue:			
Property Taxes	\$43,466	\$47,689	\$4,223
Investment Income	1,642	2,686	1,044
Connection Fees	22,000	22,000	0
Real Estate Income	12,556	12,954	398
Other Income	5,915	6,500	585
Total Revenue	<u>\$85,579</u>	<u>\$91,829</u>	<u>\$6,250</u>
Non-operating Expenses:			
Interest Expense	\$22,056	\$24,606	\$2,550
Real Estate Expense	6,303	6,834	531
Other Expenses	1,174	1,000	(174)
Total Expense	<u>\$29,533</u>	<u>\$32,440</u>	<u>\$2,907</u>
Net Sources & Uses	<u><u>\$56,046</u></u>	<u><u>\$59,389</u></u>	<u><u>\$3,343</u></u>



Current and Proposed Residential Rates

Before Rate Adjustment:	Irvine Ranch		Los Alisos	
	Potable	Wastewater	Potable	Wastewater
Current Residential Rates:	Water (1)	Sewer/ Recycled Water (2)	Water (1)	Sewer/ Recycled Water (2)
Low Volume	\$1.11	\$1.08	\$1.64	\$1.08
Commodity Rate	\$1.62	\$1.37	\$2.39	\$1.37
Residential Service	\$10.30	\$21.85	\$10.30	\$21.85
Operations	\$8.15	\$12.37	\$8.15	\$12.37
Replacements	\$1.45	\$8.66	\$1.45	\$8.66
Enhancements	\$0.70	\$0.82	\$0.70	\$0.82
Total Service Charge	\$10.30	\$21.85	\$10.30	\$21.85
Commodity (12 ccf)	\$16.89		\$24.93	
Current Monthly	\$49.04		\$57.08	
Proposed Residential Rate Adjustment:				
Low Volume	\$1.21	\$1.12	\$1.80	\$1.12
Base Commodity Rate	\$1.65	\$1.46	\$2.46	\$1.46
Operations	\$7.50	\$13.07	\$7.50	\$13.07
Replacements	\$2.10	\$9.31	\$2.10	\$9.31
Enhancements	\$0.70	\$0.82	\$0.70	\$0.82
Total Service Charge	\$10.30	\$23.20	\$10.30	\$23.20
Commodity	\$17.60		\$26.22	
Proposed Monthly	\$51.10		\$59.72	
Current Monthly	\$49.04		\$57.08	
Difference	\$2.06		\$2.64	
Change %	4.2%		4.6%	

- (1) Water - District Average usage assumes 12 ccf's per month.
- (2) Sewer - District average usage assumes 6-10 ccf for lowest 3 months.



REVENUE

BUDGETED REVENUE SUMMARY BY SYSTEM

<i>(in thousands)</i>	FY 2015-16	Usage Change	Proposed Rate Inc.	FY 2016-17
Water				
Service	\$ 24,494	\$ (977)	\$ -	\$ 23,517
Enhancement	1,788	289		2,077
Replacement	3,836	2,395		6,231
Pumping Surcharge	800	(75)	50	775
Miscellaneous	600	375		975
Commodity	32,113	4,236	5,483	41,832
Over Allocation Revenue/Fund	6,897	3,195		10,092
Rate Stabilization / Non Rate Generated	2,046	(2,046)		
	\$ 72,574	\$ 7,392	\$ 5,533	\$ 85,499
AF Sales	52,276			54,385
User Type				
Residential	\$ 37,241	\$ 2,340	\$ 2,944	\$ 42,525
Commercial	9,668	1,489	986	12,143
Industrial	3,773	720	518	5,011
Public Authority	2,102	1,152	405	3,659
Construction/Temp.	950	285	45	1,280
Fire Protection	3,807	456	0	4,263
Landscape Irrigation	5,131	(561)	437	5,006
Agriculture Irrigation	959	362	198	1,519
Over Allocation Revenue	6,897	3,195		10,092
Rate Stabilization / Non Rate Generated	2,046	(2,046)		0
	\$ 72,574	\$ 7,392	\$ 5,533	\$ 85,499



REVENUE

BUDGETED REVENUE SUMMARY BY SYSTEM

<i>(in thousands)</i>	<u>FY 2015-16</u>	<u>Usage Change</u>	<u>Proposed Rate Inc.</u>	<u>FY 2016-17</u>
Sewer				
Service	\$ 28,245	\$ 1,415	\$ 1,454	\$ 31,114
Enhancement	1,180	59	93	1,332
Replacement	15,592	781	914	17,287
Miscellaneous	611	(181)		430
Reimbursements	520	-		520
Rate Stabilization	-		551	551
	<u>\$ 46,148</u>	<u>\$ 2,074</u>	<u>\$ 3,012</u>	<u>\$ 51,234</u>
User Type				
Residential	\$ 32,747	\$ 1,833	\$ 1,767	\$ 36,347
Commercial	7,977	264	429	8,670
Industrial	3,401	(16)	184	3,569
Public Authority	1,503	(7)	81	1,577
Reimbursements	520	-	-	520
Rate Stabilization			551	551
	<u>\$ 46,148</u>	<u>\$ 2,074</u>	<u>\$ 3,012</u>	<u>\$ 51,234</u>



REVENUE

BUDGETED REVENUE SUMMARY BY SYSTEM

<i>(in thousands)</i>	<u>FY 2015-16</u>	<u>Usage Change</u>	<u>Proposed Rate Inc.</u>	<u>FY 2016-17</u>
Recycled				
Service	\$ 4,153	\$ 631	\$ -	\$ 4,784
Enhancement	323	18	-	341
Replacement	693	55	-	748
Pumping Surcharge	265	181	-	446
Commodity	16,406	(1,644)	591	15,353
Over Allocation Revenue	4,373	(2,444)		1,929
Rate Stabilization	486	(186)		300
	<u>\$ 26,699</u>	<u>\$ (3,389)</u>	<u>\$ 591</u>	<u>\$ 23,901</u>
AF	32,810			27,004
User Type				
Residential	\$ 1,151	\$ (48)	\$ 31	\$ 1,134
Commercial	415	(17)	11	409
Industrial	41	(2)	1	40
Public Authority	-	-	-	-
Landscape Irrigation	19,668	(669)	532	19,531
Recycled Loans	-	-	-	-
Agriculture Irrigation	-	-	-	-
Construction/Temp.	565	(23)	15	557
Over Allocation Revenue	4,373	(2,444)	-	1,929
Rate Stabilization	486	(186)	-	300
	<u>\$ 26,699</u>	<u>\$ (3,389)</u>	<u>\$ 591</u>	<u>\$ 23,901</u>



COST OF WATER

BUDGETED COST OF WATER

<i>(in thousands)</i>	FY 2015-16			FY 2016-17			Change	
	Acre Feet	Total	Cost / AF	Acre Feet	Total	Cost / AF	Acre Feet	Total
Irvine Ranch Rate Area								
<u>TREATED</u>								
Purchased from MWDOC	5,988	\$ 7,130	\$1,191	5,955	\$ 7,374	\$1,238	(33)	\$ 244
Dyer Road Well Field	28,000	13,079	\$467	27,680	14,238	\$514	(320)	1,159
Other Wells	900	366	\$0	650	402	\$618	(250)	36
Deep Aquifer Treatment System	8,000	4,707	\$588	7,680	5,301	\$690	(320)	594
Lost to Production	(160)			(154)			6	
Wells 21 & 22 Desalter	0	520	\$0	2,400	2,432	\$1,014	2,400	1,912
Lost to Production	0			(360)			(360)	
Irvine Desalter Project	2,890	2,150	\$744	4,644	3,611	\$777	1,754	1,461
Lost to Production	(434)			(697)			(263)	
<i>Total Shrinkage</i>	(1,855)			(2,498)			(643)	
Total Irvine Ranch Potable	43,329	\$ 27,952		45,300	\$ 33,358		1,971	\$ 5,406
<u>UNTREATED</u>								
Purchased from MWDOC	11,637	\$ 7,939	\$682	4,103	\$ 2,921	\$712	(7,534)	\$ (5,018)
Native Water	400	85	\$212	1,000	212	\$212	600	127
Santiago Aqueduct Commission	180	111	\$617	264	195	\$739	84	84
Transfer to RW System	(9,404)	(6,261)	\$666	(3,402)	(2,109)	\$620	6,002	4,152
<i>Total Shrinkage</i>	(128)			(84)			44	
Total Untreated	2,685	\$ 1,874		1,881	\$ 1,218		(804)	\$ (656)
Los Alisos Rate Area								
Purchased from MWDOC	6,141	\$ 6,432	\$1,047	1,800	\$ 2,023	\$1,124	(4,341)	\$ (4,409)
Baker WTP				5,783	\$ 5,338	\$923	5,783	5,338
Well Water	432	32	\$74	432	0	\$0	-	(32)
<i>Total Shrinkage</i>	(312)			(811)			(499)	
Total Los Alisos	6,261	\$ 6,464		7,204	\$ 7,361		943	\$ 897
Total Potable and Untreated Water	52,275	\$ 36,290		54,385	\$ 41,938		2,110	\$ 5,648

Assumptions:

OCWD - replenishment assessment - \$400/acre foot.

MWDOC - Includes identified increases that will be effective January 1, 2017 from MWD.



COST OF WATER

BUDGETED COST OF RECYCLED WATER

<i>(in thousands)</i>	FY 2015-16			FY 2016-17			Change	
	Acre Feet	Total	Cost / AF	Acre Feet	Total	Cost / AF	Acre Feet	Total
Groundwater	0	\$ -	\$ -	-	\$ -	\$ -	-	\$ -
Irvine Desalter Project	2,900	1,836	\$633	4,165	2,724	\$654	1,265	888
Lost to Production	(435)			(625)			(190)	
SAC Water	282	174	\$617	0	0	\$0	(282)	(174)
MWRP / LAW RP Production	22,300	10,480	\$470	22,300	4,983	\$223	-	(5,497)
Transfer from Untreated System	9,404	6,261	\$666	3,402	2,109	\$620	(6,002)	(4,152)
<i>Total Shrinkage</i>	<u>(1,641)</u>			<u>(2,238)</u>			<u>(597)</u>	
Total Recycled	<u>32,810</u>	<u>\$ 18,751</u>		<u>27,004</u>	<u>\$ 9,816</u>		<u>(5,806)</u>	<u>\$ (8,935)</u>
Total Cost of Water for Billed Usage	<u>85,085</u>	<u>\$ 55,041</u>		<u>81,389</u>	<u>\$ 51,754</u>		<u>(3,696)</u>	<u>\$ (3,287)</u>

Assumptions:

OCWD - replenishment assessment - \$400/acre foot.

MWDOC - Includes identified increases that will be effective January 1, 2017 from MWD.



GENERAL MANAGER'S OFFICE

OPERATING BUDGET SUMMARY

Program Description

The General Manager's Office implements the policies established and direction provided by the Board of Directors and, in so doing, provides overall direction to staff to complete that effort. The office also includes Government Relations which develops and advocates for policies at the federal, state and local levels that promote a reliable high quality and cost effective water supply for IRWD customers, and demonstrates the efficient use of resources. The Government Relations staff provides policy leadership and technical expertise to the legislative process, particularly on issues of water recycling, water use efficiency, water supply reliability and governance, among others.

The General Manager's office also:

- Provides direct services to and communications with the Board of Directors;
- Produces and distributes Board, Board Committee and Ad Hoc Committee meeting packets;
- Schedules all Board, Board Committee, Ad Hoc Committee and annual/special independent corporation meetings;
- Produces the minutes of all Board meetings;
- Maintains all Board resolutions;
- Schedules other meetings and functions on behalf of the Board members and makes travel arrangements, as needed;
- Maintains records of all inter-agency agreements, deeds and easements;
- Maintains records for the various independent corporations;
- Maintains necessary inter-governmental relations;
- Responds to, or directs response to, all media inquiries; and,
- Responds to all public information requests.

The General Manager's Office works with the Board of Directors and staff to establish the District's strategic vision for all departments. On November 6, 2015, staff reviewed the 2015 Goals and Target Activities with the Board. The Goals and Target Activities described below reflect the *Strategic Objectives*, as well as the *Mission, Vision and Values* of Irvine Ranch Water District as adopted by the Board. The Goals (numbered) and the Target Activities (lettered) for 2016 are summarized as follows:

Major Goals

1. Optimize and protect local water supply utilization
 - a. Implement near-term recommendations from 2014 Groundwater Work Plan
 - b. Complete construction and commissioning of Baker Water Treatment Plant
 - c. Complete updated potable water supply reliability study
 - d. Complete Urban Water Management Plan



GENERAL MANAGER'S OFFICE

OPERATING BUDGET SUMMARY

- e. Select preferred alternative and begin feasibility study to replace or repair Irvine Lake Outlet Tower
 - f. Coordinate with OCWD on South Basin Clean-up Project
 - g. Provide advocacy and support for Metropolitan's Carson Regional IPR program
2. Minimize discharge of recyclable water to the ocean
 - a. Complete design and construction of Irvine Lake Pipeline North Conversion
 - b. Convert a minimum of 1,000 AF of potable water use to recycled water
 - c. Include IRWD's recycled water demands in OCWD's total water demand calculations
 - d. Update Sewage Collections System Master Plan
 - e. Update Sewage Treatment Master Plan, including consideration of IBC flows
 - f. Complete the Salt Management Plan – Phase 2
 - g. Perform CEQA, alternatives analysis and preliminary design for the Syphon Reservoir Expansion
 - h. Explore local IPR/aquifer storage opportunities
 - i. Evaluate putting SGU and other brine flows into the recycled water system
 - j. Complete Local Limits Study
3. Bank 90,000 AF of water for IRWD, develop 70 cfs of extraction and additional recharge and storage capacity as needed for IRWD and water banking partners
 - a. Certify EIR for Stockdale Integrated Banking Project
 - b. Execute long-term unbalanced exchange agreements for Stockdale
 - c. Execute long-term exchange agreements to facilitate exports of Kern River water
 - d. Investigate land fallowing and water transfer opportunities
 - e. Construct Stockdale recovery facilities
 - f. Construct Drought Relief Project recovery and conveyance facilities
 - g. Secure additional land for recharge and recovery facilities
4. Maximize resource recovery from fully functional biosolids and resource recovery facility
 - a. Biosolids Facilities operational
 - b. Complete marketing plan for beneficial use(s) of pellets
 - c. Develop partnerships with other agencies to utilize surplus capacity
 - d. Evaluate FOG implementation and incorporate industrial pre-treatment
 - e. Negotiate extension and revision of July 2003 agreement with OCSD
5. Improve electric service reliability, manage demands and control costs
 - a. Develop program to maximize generation of renewable energy through food waste and fats oils and grease
 - b. Implement recommendations from Embedded Energy Program
 - c. Participate in SCE's Direct Access Program
 - d. Pursue cost effective and proven energy storage programs through participation in Self Generation Incentive Program (SGIP)
 - e. Maximize participation in and returns from the Preferred Resource Pilot Program



GENERAL MANAGER'S OFFICE

OPERATING BUDGET SUMMARY

- f. Explore financial models for financing, construction and operation of renewable and storage projects
 - g. Collaborate on the development of micro-grid technologies through a partnership with UCI
6. Maximize urban water treatment and watershed protection
- a. Construct Peters Canyon Channel Water Capture and Reuse Pipeline
 - b. Explore potential conversion of some NTS sites to infiltrate dry weather flows or divert into sewer
 - c. Facilitate discussions with the County of Orange to identify facilities for potential storm water detention / retention to control bank erosion
 - d. Explore diverting MWRP groundwater dewatering flows into MWRP
 - e. Identify alternative sources for Marsh to mitigate for potential loss of flows due to Peters Canyon Channel Water Capture and Reuse Project
7. Develop and implement asset management programs
- a. Complete the Pre-Implementation Phase of the management of the District's operating assets
 - b. Complete the Implementation Phase of the management of the District's operating assets
 - c. Resolve outstanding deed, access and other contractual restrictions related to real property
8. Ensure financial and rate stability
- a. Develop plan to invest revenue generated by the Lake Forest property; establish rate parity for IRWD Lake Forest customers
 - b. Update the Replacement Planning Model
 - c. Complete development and leasing on remaining Sand Canyon campus and other facilities
 - d. Complete financing plan to support the District's major capital projects
 - e. Develop a Cost of Service Study for the IRWD sewer system that includes the Biosolids Project operating
9. Enhance customer satisfaction and communication
- a. Enhance customer satisfaction through an improved customer web access portal
 - b. Develop and implement next phase of customer drought outreach program
 - c. Develop and implement tap water outreach campaign
 - d. Expand the RightScope program for regional use and benefit
 - e. Redesign customer bill to improve customer satisfaction
10. Maximize water use efficiency in the community
- a. Update Water Supply Contingency Plan
 - b. Evaluate water use efficiency programs and Water Use Efficiency Plan
 - c. Develop guide for implementing budget-based rate structures
 - d. Review current approach to water loss management, best practices, and compliance with new regulations



GENERAL MANAGER'S OFFICE

OPERATING BUDGET SUMMARY

11. Recruit, develop and retain a highly skilled and educated work force
 - a. Implement new performance evaluation process
 - b. Develop and implement staff mentoring program
 - c. Develop and implement District Cross Training Program and Job Rotation Program
 - d. Develop a certification and training database and two-year staff training plan based on the needs of the District
 - e. Form and implement a Steering Committee to plan for succession and knowledge transfer
 - f. Evaluate alternatives for standby/first responders
 - g. Evaluate employee space planning alternatives
12. Identify, assess and implement new technologies
 - a. Implement the Operations Database Management System
 - b. Simplify and optimize financial module to incorporate new ID structure and project management
 - c. Conduct IT-related existing/new technology opportunity assessment
 - d. Implement Process Development Steering Committee to identify operational process improvements and explore new technologies
13. Guide and lead local, state and federal policies and legislation
 - a. Provide input to the State Water Resources Control Board in extending State-wide drought regulations
 - b. Participate in the development of Statewide surface and groundwater storage policies associated with Water Bond Funding
 - c. Seek legislative or regulatory changes promoting recycled water storage
 - d. Provide input to the legislature and administration on developing water markets in California
 - e. Promote policies which encourage energy reliability and efficiency in the water industry
 - f. Promote a "fit for purpose" approach to regulation of recycled water
 - g. Promote policies and regulations that will improve air quality and allow efficient operation of District facilities
14. Increase collaboration with other agencies and entities through leadership and innovation
 - a. Develop Orange County Groundwater Basin conjunctive use and exchange policy
 - b. Conduct planning level evaluation of potential IRWD and South County shared reliability projects
 - c. Actively participate in the Orange County Water Supply Reliability Study
 - d. Lead the Groundwater Producers in the evaluation of Ocean Desalination Projects
 - e. Evaluate and promote opportunities for shared services
 - f. Propose to provide sewer services to OCSD's Service Area 7
 - g. Participate as leaders in industry associations
 - h. Advocate for regional IPR and DPR projects
 - i. Evaluate third-party billing opportunity for UCI
15. Evaluate opportunities that enhance safety and emergency preparedness throughout the District
 - a. Implement facility security assessment

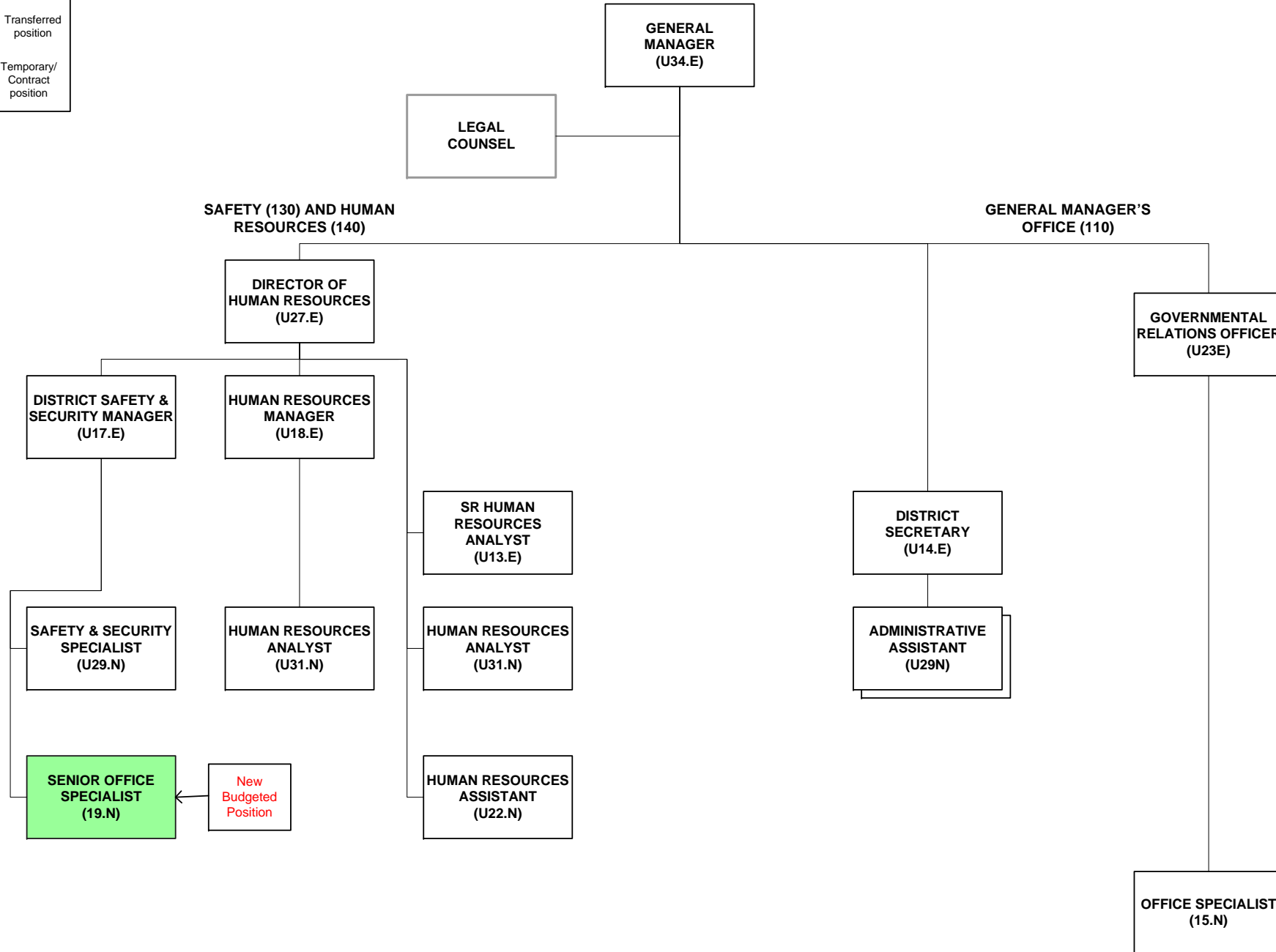
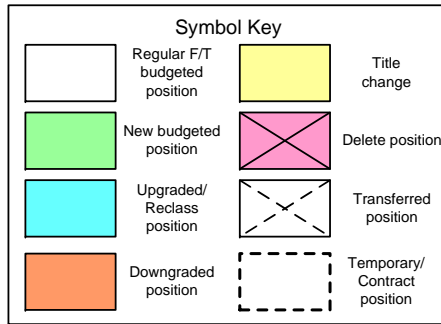


GENERAL MANAGER'S OFFICE

OPERATING BUDGET SUMMARY

- b. Develop plan and design improvements to eliminate the use of chlorine gas at District facilities
- c. Implement intranet based interactive safety training where appropriate
- d. Develop emergency preparation/readiness program

**IRVINE RANCH WATER DISTRICT
ADMINISTRATION
PROPOSED FISCAL YEAR 2016-17**



Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2016-17

Administration		2014-15 Actual	2015-16 Actual 12/31/15	2015-16 Orig Budget	2016-17 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
110	Regular Labor	558,472	346,928	568,100	730,950	162,850
110	Overtime Labor	113	269	1,000	1,000	0
110	Contract Labor	11,556	2,334	0	0	0
110	Operating Supplies	120	22	0	0	0
110	Printing	1,597	2,983	25,000	10,000	(15,000)
110	Postage	30	30	100	100	0
110	Permits, Licenses and Fees	84,261	80,224	89,000	84,500	(4,500)
110	Office Supplies	4,423	1,657	4,000	4,000	0
110	Legal Fees	333,294	159,059	385,000	360,000	(25,000)
110	Personnel Training	245,169	142,697	250,000	257,000	7,000
110	Other Professional Fees	169,810	126,959	225,000	668,050	443,050
110	Directors' Fees	136,523	68,448	148,600	156,000	7,400
110	Election Expense	30,000	15,000	30,000	145,000	115,000
Total	General Managers Office	1,575,368	946,610	1,725,800	2,416,600	690,800



SAFETY AND SECURITY

OPERATING SUMMARY

Program Description

The Safety and Security program provides necessary resources to promote a safe work environment for employees through mandated and pro-active training and education and to ensure the security of all District property and facilities.

With a commitment to provide on-going employee training to facilitate safe job performance and effective security programs to ensure property and facility protection, the Safety and Security function continually monitors and stays abreast of current and pending changes and improvements for safe work practices and security measures in the water industry. Appropriate policies are regularly developed or revised to ensure the constant pursuit and maintenance of a safe and secure operational environment, in compliance with all applicable laws and regulations.

Through the use of safety awareness programs, the Safety and Security function works to increase employee involvement at all organizational levels via All Hands Meetings, Tailgate Safety Meetings, classroom and on-site training sessions, workplace evaluations, industrial hygiene evaluations and employee Safety Committee meetings.

The Safety & Security program administers the Commuter Trip Reduction (Ridesharing) program, coordinates emergency preparedness and disaster response operations and oversees the maintenance and administration of the Emergency Operations Center.

Major Goals

- Develop emergency preparedness/readiness program;
- Provide disaster response training for District staff;
- Develop implementation plan for facility security assessment recommendations;
- Implement on-line web-based interactive safety training programs; and
- Conduct Safety Training and Personal Protective Equipment Assessment for all District job classifications.

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2016-17

Administration		2014-15 Actual	2015-16 Actual 12/31/15	2015-16 Orig Budget	2016-17 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
130	Regular Labor	151,459	97,519	194,700	244,800	50,100
130	Overtime Labor	1,580	598	0	1,500	1,500
130	Contract Labor	41,547	18,756	48,000	0	(48,000)
130	Operating Supplies	67,667	26,972	88,500	70,500	(18,000)
130	Printing	0	0	8,400	9,300	900
130	Postage	0	0	400	0	(400)
130	Permits, Licenses and Fees	20,985	24,220	40,000	40,000	0
130	Office Supplies	867	1,575	2,200	40,000	37,800
130	Rep & Maint IRWD	0	8,987	5,000	0	(5,000)
130	Insurance	0	700	0	0	0
130	Personnel Training	18,171	35,400	79,900	114,000	34,100
130	Personnel Physicals	7,434	6,008	28,000	36,000	8,000
130	Other Professional Fees	14,131	45	31,000	125,000	94,000
130	Safety	31,392	31,712	50,000	25,000	(25,000)
130	Other	231,654	116,465	281,600	326,000	44,400
Total	Safety and Security	586,887	368,957	857,700	1,032,100	174,400



HUMAN RESOURCES

OPERATING BUDGET SUMMARY

Program Description

The Human Resources function provides comprehensive organizational development and personnel management services to maximize the potential of the District's human resources and overall employee efficiency, effectiveness and satisfaction. The Human Resources program is responsible for attracting and recruiting a highly qualified work force and working in concert with the organization leadership to develop and sustain a motivated productive workforce.

Human Resources ensures the delivery of a competitive compensation and benefits package; continuous improvement through employee training; fair and consistent employee policies, procedures and guidelines; and an ongoing employee reward and recognition program tied to the achievement of stated goals and objectives. Human Resources is responsible for the employee relations and labor relations processes and facilitates communication and trust with staff through collaboration and the open exchange of ideas.

Major Goals

- Recruit, develop and retain a highly skilled and educated workforce;
- Implement improvements to the performance evaluation process;
- Collaborate with staff committee to expand succession planning programs such as mentoring, cross training and leadership training;
- Develop a certification and training database management system;
- Evaluate alternatives for standby/first responders; and
- Evaluate employee space planning alternatives.

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2016-17

Administration		2014-15 Actual	2015-16 Actual 12/31/15	2015-16 Orig Budget	2016-17 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
140	Regular Labor	557,789	287,278	627,200	649,880	22,680
140	Overtime Labor	1,508	1,697	5,000	5,000	0
140	Employee Benefits	7,266,938	4,009,837	15,279,500	16,937,520	1,658,020
140	Contract Labor	0	0	2,500	2,500	0
140	Operating Supplies	1	0	0	0	0
140	Printing	1,758	2,010	2,500	0	(2,500)
140	Postage	0	29	0	100	100
140	Office Supplies	224	641	2,500	2,500	0
140	Rep & Maint IRWD	0	0	100	1,000	900
140	Legal Fees	60,689	55,775	95,000	95,000	0
140	Personnel Training	234,076	67,893	397,700	370,800	(26,900)
140	Personnel Physicals	11,509	4,611	15,000	15,000	0
140	Other Professional Fees	58,426	30,566	107,500	134,500	27,000
140	Other	1,150	0	0	0	0
Total	Human Resources	8,194,068	4,460,337	16,534,500	18,213,800	1,679,300
Total	Administration	10,356,323	5,775,904	19,118,000	21,662,500	2,544,500



FINANCE, TREASURY AND PROCUREMENT

OPERATING BUDGET SUMMARY

Program Description

The Finance Department is responsible for ensuring the financial and rate stability of the District. This includes developing rates and fees that support the long term sustainability of the District. Finance maintains the official accounting records of the Irvine Ranch Water District and provides financial management of the District's income and real estate investments, new and existing debt issues, and deferred compensation programs. The department provides a wide range of accounting and financial services including payroll, accounts payable, accounts receivable, project accounting, financial analysis, financial reporting, coordination of the District's annual operating budget and preparation of the Comprehensive Annual Financial Report (CAFR). The Finance Department also oversees risk management claims and insurance issues.

The mission of the Finance Department is to safeguard assets and provide financial and accounting services in a timely, reliable, and cost-effective manner that meet the requirements of the District's internal and external customers.

Major Goals

ACCOUNTING AND BUDGETING

- Prepare and submit accurate financial reports and relevant tax returns to federal, state, county and district agencies within established legal deadlines and requirements;
- Prepare and submit accurate and timely financial reports to the Finance and Personnel Committee and the District's Board of Directors;
- Coordinate the District's annual financial statement audit;
- Prepare the annual CAFR;
- Prepare the Operating Budget for Board of Director approval including setting adequate rates to ensure long term financial strength and stability;
- Ensure user rates are proportional with costs and support the current rate structure;
- Lead customer noticing effort for Proposition 218 compliance (operating budget, rates and charges);
- Ensure all payments and payroll checks are accurate and timely;
- Simplify the District-wide Financial System, including incorporating the recent improvement district consolidations and improved project reporting capabilities; and,
- Identify and implement business intelligence capabilities.

LONG-TERM FINANCIAL PLANNING

- Continue to refine and update the cash flow strategic model to ensure sufficient funding for future capital needs;
- Provide analytical support and analysis to Finance, other departments and outside constituents as requested; and



FINANCE, TREASURY AND PROCUREMENT

OPERATING BUDGET SUMMARY

- Explore financial models for financing, construction and operation of renewable and storage projects.

INVESTMENTS AND CASH MANAGEMENT

- Invest District funds in a prudent and professional manner that will provide maximum security of principal, sufficient liquidity to meet working capital requirements and an optimal rate of return;
- Prepare accurate investment reports and the annual investment policy to the Board of Directors and other interested parties within established time frames; and,
- Maintain and enhance short and long-term cash flow models and cash management practices.

REAL ESTATE

- Monitor and report on the performance of all real estate investment assets;
- Manage leasing and related property management activities for all District commercial and residential real estate investments;
- Complete environmental and final map approval process for property located in Lake Forest;
- Complete development of the Sand Canyon office project in Irvine as market conditions warrant; and
- Resolve outstanding deed, access and other contractual restrictions related to real property.

DEBT ISSUANCE AND ADMINISTRATION

- Issue long-term debt to fund capital projects as needed, and evaluate and recommend refunding opportunities for current District debt issues when appropriate;
- Prepare and submit required continuing disclosure materials for District debt issues to appropriate parties;
- Monitor variable interest rates set by remarketing agents on District debt and make adjustments as appropriate; and,
- Execute, monitor and report on interest rate swap transactions as appropriate.

INSURANCE

- Ensure the District has adequate insurance to appropriately safeguard assets; and,
- Manage claims process and coordinate legal matters in a timely manner.

PENSION

- Maintain and invest Pension Benefits Trust assets and report portfolio performance and recommendations to the Retirement Board;
- Evaluate and monitor Trust Advisor performance; recommend changes in advisory services as appropriate; and,
- Review additional opportunities to optimize Pension Benefits Trust performance.



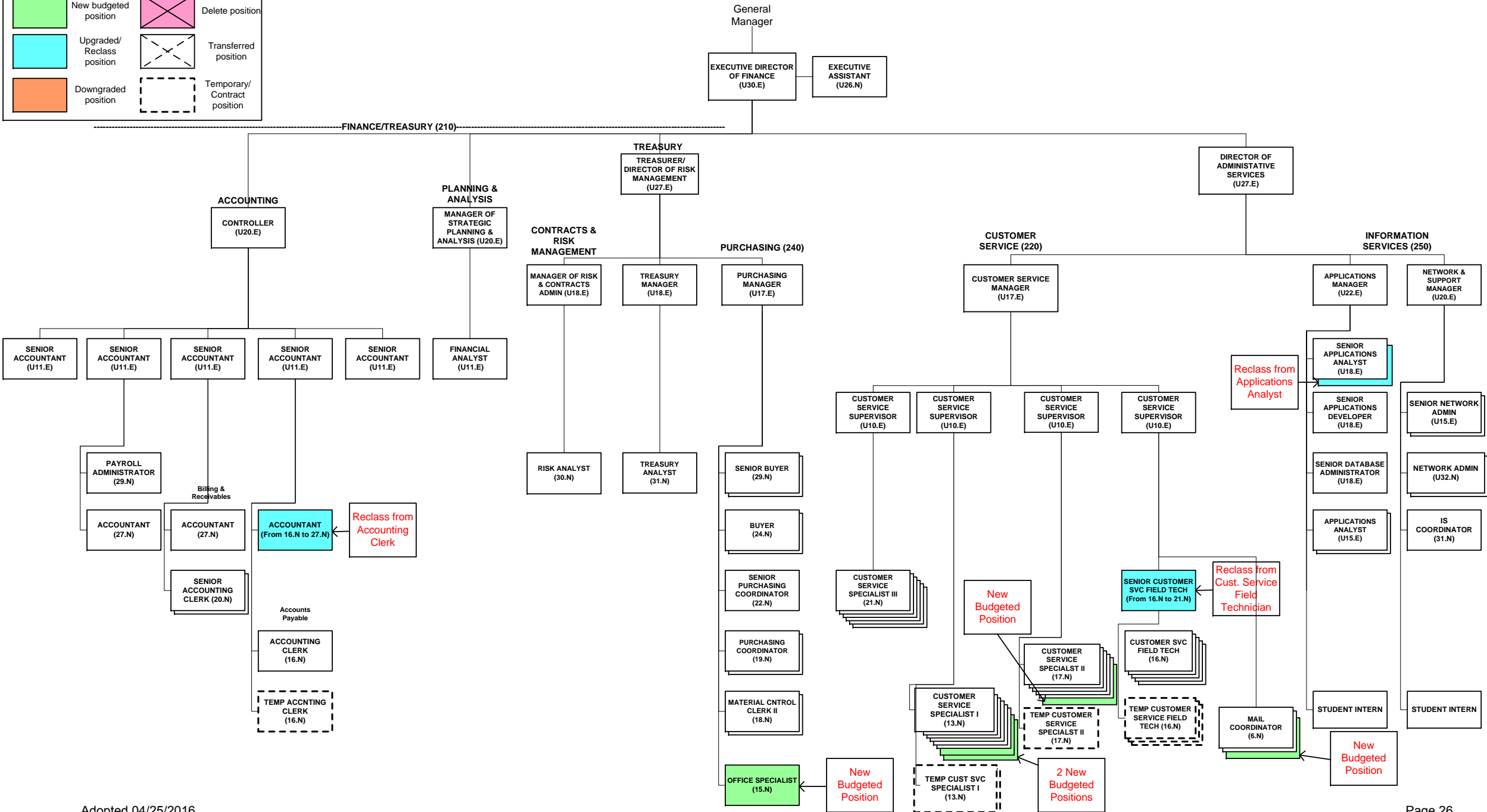
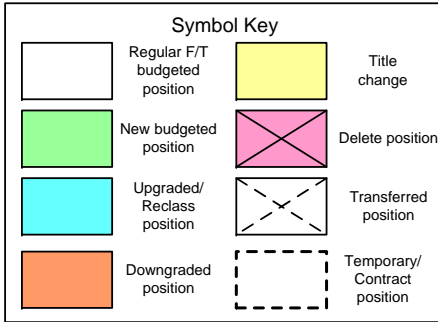
FINANCE, TREASURY AND PROCUREMENT

OPERATING BUDGET SUMMARY

PROCUREMENT

- Purchase materials, supplies and services in a timely manner with appropriate consideration given to quality and best pricing;
- Process all material/service requests timely and efficiently;
- Maintain warehouse inventory fill rate at 100% and review/adjust slow moving inventory;
- Streamline business procurement processes and documentation while ensuring appropriate controls;
- Provide ongoing customer support for procurement and inventory systems; and,
- Evaluate and expand participation in cooperative purchasing agreements as appropriate.

IRVINE RANCH WATER DISTRICT FINANCE AND ADMINISTRATION PROPOSED FISCAL YEAR 2016-17



Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2016-17

Finance & Administrative Services		2014-15 Actual	2015-16 Actual 12/31/15	2015-16 Orig Budget	2016-17 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
210	Regular Labor	2,248,349	988,954	2,184,600	2,237,200	52,600
210	Overtime Labor	7,892	21,732	18,000	18,000	0
210	Contract Labor	23,885	56,650	176,400	165,800	(10,600)
210	Operating Supplies	967	266	500	700	200
210	Printing	68,504	0	60,000	70,000	10,000
210	Postage	8,382	4,165	8,000	8,000	0
210	Permits, Licenses and Fees	0	0	3,000	3,000	0
210	Office Supplies	5,200	3,271	5,000	5,000	0
210	Insurance	583,010	442,900	939,900	1,003,900	64,000
210	Accounting Fees	55,705	63,124	75,100	95,000	19,900
210	Data Processing	73,846	24,930	48,900	51,000	2,100
210	Personnel Training	24,374	10,990	42,000	27,500	(14,500)
210	Other Professional Fees	426,445	119,436	317,200	305,700	(11,500)
210	Mileage Reimbursement	55	68	0	100	100
210	Collection Fees	5,791	7,983	20,000	20,000	0
Total	Finance and Treasury	3,532,405	1,744,469	3,898,600	4,010,900	112,300

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2016-17

Finance & Administrative Services		2014-15 Actual	2015-16 Actual 12/31/15	2015-16 Orig Budget	2016-17 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
240	Regular Labor	706,747	351,736	685,000	787,600	102,600
240	Overtime Labor	11,012	3,143	4,000	4,000	0
240	Contract Labor	8,505	17,939	53,000	0	(53,000)
240	Operating Supplies	(1,583,260)	(175,206)	146,500	162,000	15,500
240	Printing	11,243	2,157	11,500	11,500	0
240	Postage	3,957	2,301	4,500	4,500	0
240	Office Supplies	18,763	7,387	24,000	24,000	0
240	Duplicating Equipment	166,093	99,666	200,000	225,000	25,000
240	Equipment Rental	20,039	4,783	20,000	20,000	0
240	Rep & Maint IRWD	183	0	0	0	0
240	Personnel Training	5,138	1,006	6,500	6,500	0
240	Other Professional Fees	4,076	230	2,000	2,000	0
Total Purchasing		(627,504)	315,142	1,157,000	1,247,100	90,100



ADMINISTRATIVE SERVICES

OPERATING BUDGET SUMMARY

Program Description

The Administrative Services group provides a wide range of support services that include Customer Service and Information Services.

The mission of the Customer Service Department is to provide the highest level of customer satisfaction by providing reliable, courteous and efficient service. The Customer Service Department provides utility billing, account support and mail distribution services.

The mission of the Information Services Department is to research, develop, integrate and support reliable, cost effective information systems that meet the current and future business requirements of customers and provide a high level of customer satisfaction. The Information Services Department provides implementation, management and support for the District's information systems, voice and data communications systems.

Major Goals

CUSTOMER SERVICE

- Deliver exceptional customer service both internally and externally;
- Review and resolve billing inquiries and adjustments in a timely manner including education of customers on allocation;
- Receive and process all orders for new service and discontinuation of service;
- Process new meter applications;
- Process payments for temporary construction meters, fire flow tests, and customer water bills;
- Coordinate and process all meter reads to ensure accurate billing;
- Process variance requests for additional water allocations;
- Respond to field problems (leaks, no water complaints, high/low pressure, water quality, sewer problems, line breaks, etc.) with a sense of urgency;
- Manage delinquent customer accounts and perform shut-offs as required;
- Distribute customer satisfaction surveys and maintain 90% customer satisfaction; and,
- Receive, route and deliver all District mail, and process all outgoing mail.



ADMINISTRATIVE SERVICES

OPERATING BUDGET SUMMARY

INFORMATION SERVICES

- Provide helpful, courteous and timely support to all District staff;
- Provide internal and external software training that meets the needs of District staff;
- Provide a reliable network of servers, personal computers, printers and software applications that meet the needs of District staff;
- Provide reliable voice, data and wireless communications services;
- Develop new and improved existing software applications to meet the requirements of District staff;
- Complete scheduled hardware and software upgrades to District servers, personal computers, tablets, printers, network equipment and software applications;
- Complete the Technology Opportunity Assessment
- Begin implementation of projects identified and prioritized from the Technology Opportunity Assessment;
- Complete implementation of the Water Information Management System (WIMS);
- Complete implementation of the Oracle EBS Upgrade, Improvement District Consolidation and Project Management module;
- Complete the implementation of the Water Bill Redesign; and,
- Begin implementation of the Enterprise Asset Management System (EAM).

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2016-17

Finance & Administrative Services		2014-15 Actual	2015-16 Actual 12/31/15	2015-16 Orig Budget	2016-17 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
220	Regular Labor	1,532,656	785,408	1,773,700	1,972,880	199,180
220	Overtime Labor	64,986	36,660	60,000	60,000	0
220	Contract Labor	560,656	251,906	290,600	228,820	(61,780)
220	Operating Supplies	3,950	1,402	1,000	1,000	0
220	Printing	71,992	35,107	77,000	77,000	0
220	Postage	477,834	325,769	490,300	555,500	65,200
220	Office Supplies	5,487	2,837	5,500	5,500	0
220	Equipment Rental	41,091	31,085	40,000	42,500	2,500
220	Personnel Training	1,128	727	8,000	8,000	0
220	Other Professional Fees	816	2,668	1,500	2,000	500
220	Collection Fees	927	543	800	1,000	200
220	Other	1,289,432	655,229	1,350,000	1,350,000	0
Total	Customer Service	4,050,955	2,129,341	4,098,400	4,304,200	205,800

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2016-17

Finance & Administrative Services		2014-15 Actual	2015-16 Actual 12/31/15	2015-16 Orig Budget	2016-17 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
250	Regular Labor	1,173,730	510,230	1,358,900	1,442,100	83,200
250	Overtime Labor	29,044	20,315	15,000	30,000	15,000
250	Contract Labor	688,861	456,320	429,000	255,000	(174,000)
250	Telecommunication	423,513	190,091	421,500	433,000	11,500
250	Other Utilities	8,016	7,566	9,500	9,500	0
250	Operating Supplies	2	13	0	0	0
250	Printing	9,337	3,871	12,000	5,000	(7,000)
250	Postage	50	124	500	500	0
250	Office Supplies	0	0	1,000	1,000	0
250	Rep & Maint IRWD	207,264	163,928	273,800	292,500	18,700
250	Data Processing	2,149,784	1,586,978	2,614,000	2,976,200	362,200
250	Personnel Training	9,027	264	35,800	35,800	0
250	Other Professional Fees	5,857	666	60,000	60,000	0
250	Mileage Reimbursement	7	29	0	0	0
250	Other	21,905	13,465	23,000	24,000	1,000
Total	Information Services	4,726,397	2,953,860	5,254,000	5,564,600	310,600
Total	Finance & Administrative Services	11,682,253	7,142,812	14,408,000	15,126,800	718,800



ENGINEERING

OPERATING BUDGET SUMMARY

Program Description

The Engineering Department provides planning, design and construction coordination to develop the water, sewage and recycled water facilities necessary to provide the highest level of service to the customers of the District. The Engineering Department also provides technical support to other District departments.

Planning: The Planning and Technical Services group of the Department is responsible for all master planning, water, sewage and recycled water demand projections, water supply planning, preliminary facility planning studies for new facilities, and preparation of the District's annual and long-term Capital Programs. The Planning group provides GIS services to other District departments including the development and support of GIS based applications and facility and atlas maps, maintenance of the District's digital record drawings plan system, and GIS based analysis. The Planning group is also responsible for managing the District's real property and rights of way.

Capital Projects: The Capital Projects group designs and manages construction of major water, sewage and recycled water treatment, distribution and transmission facilities necessary to provide the quality and reliability of service to existing and future customers of the District. The Capital Projects group is responsible for the expansion and improvement of water and sewage treatment facilities; the design and construction of wells, pipelines, storage facilities, pump stations, and sewage lift stations; and the design and construction of integration facilities for areas acquired through agency consolidations.

Development Services: The Development Services group facilitates the land development process within the District by designing and bidding the water, sewage and recycled water facilities necessary to support land development. The construction of these facilities is coordinated to ensure that the facilities are available to meet development schedule requirements. Temporary and interim facilities, when necessary, are also coordinated through this group. The Development Services group also reviews developer submittals for quality and conformance with District requirements and assesses and collects appropriate fees.

Inspection Services: The Inspection Services group provides construction inspection services to other groups of the Engineering Department to ensure the highest level of constructed quality. These services include constructability review, pre-construction administration, progress payment processing, field inspection, change order evaluation and processing, and final acceptance coordination. The Inspection Services group is also responsible for coordinating specialized construction support services including surveying and geotechnical testing and inspection.

Operations Support: The Operations Support group is responsible for providing engineering support to other District departments. The Operations Support group generally focuses on the expansion and rehabilitation of existing District facilities. This group also provides design and construction management of small to medium size water, sewage and recycled water facilities.



ENGINEERING

OPERATING BUDGET SUMMARY

This group also includes the process control team that conducts research, develops projects and provides process control and technical support to enhance the performance of the District's domestic and recycled water supply, treatment, distribution, and storage facilities. The process control team also provides similar support to the District's sewage collection/treatment, recycled water and urban runoff treatment systems and supports District-wide regulatory compliance objectives.

Michelson Water Recycling Plant (MWRP) Construction: The MWRP Construction group is responsible for the construction of the MWRP Biosolids and Energy Recovery Facilities. The group ensures that sewage and biosolids treatment facilities are properly designed and constructed to meet the requirements of the MWRP Operations Department.

Major Goals

Planning

- Water Resources Master Plan update;
- Sewer Collection System Master Plan update;
- Great Park Sub-Area Master Plan update;
- Provide Inter-agency technical support;
- Develop alternative water supplies;
- Criticality Based Replacement Planning Model; and,
- Potable Reuse Alternatives Study.

Capital Projects

- MWRP Biosolids and Energy Recovery Facilities construction;
- Baker Water Treatment Plant construction;
- Stockdale West Integrated Water Banking construction;
- Irvine Lake Pipeline North Conversion to Recycled Water design and construction;
- Initial Disinfection Facility Chlorine Gas Removal construction;
- Water Recycling Treatment Plant Master Plan update;
- Multi-Zone Recycled Water Booster Pump Station (BPS) design and construction;
- Santiago Hills II Domestic Water Reservoir, Domestic Water BPS, and Recycled Water BPS design and construction;
- Second Zone 1 Reservoir design and construction; and,
- Syphon Reservoir Expansion preliminary design.

Development Services

- Heritage Fields Infrastructure design and construction;
- Orchard Hills Infrastructure design and construction;
- Baker Ranch Infrastructure design and construction;



ENGINEERING

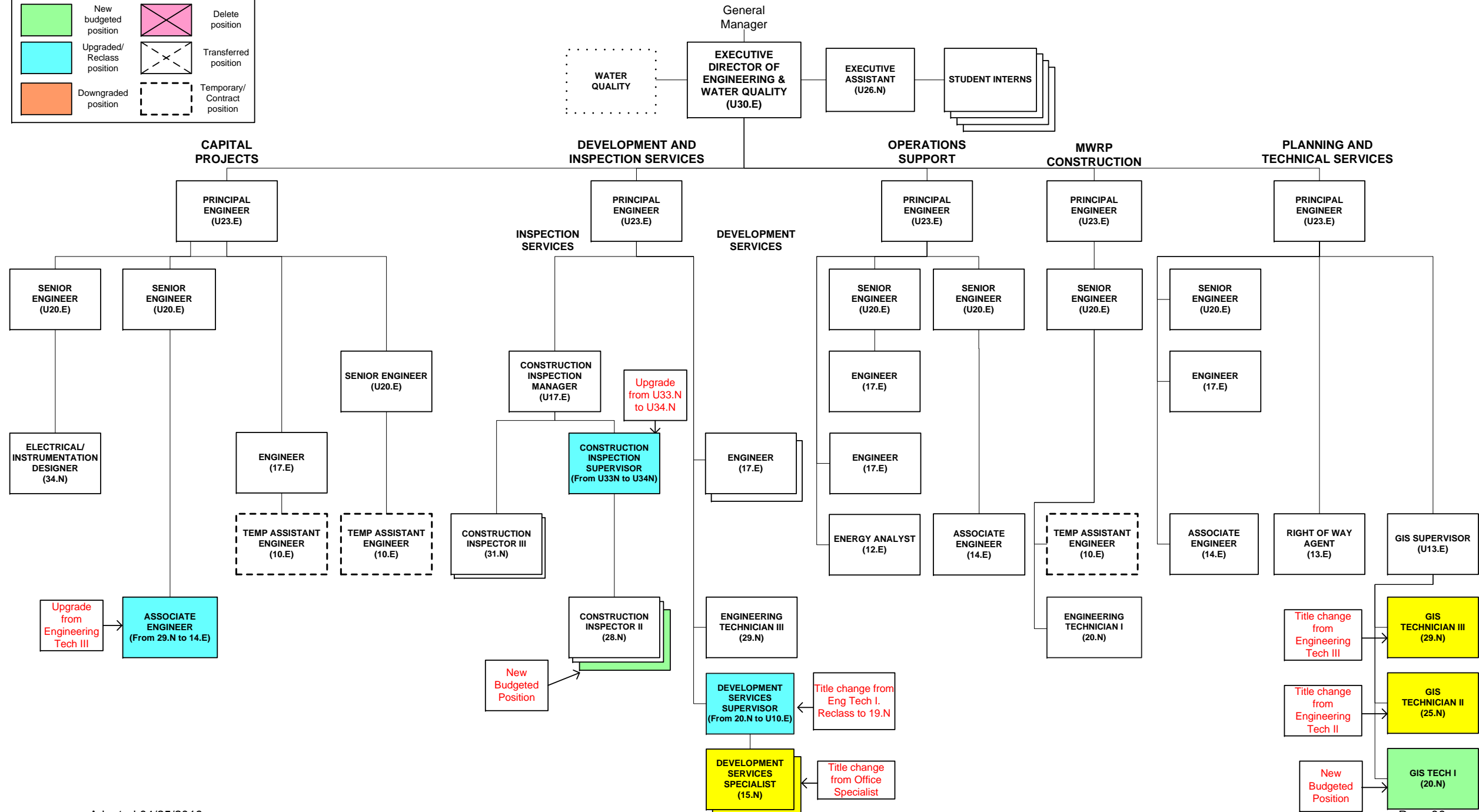
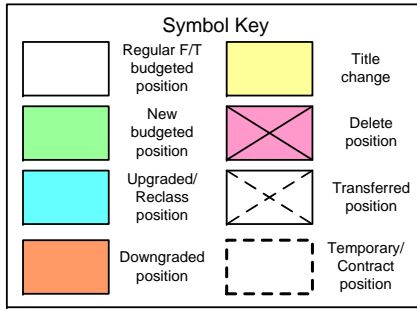
OPERATING BUDGET SUMMARY

- Santiago Hills II Infrastructure design and construction;
- Tustin Legacy Infrastructure design and construction; and,
- Technology Drive Recycled Water Pipeline construction;

Operations Support

- Foothill Zone 6 and Portola Zone 8 Chloramine Booster Stations construction;
- MWRP Filter Pump Station Discharge Manifold Piping Replacement design;
- Santiago Dam Outlet Tower Retrofit design;
- Well Rehabilitation design and construction;
- Dyer Road Well Field Surge Tank Replacement design and construction;
- Evaluate process control and water quality monitoring data to assess, correct or recommend performance improvement of membrane treatment facilities, including IDP-SGU, IDP-PAP, IDP-PTP, DATS, CATS and the Wells 21/22 Desalter Plant;
- Develop test protocols, standard operating protocols and procedures, operate, perform sample collection and monitoring of bench, pilot and full-scale process facilities, including pilot and demonstration research projects;
- Act as a liaison and administer reporting IRWD groundwater extraction and treatment operations for removal of the TCE plume from the Irvine sub-basin groundwater at the IDP Principal Aquifer wells, IDP-PAP and IDP-SGU to the Department of the Navy (DON), local and state regulatory agencies;
- Train Plant and Systems Operations staff on process control procedures, monitoring and troubleshooting in the various water treatment and monitoring applications; and,
- Assist in the development and coordinate district wide research, pilot and demonstration projects.

**IRVINE RANCH WATER DISTRICT
ENGINEERING
PROPOSED FISCAL YEAR 2016-17**



Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2016-17

Engineering		2014-15 Actual	2015-16 Actual 12/31/15	2015-16 Orig Budget	2016-17 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
300	Regular Labor	4,139,304	2,048,180	4,143,200	4,377,500	234,300
300	Overtime Labor	139,766	66,517	142,000	144,000	2,000
300	Contract Labor	202,692	145,897	263,600	221,000	(42,600)
300	Telecommunication	109	0	0	0	0
300	Operating Supplies	19,100	1,783	24,900	9,400	(15,500)
300	Printing	17,645	1,049	28,500	16,000	(12,500)
300	Postage	1,997	1,305	1,600	2,800	1,200
300	Permits, Licenses and Fees	0	1,475	2,000	2,000	0
300	Office Supplies	12,518	5,241	14,000	12,500	(1,500)
300	Rep & Maint IRWD	(129)	0	0	0	0
300	Engineering Fees	0	0	76,000	122,000	46,000
300	Personnel Training	18,933	11,777	28,000	30,000	2,000
300	Other Professional Fees	3,148	1,435	26,600	103,000	76,400
Total	Engineering	4,555,083	2,284,659	4,750,400	5,040,200	289,800
Total	Engineering	4,555,083	2,284,659	4,750,400	5,040,200	289,800



WATER QUALITY

OPERATING BUDGET SUMMARY

Program Description

The Water Quality Department provides a wide range of support services that include Water Quality Analysis and Water Quality Administration.

Water Quality Administration: The Water Quality Administration group assists all Water Quality and Environmental groups in carrying out their missions; provides Water Quality related support to the operations and maintenance of all water and sewer collections systems; and ensures that all District operations are conducted in a safe, reliable, cost-effective, environmentally sensitive manner to achieve a high level of customer satisfaction.

Water Quality Analysis: The Water Quality Analysis group provides our internal and external customers with high quality data in a professional and timely manner. The Water Quality Analysis group utilizes state-of-the-art, United States Environmental Protection Agency (EPA) and State Water Resources Control Board Division of Drinking Water (DDW) approved analytical methods to provide data for regulatory monitoring and reporting, process control, research projects and capital projects.

Major Goals

Water Quality Administration

- Ensure the District operates in full compliance with all applicable federal, state and local environmental and water quality laws and regulations;
- Monitor the development of potential future regulations that may impact District activities;
- Ensure all compliance monitoring and reporting is completed and submitted by required due dates;
- Review new technologies that may be applicable to operations; and,
- Prepare water quality data for internal and external customers.

Water Quality Analysis

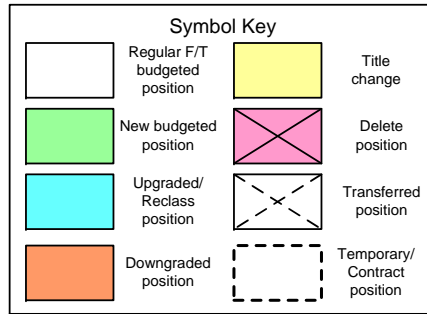
- Perform necessary analyses to determine compliance with all applicable federal, state and local environmental and water quality laws and regulations;
- Provide process control data to assist operating groups in meeting their regulatory requirements;
- Complete and submit all regulatory monitoring data by the specified due dates;
- Complete analyses within specified hold times and meet quality control specifications;
- Research and implement new testing methods where justified, specifically methods routinely sent out to contract laboratories and screening methods for system security and general water quality concerns;



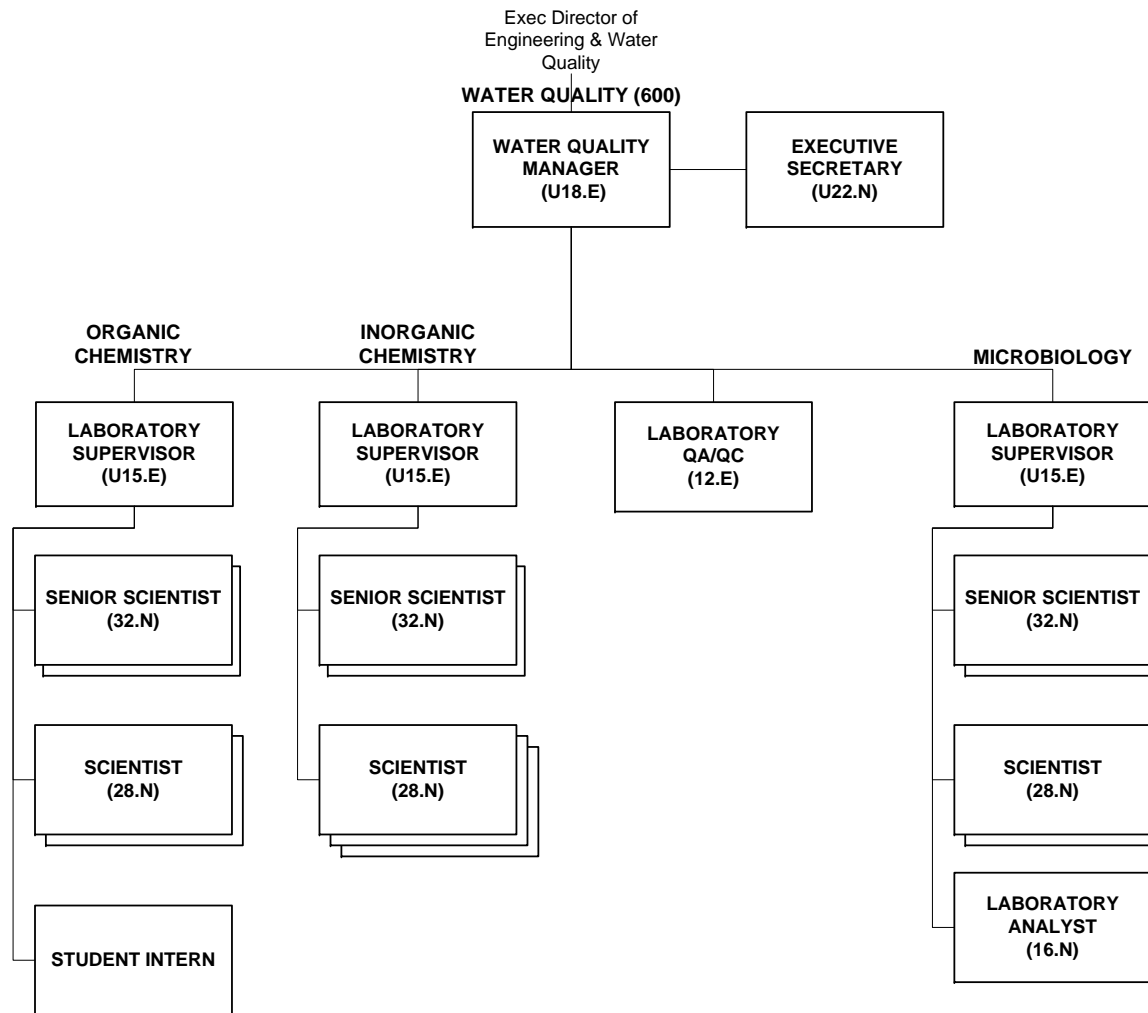
WATER QUALITY

OPERATING BUDGET SUMMARY

- Maintain the laboratory's Environmental Laboratory Accreditation Program (ELAP) certification by submitting the renewal application by the prescribed due date and successfully completing the site audit and proficiency testing;
- Successfully complete all required water, sewage, hazardous waste and DMR proficiency testing samples and submit the data by the prescribed due date;
- Research and implement, where appropriate, improved means to communicate water quality data to internal and external customers;
- Be environmentally responsible in the selection, procurement and disposal of reagents utilized in the laboratory; and,
- Seek to improve established contacts with regulatory agencies.



**IRVINE RANCH WATER DISTRICT
WATER QUALITY
PROPOSED FISCAL YEAR 2016-17**



**Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2016-17**

Water Quality		2014-15 Actual	2015-16 Actual 12/31/15	2015-16 Orig Budget	2016-17 Prop Budget	*
Dept No	Expense Name					Incr/(Decr)
600	Regular Labor	0	0	0	1,726,230	1,726,230
600	Overtime Labor	0	0	0	26,200	26,200
600	Contract Labor	0	0	0	15,000	15,000
600	Operating Supplies	0	0	0	384,300	384,300
600	Postage	0	0	0	3,400	3,400
600	Permits, Licenses and Fees	0	0	0	9,000	9,000
600	Office Supplies	0	0	0	3,000	3,000
600	Equipment Rental	0	0	0	6,320	6,320
600	Rep & Maint IRWD	0	0	0	219,550	219,550
600	Engineering Fees	0	0	0	143,300	143,300
600	Personnel Training	0	0	0	25,650	25,650
600	Other Professional Fees	0	0	0	99,950	99,950
600	Safety	0	0	0	6,400	6,400
Total Water Quality					2,668,300	2,668,300

*Previously split between departments 610 and 630.

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2016-17

Water Quality		2014-15 Actual	2015-16 Actual 12/31/15	2015-16 Orig Budget	2016-17 Prop Budget	*
Dept No	Expense Name					Incr/(Decr)
610	Regular Labor	219,070	110,448	209,500	0	(209,500)
610	Telecommunication	46	0	0	0	0
610	Operating Supplies	4,126	0	0	0	0
610	Postage	757	346	1,400	0	(1,400)
610	Office Supplies	2,735	1,632	3,000	0	(3,000)
610	Rep & Maint IRWD	13,942	1,190	0	0	0
610	Engineering Fees	31,068	0	0	0	0
610	Personnel Training	19,198	5,810	25,200	0	(25,200)
610	Other Professional Fees	88,936	66,032	99,000	0	(99,000)
Total	Water Quality Administration and Projects	379,878	185,458	338,100	0	(338,100)

*All charges moved to department 600.

**Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2016-17**

Water Quality		2014-15 Actual	2015-16 Actual 12/31/15	2015-16 Orig Budget	2016-17 Prop Budget	*
Dept No	Expense Name					Incr/(Decr)
630	Regular Labor	1,299,529	642,347	1,398,700	0	(1,398,700)
630	Overtime Labor	26,997	20,521	21,800	0	(21,800)
630	Contract Labor	69,591	22,113	70,000	0	(70,000)
630	Operating Supplies	337,273	283,764	366,100	0	(366,100)
630	Postage	1,683	493	7,000	0	(7,000)
630	Permits, Licenses and Fees	5,975	5,975	6,500	0	(6,500)
630	Equipment Rental	6,265	2,880	6,400	0	(6,400)
630	Rep & Maint IRWD	182,267	18,591	215,250	0	(215,250)
630	Engineering Fees	143,520	42,303	164,700	0	(164,700)
630	Personnel Training	683	194	2,200	0	(2,200)
630	Other Professional Fees	12,904	60	1,200	0	(1,200)
630	Safety	2,685	1,535	5,400	0	(5,400)
Total	Water Quality Analysis	2,089,372	1,040,776	2,265,250	0	(2,265,250)
Total	Water Quality	2,469,250	1,226,234	2,603,350	2,668,300	64,950

*All charges moved to department 600.



WATER OPERATIONS

OPERATING BUDGET SUMMARY

Program Description

The mission of the Water Operations Department is to operate and maintain the District's potable water, recycled water and untreated water systems in an efficient, cost effective and environmentally safe manner that provides a high level of customer satisfaction.

The Water Operations Department provides operation, maintenance and repair of the District's domestic water, recycled water and untreated water systems. These systems include the Dyer Road Wellfield, Deep Aquifer Treatment System, The Wells 21/22 Treatment Plant, Irvine Desalter Project (Potable Treatment Plant, Principal Aquifer Plant and Shallow Groundwater Unit) and Baker Water Treatment Plant.

Major Goals

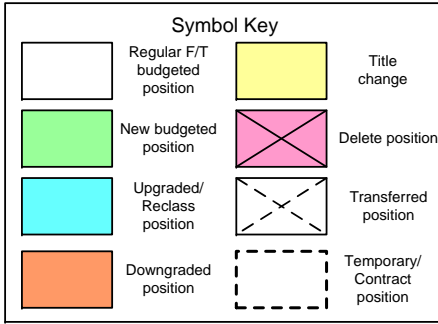
- Maintain 100% compliance with all regulatory permits;
- Meet the Department's adopted Operations and Maintenance budget;
- Startup and Commission of the Baker Water Treatment Plant (BWTP);
- Manage the BWTP to achieve operational and budgetary goals for IRWD and the project Partners;
- Maintain 6 or more Water Operators at the T-5 and D-5 certification level;
- Coordinate with the Finance, Engineering and Planning Departments on water supply and water banking opportunities to optimize cost effective operations;
- Achieve zero lost time accidents;
- Modify as needed and track adopted Operational Key Performance Indicators (KPI) to optimize operational efficiency and cost effectiveness;
- Maintain and develop staff competency through a combination of internal and external training;
- Operate and maintain the system to minimize energy consumption;
- Assist with the completion Supervisory Control and Data Acquisition (SCADA) upgrade implementation;
- Maintain the Dyer Road Well Field and Deep Aquifer Treatment System domestic water flows in accordance with the Ground Water Pumping Plan staying within the Basin Pumping Percentage (BPP) when possible
- Assist the Engineering Department with the design and startup of domestic and recycled water system facilities;
- Operate the Irvine Desalter Project (Potable Treatment Plant, Principal Aquifer Plant and Shallow Groundwater Unit) in accordance with the joint agency agreement and submit required reports;
- Ensure efficient operation of all District pumping and reservoir facilities;
- Ensure safe dam operation through the monitoring and surveillance program;
- Complete all Cross-Connection Control Program annual inspections and back-flow device Maintenance in accordance with the California Administrative Code, Title 17, Public Health Department Requirements;
- Provide construction and repair services to internal and external customers in a prompt, safe,



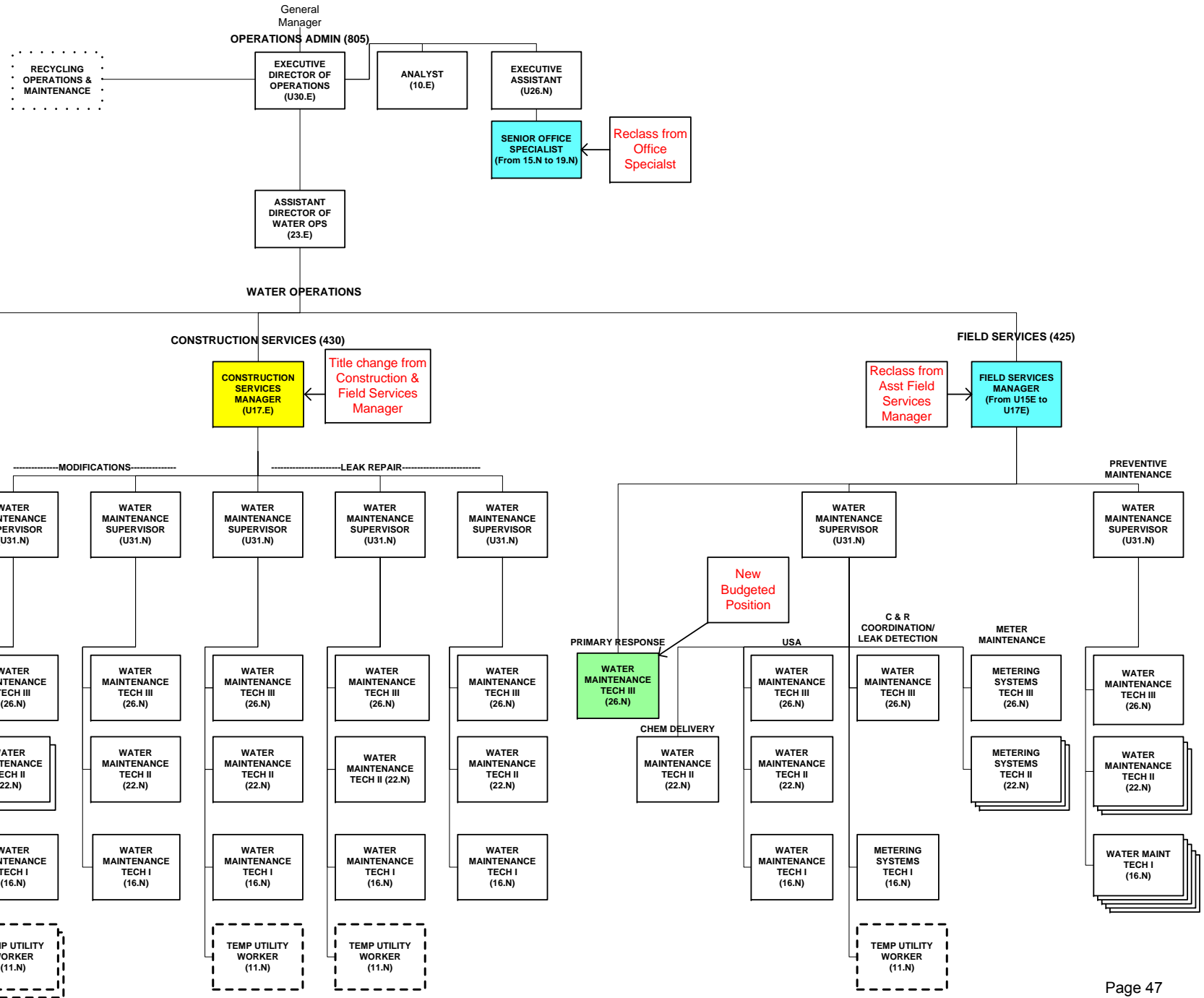
WATER OPERATIONS

OPERATING BUDGET SUMMARY

- efficient, cost effective and environmentally sensitive manner;
- Maintain a high level of customer satisfaction by responding promptly to and repairing water leaks with minimal impact to customers;
 - Continue the sewer repair project to improve sewer system reliability;
 - Meet all preventive maintenance programs for the distribution system;
 - Replace residential and commercial meters on the recommended cycle;
 - Mark the District's underground facilities in response to Underground Service Alert (USA) tickets to prevent potential damages to the facilities from construction activities;
 - Set and complete annual maintenance goals in accordance with AWWA and industry standards; and,
 - Respond promptly to all customer service requests (CSR).



**IRVINE RANCH WATER DISTRICT
OPERATIONS ADMINISTRATION & WATER OPERATIONS
PROPOSED FISCAL YEAR 2016-17**



**Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2016-17**

Water Operations		2014-15 Actual	2015-16 Actual 12/31/15	2015-16 Orig Budget	2016-17 Prop Budget	*
<u>Dept No</u>	<u>Expense Name</u>					Incr/(Decr)
805	Regular Labor	322,414	144,598	402,600	952,450	549,850
805	Telecommunication	0	121	0	2,000	2,000
805	Operating Supplies	4,556	2,897	10,000	6,000	(4,000)
805	Printing	0	0	2,500	2,500	0
805	Postage	24	0	1,000	1,000	0
805	Office Supplies	4,913	2,704	43,500	20,000	(23,500)
805	Personnel Training	13,388	11,681	159,200	164,000	4,800
805	Other Professional Fees	12,274	10,086	119,500	163,500	44,000
805	Safety	44	0	0	0	0
Total Operations Administration		357,613	172,087	738,300	1,311,450	573,150
Total Water Operations		52,021,439	23,340,926	54,466,450	58,765,850	4,299,400

*Includes regular labor moved from department 410, 510 and 810.

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2016-17

Water Operations		2014-15 Actual	2015-16 Actual 12/31/15	2015-16 Orig Budget	2016-17 Prop Budget	*
Dept No	Expense Name					Incr/(Decr)
410	Regular Labor	112,053	54,092	143,800	0	(143,800)
410	Contract Labor	4,074	0	0	0	0
410	Other Utilities	23,189	10,231	21,600	0	(21,600)
410	Operating Supplies	4	0	0	0	0
410	Permits, Licenses and Fees	84,135	9,562	88,600	0	(88,600)
410	Office Supplies	142	0	0	0	0
410	Equipment Rental	9,928	5,038	0	0	0
410	Rep & Maint Other Agencies	2,056,254	755,707	377,600	0	(377,600)
410	Engineering Fees	106,617	43,598	47,000	0	(47,000)
410	Personnel Training	8,685	0	0	0	0
410	Other Professional Fees	2,558	1,568	0	0	0
Total Water Operations Administration		2,407,639	879,796	678,600	0	(678,600)

*Regular labor moved to department 805; all other charges moved to department 420.

**Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2016-17**

Water Operations		2014-15 Actual	2015-16 Actual 12/31/15	2015-16 Orig Budget	2016-17 Prop Budget	*
Dept No	Expense Name					Incr/(Decr)
420	Water Purchases	32,891,508	14,491,500	34,964,250	36,234,030	1,269,780
420	Regular Labor	1,604,014	722,318	1,674,500	1,808,890	134,390
420	Overtime Labor	302,863	152,232	310,300	379,700	69,400
420	Electricity	8,911,471	4,312,385	9,892,000	10,098,850	206,850
420	Fuel	28,126	13,827	24,000	35,600	11,600
420	Telecommunication	45,575	23,323	41,200	48,800	7,600
420	Other Utilities	9,865	0	10,000	33,400	23,400
420	Chemicals	949,078	488,264	862,900	1,589,910	727,010
420	Operating Supplies	59,861	27,983	47,600	47,600	0
420	Postage	30	0	0	0	0
420	Permits, Licenses and Fees	16,415	15,733	13,800	184,000	170,200
420	Office Supplies	865	0	0	0	0
420	Equipment Rental	0	0	9,000	9,000	0
420	Rep & Maint Other Agencies	(41,885)	(427,199)	372,000	873,800	501,800
420	Rep & Maint IRWD	290,862	233,959	293,000	1,179,420	886,420
420	Engineering Fees	0	13,235	61,000	108,000	47,000
420	Personnel Training	10,262	501	0	0	0
420	Other Professional Fees	3,581	482	50,500	75,500	25,000
420	Safety	0	0	3,000	3,000	0
Total Water Operations		45,082,491	20,068,543	48,629,050	52,709,500	4,080,450

*Includes other charges moved from department 410 excluding regular labor.

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2016-17

Water Operations		2014-15 Actual	2015-16 Actual 12/31/15	2015-16 Orig Budget	2016-17 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
425	Regular Labor	1,370,933	690,531	1,365,300	1,550,900	185,600
425	Overtime Labor	156,875	88,281	134,000	150,000	16,000
425	Contract Labor	4,105	38,903	0	62,400	62,400
425	Telecommunication	227	243	0	0	0
425	Chemicals	228	228	500	500	0
425	Operating Supplies	72,371	39,582	73,000	78,000	5,000
425	Permits, Licenses and Fees	10,794	5,840	11,000	13,000	2,000
425	Office Supplies	100	0	0	0	0
425	Equipment Rental	0	0	5,000	2,500	(2,500)
425	Rep & Maint IRWD	250,729	159,736	249,000	250,800	1,800
425	Personnel Training	359	0	0	0	0
425	Other Professional Fees	3,359	169	1,000	1,000	0
Total	Field Services	1,870,080	1,023,513	1,838,800	2,109,100	270,300

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2016-17

Water Operations		2014-15 Actual	2015-16 Actual 12/31/15	2015-16 Orig Budget	2016-17 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
430	Regular Labor	1,569,998	695,263	1,577,400	1,626,000	48,600
430	Overtime Labor	181,541	104,086	206,000	221,000	15,000
430	Contract Labor	27,278	49,563	0	62,400	62,400
430	Telecommunication	357	86	0	0	0
430	Chemicals	0	0	500	400	(100)
430	Operating Supplies	159,261	68,859	162,800	158,000	(4,800)
430	Permits, Licenses and Fees	30,434	32,287	63,000	67,000	4,000
430	Equipment Rental	1,094	2,418	21,000	14,000	(7,000)
430	Rep & Maint IRWD	331,251	244,319	549,000	487,000	(62,000)
430	Personnel Training	924	0	0	0	0
430	Other Professional Fees	1,478	106	2,000	0	(2,000)
Total	Construction Services	2,303,616	1,196,987	2,581,700	2,635,800	54,100



RECYCLING OPERATIONS

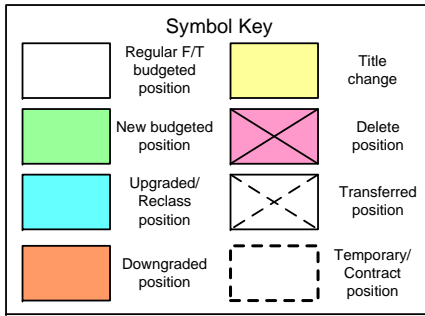
OPERATING BUDGET SUMMARY

Program Description

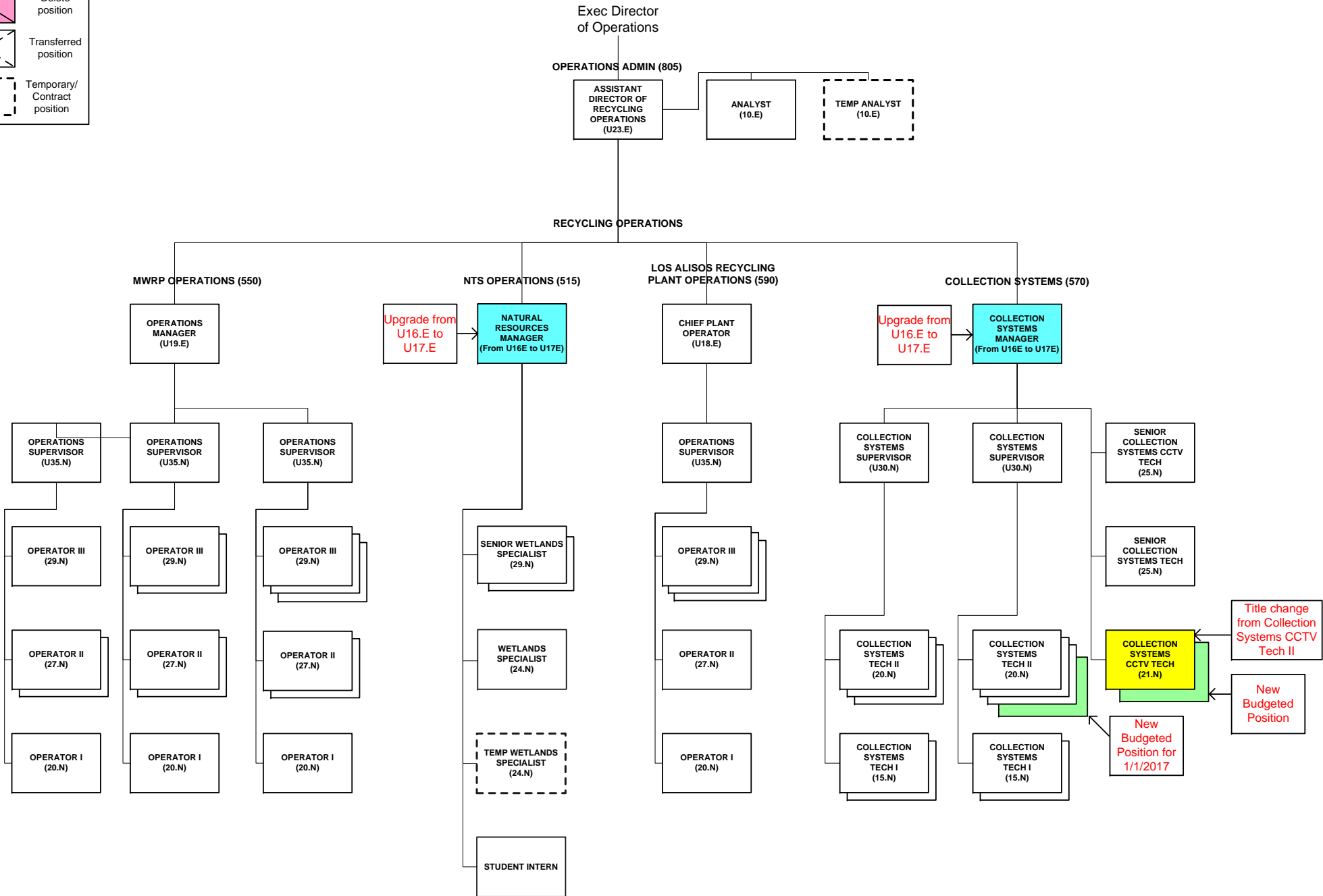
The mission of the Recycling Operations Department is to operate the District's resource recovery systems in a regulatory compliant, efficient, and environmentally safe manner that provides the highest level of customer satisfaction. The Recycling Operations Department provides cost-effective, reliable and compliant operation of the District's Collection Systems, Michelson Water Recycling Plant (MWRP), Los Alisos Water Recycling Plant (LAWRP), and Natural Treatment System (NTS).

Major Goals

- Meet the Department's adopted Operations budget;
- Achieve zero lost time accidents;
- Maintain 100% compliance with all regulatory requirements;
- Modify and track operational Key Performance Indicators (KPIs) to optimize efficiency and cost effectiveness;
- Maximize recycled water production at both recycling facilities;
- Transition operational responsibilities for the completed portions of the MWRP Biosolids and Energy Recovery Facilities milestones from construction management to Recycling Operations;
- Finalize plan for FOG integration into the Biosolids project;
- Finalize plan for Pellet Marketing and Distribution. Maximize coordination and synergy opportunities with Encina WW Authority and other agencies;
- Maintain six Grade V operators on staff;
- Maintain and develop staff competency through a combination of internal and external training;
- Evaluate and optimize chemical usage for the collection and recycling facilities systems;
- Explore participation with other agencies in MWRP Biosolids facilities on an interim basis (bringing in class B solids);
- Evaluate and implement options for cleaning and inspection of large sewer lines within the IRWD service area;
- Finalize the implementation of the Water Information Management System (WIMS) database management program; and,
- Prepare an Annual Report of NTS Operations including nutrient removal performance at each NTS facility, operational objectives, and recommendations for adaptive changes to the NTS program.



**IRVINE RANCH WATER DISTRICT
RECYCLING OPERATIONS
PROPOSED FISCAL YEAR 2016-17**



**Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2016-17**

Recycling Operations		2014-15 Actual	2015-16 Actual 12/31/15	2015-16 Orig Budget	2016-17 Prop Budget	*
Dept No	Expense Name					Incr/(Decr)
510	Regular Labor	151,185	64,603	234,400	0	(234,400)
510	Contract Labor	6,601	16,354	10,000	0	(10,000)
510	Fuel	89	0	0	0	0
510	Telecommunication	1,389	688	1,400	0	(1,400)
510	Operating Supplies	6	0	500	0	(500)
510	Postage	50	0	0	0	0
510	Permits, Licenses and Fees	161	0	0	0	0
510	Office Supplies	141	0	0	0	0
510	Rep & Maint Other Agencies	5,810,699	2,377,455	4,720,000	0	(4,720,000)
510	Rep & Maint IRWD	(956)	0	0	0	0
510	Personnel Training	876	49	0	0	0
510	Other Professional Fees	228	12	50,000	0	(50,000)
Total Recycling Operations Administration		5,970,469	2,459,161	5,016,300	0	(5,016,300)

*Regular labor moved to department 805; all other charges moved to department 550.

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2016-17

Water Operations		2014-15 Actual	2015-16 Actual 12/31/15	2015-16 Orig Budget	2016-17 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
515	Regular Labor	265,130	129,951	323,700	341,600	17,900
515	Overtime Labor	2,843	857	4,000	4,000	0
515	Contract Labor	41,312	40,832	30,000	30,000	0
515	Electricity	198,681	72,951	261,200	261,200	0
515	Telecommunication	2,024	195	0	0	0
515	Operating Supplies	18,872	9,729	19,000	22,000	3,000
515	Printing	299	0	0	0	0
515	Postage	181	0	0	0	0
515	Permits, Licenses and Fees	0	2,633	1,000	1,000	0
515	Equipment Rental	6,224	2,392	7,000	7,000	0
515	Rep & Maint Other Agencies	14,043	15,319	24,000	24,000	0
515	Rep & Maint IRWD	1,010,895	361,247	1,039,400	1,043,300	3,900
515	Engineering Fees	29,564	18,357	57,500	92,500	35,000
515	Personnel Training	(1,965)	1,005	2,800	2,800	0
515	Other Professional Fees	977	577	0	0	0
515	Safety	10,752	506	0	0	0
515	Other	11,723	1,174	12,000	12,000	0
Total	NTS Operations	1,611,555	657,725	1,781,600	1,841,400	59,800

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2016-17

Recycling Operations		2014-15 Actual	2015-16 Actual 12/31/15	2015-16 Orig Budget	2016-17 Prop Budget	*
Dept No	Expense Name					Incr/(Decr)
550	Regular Labor	1,058,406	555,191	1,368,000	1,474,375	106,375
550	Overtime Labor	96,270	50,497	108,900	108,900	0
550	Contract Labor	0	0	0	30,000	30,000
550	Electricity	2,648,577	1,220,201	4,280,700	3,025,000	(1,255,700)
550	Fuel	8,079	4,389	20,000	76,400	56,400
550	Telecommunication	173	20	0	1,800	1,800
550	Chemicals	618,387	291,513	452,600	796,225	343,625
550	Operating Supplies	18,460	15,242	18,800	74,900	56,100
550	Permits, Licenses and Fees	0	0	0	250	250
550	Equipment Rental	0	0	6,000	12,000	6,000
550	Rep & Maint Other Agencies	13,958,627	4,962,000	8,394,000	13,244,000	4,850,000
550	Rep & Maint IRWD	78,718	2,176	30,400	64,000	33,600
550	Personnel Training	6,669	1,372	800	2,000	1,200
550	Other Professional Fees	5,503	7	0	75,000	75,000
550	Safety	1,504	0	5,500	12,000	6,500
550	Alarm and Patrol Services	92,528	46,215	126,400	349,200	222,800
Total MWRP Operations		18,591,901	7,148,823	14,812,100	19,346,050	4,533,950

*Includes other charges moved from department 510 excluding regular labor.

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2016-17

Water Operations		2014-15 Actual	2015-16 Actual 12/31/15	2015-16 Orig Budget	2016-17 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
570	Regular Labor	1,088,119	544,200	1,096,200	1,223,900	127,700
570	Overtime Labor	121,026	62,709	116,900	111,500	(5,400)
570	Contract Labor	(2,185)	0	0	0	0
570	Electricity	80,427	51,344	113,000	113,000	0
570	Telecommunication	15,038	11,642	12,600	16,000	3,400
570	Chemicals	456,533	231,839	460,000	552,000	92,000
570	Operating Supplies	64,134	43,711	53,600	64,000	10,400
570	Rep & Maint IRWD	549,506	79,137	390,600	439,800	49,200
570	Personnel Training	1,563	50	0	0	0
570	Other Professional Fees	2,223	325	0	80,000	80,000
570	Safety	340	1,911	4,000	10,000	6,000
Total	Collections Systems	2,376,724	1,026,868	2,246,900	2,610,200	363,300

**Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2016-17**

Recycling Operations		2014-15 Actual	2015-16 Actual 12/31/15	2015-16 Orig Budget	2016-17 Prop Budget	Incr/(Decr)
<u>Dept No</u>	<u>Expense Name</u>					
590	Regular Labor	605,780	273,194	589,500	615,050	25,550
590	Overtime Labor	93,858	30,867	61,200	61,100	(100)
590	Electricity	1,007,281	521,760	1,100,000	932,150	(167,850)
590	Fuel	731	295	1,000	1,000	0
590	Telecommunication	89	0	400	0	(400)
590	Chemicals	259,485	111,296	239,200	194,400	(44,800)
590	Operating Supplies	8,608	5,452	6,600	6,600	0
590	Office Supplies	678	121	0	0	0
590	Rep & Maint Other Agencies	196,849	137,472	299,200	256,000	(43,200)
590	Rep & Maint IRWD	79,004	47,359	100,000	104,000	4,000
590	Engineering Fees	0	0	33,000	0	(33,000)
590	Personnel Training	50	0	0	0	0
590	Other Professional Fees	1,790	0	0	1,600	1,600
590	Safety	575	250	1,700	1,700	0
590	Alarm and Patrol Services	67,863	8,582	25,000	25,000	0
Total	LAWRP Operations	2,322,641	1,136,648	2,456,800	2,198,600	(258,200)
Total	Recycling Operations	30,873,290	12,429,225	26,313,700	25,996,250	(317,450)



MAINTENANCE

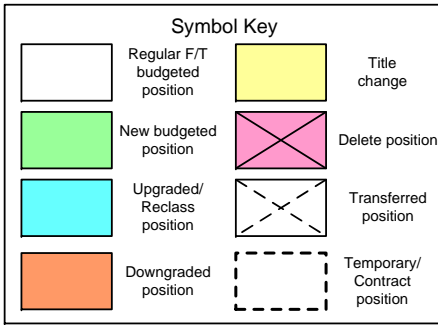
OPERATING BUDGET SUMMARY

Program Description

The mission of Maintenance Department is to manage the District's assets to ensure optimal life expectancy, reliability, efficiency and safety goals while providing the highest level of customer satisfaction. The Maintenance Department coordinates the asset management of the District's electrical, mechanical, instrumentation, automation, supervisory control and data acquisition (SCADA) system, fleet and facility assets to ensure safe, reliable, and cost effective operation.

Major Goals

- Meet the Department's adopted Maintenance and General Plant budgets;
- Achieve zero lost time accidents;
- Maintain 100% compliance with all regulatory requirements;
- Complete the pre-implementation activities for the Enterprise Asset Management (EAM) system including data collection, cataloging of assets, developing business processes, and identifying asset criticality protocols;
- Initiate implementation activities for the EAM system including software selection and the selection of a system integrator;
- Identify and track operational Key Performance Indicators (KPIs) to optimize efficiency and cost effectiveness;
- Implement the training plan for the MWRP Biosolids and Energy Recovery Facilities. Initiate an RFP for the operation and maintenance of the biogas cleaning facilities and microturbines;
- Support the start-up of the Baker Water Treatment Facility and commence the maintenance program;
- Design and construct a combined Water and Recycling Operations Control Room to enhance SCADA monitoring, intra-departmental cooperation and new technology development;
- Maintain and develop staff competency through a combination of internal and external training;
- Investigate and expand the use of new technology to enhance and increase equipment reliability and staff productivity;
- Evaluate the conversion of the District light vehicle fleet to alternative fuel;
- Complete automation improvements such as the conversion Los Alisos Water Reclamation Plant SCADA system to upgraded technology;
- Provide Engineering support for projects including the Biosolids and Energy Recovery Facilities, Baker Water Treatment Facility, Well ET-2;
- Optimize predictive maintenance measures through pump efficiency testing, lube oil analysis, vibration analysis, ultrasound detection, and infrared thermography program;
- Maintain all District buildings and facilities to ensure longevity to include the installation of a new Operations Center roof; and,
- Perform all required maintenance on schedule to ensure safe and dependable cost effective fleet operation.



**IRVINE RANCH WATER DISTRICT
MAINTENANCE OPERATIONS
PROPOSED FISCAL YEAR 2016-17**

Exec Director
of Operations
OPERATIONS ADMIN (805)

ASSISTANT
DIRECTOR OF
MAINTENANCE
(U23.E)

ASSISTANT ASSET
MANAGER
(U15.E) ← **New Budgeted Position**

MAINTENANCE OPERATIONS

**FACILITIES SERVICES (850)
& FLEET SERVICES (870)**

FACILITIES/FLEET
MANAGER
(U17.E)

BUILDING/REPAIR

LANDSCAPE

FLEET SERVICES

FACILITIES
SERVICES
SUPERVISOR
(U31.N)

LANDSCAPE
CONTRACTS
ADMINISTRATOR
(28.N)

FLEET SUPERVISOR
(U31.N)

SENIOR FACILITIES
SVCS TECH
(27.N)

SENIOR VEHICLE/
EQUIP. MECHANIC
(27.N)

FACILITIES SVCS
TECHNICIAN
(22.N)

VEHICLE/EQUIP
MECHANIC
(22.N)

ELECTRICAL SERVICES (820)

ELECTRICAL &
AUTOMATION
MANAGER
(U19.E)

AUTOMATION
PROGRAMMER
(15.E)

INSTRUMENTATION
SUPERVISOR
(U34.N)

ELECTRICAL
SUPERVISOR
(U34.N)

AUTOMATION
SUPERVISOR
(U34.N)

SENIOR INSTRUMENTATION
TECHNICIAN
(30.N)

SENIOR ELECTRICAL
TECHNICIAN
(30.N)

AUTOMATION
SPECIALIST
(32.N)

INSTRUMENTATION
TECHNICIAN
(28.N)

ELECTRICAL
TECHNICIAN
(28.N)

AUTOMATION
TECHNICIAN
(28.N)

MECHANICAL SERVICES (840)

MECHANICAL
SERVICES
MANAGER
(U19.E)

MECHANICAL
SERVICES
SUPERVISOR
(U32.N)

MECHANICAL
SERVICES
SUPERVISOR
(U32.N)

MECHANICAL
SERVICES
SUPERVISOR
(U32.N)

SENIOR MAINTENANCE
MECHANIC
(27.N)

SENIOR MAINTENANCE
MECHANIC
(27.N)

SENIOR MAINTENANCE
MECHANIC
(27.N)

MAINTENANCE
MECHANIC
(22.N)

MAINTENANCE
MECHANIC
(22.N)

MAINTENANCE
MECHANIC
(22.N)

New Budgeted Position

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2016-17

Maintenance		2014-15 Actual	2015-16 Actual 12/31/15	2015-16 Orig Budget	2016-17 Prop Budget	*
Dept No	Expense Name					Incr/(Decr)
810	Regular Labor	152,536	76,313	143,000	0	(143,000)
810	Personnel Training	156	155	0	0	0
810	Other Professional Fees	614	130	0	0	0
Total	Maintenance Administration	153,306	76,598	143,000	0	(143,000)

*Regular labor moved to department 805.

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2016-17

Water Operations		2014-15 Actual	2015-16 Actual 12/31/15	2015-16 Orig Budget	2016-17 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
820	Regular Labor	1,346,855	715,443	1,658,100	1,768,350	110,250
820	Overtime Labor	119,252	82,743	134,900	158,700	23,800
820	Telecommunication	97	129	0	0	0
820	Operating Supplies	76,545	24,428	82,950	92,950	10,000
820	Rep & Maint IRWD	604,595	451,078	854,300	909,200	54,900
820	Personnel Training	8,801	145	0	0	0
820	Other Professional Fees	2,990	616	2,800	2,800	0
820	Mileage Reimbursement	50	0	0	0	0
820	Safety	8,550	4,751	16,800	16,800	0
Total Electrical Services		2,167,735	1,279,333	2,749,850	2,948,800	198,950

**Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2016-17**

Maintenance		2014-15 Actual	2015-16 Actual 12/31/15	2015-16 Orig Budget	2016-17 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
840	Regular Labor	1,098,907	506,024	1,187,000	1,379,100	192,100
840	Overtime Labor	63,734	35,105	82,900	99,000	16,100
840	Contract Labor	3,476	13,184	0	0	0
840	Telecommunication	197	105	0	0	0
840	Operating Supplies	78,458	42,070	64,600	81,200	16,600
840	Equipment Rental	0	0	4,000	4,000	0
840	Rep & Maint IRWD	591,325	395,158	873,700	1,006,000	132,300
840	Personnel Training	4,659	103	0	0	0
840	Other Professional Fees	2,249	188	200	0	(200)
840	Safety	3,039	818	8,000	6,200	(1,800)
Total	Mechanical Services	1,846,044	992,755	2,220,400	2,575,500	355,100

**Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2016-17**

Maintenance		2014-15 Actual	2015-16 Actual 12/31/15	2015-16 Orig Budget	2016-17 Prop Budget	*
Dept No	Expense Name					Incr/(Decr)
850	Regular Labor	329,901	159,939	600,400	621,700	21,300
850	Overtime Labor	10,516	4,466	10,900	23,400	12,500
850	Contract Labor	76,300	53,067	25,000	25,000	0
850	Electricity	0	0	0	390,000	390,000
850	Fuel	0	0	0	30,000	30,000
850	Telecommunication	212	114	0	0	0
850	Other Utilities	29,228	12,501	35,000	73,400	38,400
850	Operating Supplies	29,337	9,548	21,500	83,900	62,400
850	Rep & Maint IRWD	823,180	477,983	942,100	1,574,900	632,800
850	Personnel Training	315	1,749	0	0	0
850	Other Professional Fees	307	244	1,000	0	(1,000)
850	Mileage Reimbursement	(5)	0	0	0	0
Total	Facilities Services	1,299,291	719,611	1,635,900	2,822,300	1,186,400

*Includes other charges moved from departments 855 and 860, excluding regular labor.

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2016-17

Maintenance		2014-15 Actual	2015-16 Actual 12/31/15	2015-16 Orig Budget	2016-17 Prop Budget	*
Dept No	Expense Name					Incr/(Decr)
855	Regular Labor	44,727	20,991	0	0	0
855	Overtime Labor	16,069	6,870	6,000	0	(6,000)
855	Contract Labor	4,532	4,497	0	0	0
855	Electricity	173,139	97,240	190,000	0	(190,000)
855	Fuel	7,994	2,764	10,000	0	(10,000)
855	Other Utilities	4,631	1,952	5,000	0	(5,000)
855	Operating Supplies	17,942	9,961	20,400	0	(20,400)
855	Rep & Maint IRWD	346,984	111,832	303,100	0	(303,100)
Total Headquarters Property Services		616,018	256,107	534,500	0	(534,500)

*All charges moved to department 850.

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2016-17

Maintenance		2014-15 Actual	2015-16 Actual 12/31/15	2015-16 Orig Budget	2016-17 Prop Budget	*
Dept No	Expense Name					Incr/(Decr)
860	Regular Labor	180,571	75,015	0	0	0
860	Overtime Labor	2,768	4,363	7,000	0	(7,000)
860	Contract Labor	16,145	6,497	0	0	0
860	Electricity	163,573	64,990	220,000	0	(220,000)
860	Fuel	12,405	4,410	20,000	0	(20,000)
860	Other Utilities	28,382	15,715	20,000	0	(20,000)
860	Operating Supplies	29,309	14,713	40,000	0	(40,000)
860	Rep & Maint IRWD	331,032	209,834	311,500	0	(311,500)
Total Operations Center Property Services		764,185	395,537	618,500	0	(618,500)

*All charges moved to department 850.

**Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2016-17**

Maintenance		2014-15 Actual	2015-16 Actual 12/31/15	2015-16 Orig Budget	2016-17 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
870	Regular Labor	374,081	184,590	351,800	375,000	23,200
870	Overtime Labor	6,300	8,111	9,000	10,300	1,300
870	Contract Labor	4,526	0	0	0	0
870	Fuel	559,426	135,197	627,200	423,400	(203,800)
870	Telecommunication	90	0	0	0	0
870	Other Utilities	52,095	27,859	55,200	61,600	6,400
870	Operating Supplies	7,181	2,149	7,800	7,800	0
870	Permits, Licenses and Fees	5,900	2,188	6,300	7,500	1,200
870	Equipment Rental	7,369	0	13,000	12,000	(1,000)
870	Rep & Maint IRWD	487,003	288,936	479,400	499,400	20,000
870	Personnel Training	43	0	0	0	0
870	Mileage Reimbursement	104,012	50,116	132,000	132,000	0
Total	Fleet Services	1,608,026	699,146	1,681,700	1,529,000	(152,700)
Total	Maintenance	8,454,605	4,419,087	9,583,850	9,875,600	291,750



WATER POLICY AND RESOURCES

OPERATING BUDGET SUMMARY

Program Description

The Water Policy and Resources Department is responsible for developing and implementing water resource supply and demand management programs to enhance the reliability of water supplies for District customers. The department is also responsible for managing the District's environmental compliance programs and regulatory requirements.

Water Use Efficiency: Demand management programs directly offset the need for developing additional water supplies and are a critical element in meeting the District's water resources/reliability objectives. IRWD has provided industry leadership through the development of innovative and aggressive demand management programs focusing on water use efficiency and wastewater recycling. An updated Water Use Efficiency Plan was adopted in December 2013. The focus was shifted in fiscal year 2015-16 in response to a state mandated conservation target in response to the statewide drought. Staff anticipates continuing to implement programs to address drought related response, gradually transitioning back to implementing the District's long-term water efficiency programs, based on hydrologic conditions. Conservation programs including the outdoor efficiency RightScape program, new data reporting technologies to engage customers, tactical and participation in innovative pilots and research that maintain IRWD's leadership position are incorporated into the fiscal year 2016-17 budget. IRWD will continue to be engaged in the development and implementation of local, regional, state-wide and national water efficiency and demand management policies.

Recycled Water: IRWD is recognized as a national leader in recycled water based in large part on the many years of experience IRWD has with recycled water, the large number of meters served, and groundbreaking projects IRWD has completed. IRWD currently serves more than 5,300 recycled water meters including more than 65 commercial dual-plumbed buildings where recycled water is used for flushing toilets and urinals and more than 610 single-family lots where recycled water is used for irrigating both the front and back yards. The Recycled Water Group continues to pursue additional customers for recycled water in the service area which includes the conversion of dozens of untreated water customers to recycled water. IRWD is also recognized for its support of recycled water through organizations such as WaterReuse, a national recycled water advocacy group. IRWD, in concert with WaterReuse, is active in state-wide policy, legislation, regulation, and support for other agencies which face challenges as their programs are initiated or are being expanded. IRWD has a lead role in working with other water recycling agencies and the regulatory agencies in Orange County to establish standards for on-going inspection and testing of recycled water use sites. In fiscal year 2016-16, the Recycled Water Group will be conducting studies with key customers to determine the feasibility of using recycled water for industrial applications, expanding the use of recycled water for irrigation by retrofitting potable irrigation areas to recycled water, and using recycled water to irrigate orchards that are more sensitive to some constituents found in recycled water.



WATER POLICY AND RESOURCES

OPERATING BUDGET SUMMARY

Major Goals

WATER USE EFFICIENCY

- Assist IRWD customers in meeting state mandated conservation goals through ongoing implementation of enhanced outreach and cost-effective demand management programs;
- Develop partnerships with private and public entities to leverage the effectiveness and reach of water efficiency programs;
- Research and implement, as appropriate, new technologies and innovative programs to assist customers with improving their water use efficiency with a special emphasis on the RightScape outdoor conservation program;
- Continue to partner with commercial, industrial and institutional customers to implement cost-effective water use efficiency programs;
- Continue to support and expand enhanced customer engagement and reporting as a tool to motivate additional water use efficiency;
- Continue to support and expand educational programs for the professional landscape industry;
- Research and implement, as appropriate, the use of enhanced GIS data to improve customer allocation-setting, outreach and programs targeted toward outdoor water use;
- Actively participate in statewide policy discussions addressing the water-energy nexus;
- Actively engage in statewide policy discussions regarding implementation of SBx7-7 (20 x 2020) and implementation of Demand Management Measures required by the Urban Water Management Planning Act;
- Actively engage in discussions with the State Water Resources Control Board, the Department of Water Resources and other stakeholders to develop a framework for efficient water use that balances local conditions and supplies, recycled water, prior conservation, growth and other equity adjustments;
- Work with the California Urban Water Conservation Council (CUWCC) on statewide conservation issues and refinements to the Best Management Practices (BMP);
- Establish the appropriate metrics and quantify conservation targets;
- Evaluate water use efficiency programs and Water Use Efficiency Plan; and
- Continue to work with partners in Newport Bay Executive Committee to develop and implement the elements of the San Diego Creek Watershed Selenium BMP Strategic Plan.

RECYCLED WATER/NON-POTABLE WATER

- Convert a minimum of 1,000 acre-feet of imported water use to recycled water;
- Apply for new *Local Resources Program* funding from MWD which provides a “per-acre foot” financial incentive to increase the use of recycled water. Projects include the North Irvine Lake Pipeline Conversion Project which will conserve approximately 2,500 acre-feet per year and the UCI Central Plant cooling tower project which will conserve approximately 125 acre-feet per year;
- Convert the UCI Central Plant cooling towers to recycled water;
- Assist WaterReuse California with its legislative agenda which includes allowing discharge of

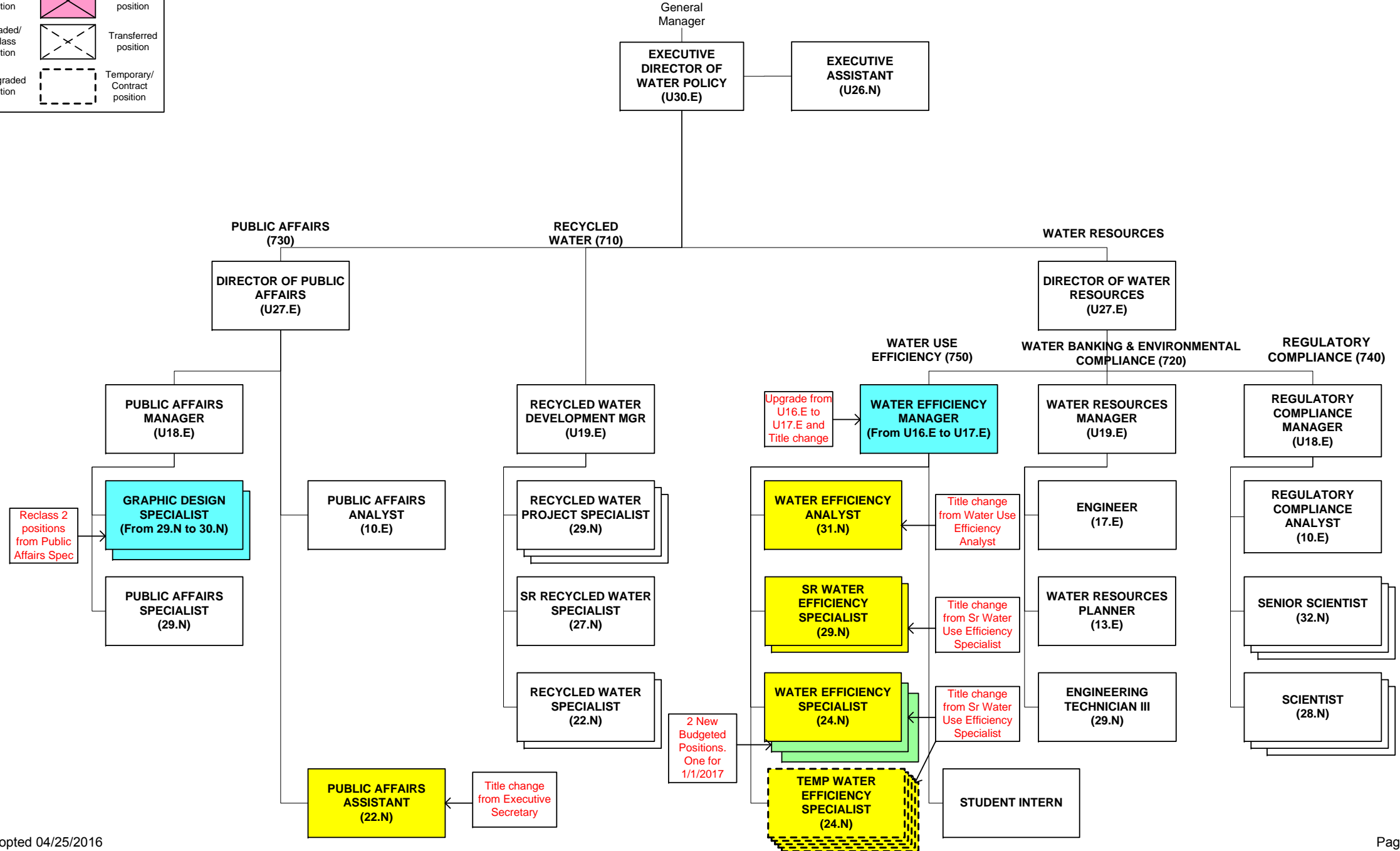
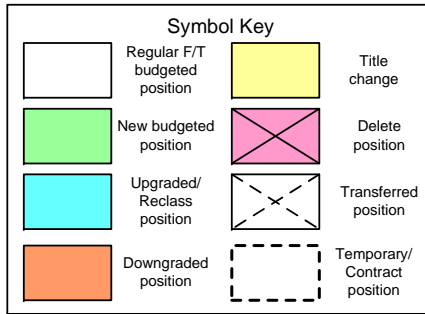


WATER POLICY AND RESOURCES

OPERATING BUDGET SUMMARY

- recycled water from impoundments during storm events;
- Remain active the in Orange County Chapter of WaterReuse California;
- Fully develop the Recycled Water Use Site Inspection and Testing Program including at single-family lots;
- Work with other stakeholders in Orange County to develop standards for the on-going inspection and testing of recycled water use sites which can be a template used by other agencies throughout the state; and
- Seek opportunities to dual-plumb hotels, condominiums, and apartment properties.

**IRVINE RANCH WATER DISTRICT
WATER RESOURCES AND POLICY
PROPOSED FISCAL YEAR 2016-17**



**Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2016-17**

Water Resources and Policy		2014-15 Actual	2015-16 Actual 12/31/15	2015-16 Orig Budget	2016-17 Prop Budget	*
Dept No	Expense Name					Incr/(Decr)
710	Regular Labor	1,268,393	625,947	1,341,300	897,840	(443,460)
710	Overtime Labor	20,302	22,853	12,800	0	(12,800)
710	Contract Labor	108,281	199,950	85,100	97,100	12,000
710	Operating Supplies	62,220	38,429	81,150	60,000	(21,150)
710	Printing	0	0	500	500	0
710	Postage	1,138	1,311	2,500	2,000	(500)
710	Permits, Licenses and Fees	27,272	2,015	55,000	40,000	(15,000)
710	Office Supplies	1,521	1,951	1,200	4,000	2,800
710	Rep & Maint IRWD	15,635	7,661	103,700	0	(103,700)
710	Engineering Fees	112,950	30,000	60,000	108,000	48,000
710	Personnel Training	19,313	11,736	32,000	16,000	(16,000)
710	Other Professional Fees	755,588	186,616	1,203,450	576,600	(626,850)
710	Mileage Reimbursement	173	16	0	0	0
710	Conservation	1,415,333	231,501	1,694,000	0	(1,694,000)
Total	Water Resources and Policy	3,808,119	1,359,986	4,672,700	1,802,040	(2,870,660)

*All Water Efficiency charges moved to department 750.



WATER RESOURCES AND ENVIRONMENTAL COMPLIANCE

OPERATING BUDGET SUMMARY

Program Description

The Water Resources and Environmental Compliance Department is responsible for the development of water supply programs and banking projects primarily outside of the local Orange County area. These programs and projects are increasing the diversity and reliability of the District's water supplies by securing water supplies from sources outside of Orange County during wet periods and storing them for future use in groundwater banking projects in Kern County. The Department is also responsible for exploring and developing potential local water supply reliability opportunities. The District's efforts in the development of these programs and projects are needed in response to stressors on water supply reliability such as environmental pressures in the Delta, expanding statewide population, climate change, and expanding regulatory requirements. This department is responsible for the planning and development of the District's water banking programs. In addition, this department is responsible for the negotiation and development of agreements with other agencies and entities throughout the State of California for water transfer and exchanges that facilitate the recharge, storage and recovery of water at the water banking projects. It is also responsible for the negotiation and the development of agreements that facilitate the delivery of water recovered from the water banking projects to IRWD's service area through facilities owned by the California Department of Water Resources, Kern County Water Agency and Metropolitan Water District of Southern California.

Other responsibilities of the Water Resources and Environmental Compliance department include managing the District's environmental and regulatory compliance programs, and overseeing the District's salt management, energy efficiency and renewable energy planning activities. The environmental and regulatory compliance programs focus on fulfilling the District's compliance requirements for the operation of potable water and wastewater systems operations, facility replacements and the construction of new facilities.

Major Goals

WATER RESOURCES:

- Bank 88,000 AF of water for IRWD, develop 70 cfs of extraction and additional recharge and storage capacity as needed for IRWD and its water banking partners;
- Negotiate a MWD Policy for the delivery of MWD system water to IRWD's Kern County Banking Projects;
- Implement long-term unbalanced exchange agreements with Central Coast Water Authority Carpinteria Valley Water District and/or Antelope Valley-East Kern Water Agency;
- Develop and execute a one-year exchange agreement with Buena Vista Water Storage Agreement for pre-1914 Kern River water to be delivered to the Stockdale Integrated Banking Project;
- Develop a business plan for IRWD's water banking projects and programs;
- Execute long term exchange agreements to facilitate exports of Kern River water to IRWD service area;



WATER RESOURCES AND ENVIRONMENTAL COMPLIANCE

OPERATING BUDGET SUMMARY

- Investigate land fallowing and water transfer opportunities;
- Investigate opportunities to purchase State Water Project Table A entitlement;
- Construct Drought Relief Project recovery and conveyance facilities;
- Increase IRWD's amount of water stored in Southern California; and,
- Identify, evaluate and secure land for the additional third property under the Stockdale Integrated Banking Project for joint use with Rosedale.

ENVIRONMENTAL COMPLIANCE

- Investigate fully developing the District's rights to the use of San Diego Creek flows; Investigate developing a mitigation credit inventory for the District's San Joaquin Marsh; and
- Fulfill the District's environmental and regulatory compliance requirements for capital projects, replacements and operations including the development and approval of Mitigated Negative Declarations, Environmental Impact Reports and Notices of Exemption.

ENERGY AND OTHER PLANNING

- Prepare and complete the District's 2015 Urban Water Management Plan;
- Implement recommendations from Embedded Energy Plan;
- Evaluate the impact varying water supplies on maintaining the District's salt balance;
- Update Energy Master Plan;
- Seek grant opportunities for District energy projects;
- Participate in SCE's Direct Access Program; and,
- Maximize participation in the Preferred Resources Program.

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2016-17

Water Operations		2014-15 Actual	2015-16 Actual 12/31/15	2015-16 Orig Budget	2016-17 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
720	Water Purchases	0	0	11,000	0	(11,000)
720	Regular Labor	592,066	292,424	573,700	603,590	29,890
720	Overtime Labor	624	95	800	800	0
720	Contract Labor				23,290	23,290
720	Electricity	417,866	17,154	334,500	8,820	(325,680)
720	Permits, Licenses and Fees	73,165	86,233	120,000	263,500	143,500
720	Office Supplies	461	0	1,000	0	(1,000)
720	Rep & Maint IRWD	182,928	102,750	281,700	368,500	86,800
720	Personnel Training	3,712	780	7,000	3,000	(4,000)
720	Other Professional Fees	13,641	10,681	17,800	26,100	8,300
Total	Water Resources and Environmental Compliance	1,284,463	510,117	1,347,500	1,297,600	(49,900)



PUBLIC AFFAIRS

OPERATING BUDGET SUMMARY

Program Description

The Public Affairs Department is responsible for communicating accurate and timely information about Irvine Ranch Water District services, projects, activities and programs. The department uses multiple media platforms, including print, personal contact, education programs, publications, tours, as well as electronic and social media outlets. The IRWD communication program serves the District and our customers by:

- Creating and maintaining credibility and public trust;
- Increasing customer awareness of the services we provide ;
- Promoting the District's value, activities and events of significance;
- Ensuring that accurate and timely information is conveyed to the public regarding incidents; and issues of a controversial and/or sensitive nature; and
- Promoting transparency and easy to access information.

Major Goals

WATER EFFICIENCY OUTREACH

- Educate customers on efficient water use practices using multiple outreach platforms including resident tours of IRWD facilities, open houses, print, electronic media, and the internet;
- Educate customers about reducing outdoor water use with the Rightscape program;
- Provide students in the IRWD service area with learning opportunities regarding water supply, water reliability and water use efficiency programs. Promote water education programs to schools in the IRWD service area; and
- Develop and implement next phase of customer drought outreach program.

COMMUNITY OUTREACH AND MEDIA PROGRAMS

- Refine, update and create effective multi-pronged social media outreach programs aimed at providing extended information channels for IRWD customers, the media, business partners, IRWD employees and other government entities;
- Develop and implement tap water outreach program;
- Enhance communications with customers through a targeted media outreach and public communications program including consistent and timely updates for construction and maintenance projects; and
- Provide enhanced customer outreach initiatives based on customer feedback programs.

BUSINESS OUTREACH PROGRAM

- Develop strong working relationships with the business community by hosting a series of meetings for area businesses and those who are interested in working with IRWD.

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2016-17

Water Operations		2014-15 Actual	2015-16 Actual 12/31/15	2015-16 Orig Budget	2016-17 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
730	Regular Labor	0	267,138	664,700	681,500	16,800
730	Overtime Labor	0	13,804	29,500	27,000	(2,500)
730	Contract Labor	0	65,642	0	0	0
730	Operating Supplies	0	1	700	700	0
730	Printing	0	17,043	62,800	62,800	0
730	Postage	0	0	200	200	0
730	Office Supplies	0	2,261	6,000	6,000	0
730	Personnel Training	0	3,732	12,400	12,400	0
730	Other Professional Fees	0	792,948	728,100	1,599,800	871,700
730	Mileage Reimbursement	0	58	0	0	0
Total Public Affairs		0	1,162,627	1,504,400	2,390,400	886,000



REGULATORY COMPLIANCE

OPERATING BUDGET SUMMARY

Program Description

The Regulatory Compliance group plans and manages District-wide programs to ensure the District complies with all environmental regulations governing water, sewage and groundwater discharges. This includes the collection of all required samples of water, sewage and recycled water from distribution systems, treatment facilities, storage reservoirs, wetland operations and customer facilities to ensure quality services and products are served to our customers. Regulatory Compliance also responds to customer service issues and concerns regarding water quality.

In addition to water-related programs, Regulatory Compliance staff manages other regulatory compliance programs such as Hazardous Waste, Underground Storage Tanks, Aboveground Petroleum Storage Tanks, Universal Waste, Biosolids Compliance and the Air Quality Program, including MWRP's Title V Permit. The regulatory mandated Fats, Oils and Grease (FOG) Program that requires the District to control FOG from entering its collections system is also managed by Regulatory Compliance staff. The FOG program consists of permitting, plan checks, inspections and enforcement of Food Service Establishments (FSE) in the District's service area. Regulatory Compliance participates with the Orange County Sanitation District and South Orange County Wastewater Authority to co-manage the implementation of the District's Industrial Pretreatment Program. Regulatory Compliance is an active participant in representing the District at the Southern California Alliance of Publicly Owned Treatment Works (SCAP) and the California Association of Sanitation Agencies Regulatory Work Group (CASA RWG) Committee meetings for Air and Water Issues.

Major Goals

- Ensure the District operates in full compliance with all applicable federal, state and local environmental, water and air quality laws and regulations;
- Respond to Water Quality Customer Contacts and investigate the customer's concern;
- Determine required monitoring programs to address all regulatory requirements for potable, sewage and recycled water;
- Coordinate with other agencies with respect to Industrial Waste Pretreatment Programs and other projects;
- Research and provide recommendations for an IRWD implemented Industrial Waste Pretreatment Program;
- Evaluate requirements and options for long-term operation of the Fats, Oils and Grease (FOG) Program;
- Plan, organize and supervise the work of the Compliance Monitoring Group;



REGULATORY COMPLIANCE

OPERATING BUDGET SUMMARY

- Collect potable system distribution and storage samples to comply with the Department of Drinking Water (DDW) monitoring plan and to proactively identify any developing quality issues in the system;
- Collect MWRP and LAWRP samples to assure proper operation of the treatment facilities and compliance with each facilities' NPDES permit;
- Assist and provide resources to other departments with environmental, water and air permitting issues;
- Ensure compliance with all non-major and Title V air permit requirements for testing and reporting;
- Participate in industry stakeholder groups for air, water and biosolids regulatory issues;
- Prepare and submit new and renewal permit applications for routine activities, equipment and projects; and
- Assist in the development of environmental quality projects and coordinate research activities.

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2016-17

Water Operations		2014-15 Actual	2015-16 Actual 12/31/15	2015-16 Orig Budget	2016-17 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
740	Regular Labor	0	342,367	645,900	680,585	27,745
740	Regular Labor	0	0		13,900	13,900
740	Overtime Labor	0	24,936	57,600	76,770	19,170
740	Operating Supplies	0	30,072	52,100	61,100	9,000
740	Postage	0	109	0	800	800
740	Permits, Licenses and Fees	0	343,670	388,450	504,245	115,795
740	Office Supplies	0	97	0	800	800
740	Rep & Maint Other Agencies	0	0	2,000	2,000	0
740	Rep & Maint IRWD	0	81,299	286,500	256,500	(30,000)
740	Engineering Fees	0	28,914	170,000	162,300	(7,700)
740	Personnel Training	0	1,894	3,500	10,000	6,500
740	Other Professional Fees	0	673	1,600	2,400	800
740	Safety	0	0	2,000	2,000	0
Total	Regulatory Compliance	0	854,031	1,609,650	1,773,400	156,810

**Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2016-17**

Water Resources and Policy		2014-15 Actual	2015-16 Actual 12/31/15	2015-16 Orig Budget	2016-17 Prop Budget	*
<u>Dept No</u>	<u>Expense Name</u>					Incr/(Decr)
750	Regular Labor	0	0	0	474,200	474,200
750	Overtime Labor	0	0	0	36,000	36,000
750	Contract Labor	0	0	0	128,560	128,560
750	Operating Supplies	0	0	0	11,000	11,000
750	Rep & Maint IRWD	0	0	0	30,000	30,000
750	Personnel Training	0	0	0	18,000	18,000
750	Other Professional Fees	0	0	0	296,500	296,500
750	Conservation	0	0	0	2,948,000	2,948,000
Total Water Efficiency					3,942,260	3,942,260
Total Water Resources and Policy		5,092,582	3,886,761	9,134,250	11,205,700	2,071,450
GRAND TOTAL		125,504,825	60,505,608	140,378,000	150,341,200	9,963,200

*Previously in department 710.



GENERAL PLANT

*SUMMARY**

	Fiscal Year 2016-17	Fiscal Year 2015-16	Increase (Decrease)	% Inc/(Dec)
Information Systems	\$ 696,700	\$ 1,141,400	\$ (444,700)	-38.96%
Transportation Equipment	563,000	543,100	19,900	3.66%
Laboratory Equipment	280,000	280,535	(535)	-0.19%
Office Furniture and Equipment	119,500	8,000	111,500	
Equipment	3,847,900	871,700	2,976,200	341.42%
Structures/Improvements- Sand Canyon.MWRP	72,500	50,000	22,500	45.00%
 Sub-Total	 \$5,579,600	 \$2,894,735	 \$2,684,865	 48.12%
Less: Vehicle Salvage Value	(23,500)	(22,000)	(1,500)	-
 Total General Plant	 \$ 5,556,100	 \$ 2,872,735	 \$ 2,683,365	 48.30%

Fiscal Year 2016-17

Funded by User Charges	\$4,466,200	80.38%
Funded by Capital Funds	1,009,900	18.18%
Funded by Overallocation Rev	80,000	1.44%
Total Fiscal Year 2015-16	\$5,556,100	100.00%

Fiscal Year 2015-16

Funded by User Charges	\$ 1,514,635	52.72%
Funded by Capital Funds	1,061,100	36.94%
Funded by Overallocation Rev	297,000	10.34%
Total Fiscal Year 2015-16	\$2,872,735	100.00%

* General Plant is being moved to the Capital Budget beginning with FY 2016-17. The asset listing detail is included in the Capital Budget book. Staff will continue to include a summary that identifies the funding source in the Operating Budget.

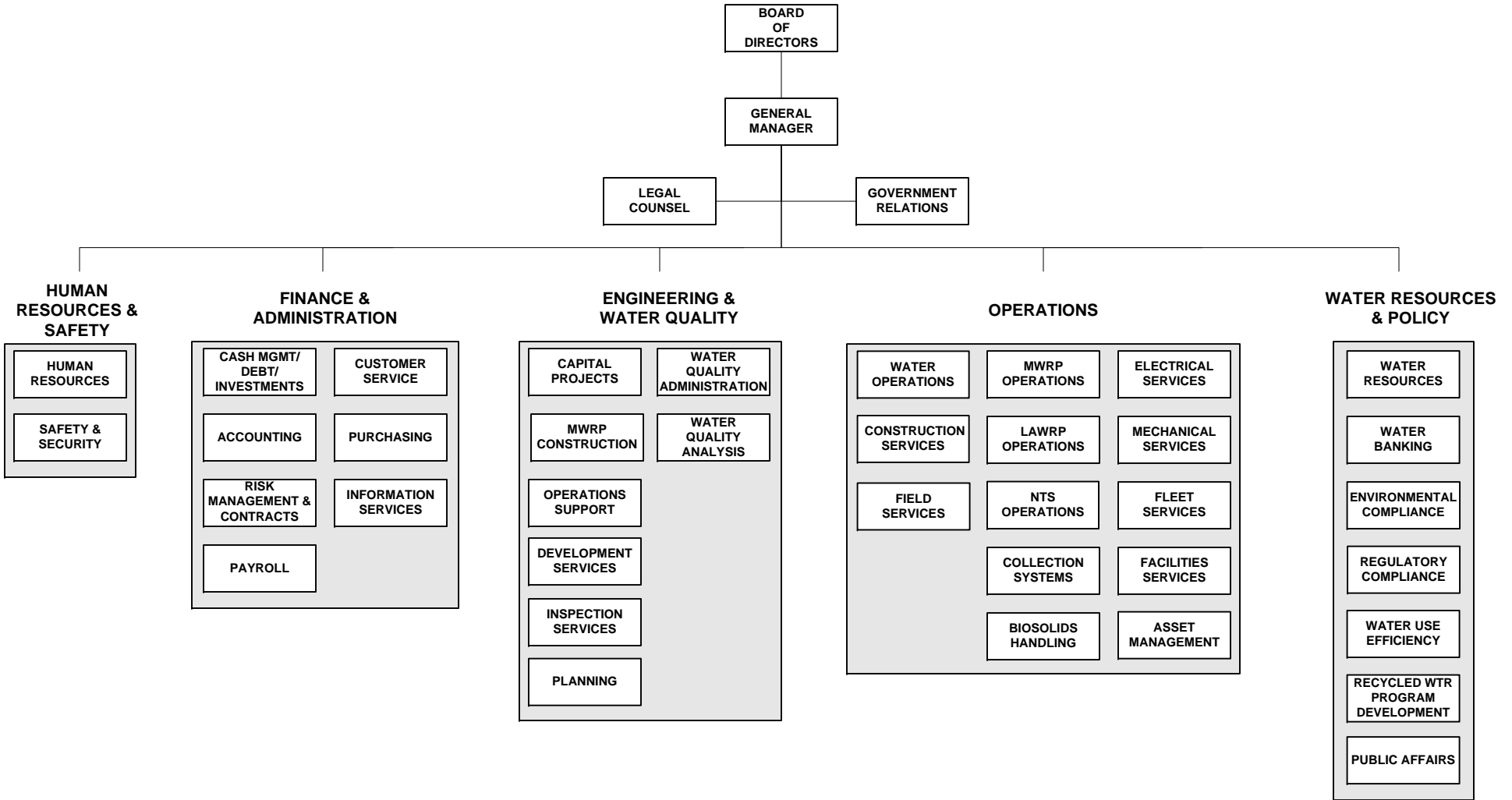


GENERAL PLANT

ANALYSIS

Description	Administration	Finance & Administrative Services	Engineering & Planning	Operations	Water Policy	Total
Information Systems and Technology	\$ -	\$ 696,700	\$ -	\$ -	\$ -	\$ 696,700
Laboratory Equipment				56,000	224,000	280,000
Other General Plant						-
Office Furniture				119,500		119,500
Work Class Equipment				3,847,900		3,847,900
Transportation				563,000		563,000
Structures/Improvements - Sand Canyon/MWRP				72,500		72,500
Subtotal	\$ -	\$ 696,700	\$ -	\$ 4,658,900	\$ 224,000	\$ 5,579,600
Less Vehicle Salvage Value	-	-	-	(23,500)	-	(23,500)
Total Fiscal Year 2016-17	\$ -	\$ 696,700	\$ -	\$ 4,635,400	\$ 224,000	\$ 5,556,100
 Total Fiscal Year 2015-16	 -	 1,134,400	 280,535	 1,457,800	 -	 2,872,735
 Increase/(Decrease)	 \$ -	 \$ (437,700)	 \$ (280,535)	 \$ 3,177,600	 \$ 224,000	 \$ 2,683,365

**Irvine Ranch Water District
Organizational Chart
(By Function)
Fiscal Year 2016-17**





LABOR

THREE YEAR PERSONNEL COMPARISON

Department	Authorized Positions		
	2014-15	2015-16	2016-17
Administration			
Number of Positions	11.0	14.0	15.0
% change from prior year	(8.3) %	27.3 %	7.1 %
Finance and Administrative Services			
Number of Positions	71.0	75.0	80.0
% change from prior year	0.0 %	5.6 %	6.7 %
Engineering			
Number of Positions	38.0	40.0	42.0
% change from prior year	(7.3) %	5.3 %	5.0 %
Water Quality			
Number of Positions	28.0	20.0	20.0
% change from prior year	7.7 %	(28.6) %	0.0 %
Water Policy			
Number of Positions	27.0	34.0	36.0 *
% change from prior year	3.8 %	25.9 %	5.9 %
Water Operations			
Number of Positions	70.0	71.0	72.0 **
% change from prior year	1.4 %	1.4 %	1.4 %
Recycling Operations			
Number of Positions	43.0	48.0	50.0
% change from prior year	7.5 %	11.6 %	4.2 %
Maintenance			
Number of Positions	48.0	50.0	52.0
% change from prior year	26.3 %	4.2 %	4.0 %
Total Number of Positions	336.0	352.0	367.0
Number of Changed Positions	<u>13.0</u>	<u>16.0</u>	<u>15.0</u>
% Change From Prior Year	<u>4.0 %</u>	<u>4.8 %</u>	<u>4.3 %</u>

*For FY 2016-17, one position is budgeted to start October 1, one position would start December 1 and two positions would start January 2017.

** Operations Administration is part of Water Operations.



LABOR

SUMMARY OF SALARIES AND WAGES

(in thousands)

	Total	Administration	Finance & Administrative Services	Engineering	Water Quality	Water Policy	Water Operations	Recycling Operations	Maintenance
Current Authorized:									
Gross Pay	\$28,988	\$1,498	\$5,968	\$4,084	\$1,635	\$3,087	\$5,201	\$3,598	\$3,918
Annual Increase	1,495	76	293	209	91	104	296	193	234
Sub-Total Regular Salaries & Wages	30,484	1,574	6,260	4,293	1,727	3,191	5,497	3,791	4,152
New Positions:									
Gross Pay	774	52	225	83	0	98	69	89	158
Total Regular Salaries & Wages	31,258	1,625	6,486	4,376	1,727	3,289	5,566	3,880	4,310
Insurance and Benefits	7,301	380	1,515	1,022	403	768	1,300	906	1,007
Employment Tax & PERS Contributions	9,094	473	1,887	1,273	502	957	1,619	1,129	1,254
Total Regular Salaries & Wages, health Insurance and employment taxes	\$47,653	\$2,478	\$9,888	\$6,671	\$2,632	\$5,014	\$8,485	\$5,915	\$6,571
Employee Count:	367	15	80	42	20	36	72	50	52

Regular Salaries and Wages	
FY 2015-16 Labor	\$29,085
Adjustment for Vacancies	112
Additions	773
Promotions	309
COLA	495
Merit/Other	484
FY 2016-17 Labor	\$31,258



BENEFITS AND EMPLOYMENT TAX

HEALTH INSURANCE AND EMPLOYER CONTRIBUTIONS

(in thousands)

	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>Change</u>
Insurance and Benefits			
Health Ins Actives	\$4,447	\$5,019	\$572
Dental Premiums	407	419	12
Wrkrs Comp Premiums	645	708	63
Wrkrs Comp Paid Claims	400	650	250
Life Ins Actives	198	185	(13)
LT Disability Premiums	96	104	8
Medical Premiums - Retirees	111	123	12
Vision Benefit Premiums	76	80	4
Life Ins Retirees	12	13	1
	<u>\$6,392</u>	<u>\$7,301</u>	<u>\$909</u>
Employment Tax and PERS			
PERS Employer Portion	\$5,333	\$6,033	\$700
PERS In Excess Of ARC	1,940	1,781	(159)
401A Employer Match Portion	698	733	35
401A Employer Direct Portion	0	60	60
Medicare Tax	407	437	30
St Unemployment Tax	50	50	0
	<u>\$8,428</u>	<u>\$9,094</u>	<u>\$666</u>

**FY 2016/17 Budget
Summary of Proposed Budgeted Personnel Changes**

Proposed Changes to Existing Budgeted Positions						
Dept	Job Title	Current Sal Grade	Proposed Action	Proposed Job Title	Proposed Sal Grade	Salary Costs
210	Accounting Clerk	16.N	Reclass 1 Position	Accountant	27.N	\$6,360
220	Customer Service Field Tech	16.N	Reclass 1 Position	Sr. Customer Service Field Tech	21.N	\$3,000
250	Applications Analyst	U15.E	Reclass 1 Position	Sr. Applications Analyst	U18.E	\$6,720
300	Engineering Tech III	29.N	Upgrade 1 Position	Associate Engineer	14.E	\$3,600
300	Construction Inspection Supervisor	U33.N	Upgrade 1 Position	Construction Inspection Supervisor	U34.N	\$1,980
300	Engineering Technician I	20.N	Upgrade 1 Position, Title Change	Development Services Supervisor	U10.E	\$0
300	Office Specialist	15.N	Title Change 2 positions	Development Services Specialist	15.N	\$0
300	Engineering Technician II	25.N	Title Change only	GIS Technician II	25.N	\$0
300	Engineering Technician III	29.N	Title Change only	GIS Technician III	29.N	\$0
425	Assistant Field Services Manager	U15.E	Reclass 1 Position	Field Services Manager	U17.E	\$4,500
430	Construction & Field Services Manager	U17.E	Title Change only	Construction Services Manager	U17.E	\$0
515	Natural Resources Manager	U16.E	Upgrade 1 Position	Natural Resources Manager	U17.E	\$2,220
570	Collection Systems Manager	U16.E	Upgrade 1 Position	Collection Systems Manager	U17.E	\$2,220
570	Collection Systems CCTV Tech II	21.N	Title Change only	Collection Systems CCTV Tech	21.N	\$0
710	Water Use Efficiency Manager	U16.E	Upgrade 1 Position, Title Change	Water Efficiency Manager	U17.E	\$2,280
710	Water Use Efficiency Analyst	31.N	Title Change only	Water Efficiency Analyst	31.N	\$0
710	Sr. Water Use Efficiency Specialist	29.N	Title Change only	Sr. Water Efficiency Specialist	29.N	\$0
710	Water Use Efficiency Specialist	24.N	Title Change only	Water Efficiency Specialist	24.N	\$0
730	Public Affairs Specialist	29.N	Reclass 2 Positions	Graphic Design Specialist	30.N	\$2,100
730	Executive Secretary	U22.N	Title Change only	Public Affairs Assistant	22.N	\$0
805	Office Specialist	15.N	Reclass 1 Position	Sr. Office Specialist	19.N	\$2,280
Subtotal						<u>\$37,260</u>

Proposed New Positions			
Dept	Job Title	Sal Grade	Salary Costs
130	Safety Assistant	U19.N	\$51,816
220	Customer Service Specialist I	13.N	\$45,048
220	Customer Service Specialist I	13.N	\$45,048
220	Customer Service Specialist II	17.N	\$49,464
220	Mail Coordinator	6.N	\$38,592
240	Office Specialist	15.N	\$46,128
300	Construction Inspector II	28.N	\$42,791
300	GIS Technician I	20.N	\$39,969
425	Water Maintenance Tech III	26.N	\$69,228
570	Collection Systems CCTV Tech	21.N	\$59,856
570	Collection Systems Tech II	20.N	\$29,070
710	Water Efficiency Specialist	24.N	\$65,316
710	Water Efficiency Specialist	24.N	\$32,658
840	Maintenance Mechanic	22.N	\$61,644
840	Assistant Asset Manager	U15.E	\$96,696
Subtotal			<u>\$773,324</u>

To be filled 12/2016

To be filled 10/2016

To be filled 1/2017

To be filled 1/2017



LABOR

PROPOSED LABOR CHANGES

Proposed Personnel Budget Changes Reflected in the FY 2016/17 Operating Budget

Title and Salary Grade Changes for Existing Positions/Job Titles:

Finance (210):

Accounting Clerk (Salary Grade 16.N) ➔ Accountant (Salary Grade 27.N)

This position reclass is being requested to more properly reflect the higher level duties and responsibilities of the position.

Customer Service (220):

Customer Service Field Technician (Salary Grade 16.N) ➔ Sr. Customer Service Field Technician (Salary Grade 21.N)

This position reclass is being requested to more properly reflect the higher level duties and responsibilities of the position.

Information Services (250):

Applications Analyst (Salary Grade U15.E) ➔ Sr. Applications Analyst (Salary Grade U18.E)

This position reclass is being requested to more properly reflect the duties and responsibilities of the position and meet the business needs of the department.

Engineering (300):

Engineering Technician III (Salary Grade 29.N) ➔ Associate Engineer (Salary Grade 14.E)

This position upgrade is being requested to prepare for recruitment at the higher level to meet needs within the department.

Construction Inspection Supervisor (From Salary Grade U33.N to Salary Grade U34.N)

This upgrade is being requested to more properly reflect the increased duties and new responsibilities of this position.

Engineering Technician I (Salary Grade 20.N) ➔ Development Services Supervisor (Salary Grade U10.E)

This position reclass and title change is being requested to more properly reflect the specific duties and responsibilities of the position.



LABOR

PROPOSED LABOR CHANGES

Office Specialist (Salary Grade 15.N) ➔ Development Services Specialist (Salary Grade 15.N) (2 positions)

This title change is being requested to more properly reflect the specific duties and responsibilities of this position.

Engineering Technician II (Salary Grade 25.N) ➔ GIS Technician II (Salary Grade 25.N)

This title change is being requested to more properly reflect the duties and responsibilities of this position.

Engineering Technician III (Salary Grade 25.N) ➔ GIS Technician III (Salary Grade 25.N)

This title change is being requested to more properly reflect the duties and responsibilities of this position.

Field Services (425):

Assistant Field Services Manager (Salary Grade U15.E) ➔ Field Services Manager (Salary Grade U17.E)

This position reclass is being requested to more properly reflect the higher level duties and responsibilities of the position.

Construction Services (430):

Construction & Field Services Manager (Salary Grade U17.E) ➔ Construction Services Manager (Salary Grade U17.E)

This title change is being requested to more properly reflect the duties and responsibilities of this position due to the creation of the Field Services Manager position.

Natural Treatment Systems (515):

Natural Resources Manager (From Salary Grade U16.E to Salary Grade U17.E)

This upgrade is being requested to more properly reflect the duties and responsibilities of this position and to maintain appropriate internal equity.

Collection Systems (570):

Collection Systems Manager (From Salary Grade U16.E to Salary Grade U17.E)

This upgrade is being requested to more properly reflect the duties and responsibilities of this position and to maintain appropriate internal equity.



LABOR

PROPOSED LABOR CHANGES

Collection Systems CCTV Technician II (Salary Grade 21.N) ➔ Collection Systems CCTV Technician (Salary Grade 21.N)

This title change is being requested to better reflect the job series.

Water Resources and Policy (710):

Water Use Efficiency Manager (Salary Grade U16.E) ➔ Water Efficiency Manager (Salary Grade U17.E)

This position upgrade and title change is being requested to more properly reflect the specific duties and responsibilities of the position and to maintain appropriate internal equity.

Water Use Efficiency Analyst (Salary Grade 31.N) ➔ Water Efficiency Analyst (Salary Grade 31.N)

This title change is being requested to simplify the job title.

Sr. Water Use Efficiency Specialist (Salary Grade 29.N) ➔ Sr. Water Efficiency Specialist (Salary Grade 29.N)

This title change is being requested to simplify the job title.

Water Use Efficiency Specialist (Salary Grade 24.N) ➔ Water Efficiency Specialist (Salary Grade 24.N)

This title change is being requested to simplify the job title.

Public Affairs (730):

Public Affairs Specialist (Salary Grade 29.N) ➔ Graphic Design Specialist (Salary Grade 30.N) (2 positions)

This position reclass is being requested to more properly reflect the higher level duties and responsibilities of the position.

Executive Secretary (Salary Grade U22.N) ➔ Public Affairs Assistant (Salary Grade 22.N)

This title change is being requested to more properly reflect the duties and responsibilities of this position and to include it in the Public Affairs job series.

Water Operations Administration (805):

Office Specialist (Salary Grade 15.N) ➔ Sr. Office Specialist (Salary Grade 19.N)

This position reclass is being requested to more properly reflect the higher level duties and responsibilities of the position.



LABOR

PROPOSED LABOR CHANGES

New Positions:

Safety & Security (130):

Safety Assistant (Salary Grade U19.N) – one position

This position is required to manage the increased workload of the Safety department including documenting and recording safety training, maintaining safety logs. This position is currently staffed by temporary labor.

Customer Service (220):

Customer Service Specialist II (Salary Grade 17.N) – one position

This position is required to reduce customer wait times and to handle higher level duties including commercial billing calls, field problems and increased customer contact due to growing customer base. This position is currently staffed by temporary labor.

Customer Service Specialist I (Salary Grade 13.N) – two positions

These positions are required to reduce customer wait times due to increased call volume resulting from growing customer base and other causes. These positions are currently staffed by temporary labor.

Mail Coordinator (Salary Grade 6.N) – one position

This position is required due to increased workload. This position is currently staffed by temporary labor.

Purchasing (240):

Office Specialist (Salary Grade 15.N) – one position

This position is required due to an increase in workload involved in supporting a growing number of District staff and departments, implementing and maintaining Oracle EBS, and supporting Purchasing and District programs. This position is currently staffed by temporary labor.

Engineering (300):

Construction Inspector II (Salary Grade 28.N) – one position

This position is required due to an increase in workload in the inspection services group resulting from increased development that is forecast to continue for several years. The number of active construction projects managed by the inspection services group has more than doubled in the past two and a half years.



LABOR

PROPOSED LABOR CHANGES

GIS Technician I (Salary Grade 20.N) – one position

This position is needed due to an increase in workload involved resulting from increased development that is forecast to continue for several years. This position is currently staffed by temporary labor.

Field Services (425):

Water Maintenance Technician III (Salary Grade 26.N) – one position

This position is required to reestablish the primary responder role which was eliminated in FY14/15 with the creation of an additional Water Maintenance Supervisor filled by the former primary responder. The function is currently distributed among various staff members which is proving to be problematic and inefficient.

Collection Systems (570):

Collection Systems CCTV Technician (Salary Grade 21.N) – one position

This position is required due to growth of the sewer system and the need to meet the regulatory requirements in the Sewer System Management Plan. A new CCTV vehicle is being purchased and this additional position will be needed to operate the new equipment.

Collection Systems Technician II (Salary Grade 20.N) – one position

This position is required due to growth of the sewer system and the need to meet the regulatory requirements in the Sewer System Management Plan. A new vector truck is being purchased and this additional position will be needed to operate the new equipment. This position should be added effective 1/1/2017 ahead of the delivery of the new vehicle.

Water Resources and Policy (710):

Water Efficiency Specialist (Salary Grade 27.N) – two positions (one for 1/1/2017)

These positions are required to continue to provide a high level of support and water efficiency assistance to customers. One position would focus primarily on non-residential landscape customers. The number of landscape customers has increased significantly and the District has also brought the development and presentation of landscape workshops in-house. These workshops were formerly outsourced.

Maintenance Administration (810):

Assistant Asset Manager (Salary Grade U15.E) – one position

This position will be responsible for high level administrative and technical duties related to the effective coordination of the District's Enterprise Asset Management program.



LABOR

PROPOSED LABOR CHANGES

Mechanical Services (840):

Maintenance Mechanic (Salary Grade 22.N) – one position

This position was originally reviewed by the E & O Committee as part of the Biosolids and Energy Recovery facilities staffing plan. This position will also be used at the Baker Water Treatment facilities.

