IRVINE RANCH WATER DISTRICT

CALL FOR SPECIAL FINANCE AND PERSONNEL
COMMITTEE MEETING BY CHAIRMAN

A Special Finance and Personnel Committee Meeting of the Irvine Ranch Water District is hereby called to be held on March 19, 2019, at the hour of 3:30 p.m. of said day at the principal office of the District, 15600 Sand Canyon Avenue, Irvine, California, for the purposes as set forth in Exhibit "A" attached hereto and by this reference made a part hereof.

The Secretary of the Irvine Ranch Water District is hereby authorized and directed to give notice of said Special Meeting to all persons entitled to notice in accordance with the Bylaws of this District and the Provisions of Section 54956 of the California Government Code.

Dated this 15th day of March 2019.

Peer Swan

Peer Swan, Chairman
Irvine Ranch Water District

AGENDA
IRVINE RANCH WATER DISTRICT
SPECIAL FINANCE AND PERSONNEL COMMITTEE MEETING
TUESDAY, MARCH 19, 2019

CALL TO ORDER 3:30 p.m., Committee Room, Second Floor, District Office
15600 Sand Canyon Avenue, Irvine, California

ATTENDANCE Committee Chair: Peer Swan ____ Committee Member: Steve LaMar ____

ALSO PRESENT

Paul Cook	_____	Cheryl Clary	_____
Rob Jacobson	_____	Christopher Smithson	_____
Tanja Fournier	_____	Eileen Lin	_____
Kevin Burton	_____	Wendy Chambers	_____
Paul Weghorst	_____	Jenny Roney	_____
Debra Pardee	_____	Tony Mossbarger	_____
______________	_____	______________	_____
______________	_____	______________	_____

NOTICE

If you wish to address the Committee on any item, please file your name with the Committee. Forms are provided on the table outside of the Committee Room. Remarks are limited to three minutes per speaker on each subject.

COMMUNICATIONS

1. Notes: Clary
2. Public Comments
3. Determine the need to discuss and/or take action on item(s) introduced, which came to the attention of the District subsequent to the agenda being posted.
4. Determine which items may be approved without discussion.

INFORMATION

5. DETAILED REVIEW OF FISCAL YEAR 2019-20 AND 2020-21 OPERATING BUDGET AND PROPOSED RATES AND CHARGES

   Recommendation: That the Committee review and provide feedback on the proposed FY 2019-20 and FY 2020-21 Operating and Non-Operating Budgets and proposed rates and charges for further review at the April 2, 2019 Committee meeting and at both the April 8 and April 22, 2019 Board Workshops.

OTHER BUSINESS

6. Directors' Comments
7. Adjournment

Availability of agenda materials: Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the above-named Committee in connection with a matter subject to discussion or consideration at an open meeting of the Committee are available for public inspection in the District's office, 15600 Sand Canyon Avenue, Irvine, California ("District Office"). If such writings are distributed to members of the Committee less than 72 hours prior to the meeting, they will be available from the District Secretary of the District Office at the same time as they are distributed to Committee Members, except that if such writings are distributed one hour prior to, or during, the meeting, they will be available at the entrance of the meeting room at the District Office. The Irvine Ranch Water District Committee Room is wheelchair accessible. If you require any special disability-related accommodations (e.g., access to an amplified sound system, etc.), please contact the District Secretary at (949) 453-5300 during business hours at least seventy-two (72) hours prior to the scheduled meeting. This agenda can be obtained in an alternative format upon written request to the District Secretary at least seventy-two (72) hours prior to the scheduled meeting.

March 19, 2019
Prepared by: C. Smithson / D. Pardee
Submitted by: C. Clary
Approved by: Paul A. Cook

SPECIAL FINANCE AND PERSONNEL COMMITTEE

DETAILED REVIEW OF FISCAL YEAR 2019-20 AND 2020-21 OPERATING BUDGET AND PROPOSED RATES AND CHARGES

SUMMARY:

IRWD is in the process of developing operating and non-operating budgets for the coming two fiscal years. The proposed Fiscal Year (FY) 2019-20 and 2020-21 Operating Budget is $166.2 million, representing an increase of $9.1 million or 5.8% over the prior year and $172.8 million representing an increase of $6.6 million or 4.0%, over FY 2019-20 respectively. The net Non-Operating Budget proposed budget is $92.4 million, representing an increase of $10.5 million or 12.8% increase over the prior year and $95.2 million representing an increase of $2.8 million of 3.0% over FY 2019-20, respectively.

The goal of the District's budgeting process is to appropriately fund the resources required to provide excellent service to its customers as cost-efficiently as possible. IRWD continues to aggressively pursue 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, electricity, and the treatment of sewage and biosolids. The proposed budgets reflect the full cost of operating the Baker Water Treatment Plant in the individual line items with the reimbursement to IRWD for 76% of the operating expenses by the Baker Water Treatment Plant partners shown as a "reimbursement from Baker Partners" below. One of the largest operational changes reflected in the FY 2019-20 operating budget is the start-up of the Michelson Biosolids and Energy Recovery Project in 2019 with the majority of the facility on-line by December 2019.

The proposed increase over last year's budget is driven primarily by the following:

	Variance	
Primary Drivers	**FY 2018-19 vs. 2019-20**	**FY 2019-20 vs. 2020-21**
Increase in regular labor: - COLA - Promotions/upgrades/merit - Proposed additions	$1.7M	$2.0M
Increase in overtime labor	$0.3M	$0.0M
Increase (decrease) in contract labor	$0.4M	($0.4M)
Increase in employee benefits: - PERS and health insurance	$1.1M	$1.4M
Increase in purchased water: - Pass through rate increases anticipated	$1.8M	$5.4M
Increase in electricity	$2.5M	$1.5M
Increase in fuel	$0.4M	$0.1M

(continued)

Primary Drivers	Variance FY 2018-19 vs. 2019-20	Variance FY 2019-20 vs. 2020-21
Increase in chemicals	$0.8M	$0.6M
Increase in operating supplies	$1.1M	$0.1M
Decrease in OCSD & others repairs and maintenance	($3.3M)	($5.0M)
Increase in IRWD repairs and maintenance	$0.6M	$0.5M
Increase in legal fees	$0.8M	$0.3M
Increase (decrease) in data processing	$0.5M	($0.1M)
Increase in other professional fees	$0.3M	$0.0M
Increase in biosolids disposal	$0.7M	$0.4M
Decrease in conservation	($1.1M)	$0.0M
Other net changes less than $0.25	($0.0M)	($0.3M)
Reduction in reimbursement from Baker Partners	$0.5M	$0.1M
Total proposed budget increases in FY 2019-20 and FY 2020-21:	*$9.1M*	*$6.6M*

Changes from the preliminary budget reviewed at the March 5, 2019 Finance and Personnel Committee meeting include changes in the contract labor given the proposed approved personnel additions, a decrease in purchased water costs based on a change in the assumption of the Replenishment Assessment (RA) charged from OCWD from $505 per acre foot (AF) to $487 per AF in FY 2019-2020 and $530 per AF to $511 per AF in 2020-21, and a change in assumed native water used given the current Irvine Lake level, a decrease in electricity based on a thorough analysis of third-party rates, and an increase in overall legal fees.

Rate increases are necessary to provide for cost of service equity. In FY 2019-20, the proposed adjustment to rates include a low volume increase of $0.07 per hundred cubic feet (ccf), a base commodity rate increase of $0.11 per ccf, and no increase to the monthly service charge for water. In FY 2020-21, the proposed adjustment to rates include a low volume increase in $0.07 per ccf, a base commodity rate increase of $0.12 per ccf, and a $0.05 rate increase in the monthly fixed service charge for water. For FY 2019-20 and FY 2020-21, there is a proposed increase in the monthly service charge for sewer of $0.30 and $0.20 respectively.

Based on the recommendation, a typical residential customer will experience an increase of $1.42 or 2.6% in FY 2019-20 and $1.44 or 2.6%. Assuming average residential usage, the average residential bill is expected to be $55.20 and $56.64 per month in FY 2019-20 and FY 2020-21 respectively.

All of the Departmental Directors will be present to answer any questions related to the detailed budget. Staff recommends the Committee review and provide comments on the updated proposed Operating and Non-Operating Budget and rates for further review by the Committee at its April 2, 2019 meeting and to the full Board at its workshops on April 8 and April 22, 2019.

BACKGROUND:

The proposed Operating Budget, attached as Exhibit "A", has been organized into eight major functional areas, plus separate sections for proposed general plant purchases, and labor changes:

- Assumptions;
- Consolidated Operating Budget;
- Revenue and Expenses by System;
- Non-Operating Summary of Sources and Uses;
- Current and Proposed Residential Rates;
- Budgeted Revenue Summary by System;
- Budgeted Cost of Water by System;
- Individual tabs with Major Goals, Proposed Organization Chart and Expense Budget by Department;
- General Plant; and
- Summary of Labor and Proposed Changes.

Conservation and Natural Treatment System (NTS) operating results are included as a separate system. Revenues and Expenses by System include:

- Water;
- Sewer;
- Recycled; and
- Conservation and NTS.

Impact on IRWD's Proposed Rates and Charges:

Staff has prepared a proposed rate change to meet cost of service requirements. The Summary Section of Exhibit "A" identifies the impact to rates for a typical residential customer.

Water System:

The treated system reflects an increase in the cost of purchased water from Metropolitan Water District and the Replenishment Assessment charged by the Orange County Water District (OCWD) in both FY 2019-20 and 2020-21. The budgeted demands are slightly higher than the prior year's budget by 506 AF in FY 2019-20 and 1,315 AF in FY 2020-21.

For FY 2019-20, staff recommends an increase of $0.07 per ccf for low volume and $0.11 per ccf for the base rate, to match the cost of service for these tiers. The budget assumes a $15 per AF increase in the groundwater Replenishment Assessment from OCWD ($462 to $487 per AF) which is the sole source of water for the low-volume tier and provides for a majority of the water used in the base rate. No increase is recommended for the monthly water fixed service charge. Staff is recommending a $0.30 increase in the monthly sewer service charge. Based upon an average residential usage of 12 ccf per month, the recommended change will result in an expected rate increase to the average residential customer of $1.42 or 2.6% from $53.78 to $55.20 per month.

For FY 2020-21, staff recommends an increase of $0.07 per ccf for low volume and $0.12 per ccf for the base rate, to match the cost of service for these tiers. The budget assumes a $24 per AF increase in the groundwater Replenishment Assessment from OCWD ($487 to $511 per AF) which again is the sole source of water for the low volume tier and provides for a majority of the water used in the base rate. There is a $0.05 increase recommended for the monthly water fixed service charge and a $0.20 increase to the monthly sewer service charge. Based upon an average residential usage of 12 ccf per month, the recommended change will result in an expected rate increase to the average residential customer of $1.44 or 2.6% from $55.20 to $56.64 per month.

The following table summarizes the current and proposed water rates:

		Proposed	
	Current	FY 2019-20	FY2020-21
Low Volume per ccf	$1.40	$1.47	$1.54
Base per ccf	$1.89	$2.00	$2.12
Monthly Fixed Service Charge (based on 5/8" meter)	$10.35	$10.35	$10.40

Untreated Water:

The untreated system demands will be met with recycled water served from the Irvine Lake Pipeline beginning in FY 2019-20, and therefore demands are included in the Recycled Water System below.

Sewer System:

For the average residential customer, the monthly sewer service fee is recommended to increase $0.30 in FY 2019-20 and $0.20 in FY 2020-21. These are detailed in the Summary Section of Exhibit “A”.

Tiered Rate Structure Cost Allocation:

At the April 2, 2019 Finance and Personnel Committee meeting, staff will discuss the methodology for allocating costs to the tiered rates consistent with Proposition 218 requirements.

FISCAL IMPACTS:

Proposed Operating Expenses in the FY 2019-20 Budget reflect an increase of $9.1 million from the adopted Operating Budget for FY 2018-19. Proposed Operating Expenses in the FY 2020-21 Budget reflect an increase of $6.6 million from the proposed FY 2019-20 Budget.

Proposed net Non-Operating income reflects an increase of $10.4 million from the adopted Non-Operating Budget for FY 2018-19. Proposed net Non-Operating income reflects an increase of $2.8 million from the proposed FY 2019-20 Non-Operating budget.

ENVIRONMENTAL COMPLIANCE:

This item is not a project as defined in the California Environmental Quality Act Code of Regulations, Title 14, Chapter 3, Section 15378.

RECOMMENDATION:

That the Committee review and provide feedback on the proposed FY 2019-20 and FY 2020-21 Operating and Non-Operating Budgets and proposed rates and charges for further review at the April 2, 2019 Committee meeting and at both the April 8 and April 22, 2019 Board Workshops.

LIST OF EXHIBITS:

Exhibit “A” – Proposed Operating Budgets for FY 2019-20 and FY 2020-21.

Exhibit "A"

IRVINE RANCH WATER DISTRICT
OPERATING BUDGET
FISCAL YEAR 2019-20 and 2020-21

Irvine Ranch
WATER DISTRICT

"DRAFT"

March 19, 2019

BUDGET

Assumptions as of March 19, 2019
Fiscal Years 2019-20 and 2020-21

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. The District aggressively pursues 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, electricity and the treatment of sewage. One of the largest operational changes reflected in the Fiscal Years (FY) 2019-20 and FY 2020-21 operating budget is the start-up of the Michelson Biosolids and Energy Recovery Facility in 2019 with the majority of the facility on-line by December 2019. The FY 2019-20 and FY 2020-21 recommended rate increases are primarily associated with pass through rate increases from outside agencies.

This document is a summary of the major assumptions driving the development of the operating and non–operating budgets for FY 2019-20 and FY 2020-21.

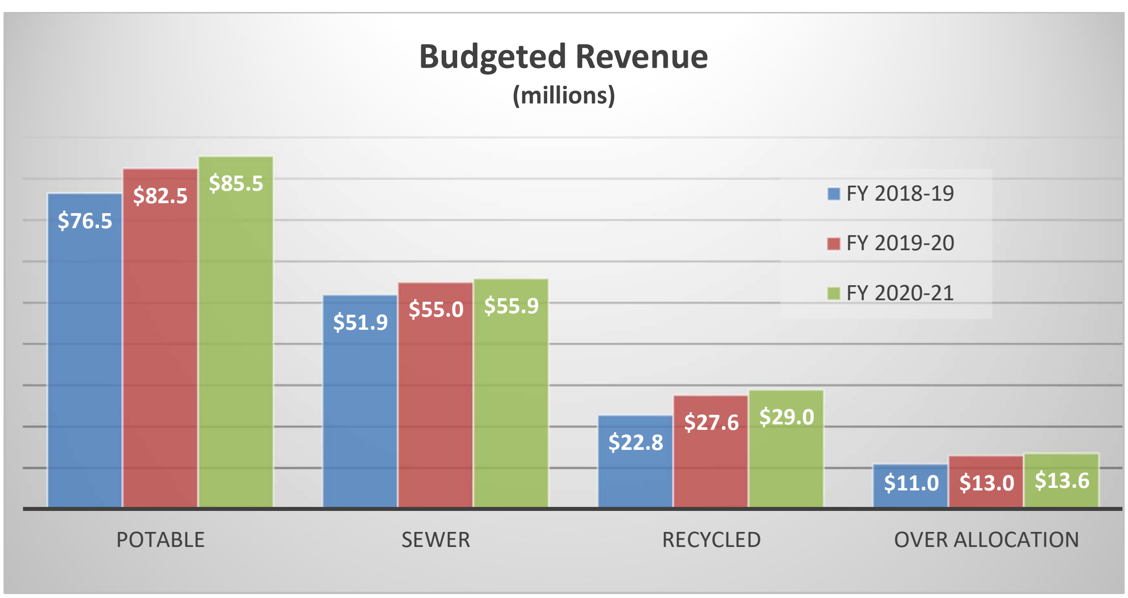
I. OPERATING REVENUES

Growth Estimates:

Residential development growth includes both apartments and single family homes for FY 2019-20 and 2020-21. The unit estimate is based on current projections received from major developers throughout the service area. Estimates identify approximately 3,200 mixed units coming online in FY 2019-20 and 2020-21. As a result, the growth factor is estimated at 3.0% for FY 2019-20 and 2020-21.

Development projections for the commercial/industrial sector identify 40 acres of development occurring in FY 2019-20 and 2020-21. Revenue assumptions used to estimate sewer revenue are consistent with the assumptions included for potable water.

FY 2019-20 and 2020-21 Estimate for Operating Revenue Sources, by System (in millions):



Total Residential, Landscape, Commercial, and Industrial revenue constitute over 85% of the total operating revenues for both water and sewer.

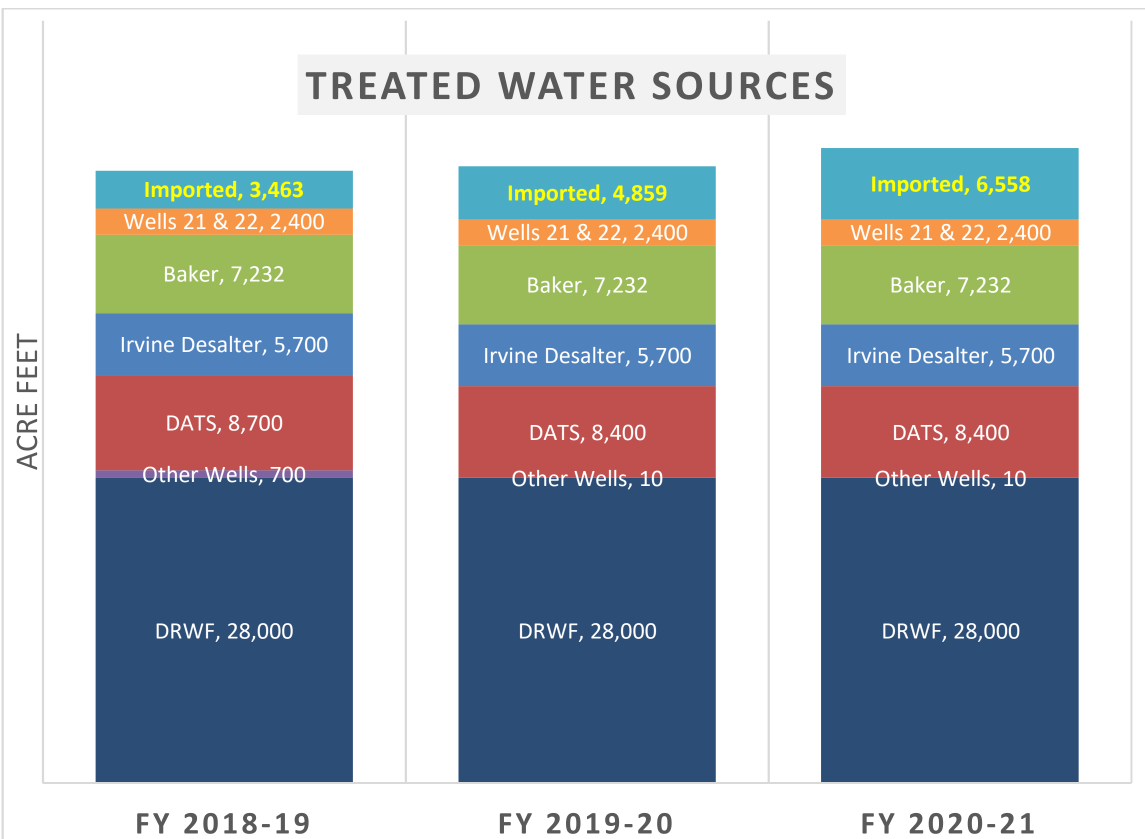
II. OPERATING EXPENSES

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

A. Water

The District continues to make efforts 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 and customers have responded well to this messaging.

The FY 2019-20 and 2020-21 budget anticipates no significant change in use from FY 2018-19. The assumption is for a normal year of rainfall, consistent with the assumption last year. The District is budgeting potable sales for FY 2019-20 and 2020-21 to be 52,624 acre feet (AF) and 53,939, as compared to a budget of 52,118 AF in FY 2018-19. The additional potable demand will be met with increased imported supply. The sources, including process loss and shrinkage, used to meet potable sales include:



The source of supply is one of the District's largest uncontrollable costs. Groundwater provides over 49,000 acre feet and the District generates nearly 23,000 acre feet of recycled water with the remaining demand coming from imported supply or native water, as available. The table below identifies the various sources and associated costs.

Source Cost per Acre Foot (AF)	FY 2018-19	FY 2019-20	FY 2020-21
Orange County Water District (OCWD) Replenishment Assessment (RA)			
Groundwater	$462	$487	$511
Metropolitan Water District (MWD)/MWDOC			
Imported Potable	$1,050	$1,078	$1,110
Imported Nonpotable	$734	$758	$781
Native Water	$291	$300	$309

- The RA is expected to increase by 5.0% per AF each year. The District's basin production percentage (BPP) is set at a maximum of 70%, per the OCWD / IRWD Annexation Agreement executed in 2013.
- Actual energy usage will increase with the demands from MWRP Biosolids and Energy Recovery Facility coming online and the rate is expected to increase 4.5% in FY 2020-21.
- MWD is expected to increase its treated and untreated rates again on January 1, 2020 and 2021 by 3%.
- Native water cost will increase annually by 3% based on the Irvine Lake Yield agreement.
- Staff assumes no substantial change to the costs associated with the IRWD Reservoir Management Systems.
- For FY 2019-20 and FY 2020-21, the budgets assume the untreated demand will shift to the recycled system. The Irvine Lake Pipeline project is expected to come online in June 2019. The system will deliver recycled water to Orange and northern Irvine, primarily for landscape irrigation. This project is part of the IRWD strategic plan to increase recycled water use and reduce reliance on imported water.

B. Sewer and Biosolids

The MWRP Biosolids and Energy Recovery Facility is expected to be substantially online by December 2019. Costs associated with operating the facility are included in FY 2019-20 and FY 2020-21. Previously, biosolids produced at MWRP were sent to the Orange County Sanitation District (OCSD) for processing. The FY 2020-21 budget assumes no solids handling expense for OCSD.

C. 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.

- Salary assume an increase for merit and projected promotions.
- There are nine new positions budgeted in FY 2019-20 and four and a half in FY 2020-21.
- In July of each year a COLA and promotional factor are applied to salaries - Assumed at 3.0% and 0.6%, respectively.
- Assumes a 7% vacancy factor.

The following table reflects salaries and wages included in each budget.

Regular Salaries and Wages	
FY 2018-19	$34,981
FY 2019-20	$36,681
FY 2020-21	$38,641

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

Additional Contributions Provided by the District			
	FY 18-19	FY 19-20	FY 20-21
PERS Employer Contribution	19.3%	21.2%	21.2%
PERS in Excess of ARC	7.1%	3.8%	3.8%
Combined Total	26.4%	25.0%	25.0%
District Direct 401A Match	3.0%	3.0%	3.0%
401A Matching Contribution of 3%	2.8%	2.8%	2.8%

The funding policy is to contribute 25% of regular salaries and wages to PERS. For FY 2018-19, there was an additional 1.4% contribution representing the excess RA due to a lower final rate from OCWD than budgeted. The PERS in Excess of ARC will be used to payback the Replacement Fund borrowing primarily associated with funding of the Pension Benefits Trust.

III. RATES

Rates are based on actual cost of service. IRWD uses a budget-based rate structure which encourages customers to use water wisely. For residential customers who comprise a majority of the District's customer base, each residence is assigned a monthly water budget, which is based on several factors, including the number of residents in the home, the square footage of outdoor landscaped area and the weather.

Other customers, such as commercial, industrial and landscape are also assigned water budgets.

Each tier is assigned a rate based on the cost of service, which varies according to the sources of water. Each source has a different cost of water. Local groundwater from the Dyer Road Well Field is IRWD's lowest-cost water while imported water is the highest-cost water. The tables below reflect the budgeted sales by tier allocated to the various sources of water. The sources are arranged in order of the lowest to highest cost. The sales by tier are based on a three year historical average. Sales are applied to the lowest cost source of water first until the source is fully utilized. The rates per hundred cubic feet (ccf) are developed based on the volume and cost of the blended sources.

FY 2019-20

Allocation of Acre Feet by Source of Supply

Tiers	**Low Volume**	**Base Rate**	**Inefficient**	**Wasteful**
Sales by Tier in AF	18,646	28,964	2,817	2,197
Dyer Road Wellfield	(18,646)	(7,954)		
Orange Park Acres Well 1		(10)		
Deep Aquifer Treatment System		(7,820)		
Irvine Desalter Domestic		(4,603)		
Wells 21 & 22 Desalter Treatment		(1,956)		
Baker Treatment Facilities		(6,621)	(249)	
Imported Water		-	(2,568)	(2,197)
Net Allocation	**-**	**-**	**-**	**-**

Rates per ccf Based on Cost of Service

Tiers	**Low Volume**	**Base Rate**	**Inefficient**	**Wasteful**
Lowest Cost Source of Water	$1.47			
District Wide Conservation		$0.03	$0.03	$0.03
Melded Cost of Water		$1.97		
Blended Cost of Baker and Potable Import			$3.09	
Loaded Cost of Imported Water				$3.15
Water Banking				$1.87
Targeted Conservation			$1.33	$5.74
Natural Treatment Systems (NTS)			$0.41	$2.83
Total Cost per Tier	**$1.47**	**$2.00**	**$4.86**	**$13.62**

All customers pay for District wide conservation programs as they benefit. Cost associated with water banking, NTS, and targeted conservation are paid for by customers in the inefficient and wasteful tiers. The District would not need these programs if all customers remained within budget.

FY 2020-21

Allocation of Acre Feet by Source of Supply

Tiers	Low Volume	Base Rate	Inefficient	Wasteful
Sales by Tier in AF	19,112	29,688	2,887	2,252
Dyer Road Wellfield	(19,112)	(7,488)		
Orange Park Acres Well 1		(10)		
Deep Aquifer Treatment System		(7,820)		
Irvine Desalter Domestic		(4,603)		
Wells 21 & 22 Desalter Treatment		(1,956)		
Baker Treatment Facilities		(6,870)		
Imported Water		(941)	(2,887)	(2,252)
Net Allocation	-	-	-	-

Rates per ccf Based on Cost of Service

Tiers	Low Volume	Base Rate	Inefficient	Wasteful
Lowest Cost Source of Water	$1.54			
District Wide Conservation		$0.03	$0.03	$0.03
Melded Cost of Water		$2.09		
Loaded Cost of Imported Water			$3.12	$3.12
Water Banking				$1.79
Targeted Conservation			$1.30	$5.44
Natural Treatment Systems (NTS)			$0.46	$3.28
Total Cost per Tier	**$1.54**	**$2.12**	**$4.91**	**$13.66**

IV. USE OF OTHER FUNDS

A. Over-Allocation Revenue

Over-allocation revenue is generated by customers in the inefficient and wasteful tiers. This revenue offsets the following expenses:

- The cost associated with additional imported water purchases;
- Customers who receive the $2 low volume capacity rebate on the fixed service charge;

- Budgeted conservation expenses;
- Urban runoff (NTS) and San Joaquin Marsh maintenance expenses; and
- Water banking expenses that exceed associated revenue.

Total conservation expense is expected to meet over allocation revenue in FY 2019-20 and 2020-21. The conservation fund is projected to be approximately $8 million at the end of FY 2019-20 and 2020-21.

B. Enhancement Fund User Rate Component

The current enhancement fund contribution for both the water and sewer system for FY 2018-19 was a combined $1.52 per month ($0.70 for water and $0.82 for sewer) for the average residential customer. There was no increase built into these rates for FY 2019-20 and 2020-21. It is estimated that the fund balance will be approximately $60 million at the end of FY 2020-21.

C. Replacement Fund User Rate Component

The current replacement water service charge is $2.10. The sewer service charge is $9.31 per month for the average residential customer in FY 2019-20 and 2020-21, no increase from the prior year. It is estimated that the fund balance will be approximately $410 million as of the end of FY 2020-21. The fund is used to pay for the inevitable future replacement of the District's Infrastructure.

V. NON-OPERATING REVENUES AND EXPENSES

The District's non-operating revenues are related to income generated from sources other than user rates, which include property taxes, investment income, connection fees, and real estate. A portion of the non-operating revenues pay the debt service for debt issued by the District. Property taxes and connection fees help pay for new infrastructure. Some of the non-operating revenues contribute to the replacement fund, which is used to pay for the inevitable replacement of existing infrastructure. The District sets the replacement fund monies aside in advance to avoid significant potential future rate impacts.

A. Revenues

Primary assumptions for Fiscal Years 2020 and 2021 for each of the revenue categories are as follows:

- Property taxes – 6.0% and 4.0% growth in projected assessed values, respectively.
- Investment income – 2.25% and 2.40% average interest rate and an average cash balance of $366.8 million and $422.0 million, respectively.
- Connection fees – Based on current projections received from major developers.
- Real estate income – 2.0% growth on commercial and residential income and ten (10) months of interest on the Serrano Summit promissory note at a

weighted average interest of 4.26%. Note maturity in April 2020. Fiscal Year 2021 includes income from the Sand Canyon Professional Center building.

- Real estate fair value change – 2.0% increase on commercial properties and 2.5% on Sycamore Canyon Apartment property. Fair value change for Wood Canyon Villa Apartment property is based on partnership agreement; and,
- Other income – includes lease revenue and grants.

B. Expenses

Primary assumptions for Fiscal Years 2020 and 2021 are as follows:

- Interest expense – 3.70% average fixed debt rate for both fiscal years. 2.0% and 2.25% average variable debt rate, respectively; and,
- Real estate expense – 2.0% growth; excludes depreciation as real estate is based on fair market value. Both fiscal years include expenses for the Sand Canyon Professional Center building.

NON-OPERATING BUDGET

Assumptions as of March 19, 2019
Fiscal Year 2019-20 and 2020-21

The District's non-operating revenues are related to income generated from sources other than user rates, which include property taxes, investment income, connection fees, and real estate. A portion of the non-operating revenues pay the debt service for debt issued by the District. Property taxes and connection fees help pay for new infrastructure. Some of the non-operating revenues contribute to the replacement fund, which is used to pay for the inevitable replacement of existing infrastructure. The District sets the replacement fund monies aside in advance to avoid significant potential future rate impacts.

I. REVENUES

Primary assumptions for Fiscal Years 2020 and 2021 for each of the revenue categories are as follows:

- Property taxes – 6.0% and 4.0% growth in projected assessed values, respectively.
- Investment income – 2.25% and 2.40% average interest rate and an average cash balance of $366.8 million and $422.0 million, respectively.
- Connection fees – Based on current projections received from major developers.
- Real estate income – 2.0% growth on commercial and residential income and ten (10) months of interest on the Serrano Summit promissory note at a weighted average interest of 4.26%. Note maturity in April 2020. Fiscal Year 2021 includes income from the Sand Canyon Professional Center building.
- Real estate fair value change – 2.0% increase on commercial properties and 2.5% on Sycamore Canyon Apartment property. Fair value change for Wood Canyon Villa Apartment property is based on partnership agreement; and,
- Other income – includes lease revenue and grants.

II. EXPENSES

Primary assumptions for Fiscal Years 2020 and 2021 are as follows:

- Interest expense – 3.70% average fixed debt rate for both fiscal years. 2.0% and 2.25% average variable debt rate, respectively; and,
- Real estate expense – 2.0% growth; excludes depreciation as real estate is based on fair market value. Both fiscal years include expenses for the Sand Canyon Professional Center building.

Irvine Ranch Water District
Consolidated Operating Budget
FY 2019-20

(in thousands)	Actual		Budget		Budget to Budget Variance Incr(Decr)	
Expense Name	**Actual**	**FY 18-19 (6 Months)**	**FY 18-19**	**FY 19-20**	**FY 18-19 vs 19-20**	**% Variance**
Salaries & Benefits						
Regular Labor	$ 33,410	$ 16,103	$ 34,981	$ 36,681	1,699	4.9%
Overtime Labor	2,144	1,149	2,104	2,405	301	14.3%
Contract Labor	1,891	1,018	1,846	2,204	358	19.4%
Employee Benefits	17,396	9,138	19,124	20,224	1,101	5.8%
Salaries & Benefits Total	**$ 54,841**	**$ 27,408**	**$ 58,055**	**$ 61,514**	**$ 3,459**	**6.0%**
Purchased Water & Utilities						
Water	39,933	21,168	37,454	39,242	1,788	4.8%
Electricity	13,405	8,299	14,537	17,064	2,527	17.4%
Fuel	626	370	559	946	387	69.3%
Telecommunication	634	305	627	767	140	22.3%
Other Utilities	182	95	182	194	12	6.6%
Purchased Water & Utilities Total	**$ 54,781**	**$ 30,237**	**$ 53,360**	**$ 58,214**	**$ 4,854**	**9.1%**
Materials & Supplies						
Chemicals	3,345	1,565	3,146	3,930	785	24.9%
Operating Supplies	1,538	1,070	1,498	2,642	1,144	76.3%
Printing	229	78	401	303	(98)	(24.5%)
Postage	565	322	520	644	124	23.9%
Permits, Licenses and Fees	1,764	1,215	1,749	1,869	119	6.8%
Office Supplies	98	65	96	104	9	9.3%
Duplicating Equipment	188	90	174	188	14	8.0%
Equipment Rental	112	50	73	120	47	64.8%
Materials & Supplies Total	**$ 7,839**	**$ 4,455**	**$ 7,656**	**$ 9,800**	**$ 2,144**	**28.0%**
Professional Services						
Rep & Maint OCSD & Others	9,421	6,891	13,704	10,391	(3,313)	(24.2%)
Rep & Maint IRWD	9,497	4,175	10,254	10,858	604	5.9%
Insurance	501	541	1,085	1,317	231	21.3%
Legal Fees	2,016	605	1,865	2,690	825	44.2%
Engineering Fees	978	468	967	885	(82)	(8.4%)
Accounting Fees	106	50	102	100	(2)	(2.0%)
Data Processing	2,897	1,287	2,857	3,331	474	16.6%
Personnel Training	1,123	583	1,267	1,489	223	17.6%
Personnel Physicals	19	18	41	43	2	4.9%
Other Professional Fees	3,879	1,948	5,087	5,422	335	6.6%
Directors' Fees	153	79	168	177	9	5.4%
Professional Services Total	**$ 30,592**	**$ 16,645**	**$ 37,396**	**$ 36,703**	**$ (693)**	**(1.9%)**
Other						
Mileage Reimbursement	148	73	148	150	2	1.4%
Collection Fees	2	1	7	13	7	100.0%
Election Expense	145	73	145	150	5	3.4%
Safety	175	118	122	142	20	16.1%
Alarm and Patrol Services	551	369	751	800	50	6.6%
Biosolids Disposals	16	9	20	670	650	3248.1%
Commuter Program	192	113	156	240	84	54.0%
Computer Backup Storage	16	9	6	12	6	100.0%
Contract Meter Reading	1,510	595	1,390	1,432	42	3.0%
Other	(110)	97	129	127	(2)	(1.9%)
Conservation	1,542	229	2,050	963	(1,087)	(53.0%)
Other Total	**$ 4,187**	**$ 1,686**	**$ 4,923**	**$ 4,698**	**$ (225)**	**(4.6%)**
Total	**$ 152,240**	**$ 80,431**	**$ 161,390**	**$ 170,929**	**$ 9,539**	**5.9%**
Less: Reimbursement from Baker Partners	(4,225)	(2,125)	(4,269)	(4,740)	(471)	11.0%
Grand Total	**$ 148,015**	**$ 78,306**	**$ 157,121**	**$ 166,190**	**$ 9,069**	**5.8%**

Irvine Ranch Water District
Consolidated Operating Budget
FY 2020-21

(in thousands)	Actual		Budget		Budget to Budget Variance Incr(Decr)	
Expense Name	**Actual**	**FY 18-19 (6 Months)**	**FY 19-20**	**FY 20-21**	**FY 19-20 vs 20-21**	**% Variance**
Salaries & Benefits						
Regular Labor	$ 33,410	$ 16,103	$ 36,681	$ 38,641	1,961	5.3%
Overtime Labor	2,144	1,149	2,405	2,418	13	0.6%
Contract Labor	1,891	1,018	2,204	1,851	(353)	(16.0%)
Employee Benefits	17,396	9,138	20,224	21,593	1,369	6.8%
Salaries & Benefits Total	**$ 54,841**	**$ 27,408**	**$ 61,514**	**$ 64,504**	**$ 2,990**	**4.9%**
Purchased Water & Utilities						
Water	39,933	21,168	39,242	44,681	5,439	13.9%
Electricity	13,405	8,299	17,064	18,537	1,473	8.6%
Fuel	626	370	946	1,074	128	13.5%
Telecommunication	634	305	767	775	7	0.9%
Other Utilities	182	95	194	194	-	0.0%
Purchased Water & Utilities Total	**$ 54,781**	**$ 30,237**	**$ 58,214**	**$ 65,261**	**$ 7,047**	**12.1%**
Materials & Supplies						
Chemicals	3,345	1,565	3,930	4,529	599	15.2%
Operating Supplies	1,538	1,070	2,642	2,707	65	2.4%
Printing	229	78	303	357	54	17.9%
Postage	565	322	644	669	25	3.9%
Permits, Licenses and Fees	1,764	1,215	1,869	1,872	4	0.2%
Office Supplies	98	65	104	113	8	7.9%
Duplicating Equipment	188	90	188	188	-	0.0%
Equipment Rental	112	50	120	123	3	2.7%
Materials & Supplies Total	**$ 7,839**	**$ 4,455**	**$ 9,800**	**$ 10,557**	**$ 757**	**7.7%**
Professional Services						
Rep & Maint OCSD & Others	9,421	6,891	10,391	5,398	(4,993)	(48.1%)
Rep & Maint IRWD	9,497	4,175	10,858	11,342	484	4.5%
Insurance	501	541	1,317	1,552	236	17.9%
Legal Fees	2,016	605	2,690	2,440	(250)	(9.3%)
Engineering Fees	978	468	885	823	(62)	(7.0%)
Accounting Fees	106	50	100	111	11	11.0%
Data Processing	2,897	1,287	3,331	3,224	(107)	(3.2%)
Personnel Training	1,123	583	1,489	1,541	52	3.5%
Personnel Physicals	19	18	43	45	2	4.7%
Other Professional Fees	3,879	1,948	5,422	5,391	(31)	(0.6%)
Directors' Fees	153	79	177	186	9	5.0%
Professional Services Total	**$ 30,592**	**$ 16,645**	**$ 36,703**	**$ 32,054**	**$ (4,650)**	**(12.7%)**
Other						
Mileage Reimbursement	148	73	150	150	-	0.0%
Collection Fees	2	1	13	13	0	3.1%
Election Expense	145	73	150	155	5	3.3%
Safety	175	118	142	143	1	0.9%
Alarm and Patrol Services	551	369	800	850	50	6.2%
Biosolids Disposals	16	9	670	1,044	374	55.9%
Commuter Program	192	113	240	260	20	8.3%
Computer Backup Storage	16	9	12	12	-	0.0%
Contract Meter Reading	1,510	595	1,432	1,550	118	8.2%
Other	(110)	97	127	129	2	1.9%
Conservation	1,542	229	963	1,003	40	4.2%
Other Total	**$ 4,187**	**$ 1,686**	**$ 4,698**	**$ 5,309**	**$ 611**	**13.0%**
Total	**$ 152,240**	**$ 80,431**	**$ 170,929**	**$ 177,685**	**$ 6,756**	**4.0%**
Less: Reimbursement from Baker Partners	(4,225)	(2,125)	(4,740)	(4,886)	(147)	3.1%
Grand Total	**$ 148,015**	**$ 78,306**	**$ 166,190**	**$ 172,799**	**$ 6,609**	**4.0%**

REVENUES AND EXPENSES BY SYSTEM

(in thousands)

FY 2019-20

	Water	Sewer	Recycled	Conserve & NTS	Consolidated
Revenue:					
Commodity	$ 45,881	$ -	$ 20,772	$ -	$ 66,653
Service	36,594	54,969	6,836	-	98,399
Over Allocation				13,004	13,004
Rate Stabilization	-	-	-	-	-
Total Revenues	$ 82,475	$ 54,969	$ 27,608	$ 13,004	$ 178,056
Contribution to Enhancement and Replacement Funds	(8,691)	(19,695)	(1,120)	-	(29,506)
Net Revenues	$ 73,784	$ 35,274	$ 26,488	$ 13,004	$ 148,550
Expenses:					
Cost of Water	$ 46,313	$ -	$ 14,815	$ -	$ 61,128
Operations	13,570	14,823	6,795	7,102	42,290
Water Banking	-	-	-	1,614	1,614
OCSD - O&M	-	9,124	-	-	9,124
Total Direct	$ 59,883	$ 23,947	$ 21,610	$ 8,716	$ 114,156
Customer Records and Collections	4,375	2,431	972	972	8,750
General & Admin Expense	9,014	8,215	3,384	3,163	23,776
Total Indirect	$ 13,389	$ 10,646	$ 4,356	$ 4,135	$ 32,526
General Plant	512	681	522	153	1,868
Total Expenses	$ 73,784	$ 35,274	$ 26,488	$ 13,004	$ 148,550
Net Operating Position	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

REVENUES AND EXPENSES BY SYSTEM

(in thousands)

FY 2020-21

	Water	Sewer	Recycled	Conserve & NTS	Consolidated
Revenue:					
Commodity	$ 48,024	$ -	$ 21,931	$ -	$ 69,955
Service	37,435	55,864	7,021	-	100,320
Over Allocation				13,594	13,594
Rate Stabilization	-	-	-	-	-
Total Revenues	$ 85,459	$ 55,864	$ 28,952	$ 13,594	$ 183,869
Contribution to Enhancement and Replacement Funds	(8,776)	(20,432)	(1,154)	-	(30,362)
Net Revenues	$ 76,683	$ 35,432	$ 27,798	$ 13,594	$ 153,507
Expenses:					
Cost of Water	$ 48,807	$ -	$ 15,523	$ -	$ 64,330
Operations	13,168	17,768	6,887	7,530	45,353
Water Banking	-	-	-	1,539	1,539
OCSD - O&M	-	4,124	-	-	4,124
Total Direct	$ 61,975	$ 21,892	$ 22,410	$ 9,069	$ 115,346
Customer Records and Collections	4,501	3,001	1,500	1,000	10,002
General & Admin Expense	9,558	9,764	3,560	3,432	26,314
Total Indirect	$ 14,059	$ 12,765	$ 5,060	$ 4,432	$ 36,316
General Plant	649	775	328	93	1,845
Total Expenses	$ 76,683	$ 35,432	$ 27,798	$ 13,594	$ 153,507
Net Operating Position	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

NON-OPERATING

FY 2019-20

SUMMARY OF SOURCES AND USES

(in thousands)	Adopted FY 2018-19	Proposed FY 2019-20	Change
Non-operating Revenue:			
Property Taxes	$ 59,300	$ 66,000	$ 6,700
Investment Income	4,768	8,200	3,432
Connection Fees	20,000	19,000	(1,000)
Real Estate Income	17,000	17,400	400
Real Estate Fair Value Change	6,300	6,300	-
Other Income	8,000	8,000	-
Total Revenue	$ 115,368	$ 124,900	$ 9,532
Non-operating Expenses:			
Interest Expense	$ 26,294	$ 24,700	$ (1,594)
Real Estate Expense	5,170	5,800	630
Other Expenses	2,000	2,000	-
Total Expense	$ 33,464	$ 32,500	$ (964)
Net Sources & Uses	$ 81,904	$ 92,400	$ 10,496

NON-OPERATING

FY 2020-21

SUMMARY OF SOURCES AND USES

(in thousands)	Proposed FY 2019-20	Proposed FY 2020-21	Change
Non-operating Revenue:			
Property Taxes	$ 66,000	$ 68,700	$ 2,700
Investment Income	8,200	10,000	1,800
Connection Fees	19,000	18,000	(1,000)
Real Estate Income	17,400	16,600	(800)
Real Estate Fair Value Change	6,300	6,500	200
Other Income	8,000	8,000	-
Total Revenue	$ 124,900	$ 127,800	$ 2,900
Non-operating Expenses:			
Interest Expense	$ 24,700	$ 24,900	$ 200
Real Estate Expense	5,800	5,700	(100)
Other Expenses	2,000	2,000	-
Total Expense	$ 32,500	$ 32,600	$ 100
Net Sources & Uses	$ 92,400	$ 95,200	$ 2,800

Current and Proposed Residential Rates

Adjusted for OCWD

	FY 2019-20		FY 2020-21	
Before Rate Adjustment:	**Potable**	**Sewer**	**Potable**	**Sewer**
Current Residential Rates:	Water (1)	Sewer (2)	Water (1)	Sewer (2)
Low Volume	$1.40		$1.47	
Commodity Rate	$1.89		$2.00	
Residential Service	$10.35	$23.20	$10.35	$23.50
Operations	$7.55	$13.07	$7.55	$13.37
Replacements	$2.10	$9.31	$2.10	$9.31
Enhancements	$0.70	$0.82	$0.70	$0.82
Total Service Charge	$10.35	$23.20	$10.35	$23.50
Commodity **(12 ccf)**	$20.23		$21.35	
Current Monthly	$53.78		$55.20	
Proposed Residential Rate Adjustment:				
Low Volume	$1.47		$1.54	
Base Commodity Rate	$2.00		$2.12	
Operations	$7.55	$13.37	$7.60	$13.57
Replacements	$2.10	$9.31	$2.10	$9.31
Enhancements	$0.70	$0.82	$0.70	$0.82
Total Service Charge	$10.35	$23.50	$10.40	$23.70
Commodity	*$21.35*		*$22.54*	
Proposed Monthly	$55.20		$56.64	
Current Monthly	$53.78		$55.20	
Difference	$1.42		$1.44	
Change %	**2.6%**		**2.6%**	

(1) Water - District Average usage assumes 12 ccf's per month.
(2) Sewer - District average usage assumes 6-10 ccf for lowest 3 months.
(3) Water - OCWD Replenishment Assessment at $487 / acre foot and $511 / acre foot.

POTABLE REVENUE

FY 2019-20

(in thousands)	FY 2018-19	Usage Change	Proposed Rate Inc.	FY 2019-20
Water				
Service	$ 24,050	$ 1,817	$ -	$ 25,867
Enhancement	2,170	43	-	2,213
Replacement	6,350	127	-	6,477
Pumping Surcharge	756	31	-	787
Miscellaneous	996	254	-	1,250
Commodity	42,159	499	3,223	45,881
	$ 76,481	$ 2,771	$ 3,223	$ 82,475
AF Sales	52,118			52,624
User Type				
Residential	$ 44,574	$ 1,940	$ 2,385	$ 48,899
Commercial	10,781	277	355	11,413
Industrial	5,614	166	193	5,974
Public Authority	4,197	55	64	4,317
Construction/Temp.	1,258	28	32	1,318
Fire Protection	4,189	139	-	4,328
Landscape Irrigation	4,820	139	161	5,119
Agriculture Irrigation	1,047	28	32	1,107
	$ 76,481	$ 2,771	$ 3,223	$ 82,475

POTABLE REVENUE

FY 2020-21

(in thousands)	FY 2019-20	Usage Change	Proposed Rate Inc.	FY 2020-21
Water				
Service	$ 25,867	$ 614	$ 141	$ 26,622
Enhancement	2,213	22	-	2,235
Replacement	6,477	64	-	6,541
Pumping Surcharge	787	-	-	787
Miscellaneous	1,250	-	-	1,250
Commodity	45,881	1,214	929	48,024
	$ 82,475	$ 1,914	$ 1,070	$ 85,459
AF Sales	52,624			53,939
User Type				
Residential	$ 48,899	$ 1,340	$ 792	$ 51,031
Commercial	11,413	191	118	11,722
Industrial	5,974	115	64	6,153
Public Authority	4,317	38	21	4,376
Construction/Temp.	1,318	19	11	1,348
Fire Protection	4,328	96	-	4,424
Landscape Irrigation	5,119	96	53	5,269
Agriculture Irrigation	1,107	19	11	1,137
	$ 82,475	$ 1,914	$ 1,070	$ 85,459

SEWER REVENUE

FY 2019-20

(in thousands)	FY 2018-19	Usage Change	Proposed Rate Inc.	FY 2019-20
Sewer				
Service	$ 32,093	$ 2,058	$ 623	$ 34,774
Enhancement	1,500	15	-	1,515
Replacement	18,000	180	-	18,180
Miscellaneous	300	200	-	500
	$ 51,893	$ 2,453	$ 623	$ 54,969

	FY 2018-19	Usage Change	Proposed Rate Inc.	FY 2019-20
User Type				
Residential	$ 37,274	$ 1,840	$ 467	$ 39,581
Commercial	8,766	368	93	9,227
Industrial	4,201	196	62	4,459
Public Authority	1,653	49	-	1,702
	$ 51,893	$ 2,453	$ 623	$ 54,969

SEWER REVENUE

FY 2020-21

(in thousands)	FY 2019-20	Usage Change	Proposed Rate Inc.	FY 2020-21
Sewer				
Service	$ 34,774	$ (315)	$ 473	$ 34,932
Enhancement	1,515	53	-	1,568
Replacement	18,180	684	-	18,864
Miscellaneous	500	-	-	500
	$ 54,969	$ 422	$ 473	$ 55,864

User Type	FY 2019-20	Usage Change	Proposed Rate Inc.	FY 2020-21
Residential	$ 39,581	$ 317	$ 355	$ 40,252
Commercial	9,227	63	80	9,371
Industrial	4,459	34	38	4,531
Public Authority	1,702	8	-	1,710
	$ 54,969	$ 422	$ 473	$ 55,864

RECYCLED REVENUE

FY 2019-20

(in thousands)	FY 2018-19	Usage Change	Proposed Rate Inc.	FY 2019-20
Recycled				
Service	$ 5,093	$ (107)	$ -	$ 4,986
Enhancement	300	40	-	340
Replacement	700	80	-	780
Pumping Surcharge	200	10	-	210
Commodity	15,972	1,479	3,321	20,772
Reimbursements*	520	-		520
	$ 22,785	$ 1,502	$ 3,321	$ 27,608
AF	28,261			30,270
User Type				
Residential	$ 655	$ 75	$ 166	$ 896
Commercial	674	75	166	915
Industrial	72	-	-	72
Public Authority	-	-	-	0
Landscape Irrigation	18,312	1,202	2,657	22,170
Recycled Loans	-	-	-	0
Agriculture Irrigation	1,754	150	332	2,237
Construction/Temp.	798	-	-	798
Reimbursements*	520	-	-	520
	$ 22,785	$ 1,502	$ 3,321	$ 27,608

* Reimbursement from the Navy for operating costs associated with recycled IDP was moved to the Recycled system.

RECYCLED REVENUE

FY 2020-21

(in thousands)	FY 2019-20	Usage Change	Proposed Rate Inc.	FY 2020-21
Recycled				
Service	$ 4,986	$ 144	$ -	$ 5,130
Enhancement	340	20	-	360
Replacement	780	13	-	793
Pumping Surcharge	210	8	-	218
Commodity	20,772	766	393	21,931
Reimbursements*	520	-		520
	$ 27,608	$ 951	$ 393	$ 28,952
AF	30,270			32,004
User Type				
Residential	$ 896	$ 48	$ 20	$ 963
Commercial	915	48	20	982
Industrial	72	-	-	72
Public Authority	-	-	-	0
Landscape Irrigation	22,170	761	314	23,245
Recycled Loans	-	-	-	0
Agriculture Irrigation	2,237	95	39	2,371
Construction/Temp.	798	-	-	798
Reimbursements*	520	-	-	520
	$ 27,608	$ 951	$ 393	$ 28,952

* Reimbursements - Reimbursement from the Navy for operating costs associated with recycled IDP was moved to the Recycled system.

OVER-ALLOCATION REVENUE

FY 2019-20

(in thousands)	FY 2018-19	Usage Change	Proposed Rate Inc.	FY 2019-20
Tier				
Universal Conservation	$ 1,932	$ (576)	$ -	$ 1,356
Inefficient	2,414	(246)	97	2,265
Wasteful	6,666	2,354	363	9,383
	$ 11,012	$ 1,532	$ 460	$ 13,004

	FY 2018-19	Usage Change	Proposed Rate Inc.	FY 2019-20
Source or System				
Residential	$ 9,603	$ 1,336	$ 401	$ 11,340
Commercial	241	34	10	285
Industrial	124	17	5	146
Public Authority	56	8	2	66
Landscape Irrigation	847	118	35	1,000
Agriculture Irrigation	115	16	5	136
Construction / Temp.	26	4	1	31
	$ 11,012	$ 1,532	$ 460	$ 13,004

OVER-ALLOCATION REVENUE

FY 2020-21

(in thousands)	FY 2019-20	Usage Change	Proposed Rate Inc.	FY 2020-21
Tier				
Universal Conservation	$ 1,356	(25)	$ -	$ 1,331
Inefficient	2,265	136	68	2,469
Wasteful	9,383	381	30	9,794
	$ 13,004	$ 492	$ 98	$ 13,594

Source or System	FY 2019-20	Usage Change	Proposed Rate Inc.	FY 2020-21
Residential	$ 11,340	$ 429	$ 85	$ 11,854
Commercial	285	11	2	297
Industrial	146	6	1	153
Public Authority	66	2	0	69
Landscape Irrigation	1,000	38	8	1,046
Agriculture Irrigation	136	5	1	142
Construction / Temp.	31	1	0	32
	$ 13,004	$ 492	$ 98	$ 13,594

COST OF WATER

FY 2019-20

(in thousands)	FY 2018-19 Acre Feet	FY 2018-19 Total	FY 2018-19 Cost / AF	FY 2019-20 Acre Feet	FY 2019-20 Total	FY 2019-20 Cost / AF	Change Acre Feet	Change Total
TREATED								
Purchased from MWDOC	3,463	$ 4,965	$1,434	4,859	$ 6,470	$1,331	1,396	$ 1,505
Dyer Road Well Field	28,000	16,082	$574	28,000	17,358	$620	-	1,276
Other Wells	700	487	$696	10	6	$625	(690)	(481)
Deep Aquifer Treatment System	8,700	6,374	$733	8,400	6,379	$759	(300)	5
Lost to Production	(174)			(168)			6	
Wells 21 & 22 Desalter	2,400	2,281	$950	2,400	2,497	$1,040	-	216
Lost to Production	(432)			(360)			72	
Baker WTP	7,232	7,440	$1,029	7,232	$ 6,819	$943	-	(621)
Lost to Production	-			(145)			(145)	
Well Water	-	-		0	-		-	-
Irvine Desalter Project	5,700	4,252	$746	5,700	4,893	$858	-	641
Lost to Production	(1,026)			(855)			171	
Total Shrinkage	(2,444)			(2,450)			(6)	
Total Irvine Ranch Potable	52,118	$ 41,881		52,624	$ 44,422		505	$ 2,541
RECYCLED *								
Purchased from MWDOC	2,835	$ 2,472	$872	360	$ 789		(2,475)	$ (1,683)
Native Water	1,000	245	$245	5,790	1,735	$300	4,790	1,490
Santiago Aqueduct Commission	175	153	$874	175	148	$846	-	(5)
Groundwater	435	201	-	435	212	-	-	11
Irvine Desalter Project	4,165	3,032	$738	4,165	3,233	$776	0	201
Lost to Production	(625)			(625)			-	
SAC Water	0	0	$0	0	0	$0	-	-
MWRP / LAWRP Production	22,890	5,251	$229	22,890	6,231	$272	-	980
Total Shrinkage	(658)			(697)			(39)	
Total Recycled	30,217	$ 11,354		32,493	$ 12,349		2,276	$ 994
Total Cost of Water for Billed Usage	82,335	$ 53,235		85,117	$ 56,770		2,781	$ 3,535

* The Irvine Lake Pipeline Project anticipated completion is June 2019. The budget assumes untreated customers will move to the recycled system.

COST OF WATER

FY 2020-21

(in thousands)	FY 2019-20 Acre Feet	FY 2019-20 Total	FY 2019-20 Cost / AF	FY 2020-21 Acre Feet	FY 2020-21 Total	FY 2020-21 Cost / AF	Change Acre Feet	Change Total
TREATED								
Purchased from MWDOC	4,859	$6,470	$1,331	6,558	$ 8,787	$1,340	1,698	$ 2,317
Dyer Road Well Field	28,000	17,358	$620	28,000	18,228	$651	-	870
Other Wells	10	6	$625	10	6	$649	-	0
Deep Aquifer Treatment System	8,400	6,379	$759	8,400	6,668	$794	-	289
Lost to Production	(168)			(168)			-	
Wells 21 & 22 Desalter	2,400	2,497	$1,040	2,400	2,600	$1,083	-	104
Lost to Production	(360)			(360)			-	
Baker WTP	7,232	6,819	$943	7,232	$ 7,899	$1,092	-	1,080
Lost to Production	(145)			(145)			-	
Well Water	-	-		-	-		-	-
Irvine Desalter Project	5,700	4,893	$858	5,700	5,117	$898	-	224
Lost to Production	(855)			(855)			-	
Total Shrinkage	(2,450)			(2,833)			(383)	
Total Irvine Ranch Potable	52,624	$ 44,422		53,939	$ 49,306		1,316	$ 4,885
RECYCLED								
Purchased from MWDOC	360	$789		4,652	$ 3,995	$859	4,292	$ 3,206
Native Water	5,790	1,735	$300	1,500	463	$309	(4,290)	(1,272)
Santiago Aqueduct Commission	175	148	$846	175	144	$821	-	(4)
Groundwater	435	212	-	435	222	-	-	10
Irvine Desalter Project	4,165	3,233	$738	4,165	3,433	$824	-	200
Lost to Production	(625)			(625)			-	
MWRP / LAWRP Production	22,890	6,231	$272	22,890	6,564	$287	-	333
Total Shrinkage	(697)			(697)			-	
Total Recycled	32,493	$ 12,349		32,495	$ 14,822		2	$ 2,474
Total Cost of Water for Billed Usage	85,117	$ 56,770		86,434	$ 64,128		1,318	$ 7,358

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 Irvine Ranch Water District (IRWD) customers, and demonstrates the efficient use of resources. The Government Relations staff represents IRWD's policies and provides technical expertise to the legislative process, particularly on issues of water recycling, water use efficiency, water rates, 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 and Board Committee meeting packets;
- Schedules all Board and Board 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;
- Shapes, guides and engages on local, state and federal policies, legislation and regulations;
- Manages and coordinates the legal resources utilized by the District;
- Responds to, or directs response to, all media inquiries; and,
- Responds to, or directs response to, all public information requests and subpoenas.

The General Manager's Office works with the Board of Directors and staff to establish the District's strategic vision for all departments. On December 17, 2018, staff reviewed the 2019 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) approved for calendar year 2019 are summarized as follows:

Major Goals

1. Optimize and protect local groundwater utilization:
    a. Conduct well treatment and conveyance study for Wells 51, 52, and two Tustin Legacy well sites
    b. Include IRWD's recycled water demands in OCWD's total water demand calculations
    c. Collaborate with OCWD on South Basin Clean-up Project
    d. Work with OCWD on Green Acres Project water supply opportunities

2. Evaluate and invest in projects and programs that will enhance future long-term water supply reliability:
    a. Implement agreements with MWD and MWDOC that will provide water supply reliability from high priority water rights during periods of drought and supply interruptions
    b. Advocate methods for filling the Orange County Groundwater Basin, including development of concepts to promote exchanges
    c. Advocate for regional potable reuse projects including Metropolitan's Carson Regional Potable Reuse Project
    d. Secure Title XVI funding for the Syphon Reservoir Improvement Project

3. Optimize use of Irvine Lake as a water resource facility for IRWD and its partners
    a. Resolve property issues between the County, the Irvine Company, Serrano Water District, and IRWD
    b. Develop agreement with Serrano Water District and with the Baker Plant Partners for providing water system reliability utilizing Irvine Lake
    c. Complete final design of sloped outlet pipe to replace the Irvine Lake Outlet Tower

4. Develop water banking recharge, storage, and extraction capacity for IRWD and water banking partners, and store water as it becomes available:
    a. Execute long-term unbalanced exchange agreements for Stockdale West
    b. Execute long-term exchange agreements to maximize benefits of non-State Water Project water
    c. Identify and procure additional supplies of water for banking purposes
    d. Integrate IRWD's Strand Ranch and Stockdale West properties into the Kern Fan Groundwater Sustainability Agency) GSA)

5. Develop and implement the Kern Fan Groundwater Storage Project
    a. Finalize and execute Agreement and Bylaws with Rosedale to establish the Kern Fan Groundwater Storage Project JPA
    b. Identify and secure land as needed for the Kern Fan Groundwater Storage Project

c. Complete planning and environmental compliance work for the Kern Fan Groundwater Storage Project
d. Execute Agreements with State Agencies for the operation of the Kern Fan Groundwater Storage Project
e. Secure water storage investment funding for the Kern Fan Groundwater Storage Project and advocate to include the project on the Bureau of Reclamation ‘s Report to Congress

6. <u>Develop water recycling facilities and applications for optimal benefit:</u>
    a. Complete construction of Irvine Lake Pipeline North Conversion
    b. Complete Sewage Treatment Master Plan, including consideration of Irvine Business Complex flows
    c. Update the Salt Management Plan to assess impacts of seawater desalination on water recycling and other issues
    d. Perform California Environmental Quality Act, alternatives analysis and preliminary design for the Syphon Reservoir Improvement Project
    e. Determine costs and benefits associated with procuring approximately 700 AF of recycled water storage in Santa Margarita Water District’s Upper Oso Reservoir
    f. Complete IRWD Potable Reuse Feasibility Study to explore surface, ground, raw and treated water augmentation options
    g. Work with other agencies on recycled water use opportunities
    h. Design and construct recycled water filtration facilities for San Joaquin Reservoir
    i. Develop customer guidelines for using recycled water

7. <u>Maximize resource recovery from fully functional biosolids and other resource recovery facilities:</u>
    a. Biosolids Class A Facilities operational and commissioned
    b. Secure agreements with multiple outlets for biosolids pellets
    c. Develop partnerships with others to utilize surplus capacity
    d. Develop and implement plan to introduce fats, oils, and grease to the IRWD Biosolids Facilities
    e. Develop plan to introduce food waste to the IRWD Biosolids Facilities

8. <u>Improve energy service reliability, manage demands, and control costs:</u>
    a. Coordinate the construction and commissioning of energy storage installations with Advanced Microgrid Solutions
    b. Finalize contract to outsource operation and maintenance of biogas treatment and micro-turbine systems
    c. Complete design and installation of compressed natural gas fueling station at the Operations Center
    d. Complete new water/sewer agency electricity tariff research in partnership with Southern California Edison that will reduce IRWD energy costs

e. Coordinate with SunPower to complete the installation of the photovoltaic (solar) energy system at the Baker Plant

9. Maximize watershed protection:
    a. Work with the County and others, permit and implement the Selenium Total Maximum Daily Load offset trading program
    b. Complete feasibility study of project to capture and treat urban runoff flows downstream from the San Joaquin Marsh utilizing funding from Measure M
    c. Implement in-house pre-treatment program elements: permitting, agreements, and monitoring reports
    d. Implement in-house fats, oil, and grease program, including billing
    e. Continue to work with Orange County Flood Control District to ensure appropriate capacity in San Diego Creek
    f. Complete construction of Michelson Water Recycling Program recycled water emergency diversion facilities to San Diego Creek.
    g. Obtain riparian rights to divert water from San Diego Creek to ensure continued protection of water quality in Newport Bay
    h. Work with the County, Orange County Water District, Orange County Sanitation District, and others to obtain a recycled water emergency diversion connection to the Santa Ana River
    i. Obtain approval for the Total Nitrogen Total Phosphorus Offset Plan from the Santa Ana Regional Quality Control Board
    j. Participate in the Fecal Coliform Task Force to assist in the development of a reasonable total maximum daily load

10. Ensure financial and rate stability:
    a. Evaluate development and/or sale opportunities at IRWD properties
    b. Complete development and leasing on remaining Sand Canyon campus and other facilities
    c. Document outstanding deed, access, and other contractual restrictions related to real property
    d. Update Cost of Service Study for the IRWD sewer system that includes the Biosolids Project operating expenses
    e. Develop approach for implementing a two-year budget and Proposition 218 process
    f. Develop an updated policy for funding the IRWD Infrastructure Replacement Program
    g. Develop updated facility and pipeline unit costs into IRWD's Replacement Planning Model

11. Identify, assess and implement new technologies, systems, and facilities to improve operating efficiency:
    a. Complete addition of linear assets to the Enterprise Asset Management system; prepare scope for maintenance management mobility solution
    b. Implement findings of IT-related existing/new technology opportunity assessment while maintaining District security
    c. Assess the District's overall cybersecurity risk profile; establish overall plan for addressing cybersecurity awareness, education, response, and prevention at IRWD
    d. Assess availability of data systems under certain service outage scenarios and implement program to strengthen systems
    e. Convert IRWD email system from GroupWise to Outlook
    f. Develop plan to assess IRWD's future warehousing needs
    g. Evaluate office space needs to the Sand Canyon headquarters building and develop plan as needed
    h. Develop plan for overall management of IRWD data (technical, financial other)

12. Enhance customer communications:
    a. Enhance customer communication through an improved customer web access portal
    b. Develop and implement Phase 3 of the Water Use Efficiency Outreach Program based on findings of the 2018 program
    c. Implement redesigned customer bill to improve customers' understanding of IRWD rate structure; explain IRWD rate structure to customers through direct communications
    d. Design and implement the Syphon Reservoir Improvement Project Outreach Program from environmental impact report through design phase

13. Maximize water use efficiency in the community:
    a. Complete a study to assess the potential for additional water use efficiency in IRWD's service area
    b. Implement automated methodology for quantifying irrigated areas and meter locations by linking aerial image data to meter and parcel data
    c. Expand/enhance water use efficiency demonstration gardens within the IRWD service area

14. Recruit, develop, and retain a highly skilled, motivated, and educated work force:
    a. Assess the experience and training of IRWD employees to ensure a continued supply of highly-skilled labor, and develop programs, for example an Apprenticeship Program, to close any labor skills gaps identified.
    b. Complete triennial Benchmark Salary Survey to ensure District salaries remain competitive to market rates
    c. Negotiate a new labor agreement with represented personnel
    d. Complete implementation of District-wide corporate values initiative

15. Guide and lead local, state, and federal policies and legislation:
    a. Advocate for legislation or regulations that protects local investments in water recycling and extraordinary supplies, and protects IRWD's ability to access those supplies, without penalty, during times of drought or shortage
    b. Advocate for an alternative funding source for safe and accessible drinking water in California, which is inconsistent with the Board's adopted policy on a statewide public goods charge; oppose a statewide tax on water
    c. Engage in discussions surrounding water and wastewater rates in order to protect the District's ability to design and use a water budget-based tiered rate structure, including discussions related to Low Income Rate Assistance programs and Proposition 218 reforms consistent with Board direction
    d. Seek reauthorization of the Bureau of Reclamation's Title XVI and the Water Storage Investment Programs

16. Engage and shape policies and regulations put forth by local, state, and federal agencies:
    a. Engage productively with stakeholders, industry associations, and state agencies to effectively implement the enacted long-term water use efficiency legislation
    b. Obtain revisions to the State Water Resources Control Board's proposed amendments to the Recycled Water Policy
    c. Engage in discussions and provide input to the State Water Resources Control Board on development of water loss standards

17. Collaborate with other agencies and entities through leadership and innovation:
    a. Advocate for IRWD's Desalination Policy Principles
    b. Evaluate and promote opportunities for shared services such as third party billing for UC Irvine and Tustin
    c. Support enhanced engagement and leadership roles within Association of California Water Agencies, WateReuse, California Association of Sanitation Agencies, and other District associations
    d. Coordinate with interested entities to update South County Emergency Interconnect Agreement
    e. Work with other agencies to maximize Orange County benefits from IRWM processes, including capture of urban runoff by Orange County Sanitation District for use in Groundwater Replenishment System
    f. As part of the IRWD Sewage Treatment Master Plan, work with Orange County Sanitation District to identify mutually beneficial opportunities for use of IRWD sewer flows
    g. Complete the annexation process to bring sewer flows from Lake Forest into Orange County Sanitation District Revenue Area 14

h. Finalize agreements for a pilot program through which Municipal Water District of Orange County can participate in IRWD's water banking program

18. Implement opportunities that enhance safety, security, and emergency preparedness throughout the District:
    a. Install security improvements at the MWRP
    b. Evaluate security enhancements at other District facilities
    c. Design and construct improvements to eliminate the use of chlorine gas at preliminary disinfection facility
    d. Update District Emergency Operations Plan, including training for certain high-risk scenarios
    e. Develop Safety Training Management System
    f. Assess IRWD's ability to continue operation of key facilities during short- and long-term power outage scenarios
    g. Conduct assessment for dedicated IRWD Emergency Operations Center
    h. Revise all District energy control procedures and integrate with Maximo service work order system.

Consolidated Operating Expense Budget for FY 2019-20

Administration

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Incr/(Decr)
General Managers Office						
110	Regular Labor	1,032,188	485,576	896,898	917,830	20,932
110	Overtime Labor	4,206	3,667	0	7,500	7,500
110	Operating Supplies	9	0	0	0	0
110	Printing	70	80	8,000	15,000	7,000
110	Postage	174	84	400	200	(200)
110	Permits, Licenses and Fees	37,146	27,356	55,000	68,650	13,650
110	Office Supplies	3,219	605	4,000	4,000	0
110	Legal Fees	1,816,893	533,104	1,720,000	2,550,000	830,000
110	Personnel Training	393,246	282,082	412,000	446,250	34,250
110	Other Professional Fees	501,466	307,243	753,880	888,865	134,985
110	Directors' Fees	153,426	78,624	168,000	177,000	9,000
110	Election Expense	145,000	72,500	145,000	150,000	5,000
110	Other	(211,094)	0	0	0	0
Total General Managers Office		3,875,949	1,790,921	4,163,178	5,225,295	1,062,117

Consolidated Operating Expense Budget for FY 2020-21

Administration

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 19-20 Budget	FY 2020-21 Proposed Budget	Incr/(Decr)
General Managers Office						
110	Regular Labor	1,032,188	485,576	917,830	957,642	39,812
110	Overtime Labor	4,206	3,667	7,500	7,800	300
110	Operating Supplies	9	0	0	0	0
110	Printing	70	80	15,000	15,000	0
110	Postage	174	84	200	250	50
110	Permits, Licenses and Fees	37,146	27,356	68,650	70,350	1,700
110	Office Supplies	3,219	605	4,000	4,200	200
110	Legal Fees	1,816,893	533,104	2,550,000	2,300,000	(250,000)
110	Personnel Training	393,246	282,082	446,250	465,349	19,099
110	Other Professional Fees	501,466	307,243	888,865	916,150	27,285
110	Directors' Fees	153,426	78,624	177,000	185,900	8,900
110	Election Expense	145,000	72,500	150,000	155,000	5,000
110	Other	(211,094)	0	0	0	0
Total General Managers Office		3,875,949	1,790,921	5,225,295	5,077,640	(147,654)

SAFETY

OPERATING BUDGET SUMMARY

Program Description

The Safety program provides necessary resources to promote a safe work environment for employees through mandated and pro-active training and ensures the District is prepared for response to emergency and disaster incidents.

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

Through the use of safety awareness programs, the Safety 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 program coordinates emergency preparedness and disaster response operations, oversees the maintenance and administration of the Emergency Operations Center and administers the Commuter Trip Reduction (Ridesharing) program.

Major Goals

- Evaluate opportunities that enhance safety and emergency preparedness throughout the District;
- Complete the development of the Specific Hazard Response Plans as a part of the District’s overall Emergency Operations Plan;
- Administer the Safety Training Management System to ensure timely safety training of all District staff; and,
- Provide continual disaster response training drills for District staff, including high-risk scenarios.

Consolidated Operating Expense Budget for FY 2019-20

Administration

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Incr/(Decr)
Safety						
130	Regular Labor	243,723	118,204	272,136	270,285	(1,851)
130	Overtime Labor	15,188	8,091	4,000	14,000	10,000
130	Contract Labor	0	0	0	51,400	51,400
130	Fuel	21	0	0	0	0
130	Operating Supplies	203,797	58,085	110,900	133,600	22,700
130	Printing	4,474	10,027	2,000	4,000	2,000
130	Postage	310	270	500	500	0
130	Permits, Licenses and Fees	46,473	19,232	55,600	52,000	(3,600)
130	Office Supplies	36,929	34,482	28,100	32,000	3,900
130	Personnel Training	220,936	98,767	153,500	244,000	90,500
130	Personnel Physicals	3,282	1,963	21,000	8,000	(13,000)
130	Other Professional Fees	219,987	184,789	187,000	330,000	143,000
130	Equipment Usage	0	0	0	0	0
130	Safety	123,100	105,848	45,000	69,000	24,000
130	Alarm and Patrol Services	550,711	54,738	750,560	0	(750,560)
130	Commuter Program	191,934	114,445	0	0	0
Total Safety		1,860,865	808,941	1,630,296	1,208,785	(421,511)

Irvine Ranch Water District

Consolidated Operating Expense Budget for FY 2020-21

Administration

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 19-20 Budget	FY 2020-21 Proposed Budget	Incr/(Decr)
Safety						
130	Regular Labor	243,723	118,204	270,285	282,601	12,316
130	Overtime Labor	15,188	8,091	14,000	14,000	0
130	Contract Labor	0	0	51,400	76,400	25,000
130	Fuel	21	0	0	0	0
130	Operating Supplies	203,797	58,085	133,600	124,700	(8,900)
130	Printing	4,474	10,027	4,000	4,000	0
130	Postage	310	270	500	500	0
130	Permits, Licenses and Fees	46,473	19,232	52,000	55,000	3,000
130	Office Supplies	36,929	34,482	32,000	39,000	7,000
130	Personnel Training	220,936	98,767	244,000	240,000	(4,000)
130	Personnel Physicals	3,282	1,963	8,000	8,000	0
130	Other Professional Fees	219,987	184,789	330,000	343,000	13,000
130	Equipment Usage	0	0	0	0	0
130	Safety	123,100	105,848	69,000	70,000	1,000
130	Alarm and Patrol Services	550,711	54,738	0	0	0
130	Commuter Program	191,934	114,445	0	0	0
Total Safety		1,860,865	808,941	1,208,785	1,257,201	48,416

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 organization.

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;
- Assess the experience and training of IRWD employees to ensure a continued supply of highly skilled labor;
- Develop programs to close any identified labor skill gaps; and,
- Implement District-wide Organizational Values Development initiative.

Consolidated Operating Expense Budget for FY 2019-20

Administration

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Incr/(Decr)
Human Resources						
140	Regular Labor	580,331	279,704	631,862	640,943	9,081
140	Overtime Labor	12,766	10,765	2,000	5,000	3,000
140	Employee Benefits	17,396,129	9,138,031	19,123,550	20,224,261	1,100,711
140	Contract Labor	4,423	12,496	3,000	3,000	0
140	Postage	11	348	0	500	500
140	Office Supplies	5,436	827	2,500	2,500	0
140	Rep & Maint IRWD	0	0	1,000	0	(1,000)
140	Legal Fees	199,213	72,113	145,000	140,000	(5,000)
140	Personnel Training	343,161	102,490	399,600	423,100	23,500
140	Personnel Physicals	15,826	16,017	20,000	35,000	15,000
140	Other Professional Fees	154,379	105,517	174,200	220,500	46,300
140	Equipment Usage	0	0	0	0	0
140	Commuter Program	0	(161)	156,000	240,000	84,000
Total Human Resources		18,711,675	9,738,146	20,658,712	21,934,804	1,276,092
Total Administration		24,448,489	12,338,008	26,452,186	28,368,884	1,916,698

Consolidated Operating Expense Budget for FY 2020-21

Administration

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 19-20 Budget	FY 2020-21 Proposed Budget	Incr/(Decr)
Human Resources						
140	Regular Labor	580,331	279,704	640,943	670,675	29,732
140	Overtime Labor	12,766	10,765	5,000	5,000	0
140	Employee Benefits	17,396,129	9,138,031	20,224,261	21,593,016	1,368,755
140	Contract Labor	4,423	12,496	3,000	3,000	0
140	Postage	11	348	500	500	0
140	Office Supplies	5,436	827	2,500	2,500	0
140	Rep & Maint IRWD	0	0	0	0	0
140	Legal Fees	199,213	72,113	140,000	140,000	0
140	Personnel Training	343,161	102,490	423,100	428,100	5,000
140	Personnel Physicals	15,826	16,017	35,000	37,000	2,000
140	Other Professional Fees	154,379	105,517	220,500	225,500	5,000
140	Equipment Usage	0	0	0	0	0
140	Commuter Program	0	(161)	240,000	260,000	20,000
Total Human Resources		18,711,675	9,738,146	21,934,804	23,365,291	1,430,487
Total Administration		24,448,489	12,338,008	28,368,884	29,700,133	1,331,249

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 as well as District security.

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 of service 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; and,
- Identify and implement enhanced financial reporting and 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,
- Explore financial modeling for acquisition, financing and construction of major projects.

FINANCE, TREASURY AND PROCUREMENT

OPERATING BUDGET SUMMARY

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 for 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;
- Evaluate development and disposition opportunities of other District properties;
- Complete construction and leasing of the Sand Canyon campus in Irvine;
- Assist with acquisition and agricultural leasing activities related to water reliability properties; 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;
- Manage District letters of credit supporting variable rate debt; evaluate new credit support opportunities when appropriate;
- Prepare and submit required continuing disclosure materials for District debt issues to appropriate parties;
- Manage variable rate debt portfolio including periodic remarketings, monitoring remarketing agents of District debt and making adjustments as appropriate; and,
- Execute, manage and report on interest rate swap positions and transactions as appropriate.

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

SECURITY
- Assess and implement measures to ensure the security of District employees, facilities and customers;
- Manage third-party security contractor relationships including monitoring and response to field and incident reports;
- Monitor alarm and security access systems for all District facilities;
- Respond to reported incidents to provide security assistance as required; and,
- Act as District liaison with law enforcement and federal security agencies.

PENSION/DEFERRED COMPENSATION

- 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; review additional opportunities to optimize Pension Benefits Trust performance; and,
- Oversee investment performance, reporting and employee education activities related to the District's deferred compensation plans.

PURCHASING

- 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;
- Optimize Maximo system; maintain appropriate warehouse inventory and review/adjust slow moving inventory;
- Streamline business procurement processes and documentation while ensuring appropriate controls on all warehouses;
- Explore opportunities for expanded warehouse capabilities;
- Lead the District record retention efforts;
- Provide ongoing customer support for procurement and inventory systems; and,
- Evaluate and expand participation in cooperative purchasing agreements as appropriate.

Consolidated Operating Expense Budget for FY 2019-20

Finance & Administrative Services

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Incr/(Decr)
Finance and Treasury						
210	Regular Labor	2,500,973	1,210,378	2,460,066	2,671,079	211,013
210	Overtime Labor	31,425	7,937	16,500	17,500	1,000
210	Contract Labor	63,309	23,041	39,600	12,000	(27,600)
210	Other Utilities	142	0	0	0	0
210	Operating Supplies	1,350	205	1,200	1,000	(200)
210	Printing	65,170	16,739	70,000	8,000	(62,000)
210	Postage	6,192	3,145	6,500	6,500	0
210	Permits, Licenses and Fees	37,364	4,123	15,500	7,200	(8,300)
210	Office Supplies	5,141	3,643	6,000	7,200	1,200
210	Insurance	500,840	541,173	1,085,400	1,316,502	231,102
210	Accounting Fees	106,370	49,905	102,000	100,000	(2,000)
210	Data Processing	50,940	25,860	52,400	80,800	28,400
210	Personnel Training	26,122	14,761	28,000	40,400	12,400
210	Other Professional Fees	218,013	80,691	272,000	318,100	46,100
210	Equipment Usage	0	0	0	0	0
210	Mileage Reimbursement	0	7	0	0	0
210	Collection Fees	137	0	5,500	11,000	5,500
210	Alarm and Patrol Services	0	314,651	0	800,080	800,080
210	Other	0	45,000	0	0	0
Total Finance and Treasury		3,613,488	2,341,259	4,160,666	5,397,361	1,236,695

Consolidated Operating Expense Budget for FY 2020-21

Finance & Administrative Services

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 19-20 Budget	FY 2020-21 Proposed Budget	Incr/(Decr)
Finance and Treasury						
210	Regular Labor	2,500,973	1,210,378	2,671,079	2,780,462	109,383
210	Overtime Labor	31,425	7,937	17,500	18,100	600
210	Contract Labor	63,309	23,041	12,000	12,000	0
210	Other Utilities	142	0	0	0	0
210	Operating Supplies	1,350	205	1,000	1,000	0
210	Printing	65,170	16,739	8,000	83,300	75,300
210	Postage	6,192	3,145	6,500	6,700	200
210	Permits, Licenses and Fees	37,364	4,123	7,200	7,300	100
210	Office Supplies	5,141	3,643	7,200	7,400	200
210	Insurance	500,840	541,173	1,316,502	1,552,403	235,901
210	Accounting Fees	106,370	49,905	100,000	111,000	11,000
210	Data Processing	50,940	25,860	80,800	82,400	1,600
210	Personnel Training	26,122	14,761	40,400	42,708	2,308
210	Other Professional Fees	218,013	80,691	318,100	251,450	(66,650)
210	Equipment Usage	0	0	0	0	0
210	Mileage Reimbursement	0	7	0	0	0
210	Collection Fees	137	0	11,000	11,400	400
210	Alarm and Patrol Services	0	314,651	800,080	850,000	49,920
210	Other	0	45,000	0	0	0
Total Finance and Treasury		3,613,488	2,341,259	5,397,361	5,817,623	420,262

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 exceptional 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 improve and enhance current and future business requirements of customers and provide a high level of customer satisfaction. The Information Services Department provides implementation, management, security 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 water budgets;
- 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 budgets;
- 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;
- Provide customers with an accurate bill that is easy to read;
- Distribute customer satisfaction surveys and maintain 90% customer satisfaction;
- Remain compliant with all State, Local and Federal laws pertaining to utility billing;
- Ensure that customers have an accurate understanding of the IRWD rate structure; and,
- Maintain accurate customer data to ensure timely billing and notification.

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, mobile devices, printers and software applications that meet the needs of District staff;
- Provide reliable voice, data and wireless communications services;
- Implement new and improve existing software applications to meet the requirements of District staff;
- Complete scheduled hardware and software upgrades to District servers, personal computers, mobile devices, printers, network equipment and software applications;
- Implement the billing function for the Fats, Oils, and Greases (FOG) permitting and inspection program;
- Continue technical upgrade of Oracle Customer Care and Billing software;
- Complete the migration from GroupWise messaging to Microsoft Office 365 in the cloud;
- Complete development of additional Business Intelligence reports and dashboards;
- Implement recommendations from the Cyber Security Risk Assessment and Response Plan;
- Support Part 2 implementation of the Enterprise Asset Management System (EAM);
- Conduct customer web access portal upgrade assessment; and,
- Monitor industry trends for best practices and opportunities for improved system related technologies.

Consolidated Operating Expense Budget for FY 2019-20

Finance & Administrative Services

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Incr/(Decr)
Customer Service						
220	Regular Labor	1,853,638	870,692	2,056,740	2,126,785	70,045
220	Overtime Labor	116,566	47,739	60,000	96,000	36,000
220	Contract Labor	279,773	114,902	215,800	366,400	150,600
220	Operating Supplies	8,167	7,213	15,000	15,000	0
220	Printing	64,352	25,435	170,800	170,000	(800)
220	Postage	544,276	312,195	500,000	620,000	120,000
220	Office Supplies	5,051	3,853	5,500	7,300	1,800
220	Equipment Rental	44,250	25,297	0	38,000	38,000
220	Rep & Maint IRWD	97	4,793	0	0	0
220	Personnel Training	2,359	0	8,000	12,500	4,500
220	Other Professional Fees	950	1,670	2,000	2,500	500
220	Collection Fees	2,218	679	1,000	2,000	1,000
220	Contract Meter Reading	1,509,984	595,179	1,390,000	1,432,000	42,000
Total Customer Service		4,431,681	2,009,647	4,424,840	4,888,485	463,645

Consolidated Operating Expense Budget for FY 2020-21

Finance & Administrative Services

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 19-20 Budget	FY 2020-21 Proposed Budget	Incr/(Decr)
Customer Service						
220	Regular Labor	1,853,638	870,692	2,126,785	2,328,311	201,526
220	Overtime Labor	116,566	47,739	96,000	60,000	(36,000)
220	Contract Labor	279,773	114,902	366,400	251,000	(115,400)
220	Operating Supplies	8,167	7,213	15,000	15,000	0
220	Printing	64,352	25,435	170,000	176,800	6,800
220	Postage	544,276	312,195	620,000	645,000	25,000
220	Office Supplies	5,051	3,853	7,300	7,700	400
220	Equipment Rental	44,250	25,297	38,000	38,000	0
220	Rep & Maint IRWD	97	4,793	0	0	0
220	Personnel Training	2,359	0	12,500	12,500	0
220	Other Professional Fees	950	1,670	2,500	2,800	300
220	Collection Fees	2,218	679	2,000	2,000	0
220	Contract Meter Reading	1,509,984	595,179	1,432,000	1,550,000	118,000
Total Customer Service		4,431,681	2,009,647	4,888,485	5,089,111	200,626

Finance & Administrative Services

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Incr/(Decr)
Purchasing						
240	Regular Labor	709,921	375,898	845,870	997,007	151,137
240	Overtime Labor	19,240	36,614	28,000	44,000	16,000
240	Contract Labor	25,793	34,596	4,000	12,600	8,600
240	Operating Supplies	388,743	84,825	129,000	148,000	19,000
240	Printing	16,779	7,174	8,500	10,000	1,500
240	Postage	4,331	2,737	6,000	6,000	0
240	Office Supplies	14,351	5,701	12,000	12,000	0
240	Duplicating Equipment	187,284	88,316	174,000	185,000	11,000
240	Equipment Rental	2,312	6,919	18,000	18,000	0
240	Personnel Training	4,146	(79)	7,000	13,000	6,000
240	Other Professional Fees	96	4,235	42,000	2,000	(40,000)
240	Equipment Usage	0	0	0	0	0
240	Commuter Program	0	(161)	0	0	0
Total Purchasing		1,372,995	646,775	1,274,370	1,447,607	173,237

Consolidated Operating Expense Budget for FY 2020-21

Finance & Administrative Services

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 19-20 Budget	FY 2020-21 Proposed Budget	Incr/(Decr)
Purchasing						
240	Regular Labor	709,921	375,898	997,007	1,037,152	40,145
240	Overtime Labor	19,240	36,614	44,000	44,400	400
240	Contract Labor	25,793	34,596	12,600	0	(12,600)
240	Operating Supplies	388,743	84,825	148,000	159,900	11,900
240	Printing	16,779	7,174	10,000	10,400	400
240	Postage	4,331	2,737	6,000	6,000	0
240	Office Supplies	14,351	5,701	12,000	12,400	400
240	Duplicating Equipment	187,284	88,316	185,000	185,000	0
240	Equipment Rental	2,312	6,919	18,000	20,000	2,000
240	Personnel Training	4,146	(79)	13,000	13,000	0
240	Other Professional Fees	96	4,235	2,000	2,000	0
240	Equipment Usage	0	0	0	0	0
240	Commuter Program	0	(161)	0	0	0
Total Purchasing		1,372,995	646,775	1,447,607	1,490,252	42,645

Consolidated Operating Expense Budget for FY 2019-20

Finance & Administrative Services

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Incr/(Decr)
Information Services						
250	Regular Labor	1,756,794	814,292	1,870,116	1,949,273	79,157
250	Overtime Labor	20,333	12,582	30,000	30,000	0
250	Contract Labor	288,651	112,067	240,000	240,000	0
250	Telecommunication	531,871	259,364	516,100	641,100	125,000
250	Operating Supplies	25	49	0	0	0
250	Printing	2,449	154	1,000	0	(1,000)
250	Office Supplies	0	0	1,000	1,000	0
250	Rep & Maint IRWD	320,093	156,974	402,400	230,800	(171,600)
250	Data Processing	2,846,311	1,260,703	2,792,200	3,250,600	458,400
250	Personnel Training	1,372	494	35,800	46,500	10,700
250	Other Professional Fees	2,647	51,011	150,000	220,000	70,000
250	Equipment Usage	0	0	0	0	0
250	Mileage Reimbursement	138	0	0	0	0
250	Computer Backup Storage	16,400	9,472	6,000	12,000	6,000
Total Information Services		5,787,084	2,677,162	6,044,616	6,621,273	576,657
Total Finance & Administrative Services		15,205,249	7,674,843	15,904,492	18,354,726	2,450,234

Consolidated Operating Expense Budget for FY 2020-21

Finance & Administrative Services

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 19-20 Budget	FY 2020-21 Proposed Budget	Incr/(Decr)
Information Services						
250	Regular Labor	1,756,794	814,292	1,949,273	2,024,787	75,514
250	Overtime Labor	20,333	12,582	30,000	30,000	0
250	Contract Labor	288,651	112,067	240,000	245,000	5,000
250	Telecommunication	531,871	259,364	641,100	641,100	0
250	Operating Supplies	25	49	0	0	0
250	Printing	2,449	154	0	0	0
250	Office Supplies	0	0	1,000	1,000	0
250	Rep & Maint IRWD	320,093	156,974	230,800	307,300	76,500
250	Data Processing	2,846,311	1,260,703	3,250,600	3,141,800	(108,800)
250	Personnel Training	1,372	494	46,500	61,500	15,000
250	Other Professional Fees	2,647	51,011	220,000	220,000	0
250	Equipment Usage	0	0	0	0	0
250	Mileage Reimbursement	138	0	0	0	0
250	Computer Backup Storage	16,400	9,472	12,000	12,000	0
Total Information Services		5,787,084	2,677,162	6,621,273	6,684,487	63,214
Total Finance & Administrative Services		15,205,249	7,674,843	18,354,726	19,081,473	726,747

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 Geographic Information Systems (GIS) 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 spatial 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 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 and provides design and construction management of small to medium size water, sewage and recycled water facilities.

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 District requirements.

Major Goals

PLANNING

- Provide Inter-agency technical support;
- Develop alternative water supplies;
- Implement Criticality Based Replacement Planning Model;
- Evaluate Alternatives for Developing Groundwater from Wells 51/52 and Tustin Legacy Sites;
- Complete the Lake Forest Area OCSD LAFCO Annexation; and
- Expand GIS based applications and cloud infrastructure.

CAPITAL PROJECTS

- MWRP Biosolids and Energy Recovery Facilities construction;
- Syphon Reservoir Improvements design;
- Santiago Creek Dam Outlet Tower Replacement design;
- Eastwood Recycled Water Pump Stations construction;
- Zone 1 Reservoir construction;
- Zone A to Rattlesnake Reservoir Pump Station design;
- Primary Disinfection Facility Sodium Hypochlorite Storage and Feed design and construction;
- Santiago Canyon Fleming Reservoir and Pump Station design; and,
- Sewage Treatment Plant Master Plan update.

DEVELOPMENT SERVICES

- Heritage Fields Infrastructure design and construction;
- Orchard Hills Infrastructure design and construction;
- Los Olivos Infrastructure design and construction;
- Portola Springs Infrastructure design and construction;
- Tustin Legacy Infrastructure design and construction; and,
- Irvine Business Complex Redevelopment Infrastructure design and construction.

OPERATIONS SUPPORT

- Santiago Canyon Area Pipeline and Pump Stations Improvements design and construction;
- MWRP Emergency Diversion construction;
- Pipe rehabilitation construction of Laguna Canyon and Turtle Ridge;
- Well Rehabilitation design and construction;
- Sewer Siphons Improvements design and construction;
- San Joaquin Recycled Water Reservoir Filtration design and construction;
- Pelican Hills Golf Course Sewer Rehabilitation design and construction;
- Valve Vault Lid Replacement on Irvine Boulevard design and construction;
- Domestic and Recycled Water System-wide Valve Replacement design;
- Evaluate process control and water quality monitoring data to assess, correct or recommend performance improvement of membrane treatment facilities: IDP-SGU, IDP-PAP, IDP-PTP, DATS, CATS and the Wells 21/22 Desalter Plant; and,
- 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.

Consolidated Operating Expense Budget for FY 2019-20

Engineering

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Incr/(Decr)
Engineering						
300	Regular Labor	5,091,238	2,379,861	4,860,622	4,889,436	28,814
300	Overtime Labor	208,493	93,206	210,000	204,000	(6,000)
300	Contract Labor	216,250	171,560	432,000	320,000	(112,000)
300	Operating Supplies	5,129	2,269	10,000	5,800	(4,200)
300	Printing	17,258	2,975	20,000	16,000	(4,000)
300	Postage	3,327	1,204	2,800	3,000	200
300	Permits, Licenses and Fees	0	99	2,000	2,000	0
300	Office Supplies	8,577	3,853	9,900	9,900	0
300	Rep & Maint IRWD	0	2,348	0	0	0
300	Engineering Fees	126,974	27,506	152,000	152,000	0
300	Personnel Training	17,126	12,491	27,000	29,000	2,000
300	Other Professional Fees	4,492	2,378	3,000	10,000	7,000
300	Mileage Reimbursement	40	26	0	0	0
300	Commuter Program	0	(259)	0	0	0
Total Engineering		5,698,903	2,699,518	5,729,322	5,641,136	(88,186)
Total Engineering		5,698,903	2,699,518	5,729,322	5,641,136	(88,186)

Consolidated Operating Expense Budget for FY 2020-21

Engineering

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 19-20 Budget	FY 2020-21 Proposed Budget	Incr/(Decr)
Engineering						
300	Regular Labor	5,091,238	2,379,861	4,889,436	5,093,272	203,836
300	Overtime Labor	208,493	93,206	204,000	204,000	0
300	Contract Labor	216,250	171,560	320,000	245,000	(75,000)
300	Operating Supplies	5,129	2,269	5,800	5,800	0
300	Printing	17,258	2,975	16,000	8,000	(8,000)
300	Postage	3,327	1,204	3,000	3,000	0
300	Permits, Licenses and Fees	0	99	2,000	2,000	0
300	Office Supplies	8,577	3,853	9,900	9,900	0
300	Rep & Maint IRWD	0	2,348	0	0	0
300	Engineering Fees	126,974	27,506	152,000	112,000	(40,000)
300	Personnel Training	17,126	12,491	29,000	29,000	0
300	Other Professional Fees	4,492	2,378	10,000	10,000	0
300	Mileage Reimbursement	40	26	0	0	0
300	Commuter Program	0	(259)	0	0	0
Total Engineering		5,698,903	2,699,518	5,641,136	5,721,972	80,836
Total Engineering		5,698,903	2,699,518	5,641,136	5,721,972	80,836

WATER QUALITY and REGULATORY COMPLIANCE

OPERATING BUDGET SUMMARY

Program Description

The Water Quality and Regulatory Compliance Department provides laboratory and compliance related support to the operations and maintenance of the domestic and recycled water distribution, sewage collection systems, treatment facilities, and biosolids and energy recovery facilities. The department provides internal and external customers with field and facility monitoring, reproducible data of known and documented quality for regulatory monitoring and reporting, process control, research projects and capital projects utilizing state-of-the-art equipment and certified, analytical methods.

Staff also manages environmental permitting, reporting and compliance covering water, sewage, biosolids, air, hazardous waste, underground and aboveground storage tanks, universal waste, and Fats, Oils, and Grease (FOG). Staff actively participates in association meetings to stay current with developing rules and policies and to advocate on behalf of the District.

Major Goals

- Perform all monitoring and laboratory analyses to provide data to document the District's compliance status with all applicable federal, state and local environmental laws and regulations and for process control purposes;
- Complete analyses within specified hold times and meet quality control specifications;
- Research and implement new testing methods where justified, specifically when timing, compliance, cost or efficiencies support bringing a method in-house;
- Maintain Environmental Laboratory Accreditation Program (ELAP) certification, and complete the process to obtain national laboratory certification;
- Implement to the fullest extent possible automation in monitoring, laboratory processes, and compliance and process control reporting programs;
- Apply for and maintain all necessary permits and documentation to comply with environmental regulations;
- Maintain a knowledge base of all environmental compliance requirements;
- Communicate and provide training on these requirements to appropriate staff and leadership across the agency;
- Write compliance reports in an accurate and timely manner documenting compliance with all applicable permits, rules and laws;
- Negotiate with regulators to resolve compliance matters;
- Coordinate with other agencies and conduct appropriate inspections, monitoring and enforcement regarding industrial discharges under the pretreatment program; and,
- Participate in peer associations addressing laboratory and compliance issues.

Consolidated Operating Expense Budget for FY 2019-20

Water Quality

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Incr/(Decr)
Water Quality						
600	Regular Labor	1,808,432	866,602	1,824,290	2,064,759	240,469
600	Overtime Labor	47,987	19,932	33,600	33,800	200
600	Contract Labor	110,732	71,686	115,300	165,600	50,300
600	Operating Supplies	435,325	192,216	447,000	471,000	24,000
600	Postage	1,035	597	600	1,100	500
600	Permits, Licenses and Fees	11,251	12,953	15,876	17,400	1,524
600	Office Supplies	3,996	1,575	4,000	4,000	0
600	Equipment Rental	1,078	0	0	0	0
600	Rep & Maint IRWD	149,294	135,438	234,200	251,500	17,300
600	Engineering Fees	94,096	96,734	138,000	236,400	98,400
600	Personnel Training	13,469	4,251	35,050	38,000	2,950
600	Other Professional Fees	2,071	1,478	24,650	25,100	450
600	Mileage Reimbursement	0	0	0	0	0
600	Safety	2,301	2,356	7,200	8,400	1,200
Total Water Quality		2,681,067	1,405,818	2,879,766	3,317,059	437,293

Water Quality

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 19-20 Budget	FY 2020-21 Proposed Budget	Incr/(Decr)
Water Quality						
600	Regular Labor	1,808,432	866,602	2,064,759	2,299,640	234,881
600	Overtime Labor	47,987	19,932	33,800	36,350	2,550
600	Contract Labor	110,732	71,686	165,600	128,100	(37,500)
600	Operating Supplies	435,325	192,216	471,000	496,460	25,460
600	Postage	1,035	597	1,100	1,115	15
600	Permits, Licenses and Fees	11,251	12,953	17,400	19,200	1,800
600	Office Supplies	3,996	1,575	4,000	4,000	0
600	Equipment Rental	1,078	0	0	0	0
600	Rep & Maint IRWD	149,294	135,438	251,500	271,500	20,000
600	Engineering Fees	94,096	96,734	236,400	236,400	0
600	Personnel Training	13,469	4,251	38,000	41,000	3,000
600	Other Professional Fees	2,071	1,478	25,100	25,100	0
600	Mileage Reimbursement	0	0	0	0	0
600	Safety	2,301	2,356	8,400	8,600	200
Total Water Quality		2,681,067	1,405,818	3,317,059	3,567,465	250,406

Water Quality

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Incr/(Decr)
Regulatory Compliance						
650	Regular Labor	825,306	336,147	842,734	744,631	(98,103)
650	Overtime Labor	64,952	34,624	67,820	103,300	35,480
650	Contract Labor	21,658	40,847	16,000	64,800	48,800
650	Operating Supplies	61,298	36,963	61,850	77,600	15,750
650	Postage	2,298	663	1,600	3,000	1,400
650	Permits, Licenses and Fees	459,242	395,473	542,270	580,690	38,420
650	Office Supplies	356	119	800	500	(300)
650	Rep & Maint Other Agencies	6,026	1,300	0	4,000	4,000
650	Rep & Maint IRWD	217,344	67,947	252,800	185,500	(67,300)
650	Engineering Fees	60,666	172,160	359,320	340,324	(18,996)
650	Personnel Training	7,747	2,866	8,900	18,400	9,500
650	Other Professional Fees	1,022	1,157	2,400	2,200	(200)
650	Equipment Usage	0	0	0	0	0
650	Safety	0	0	2,000	1,000	(1,000)
Total Regulatory Compliance		1,727,915	1,090,266	2,158,494	2,125,945	(32,549)
Total Water Quality		4,408,982	2,496,084	5,038,260	5,443,004	404,744

Water Quality

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 19-20 Budget	FY 2020-21 Proposed Budget	Incr/(Decr)
Regulatory Compliance						
650	Regular Labor	825,306	336,147	744,631	776,304	31,673
650	Overtime Labor	64,952	34,624	103,300	107,600	4,300
650	Contract Labor	21,658	40,847	64,800	68,000	3,200
650	Operating Supplies	61,298	36,963	77,600	79,700	2,100
650	Postage	2,298	663	3,000	2,500	(500)
650	Permits, Licenses and Fees	459,242	395,473	580,690	609,530	28,840
650	Office Supplies	356	119	500	500	0
650	Rep & Maint Other Agencies	6,026	1,300	4,000	8,000	4,000
650	Rep & Maint IRWD	217,344	67,947	185,500	202,500	17,000
650	Engineering Fees	60,666	172,160	340,324	316,324	(24,000)
650	Personnel Training	7,747	2,866	18,400	20,400	2,000
650	Other Professional Fees	1,022	1,157	2,200	2,000	(200)
650	Equipment Usage	0	0	0	0	0
650	Safety	0	0	1,000	1,000	0
Total Regulatory Compliance		1,727,915	1,090,266	2,125,945	2,194,358	68,413
Total Water Quality		4,408,982	2,496,084	5,443,004	5,761,823	318,819

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. These systems include the Dyer Road Wellfield, Deep Aquifer Treatment System, 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;
- Maintain 5 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;
- 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 current Basin Pumping Percentage (BPP) of 70%;
- 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, dam operation, and reservoir facilities;
- Maintain a high level of customer satisfaction by responding promptly to all customer service requests and repair water leaks with minimal impact to customers; and,
- Identify the District's underground facilities by responding to Underground Service Alert (USA) tickets to prevent potential damages to the facilities from construction activities.

Consolidated Operating Expense Budget for FY 2019-20

Water Operations

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Incr/(Decr)
Operations Administration						
805	Regular Labor	1,012,043	443,907	1,073,154	1,055,594	(17,560)
805	Telecommunication	2,480	1,242	3,200	4,400	1,200
805	Operating Supplies	18,463	1,067	7,300	9,450	2,150
805	Printing	0	0	3,000	3,000	0
805	Postage	73	38	1,000	1,000	0
805	Office Supplies	7,807	7,396	15,000	15,000	0
805	Rep & Maint IRWD	27,838	2,492	0	0	0
805	Personnel Training	49,559	32,499	84,800	91,500	6,700
805	Other Professional Fees	22,291	11,019	153,500	57,950	(95,550)
805	Mileage Reimbursement	0	55	0	0	0
805	Commuter Program	0	(97)	0	0	0
Total Operations Administration		1,140,554	499,618	1,340,954	1,237,894	(103,060)
Total Water Operations		62,206,154	33,259,812	61,659,620	64,459,965	2,800,345

Consolidated Operating Expense Budget for FY 2020-21

Water Operations

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 19-20 Budget	FY 2020-21 Proposed Budget	Incr/(Decr)
Operations Administration						
805	Regular Labor	1,012,043	443,907	1,055,594	1,097,733	42,139
805	Telecommunication	2,480	1,242	4,400	4,620	220
805	Operating Supplies	18,463	1,067	9,450	9,700	250
805	Printing	0	0	3,000	3,500	500
805	Postage	73	38	1,000	1,000	0
805	Office Supplies	7,807	7,396	15,000	15,000	0
805	Rep & Maint IRWD	27,838	2,492	0	0	0
805	Personnel Training	49,559	32,499	91,500	99,200	7,700
805	Other Professional Fees	22,291	11,019	57,950	63,150	5,200
805	Equipment Usage	0	0	0	0	0
805	Mileage Reimbursement	0	55	0	0	0
805	Commuter Program	0	(97)	0	0	0
Total Operations Administration		1,140,554	499,618	1,237,894	1,293,903	56,009
Total Water Operations		62,206,154	33,259,812	64,459,965	70,872,206	6,412,242

Consolidated Operating Expense Budget for FY 2019-20

Water Operations

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Incr/(Decr)
Water Operations						
420	Water Purchases	39,933,298	21,167,905	37,454,466	39,241,990	1,787,524
420	Regular Labor	1,847,257	911,115	2,070,218	1,781,782	(288,436)
420	Overtime Labor	482,360	256,950	442,290	551,474	109,184
420	Electricity	9,070,451	5,620,527	9,905,210	10,811,863	906,653
420	Fuel	52,179	29,637	57,000	51,300	(5,700)
420	Telecommunication	75,971	29,552	77,900	84,860	6,960
420	Other Utilities	52,591	31,451	47,000	61,300	14,300
420	Chemicals	1,819,353	905,756	1,605,544	1,823,163	217,619
420	Operating Supplies	42,828	40,408	79,200	94,970	15,770
420	Printing	0	0	0	0	0
420	Permits, Licenses and Fees	233,879	83,643	251,500	260,552	9,052
420	Office Supplies	77	0	200	200	0
420	Duplicating Equipment	407	1,339	0	3,000	3,000
420	Equipment Rental	35,955	6,695	17,000	18,000	1,000
420	Rep & Maint Other Agencies	843,020	444,555	857,100	930,000	72,900
420	Rep & Maint IRWD	997,342	602,441	1,489,588	1,623,675	134,087
420	Engineering Fees	221,789	129,729	124,756	140,240	15,484
420	Data Processing	0	0	12,500	0	(12,500)
420	Personnel Training	354	(144)	1,340	6,500	5,160
420	Other Professional Fees	4,699	2,263	78,000	105,200	27,200
420	Safety	0	0	3,000	3,000	0
420	Commuter Program	0	(185)	0	200	200
Total Water Operations		55,713,810	30,263,637	54,573,812	57,593,268	3,019,456

Consolidated Operating Expense Budget for FY 2020-21

Water Operations

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 19-20 Budget	FY 2020-21 Proposed Budget	Incr/(Decr)
Water Operations						
420	Water Purchases	39,933,298	21,167,905	39,241,990	44,681,254	5,439,264
420	Regular Labor	1,847,257	911,115	1,781,782	1,859,008	77,226
420	Overtime Labor	482,360	256,950	551,474	572,261	20,787
420	Electricity	9,070,451	5,620,527	10,811,863	11,313,243	501,380
420	Fuel	52,179	29,637	51,300	52,100	800
420	Telecommunication	75,971	29,552	84,860	84,860	0
420	Other Utilities	52,591	31,451	61,300	61,300	0
420	Chemicals	1,819,353	905,756	1,823,163	1,900,693	77,531
420	Operating Supplies	42,828	40,408	94,970	94,970	0
420	Printing	0	0	0	0	0
420	Permits, Licenses and Fees	233,879	83,643	260,552	260,552	0
420	Office Supplies	77	0	200	200	0
420	Duplicating Equipment	407	1,339	3,000	3,000	0
420	Equipment Rental	35,955	6,695	18,000	18,000	0
420	Rep & Maint Other Agencies	843,020	444,555	930,000	930,000	0
420	Rep & Maint IRWD	997,342	602,441	1,623,675	1,643,175	19,500
420	Engineering Fees	221,789	129,729	140,240	140,240	0
420	Data Processing	0	0	0	0	0
420	Personnel Training	354	(144)	6,500	6,500	0
420	Other Professional Fees	4,699	2,263	105,200	105,200	0
420	Equipment Usage	0	0	0	0	0
420	Safety	0	0	3,000	3,000	0
420	Commuter Program	0	(185)	200	200	0
Total Water Operations		55,713,810	30,263,637	57,593,268	63,729,755	6,136,488

Consolidated Operating Expense Budget for FY 2019-20

Water Operations

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Incr/(Decr)
Field Services						
425	Regular Labor	1,622,728	811,665	1,757,410	1,836,128	78,718
425	Overtime Labor	222,595	122,854	213,400	265,100	51,700
425	Contract Labor	278,221	187,104	203,440	133,120	(70,320)
425	Telecommunication	0	0	0	0	0
425	Chemicals	1,583	161	900	900	0
425	Operating Supplies	91,378	60,449	117,000	107,300	(9,700)
425	Permits, Licenses and Fees	22,630	10,842	18,000	19,600	1,600
425	Equipment Rental	16,727	8,488	17,500	17,500	0
425	Rep & Maint IRWD	235,372	105,097	354,100	262,300	(91,800)
425	Personnel Training	192	214	680	680	0
425	Other Professional Fees	733	148	500	500	0
425	Equipment Usage	0	0	0	0	0
425	Commuter Program	0	(175)	0	0	0
Total	Field Services	2,492,159	1,306,847	2,682,930	2,643,128	(39,802)

Consolidated Operating Expense Budget for FY 2020-21

Water Operations

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 19-20 Budget	FY 2020-21 Proposed Budget	Incr/(Decr)
Field Services						
425	Regular Labor	1,622,728	811,665	1,836,128	2,025,258	189,130
425	Overtime Labor	222,595	122,854	265,100	265,100	0
425	Contract Labor	278,221	187,104	133,120	36,000	(97,120)
425	Telecommunication	0	0	0	0	0
425	Chemicals	1,583	161	900	900	0
425	Operating Supplies	91,378	60,449	107,300	122,700	15,400
425	Permits, Licenses and Fees	22,630	10,842	19,600	19,600	0
425	Equipment Rental	16,727	8,488	17,500	17,500	0
425	Rep & Maint IRWD	235,372	105,097	262,300	264,800	2,500
425	Personnel Training	192	214	680	680	0
425	Other Professional Fees	733	148	500	500	0
425	Equipment Usage	0	0	0	0	0
425	Commuter Program	0	(175)	0	0	0
Total Field Services		2,492,159	1,306,847	2,643,128	2,753,038	109,910

Consolidated Operating Expense Budget for FY 2019-20

Water Operations

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Incr/(Decr)
Construction Services						
430	Regular Labor	1,573,059	775,251	1,726,964	1,884,175	157,211
430	Overtime Labor	250,385	126,947	241,000	253,640	12,640
430	Contract Labor	146,007	36,274	208,960	130,000	(78,960)
430	Telecommunication	0	0	0	0	0
430	Chemicals	827	0	800	600	(200)
430	Operating Supplies	82,479	55,682	144,800	160,320	15,520
430	Permits, Licenses and Fees	88,040	31,510	93,000	93,640	640
430	Equipment Rental	6,247	0	12,000	12,000	0
430	Rep & Maint IRWD	709,362	162,393	628,000	443,300	(184,700)
430	Personnel Training	3,226	1,815	6,400	8,000	1,600
430	Equipment Usage	0	0	0	0	0
430	Commuter Program	0	(161)	0	0	0
Total Construction Services		2,859,631	1,189,711	3,061,924	2,985,675	(76,249)

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2020-21

Water Operations

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 19-20 Budget	FY 2020-21 Proposed Budget	Incr/(Decr)
Construction Services						
430	Regular Labor	1,573,059	775,251	1,884,175	1,966,378	82,203
430	Overtime Labor	250,385	126,947	253,640	253,608	(32)
430	Contract Labor	146,007	36,274	130,000	135,200	5,200
430	Telecommunication	0	0	0	0	0
430	Chemicals	827	0	600	624	24
430	Operating Supplies	82,479	55,682	160,320	166,740	6,420
430	Permits, Licenses and Fees	88,040	31,510	93,640	97,380	3,740
430	Equipment Rental	6,247	0	12,000	12,000	0
430	Rep & Maint IRWD	709,362	162,393	443,300	455,260	11,960
430	Personnel Training	3,226	1,815	8,000	8,320	320
430	Equipment Usage	0	0	0	0	0
430	Commuter Program	0	(161)	0	0	0
Total Construction Services		2,859,631	1,189,711	2,985,675	3,095,510	109,835

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 collection systems, Michelson Water Recycling Plant (MWRP), Los Alisos Water Recycling Plant (LAWRP), Natural Treatment System (NTS), and administrative management of the Automated Process Control Systems.

Major Goals

- Maintain 100% compliance with all regulatory permits;
- Achieve zero lost time accidents;
- Coordinate with Water Operations to optimize production of recycled water and balance with system storage;
- Meet the Department's adopted Operations budget;
- Maintain and develop staff competency through a combination of internal and external training;
- Evaluate, optimize, and monitor chemical usage for the collection and recycling facilities systems;
- Provide operational assistance for functional and start-up testing for the Michelson Water Recycling Plant's Biosolids and Energy Recovery Facilities Project; and take over full Plant operation of the facility upon completion of the construction project;
- Finalize and implement options for the marketing and distribution of pellets from the MWRP Biosolids Project; and explore participation with other agencies for processing their Class B solids;
- Complete feasibility study of Lower San Diego Creek urban runoff diversions, and begin preliminary design report;
- Initiate Polyphagous Shothole Borer mitigation plan for the San Joaquin Marsh;
- Upgrade stations with legacy PLC hardware and software that is no longer manufactured or supported in an effort to improve reliability of service and minimize down time;
- Improve cybersecurity resiliency of the Industrial Control System (ICS)/SCADA infrastructure by adopting advanced cybersecurity standards and technologies;
- Replace communication systems utilizing the congested and license-free (open for public) 900 MHz frequency bands to the FCC licensed public safety 4.9 GHz frequency bands to avoid communication interference, operation disruption, and reliability;
- Improve SCADA communication resiliency and reliability by adding redundant communication paths to critical pump stations, lift stations, reservoirs and treatment plants;
- Evaluate the usage of artificial intelligence and machine learning to improve process controls, efficiency and water quality;
- Migrate all private SCADA cellular communications to a public safety tier to obtain higher prioritization during network congestion and disasters;
- Evaluate and implement options for cleaning and inspection of large sewer lines within the IRWD service area; and,
- Provide technical support to the Engineering projects specific to Sewer Lift Station improvements, Sewer Siphon rehabilitation, and other collection system improvements.

Consolidated Operating Expense Budget for FY 2019-20

Recycling Operations

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Incr/(Decr)
NTS Operations						
515	Regular Labor	353,144	207,243	436,036	457,349	21,313
515	Overtime Labor	2,100	1,148	8,000	4,000	(4,000)
515	Contract Labor	219,546	77,505	95,000	130,000	35,000
515	Electricity	174,327	106,704	201,000	210,000	9,000
515	Telecommunication	8,317	4,892	4,000	13,000	9,000
515	Operating Supplies	11,763	764	14,500	12,400	(2,100)
515	Printing	0	279	1,000	1,000	0
515	Postage	415	40	0	500	500
515	Permits, Licenses and Fees	30,958	3,090	4,000	4,800	800
515	Equipment Rental	5,736	2,999	0	8,000	8,000
515	Rep & Maint Other Agencies	16,436	9,559	20,000	20,800	800
515	Rep & Maint IRWD	1,130,357	441,284	1,144,000	1,335,300	191,300
515	Engineering Fees	278,226	42,378	192,500	16,000	(176,500)
515	Personnel Training	1,142	427	3,800	9,600	5,800
515	Other Professional Fees	5	0	0	192,800	192,800
515	Other	4,660	2,250	14,000	16,000	2,000
Total NTS Operations		2,237,132	900,562	2,137,836	2,431,549	293,713

Consolidated Operating Expense Budget for FY 2020-21

Recycling Operations

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 19-20 Budget	FY 2020-21 Proposed Budget	Incr/(Decr)
NTS Operations						
515	Regular Labor	353,144	207,243	457,349	545,587	88,238
515	Overtime Labor	2,100	1,148	4,000	4,600	600
515	Contract Labor	219,546	77,505	130,000	75,900	(54,100)
515	Electricity	174,327	106,704	210,000	218,400	8,400
515	Telecommunication	8,317	4,892	13,000	14,950	1,950
515	Operating Supplies	11,763	764	12,400	14,260	1,860
515	Printing	0	279	1,000	1,150	150
515	Postage	415	40	500	575	75
515	Permits, Licenses and Fees	30,958	3,090	4,800	5,520	720
515	Equipment Rental	5,736	2,999	8,000	9,200	1,200
515	Rep & Maint Other Agencies	16,436	9,559	20,800	23,920	3,120
515	Rep & Maint IRWD	1,130,357	441,284	1,335,300	1,560,595	225,295
515	Engineering Fees	278,226	42,378	16,000	18,400	2,400
515	Personnel Training	1,142	427	9,600	11,040	1,440
515	Other Professional Fees	5	0	192,800	221,720	28,920
515	Other	4,660	2,250	16,000	18,400	2,400
Total NTS Operations		2,237,132	900,562	2,431,549	2,744,217	312,668

Recycling Operations

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Incr/(Decr)
Automation						
530	Regular Labor	685,124	366,095	693,522	842,124	148,602
530	Overtime Labor	61,621	30,844	66,500	73,800	7,300
530	Operating Supplies	(10,590)	(1,316)	12,630	97,000	84,370
530	Postage	131	0	0	0	0
530	Rep & Maint IRWD	195,579	111,239	190,600	111,000	(79,600)
530	Personnel Training	0	0	170	0	(170)
530	Other Professional Fees	122,917	1,035	120,600	120,300	(300)
530	Equipment Usage	0	0	0	0	0
530	Safety	2,867	0	3,000	3,000	0
Total Automation		1,057,649	507,897	1,087,022	1,247,224	160,202

Consolidated Operating Expense Budget for FY 2020-21

Recycling Operations

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 19-20 Budget	FY 2020-21 Proposed Budget	Incr/(Decr)
Automation						
530	Regular Labor	685,124	366,095	842,124	874,546	32,422
530	Overtime Labor	61,621	30,844	73,800	78,200	4,400
530	Operating Supplies	(10,590)	(1,316)	97,000	97,000	0
530	Postage	131	0	0	0	0
530	Rep & Maint IRWD	195,579	111,239	111,000	111,000	0
530	Personnel Training	0	0	0	0	0
530	Other Professional Fees	122,917	1,035	120,300	120,300	0
530	Equipment Usage	0	0	0	0	0
530	Safety	2,867	0	3,000	3,000	0
Total Automation		1,057,649	507,897	1,247,224	1,284,046	36,822

Consolidated Operating Expense Budget for FY 2019-20

Recycling Operations

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Incr/(Decr)
MWRP Operations						
550	Regular Labor	1,412,762	659,474	1,521,788	1,770,686	248,898
550	Overtime Labor	116,853	57,736	119,900	157,740	37,840
550	Contract Labor	0	0	10,000	0	(10,000)
550	Electricity	2,932,804	1,828,371	2,774,964	4,628,684	1,853,720
550	Fuel	19,252	4,378	20,800	274,144	253,344
550	Telecommunication	0	0	1,800	0	(1,800)
550	Other Utilities	563	0	0	0	0
550	Chemicals	750,710	312,377	648,300	1,309,646	661,346
550	Operating Supplies	24,343	13,621	32,200	121,100	88,900
550	Rep & Maint Other Agencies	8,283,856	6,320,968	12,564,000	9,173,000	(3,391,000)
550	Rep & Maint IRWD	4,201	1,066	11,000	11,000	0
550	Engineering Fees	7,710	(7,710)	0	0	0
550	Personnel Training	825	343	4,020	2,800	(1,220)
550	Other Professional Fees	98,064	13,600	120,000	120,000	0
550	Equipment Usage	0	0	0	0	0
550	Safety	7,656	4,942	24,000	20,000	(4,000)
550	Biosolids Disposals	0	0	0	651,619	651,619
550	Commuter Program	0	(323)	0	0	0
550	Other	96,040	50,211	115,000	110,600	(4,400)
Total MWRP Operations		13,755,639	9,259,054	17,967,772	18,351,019	383,247

Consolidated Operating Expense Budget for FY 2020-21

Recycling Operations

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 19-20 Budget	FY 2020-21 Proposed Budget	Incr/(Decr)
MWRP Operations						
550	Regular Labor	1,412,762	659,474	1,770,686	1,848,352	77,666
550	Overtime Labor	116,853	57,736	157,740	162,220	4,480
550	Contract Labor	0	0	0	0	0
550	Electricity	2,932,804	1,828,371	4,628,684	5,470,174	841,490
550	Fuel	19,252	4,378	274,144	361,192	87,048
550	Telecommunication	0	0	0	0	0
550	Other Utilities	563	0	0	0	0
550	Chemicals	750,710	312,377	1,309,646	1,784,983	475,337
550	Operating Supplies	24,343	13,621	121,100	121,100	0
550	Rep & Maint Other Agencies	8,283,856	6,320,968	9,173,000	4,173,000	(5,000,000)
550	Rep & Maint IRWD	4,201	1,066	11,000	11,000	0
550	Engineering Fees	7,710	(7,710)	0	0	0
550	Personnel Training	825	343	2,800	2,800	0
550	Other Professional Fees	98,064	13,600	120,000	120,000	0
550	Equipment Usage	0	0	0	0	0
550	Safety	7,656	4,942	20,000	20,000	0
550	Biosolids Disposals	0	0	651,619	1,025,452	373,833
550	Commuter Program	0	(323)	0	0	0
550	Other	96,040	50,211	110,600	110,600	0
Total MWRP Operations		13,755,639	9,259,054	18,351,019	15,210,873	(3,140,146)

Recycling Operations

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Incr/(Decr)
Collections Systems						
570	Regular Labor	1,233,281	593,455	1,273,540	1,276,343	2,803
570	Overtime Labor	120,991	52,395	148,500	120,800	(27,700)
570	Contract Labor	20,655	5,755	0	6,000	6,000
570	Electricity	99,089	66,479	136,000	133,600	(2,400)
570	Telecommunication	15,614	10,152	24,000	24,000	0
570	Chemicals	479,005	252,507	600,000	600,000	0
570	Operating Supplies	54,305	22,441	70,360	70,200	(160)
570	Postage	146	0	0	0	0
570	Rep & Maint IRWD	391,331	214,940	490,800	579,000	88,200
570	Personnel Training	2,436	1,325	4,720	5,000	280
570	Other Professional Fees	1,503	11,003	50,000	75,200	25,200
570	Equipment Usage	0	0	0	0	0
570	Mileage Reimbursement	0	0	2,000	0	(2,000)
570	Safety	16,065	0	12,000	12,000	0
Total Collections Systems		2,434,421	1,230,452	2,811,920	2,902,143	90,223

Irvine Ranch Water District

Consolidated Operating Expense Budget for FY 2020-21

Recycling Operations

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 19-20 Budget	FY 2020-21 Proposed Budget	Incr/(Decr)
Collections Systems						
570	Regular Labor	1,233,281	593,455	1,276,343	1,329,211	52,868
570	Overtime Labor	120,991	52,395	120,800	128,000	7,200
570	Contract Labor	20,655	5,755	6,000	6,000	0
570	Electricity	99,089	66,479	133,600	137,608	4,008
570	Telecommunication	15,614	10,152	24,000	29,000	5,000
570	Chemicals	479,005	252,507	600,000	640,000	40,000
570	Operating Supplies	54,305	22,441	70,200	72,600	2,400
570	Postage	146	0	0	0	0
570	Rep & Maint IRWD	391,331	214,940	579,000	618,000	39,000
570	Personnel Training	2,436	1,325	5,000	5,000	0
570	Other Professional Fees	1,503	11,003	75,200	75,200	0
570	Equipment Usage	0	0	0	0	0
570	Mileage Reimbursement	0	0	0	0	0
570	Safety	16,065	0	12,000	12,000	0
Total Collections Systems		2,434,421	1,230,452	2,902,143	3,052,619	150,476

Consolidated Operating Expense Budget for FY 2019-20

Recycling Operations

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Incr/(Decr)
LAWRP Operations						
590	Regular Labor	513,934	196,145	645,138	477,890	(167,248)
590	Overtime Labor	44,488	20,505	66,400	46,600	(19,800)
590	Electricity	734,486	441,509	662,545	720,355	57,810
590	Fuel	384	122	1,000	800	(200)
590	Chemicals	293,499	93,915	290,000	196,000	(94,000)
590	Operating Supplies	5,826	3,758	7,000	8,120	1,120
590	Office Supplies	279	0	500	0	(500)
590	Rep & Maint Other Agencies	264,694	114,648	256,000	256,000	0
590	Rep & Maint IRWD	81,498	29,651	99,000	89,000	(10,000)
590	Personnel Training	278	184	0	250	250
590	Other Professional Fees	150	0	450	500	50
590	Safety	852	0	1,700	1,700	0
590	Biosolids Disposals	16,153	8,618	20,000	18,000	(2,000)
Total LAWRP Operations		1,956,521	909,055	2,049,733	1,815,215	(234,518)
Total Recycling Operations		21,441,362	12,807,020	26,054,283	26,747,150	692,867

Consolidated Operating Expense Budget for FY 2020-21

Recycling Operations

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 19-20 Budget	FY 2020-21 Proposed Budget	Incr/(Decr)
LAWRP Operations						
590	Regular Labor	513,934	196,145	477,890	497,168	19,278
590	Overtime Labor	44,488	20,505	46,600	49,060	2,460
590	Electricity	734,486	441,509	720,355	821,756	101,401
590	Fuel	384	122	800	824	24
590	Chemicals	293,499	93,915	196,000	201,880	5,880
590	Operating Supplies	5,826	3,758	8,120	8,364	244
590	Office Supplies	279	0	0	0	0
590	Rep & Maint Other Agencies	264,694	114,648	256,000	256,000	0
590	Rep & Maint IRWD	81,498	29,651	89,000	91,670	2,670
590	Personnel Training	278	184	250	258	8
590	Other Professional Fees	150	0	500	515	15
590	Safety	852	0	1,700	1,751	51
590	Biosolids Disposals	16,153	8,618	18,000	18,540	540
Total LAWRP Operations		1,956,521	909,055	1,815,215	1,947,785	132,570
Total Recycling Operations		21,441,362	12,807,020	26,747,150	24,239,540	(2,507,610)

MAINTENANCE OPERATIONS

OPERATING BUDGET SUMMARY

Program Description

The mission of Maintenance Operations 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. Maintenance Operations coordinates the maintenance and repair of the District's electrical, mechanical, instrumentation, fleet and facility assets by utilizing a comprehensive enterprise asset management system 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;
- Identify and track operational Key Performance Indicators (KPIs) to optimize efficiency and cost effectiveness;
- Maintain and develop staff competency through a combination of internal and external training;
- Establish vendor and outside contractor maintenance service agreements for MWRP Biosolids and Energy Recovery Facilities major operating systems such as microturbines, biogas cleaning, flare, boilers and heat recovery system;
- Optimize predictive maintenance processes through further applications of pump efficiency testing, lube oil analysis, vibration analysis, ultrasound detection, and infrared thermography program;
- Investigate and expand the use of new technology to enhance and increase equipment reliability and staff productivity;
- Enhance the reliable operation of the Rattlesnake Zone A Pump Station with the replacement of the existing natural gas engines;
- Maintain all District buildings and facilities to ensure that expected life-cycles are reached and building systems function as designed;
- Perform all required maintenance on schedule to provide a safe, reliable, and cost effective fleet operation; and,
- Assure the reliable operation of the Rattlesnake Zone A Pump Station with the replacement of the existing natural gas engines with a combination of new engines and conversion to electric motors.

Consolidated Operating Expense Budget for FY 2019-20

Maintenance

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Incr/(Decr)
Electrical Services						
820	Regular Labor	1,286,708	555,710	1,312,112	1,371,006	58,894
820	Overtime Labor	128,433	88,067	141,100	169,356	28,256
820	Contract Labor	0	8,755	0	295,008	295,008
820	Operating Supplies	33,490	263,828	108,400	543,700	435,300
820	Rep & Maint IRWD	843,498	222,718	910,600	1,483,316	572,716
820	Personnel Training	0	829	0	0	0
820	Other Professional Fees	35	208	800	0	(800)
820	Equipment Usage	0	0	0	0	0
820	Safety	22,023	5,082	16,800	18,400	1,600
Total Electrical Services		2,314,187	1,145,197	2,489,812	3,880,786	1,390,974

Consolidated Operating Expense Budget for FY 2020-21

Maintenance

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 19-20 Budget	FY 2020-21 Proposed Budget	Incr/(Decr)
Electrical Services						
820	Regular Labor	1,286,708	555,710	1,371,006	1,427,753	56,747
820	Overtime Labor	128,433	88,067	169,356	169,356	0
820	Contract Labor	0	8,755	295,008	295,008	0
820	Operating Supplies	33,490	263,828	543,700	543,700	0
820	Rep & Maint IRWD	843,498	222,718	1,483,316	1,473,292	(10,024)
820	Personnel Training	0	829	0	0	0
820	Other Professional Fees	35	208	0	0	0
820	Equipment Usage	0	0	0	0	0
820	Safety	22,023	5,082	18,400	18,400	0
Total Electrical Services		2,314,187	1,145,197	3,880,786	3,927,509	46,723

Consolidated Operating Expense Budget for FY 2019-20

Maintenance

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Incr/(Decr)
Asset Systems						
830	Regular Labor	256,794	164,421	387,240	503,422	116,182
830	Overtime Labor	5,167	819	5,000	4,500	(500)
830	Operating Supplies	54	41	2,000	200	(1,800)
830	Personnel Training	334	92	100	3,600	3,500
830	Other Professional Fees	43,236	21,300	100,000	200,000	100,000
830	Equipment Usage	0	0	0	0	0
830	Safety	0	0	1,000	0	(1,000)
Total Asset Systems		305,585	186,673	495,340	711,722	216,382

Consolidated Operating Expense Budget for FY 2020-21

Maintenance

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 19-20 Budget	FY 2020-21 Proposed Budget	Incr/(Decr)
Asset Systems						
830	Regular Labor	256,794	164,421	503,422	520,577	17,155
830	Overtime Labor	5,167	819	4,500	3,500	(1,000)
830	Operating Supplies	54	41	200	200	0
830	Personnel Training	334	92	3,600	3,600	0
830	Other Professional Fees	43,236	21,300	200,000	200,000	0
830	Equipment Usage	0	0	0	0	0
830	Safety	0	0	0	0	0
Total Asset Systems		305,585	186,673	711,722	727,877	16,155

Consolidated Operating Expense Budget for FY 2019-20

Maintenance

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Incr/(Decr)
Mechanical Services						
840	Regular Labor	1,168,343	601,446	1,392,558	1,440,165	47,607
840	Overtime Labor	92,227	50,158	96,600	108,050	11,450
840	Contract Labor	7,987	0	40,000	80,000	40,000
840	Fuel	843	0	0	0	0
840	Operating Supplies	(2,975)	193,916	34,500	492,700	458,200
840	Rep & Maint IRWD	1,168,872	470,417	977,400	1,009,600	32,200
840	Personnel Training	931	462	0	0	0
840	Other Professional Fees	334	0	0	0	0
840	Equipment Usage	0	0	0	0	0
840	Safety	0	0	6,200	5,000	(1,200)
840	Commuter Program	0	(323)	0	0	0
Total	Mechanical Services	2,436,562	1,316,076	2,547,258	3,135,515	588,257

Consolidated Operating Expense Budget for FY 2020-21

Maintenance

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 19-20 Budget	FY 2020-21 Proposed Budget	Incr/(Decr)
Mechanical Services						
840	Regular Labor	1,168,343	601,446	1,440,165	1,497,541	57,376
840	Overtime Labor	92,227	50,158	108,050	110,450	2,400
840	Contract Labor	7,987	0	80,000	80,000	0
840	Fuel	843	0	0	0	0
840	Operating Supplies	(2,975)	193,916	492,700	500,200	7,500
840	Rep & Maint IRWD	1,168,872	470,417	1,009,600	1,112,600	103,000
840	Personnel Training	931	462	0	0	0
840	Other Professional Fees	334	0	0	0	0
840	Equipment Usage	0	0	0	0	0
840	Safety	0	0	5,000	5,000	0
840	Commuter Program	0	(323)	0	0	0
Total Mechanical Services		2,436,562	1,316,076	3,135,515	3,305,791	170,276

Consolidated Operating Expense Budget for FY 2019-20

Maintenance

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Incr/(Decr)
Facilities Services						
850	Regular Labor	724,243	354,710	730,898	761,128	30,230
850	Overtime Labor	36,440	25,858	42,000	42,000	0
850	Contract Labor	58,178	41,065	28,800	0	(28,800)
850	Electricity	388,029	235,222	390,833	404,000	13,167
850	Fuel	21,944	9,373	30,000	20,000	(10,000)
850	Telecommunication	20	0	400	0	(400)
850	Other Utilities	70,456	35,052	73,600	69,000	(4,600)
850	Operating Supplies	65,688	27,484	78,500	54,000	(24,500)
850	Rep & Maint Other Agencies	6,771	0	7,000	7,200	200
850	Rep & Maint IRWD	1,882,077	973,762	1,780,300	1,904,600	124,300
850	Engineering Fees	70,492	7,193	0	0	0
850	Personnel Training	47	69	120	120	0
850	Equipment Usage	0	0	0	0	0
Total	Facilities Services	3,324,385	1,709,788	3,162,451	3,262,048	99,597

Consolidated Operating Expense Budget for FY 2020-21

Maintenance

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 19-20 Budget	FY 2020-21 Proposed Budget	Incr/(Decr)
Facilities Services						
850	Regular Labor	724,243	354,710	761,128	791,916	30,788
850	Overtime Labor	36,440	25,858	42,000	42,000	0
850	Contract Labor	58,178	41,065	0	0	0
850	Electricity	388,029	235,222	404,000	420,000	16,000
850	Fuel	21,944	9,373	20,000	20,000	0
850	Telecommunication	20	0	0	0	0
850	Other Utilities	70,456	35,052	69,000	69,000	0
850	Operating Supplies	65,688	27,484	54,000	54,000	0
850	Rep & Maint Other Agencies	6,771	0	7,200	7,200	0
850	Rep & Maint IRWD	1,882,077	973,762	1,904,600	1,914,200	9,600
850	Engineering Fees	70,492	7,193	0	0	0
850	Personnel Training	47	69	120	120	0
850	Equipment Usage	0	0	0	0	0
Total Facilities Services		3,324,385	1,709,788	3,262,048	3,318,436	56,388

Consolidated Operating Expense Budget for FY 2019-20

Maintenance

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Incr/(Decr)
Fleet Services						
870	Regular Labor	434,528	199,369	416,484	456,562	40,078
870	Overtime Labor	17,873	8,898	8,300	8,000	(300)
870	Fuel	531,562	326,596	450,000	600,000	150,000
870	Other Utilities	58,338	28,391	61,600	64,000	2,400
870	Operating Supplies	5,072	340	6,950	7,700	750
870	Permits, Licenses and Fees	9,837	2,083	8,500	13,500	5,000
870	Equipment Rental	0	0	8,000	8,000	0
870	Rep & Maint IRWD	581,131	302,813	580,000	640,000	60,000
870	Personnel Training	747	316	1,692	1,700	8
870	Equipment Usage	0	0	0	0	0
870	Mileage Reimbursement	148,140	72,799	146,000	150,000	4,000
Total Fleet Services		1,787,228	941,605	1,687,526	1,949,462	261,936
Total Maintenance		10,167,947	5,299,339	10,382,387	12,939,533	2,557,146

Consolidated Operating Expense Budget for FY 2020-21

Maintenance

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 19-20 Budget	FY 2020-21 Proposed Budget	Incr/(Decr)
Fleet Services						
870	Regular Labor	434,528	199,369	456,562	475,951	19,389
870	Overtime Labor	17,873	8,898	8,000	8,000	0
870	Fuel	531,562	326,596	600,000	640,000	40,000
870	Other Utilities	58,338	28,391	64,000	64,000	0
870	Operating Supplies	5,072	340	7,700	7,700	0
870	Permits, Licenses and Fees	9,837	2,083	13,500	13,500	0
870	Equipment Rental	0	0	8,000	8,000	0
870	Rep & Maint IRWD	581,131	302,813	640,000	640,000	0
870	Personnel Training	747	316	1,700	1,700	0
870	Equipment Usage	0	0	0	0	0
870	Mileage Reimbursement	148,140	72,799	150,000	150,000	0
Total Fleet Services		1,787,228	941,605	1,949,462	2,008,851	59,389
Total Maintenance		10,167,947	5,299,339	12,939,533	13,288,464	348,931

Program Descriptions

The Water Resources and Policy Department is responsible for developing and implementing water resource supply and demand management programs to enhance the reliability of water supplies for District customers. This is, in part, accomplished by expanding the use of recycled water in compliance with State and local requirements. To ensure the protection of the public water supply, including at recycled water use sites, Cross-Connection plays an important role by implementing programs to protect public health.

Recycled Water Development: 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 6,000 recycled water meters including:

- More than 100 commercial dual-plumbed buildings where recycled water is used for flushing toilets and urinals,
- More than 25 cooling towers, and,
- More than 650 single-family lots where recycled water is used for irrigating both the front and back yards.

IRWD is also recognized for its support of recycled water through organizations such as the WateReuse Association, a national recycled water advocacy group. IRWD, in concert with WateReuse California, 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. On a regional level, IRWD had 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.

Last fiscal year the Recycled Water Development Group worked on some innovative projects. IRWD partnered with the University of California, Irvine to serve their Central Plant cooling towers with recycled water that will conserve approximately 260 acre-feet per year of potable water. This project is IRWD's single largest industrial recycled water customer. The Group also worked with the Irvine Ice Foundation, a non-profit organization affiliated with the Anaheim Ducks, to use recycled water to make ice in four new ice rinks at the new 280,000 square foot facility in the Great Park. IRWD continues to work to add new recycled water customers by connecting sites which are the result of new construction and by converting existing potable or untreated water customers to recycled water.

Recycled Water Use Site Inspection and Testing: Ensuring the safe and proper use of recycled water is important not only to our customers but the community as well. This is accomplished by implementing a use site inspection and testing program. During the development process, staff reviews project plans and inspects for compliance with State and local requirements. Once the sites are activated, IRWD has a responsibility to monitor those sites for on-going compliance with State and local requirements. This is done by having a recycled water use site inspection and testing program where each site is periodically inspected for proper system identification, hours of operation, avoiding runoff, to determine that there are no cross connections, and to ensure that Site Supervisors understand their roles and responsibilities. This work is currently accomplished by both staff and contractors.

Cross-Connection Control: Title 17 of the California Code of Regulations requires that water agencies protect the public water system from contamination. This is done by implementing a cross-connection control program. IRWD's program includes surveying properties to determine what hazards, if any, exist and what type of backflow prevention device is required to protect the public system. Once a backflow prevention device is installed, annual testing is required to make sure it functions properly. These tests are performed by a certified backflow device technicians hired by the property owners. IRWD sends letters to property owners with testable backflow prevention devices notifying them that their devices are to be tested. Once a device is tested, the technician is required to submit documentation to IRWD. There are currently more than 20,000 testable devices in IRWD's service area.

To confirm for on-going compliance at customer sites, IRWD staff conducts periodic field inspections to monitor for hazardous conditions and to determine if field conditions have changed that would warrant a change to the backflow requirements. These periodic field inspections are prioritized based on the types of activities conducted at customer sites.

IRWD itself has more than 100 backflow prevention devices at its properties that also require testing. These devices are tested by IRWD staff. If maintenance or repairs on IRWD's devices is required, that work is performed by IRWD staff.

Major Goals

RECYCLED WATER DEVELOPMENT

- Expand the use of recycled water consistent with Title 22 of the California Code of Regulations;
- Convert a minimum of 100 acre-feet of imported water use to recycled water;
- Pursue a new *Local Resources Program* funding agreement with MWD which provides a "per-acre foot" financial incentive to increase the use of recycled water;
- Assist WateReuse California with its legislative agenda which includes allowing discharge of recycled water from impoundments during storm events;
- Remain active in the Orange County Chapter of WateReuse California; and,
- Seek opportunities to dual-plumb commercial buildings, hotels, condominiums, and apartment properties.

RECYCLED WATER USE and CROSS-CONNECTION CONTROL

OPERATING BUDGET SUMMARY

RECYCLED WATER USE SITE INSPECTION & TESTING

- Conduct periodic visual inspections, cross-connection tests, and Site Supervisor training at more than 1,500 recycled water use sites;
- Inform property owners of the things that need to be done to bring the site into compliance with State and local requirements; and,
- Keep records of the site inspection, site testing and Site Supervisor training.

CROSS-CONNECTION CONTROL

- Send notifications to customers requesting they have their backflow prevention device(s) tested and if necessary, repaired. There are more than 20,000 testable backflow prevention devices in IRWD's service area;
- Conduct periodic inspections of customer sites to ensure the proper backflow prevention device(s) are in place;
- Compile a list of high-, medium-, and low-hazard sites in IRWD's service area that will be the basis for future inspections based on level of risk; and,
- Test IRWD owned backflow prevention devices and repair as necessary.

Consolidated Operating Expense Budget for FY 2019-20

Water Resources and Policy

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Incr/(Decr)
Water Resources and Policy						
710	Regular Labor	1,022,428	496,892	637,236	846,105	208,869
710	Overtime Labor	116	69	3,500	5,400	1,900
710	Contract Labor	16,320	24,005	70,400	16,500	(53,900)
710	Operating Supplies	9,926	5,167	5,000	5,000	0
710	Printing	255	0	0	0	0
710	Postage	1,979	544	0	1,200	1,200
710	Permits, Licenses and Fees	53,385	(11,754)	50,000	60,000	10,000
710	Office Supplies	2,963	1,077	0	2,800	2,800
710	Rep & Maint IRWD	79	246	0	2,500	2,500
710	Engineering Fees	118,397	0	0	0	0
710	Personnel Training	8,189	6,304	14,300	15,300	1,000
710	Other Professional Fees	406,417	185,337	463,600	417,800	(45,800)
710	Equipment Usage	0	0	0	0	0
710	Conservation	1,475	0	0	0	0
Total	Water Resources and Policy	1,641,929	707,887	1,244,036	1,372,605	128,569

Consolidated Operating Expense Budget for FY 2020-21

Water Resources and Policy

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 19-20 Budget	FY 2020-21 Proposed Budget	Incr/(Decr)
Water Resources and Policy						
710	Regular Labor	1,022,428	496,892	846,105	875,460	29,355
710	Overtime Labor	116	69	5,400	5,400	0
710	Contract Labor	16,320	24,005	16,500	16,500	0
710	Operating Supplies	9,926	5,167	5,000	5,000	0
710	Printing	255	0	0	0	0
710	Postage	1,979	544	1,200	1,200	0
710	Permits, Licenses and Fees	53,385	(11,754)	60,000	60,000	0
710	Office Supplies	2,963	1,077	2,800	2,800	0
710	Rep & Maint IRWD	79	246	2,500	2,500	0
710	Engineering Fees	118,397	0	0	0	0
710	Personnel Training	8,189	6,304	15,300	15,300	0
710	Other Professional Fees	406,417	185,337	417,800	442,800	25,000
710	Equipment Usage	0	0	0	0	0
710	Conservation	1,475	0	0	0	0
Total Water Resources and Policy		1,641,929	707,887	1,372,605	1,426,960	54,355

WATER RESOURCES AND ENVIRONMENTAL COMPLIANCE

OPERATING BUDGET SUMMARY

Program Description

The Water Resources and Policy 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 water banking programs, environmental compliance activities, and energy efficiency and renewable energy programs.

Water Resources and Environmental Compliance: 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, risks of major earthquakes, 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, banking partners 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 (MWD). This department is also responsible for the participation of IRWD-owned lands located in the Palo Verde Irrigation District (PVID) in the PVID/MWD existing fallowing program and any new water conservation related programs that PVID and MWD implement in the future.

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

WATER RESOURCES AND ENVIRONMENTAL COMPLIANCE

OPERATING BUDGET SUMMARY

Major Goals

WATER RESOURCES

- Bank supplemental water for IRWD, develop extraction and additional recharge and storage capacity as needed for IRWD and its water banking partners;
- Manage the [FS1]completion of planning and feasibility studies as well as the development of the agreements needed for the implementation of the Kern Fan Groundwater Storage Project;
- Oversee the formation of a Joint Powers Authority and work with the Authority's Program Manager to oversee the design, construction and operation of the Project;
- Negotiate a MWD Policy for the delivery of MWD system water to IRWD's Kern County Banking Projects;
- Finalize agreements for a pilot program through which other Orange County water agencies can participate in IRWD's water banking program;
- Implement long-term unbalanced exchange agreements with Central Coast Water Authority, Mojave Water Agency and others for IRWD's water banking program;
- Finalize a business plan for IRWD's water banking projects and programs;
- Implement long-term exchange program to facilitate exports of Kern River water to IRWD service area;
- Negotiate agreements to integrate IRWD's Strand Ranch and Stockdale West properties into the Kern Fan Groundwater Sustainability Agency under SGMA;
- Participate in water conservation programs implemented by MWD and Palo Verde Irrigation District, such as land fallowing, which can make water available for other uses;
- Investigate cost effective opportunities to purchase State Water Project Table A entitlement; and,
- Prepare and submit grant funding applications for eligible IRWD capital projects including Reclamation's WaterSMART funding.

ENVIRONMENTAL COMPLIANCE

- Complete the work and studies associated with the EIR for the Syphon Reservoir Improvement Project; and,
- Fulfill the District's environmental 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

- Update the District's Salt Management Model and Plan;
- Evaluate the impact of varying water supplies on maintaining the District's salt balance;
- Update the Embedded Energy Plan;
- Seek grant opportunities for District energy projects;

- Participate in SCE's Direct Access Program; and,
- Maximize participation in Phase 2 of the SCE Water-Energy Pilot Program by jointly working with SCE on evaluating beneficial energy projects.

Consolidated Operating Expense Budget for FY 2019-20

Water Resources and Policy

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Incr/(Decr)
Water Resources and Environmental Compliance						
720	Regular Labor	710,272	346,401	1,030,956	1,186,290	155,334
720	Overtime Labor	1,244	0	400	400	0
720	Contract Labor	24,893	0	0	0	0
720	Electricity	5,595	0	466,220	155,700	(310,520)
720	Postage	0	17	0	0	0
720	Permits, Licenses and Fees	734,203	635,910	638,000	688,700	50,700
720	Rep & Maint IRWD	535,295	161,520	677,900	665,744	(12,156)
720	Personnel Training	743	752	0	0	0
720	Other Professional Fees	142,075	52,690	130,800	158,000	27,200
720	Mileage Reimbursement	40	47	0	0	0
Total	Water Resources and Environmental Compliance	2,154,359	1,197,337	2,944,276	2,854,834	(89,442)

Consolidated Operating Expense Budget for FY 2020-21

Water Resources and Policy

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 19-20 Budget	FY 2020-21 Proposed Budget	Incr/(Decr)
Water Resources and Environmental Compliance						
720	Regular Labor	710,272	346,401	1,186,290	1,230,208	43,918
720	Overtime Labor	1,244	0	400	400	0
720	Contract Labor	24,893	0	0	0	0
720	Electricity	5,595	0	155,700	155,700	0
720	Postage	0	17	0	0	0
720	Permits, Licenses and Fees	734,203	635,910	688,700	652,450	(36,250)
720	Rep & Maint IRWD	535,295	161,520	665,744	632,549	(33,195)
720	Personnel Training	743	752	0	0	0
720	Other Professional Fees	142,075	52,690	158,000	148,800	(9,200)
720	Mileage Reimbursement	40	47	0	0	0
Total	Water Resources and Environmental Compliance	2,154,359	1,197,337	2,854,834	2,820,107	(34,727)

Program Description

The Water Resources and Policy 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 public affairs.

Public Affairs: 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 platforms, including print, video, personal contact, education programs, publications, tours, and electronic and social media outlets. The IRWD communication program serves the District and its 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;
- Conveying accurate, timely information to the public on sensitive and controversial issues; and,
- Promoting transparency and easy-to-access information.

Major Goals

WATER EFFICIENCY OUTREACH

- Develop and implement an overarching message to educate customers about water efficiency;
- Educate the public about the value or recycled water;
- Teach customers how to reduce outdoor water use with the RightScape program;
- Maximize multiple outreach platforms including resident tours of IRWD facilities, meetings with community groups, print media, electronic media, internet, hallway displays and video;
- Provide students in the IRWD service area with learning opportunities regarding water supply, water reliability, tap water, and water use efficiency programs. Promote water education programs to schools in the IRWD service area and at facilities where students gather;
- Conduct outreach to customers who regularly exceed their monthly water budget; and,
- Teach customers how to save water and money by understanding their water bill.

COMMUNITY OUTREACH AND MEDIA PROGRAMS

- Create, update and refine multi-pronged social media outreach channels to inform IRWD customers, the media, business partners, IRWD employees and other government entities;
- Refine and execute tap water quality programs and infrastructure outreach programs;
- Enhance public trust by promoting customer service and answering customer questions;
- Enhance communications with customers through a targeted media outreach and public communications program including updates for construction and maintenance projects; and
- Provide enhanced customer outreach initiatives based on customer feedback programs.

Irvine Ranch Water District

Consolidated Operating Expense Budget for FY 2019-20

Water Resources and Policy

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Incr/(Decr)
Public Affairs						
730	Regular Labor	683,861	354,169	689,588	755,462	65,874
730	Overtime Labor	9,997	5,418	8,000	0	0
730	Operating Supplies	53	60	700	400	(300)
730	Printing	57,798	15,321	117,000	76,000	(41,000)
730	Postage	164	149	200	200	0
730	Office Supplies	3,648	2,132	6,000	6,000	0
730	Personnel Training	8,319	7,671	12,122	13,050	928
730	Other Professional Fees	1,738,655	901,772	1,999,400	1,743,350	(256,050)
730	Equipment Usage	0	0	0	0	0
730	Mileage Reimbursement	25	14	0	0	0
730	Conservation	1,278	0	0	0	0
Total Public Affairs		2,503,798	1,286,706	2,833,010	2,594,462	(230,548)

Consolidated Operating Expense Budget for FY 2020-21

Water Resources and Policy

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 19-20 Budget	FY 2020-21 Proposed Budget	Incr/(Decr)
Public Affairs						
730	Regular Labor	683,861	354,169	755,462	790,016	34,554
730	Overtime Labor	9,997	5,418	0	0	0
730	Operating Supplies	53	60	400	400	0
730	Printing	57,798	15,321	76,000	55,000	(21,000)
730	Postage	164	149	200	200	0
730	Office Supplies	3,648	2,132	6,000	6,000	0
730	Personnel Training	8,319	7,671	13,050	13,050	0
730	Other Professional Fees	1,738,655	901,772	1,743,350	1,700,350	(43,000)
730	Equipment Usage	0	0	0	0	0
730	Mileage Reimbursement	25	14	0	0	0
730	Conservation	1,278	0	0	0	0
Total Public Affairs		2,503,798	1,286,706	2,594,462	2,565,016	(29,446)

Program Description

The Water Resources and Policy 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 Water Efficiency Programs.

Water 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 sewage resource recycling. In 2019, the Department will use the results of a future potential water efficiency study to inform program development and update the 2013 Water Use Efficiency Plan. Water efficiency programs focused on outdoor water efficiency, adherence to new state mandates, tactical incentives and participation in innovative pilots and research that maintain IRWD's leadership position are incorporated into the two-year fiscal 2019-21 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.

Major Goals

WATER EFFICIENCY

- Complete the Future Potential Water Efficiency Study to identify new opportunities for water efficiency;
- 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 outdoor efficiency programs;
- 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;
- Implement 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 discussions with the State Water Resources Control Board, the Department of Water Resources and other stakeholders on implementation of the State's Conservation as a California Way of Life legislation for efficient water use that balances local conditions, supplies, use pf recycled water, prior conservation, growth and other equity adjustments;
- Establish the appropriate metrics and quantify water efficiency targets; and,
- Develop a Water Loss Control Plan to define District programs and annual Water Loss Audit Report guidance for data collection and management.

Irvine Ranch Water District

Consolidated Operating Expense Budget for FY 2019-20

Water Resources and Policy

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Incr/(Decr)
Water Efficiency						
750	Regular Labor	467,138	328,348	625,254	706,455	81,201
750	Overtime Labor	9,933	24,975	41,000	39,000	(2,000)
750	Contract Labor	108,681	56,816	124,000	178,000	54,000
750	Operating Supplies	2,192	372	2,500	5,700	3,200
750	Postage	0	51	0	0	0
750	Office Supplies	14	118	0	0	0
750	Rep & Maint IRWD	26,437	5,117	30,000	30,000	0
750	Personnel Training	16,310	12,173	17,500	20,000	2,500
750	Other Professional Fees	193,031	7,788	258,000	211,000	(47,000)
750	Conservation	1,539,271	228,729	2,050,000	963,000	(1,087,000)
Total Water Efficiency		2,363,007	664,487	3,148,254	2,153,155	(995,099)
Total Water Resources and Policy		8,663,093	3,856,417	10,169,576	8,975,056	(1,194,520)
GRAND TOTAL		152,240,179	80,431,040	161,390,126	170,929,454	9,539,328

Consolidated Operating Expense Budget for FY 2020-21

Water Resources and Policy

Dept No	Expense Name	FY 2017-18 Actual	FY 2018-19 Actual thru 12/31/18	FY 19-20 Budget	FY 2020-21 Proposed Budget	Incr/(Decr)
Water Efficiency						
750	Regular Labor	467,138	328,348	706,455	737,824	31,369
750	Overtime Labor	9,933	24,975	39,000	39,000	0
750	Contract Labor	108,681	56,816	178,000	178,000	0
750	Operating Supplies	2,192	372	5,700	5,700	0
750	Postage	0	51	0	0	0
750	Office Supplies	14	118	0	0	0
750	Rep & Maint IRWD	26,437	5,117	30,000	30,000	0
750	Personnel Training	16,310	12,173	20,000	20,000	0
750	Other Professional Fees	193,031	7,788	211,000	194,000	(17,000)
750	Conservation	1,539,271	228,729	963,000	1,003,000	40,000
Total Water Efficiency		2,363,007	664,487	2,153,155	2,207,524	54,369
Total Water Resources and Policy		8,663,093	3,856,417	8,975,056	9,019,607	44,551
GRAND TOTAL		152,240,179	80,431,040	170,929,454	177,685,218	6,755,764

GENERAL PLANT

SUMMARY
FY 2019-20

	Fiscal Year 2018-19	Fiscal Year 2019-20	Increase (Decrease)
Information Systems	$ 903,000	$ 721,500	$ (181,500)
Transportation Equipment	671,500	607,000	(64,500)
Laboratory Equipment	363,050	303,000	(60,050)
Equipment	756,700	637,500	(119,200)
Sub-Total	$2,694,250	$2,269,000	$ (425,250)
Less: Vehicle Salvage Value	(49,200)	(52,000)	(2,800)
Total General Plant *	**$2,645,050**	**$2,217,000**	**$ (428,050)**

Fiscal Year 2019-20

Funded by User Charges	$1,699,688	76.67%
Funded by Capital Funds	418,058	18.86%
Funded by Overallocation Rev	99,255	4.48%
Total Fiscal Year 2019-20	**$2,217,000**	**100.00%**

Fiscal Year 2018-19

Funded by User Charges	$1,715,000	64.84%
Funded by Capital Funds	777,050	29.38%
Funded by Overallocation Rev	153,000	5.78%
Total Fiscal Year 2018-19	**$2,645,050**	**100.00%**

* 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

SUMMARY
FY 2020-21

	Fiscal Year 2019-20	Fiscal Year 2020-21	Increase (Decrease)
Information Systems	$ 721,500	$ 328,500	$ (393,000)
Transportation Equipment	607,000	354,500	(252,500)
Laboratory Equipment	303,000	264,200	(38,800)
Equipment	637,500	1,089,000	451,500
Sub-Total	$2,269,000	$2,036,200	$ (232,800)
Less: Vehicle Salvage Value	(52,000)	(54,000)	(2,000)
Total General Plant *	**$2,217,000**	**$1,982,200**	**$ (234,800)**

Fiscal Year 2020-21

Funded by User Charges	$1,679,200	84.71%
Funded by Capital Funds	167,575	8.45%
Funded by Overallocation Rev	135,425	6.83%
Total Fiscal Year 2020-21	**$1,982,200**	**100.00%**

Fiscal Year 2019-20

Funded by User Charges	$1,699,688	76.67%
Funded by Capital Funds	418,058	18.86%
Funded by Overallocation Rev	99,255	4.48%
Total Fiscal Year 2019-20	**$2,217,000**	**100.00%**

* 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 BY DEPARTMENT
FY 2019-20

Description	Finance and Administrative Services	Engineering	Recycling and Water Operations	Water Quality and Regulatory Compliance	Water Policy	Maintenance	Total
Information Systems and Technology	$ 721,500	$ -	$ -	$ -	$ -	$ -	$ 721,500
Laboratory Equipment	-	-	-	303,000	-	-	303,000
Other General Plant	-	-	-	-	-	-	-
Work Class Equipment	89,000	-	504,500	-	4,000	40,000	637,500
Transportation	-	-	303,500	29,500	55,000	219,000	607,000
Subtotal	$ 810,500	$ -	$ 808,000	$ 332,500	$ 59,000	$ 259,000	$ 2,269,000
Less Vehicle Salvage Value	-	-	(52,000)	-	-	-	(52,000)
Total Fiscal Year 2019-20	**$ 810,500**	**$ -**	**$ 756,000**	**$ 332,500**	**$ 59,000**	**$ 259,000**	**$ 2,217,000**
Total Fiscal Year 2018-19	903,000	311,050	1,431,000	-	-	-	2,645,050
Increase/(Decrease)	$ (92,500)	$ (311,050)	$ (675,000)	$ 332,500	$ 59,000	$ 259,000	$ (428,050)

GENERAL PLANT

ANALYSIS BY DEPARTMENT
FY 2020-21

Description	Finance and Administrative Services	Engineering	Recycling and Water Operations	Water Quality and Regulatory Compliance	Water Policy	Maintenance	Total
Information Systems and Technology	$ 328,500	$ -	$ -	$ -	$ -	$ -	$ 328,500
Laboratory Equipment	-	-	-	264,200	-	-	264,200
Other General Plant	-	-	-	-	-	-	-
Work Class Equipment	-	-	1,079,000	-	-	10,000	1,089,000
Transportation	24,500	49,000	281,000	-	-	-	354,500
Subtotal	$ 353,000	$ 49,000	$ 1,360,000	$ 264,200	$ -	$ 10,000	$ 2,036,200
Less Vehicle Salvage Value	-	-	(54,000)	-	-	-	(54,000)
Total Fiscal Year 2020-21	**$ 353,000**	**$ 49,000**	**$ 1,306,000**	**$ 264,200**	**$ -**	**$ 10,000**	**$ 1,982,200**
Total Fiscal Year 2019-20	810,500	-	758,800	332,500	95,000	223,000	2,219,800
Increase/(Decrease)	$ (457,500)	$ 49,000	$ 547,200	$ (68,300)	$ (95,000)	$ (213,000)	$ (237,600)

GENERAL PLANT

GENERAL PLANT BUDGET DETAIL
FY 2019-20

TASK		Item Description	Quantity	Price	Proposed 2019-20
Department:		INFORMATION SERVICES			
250	8030.250.13	SCADA iPad Tablets	11	$ 1,182	$ 13,000
250	8031.250.10	Network Attached SCADA Storage Replacement	1	8,000	8,000
250	8031.250.11	SCADA Server Replacement	1	12,000	12,000
250	8031.250.14	Network Monitoring Software Upgrade/Replacement	1	24,500	24,500
250	8031.250.15	Internet Firewalls Replacement	3	29,667	89,000
250	8031.250.17	SCADA Server Replacement	2	25,000	50,000
250	8031.250.6	Audio Visual Equipment Replacement - Sand Canyon Mulipurpose Room	1	27,000	27,000
250	8031.250.7	Wireless Network Equipment Replacement	1	93,000	93,000
250	8031.250.8	Endpoint Protection Software Replacement	1	12,000	12,000
250	8031.250.9	Industrial SCADA PC Replacement MWRP	20	1,250	25,000
250	8036.250.12	Operations Center Data Communications Fiber Cable Replacement	1	92,000	92,000
250	8041.250.1	PC Replacement	75	1,813	136,000
250	8041.250.16	Laptop for Emergeny Operations Center (EOC)	10	2,500	25,000
250	8041.250.2	Laptop Replacement	64	1,250	80,000
250	8041.250.3	Laptops for SCADA Development	4	1,250	5,000
250	8041.250.4	Laptops for Water Quality Laboratory	5	2,500	12,500
250	8041.250.5	Laptops for Regulatory Compliance Field Staff	14	1,250	17,500
Sub-Total					$ 721,500
Department:		NTS OPERATIONS			
515	8036.515.12	Solar Powered Water Mixer	1	$ 26,000	$ 26,000
515	8036.515.13	Solar Powered Water Mixer	1	26,000	26,000
515	8036.515.14	Solar Powered Water Mixer	1	26,000	26,000
Sub-Total					$ 78,000
Department:		WATER QUALITY & REGULATORY COMPLIANCE			
600	8031.600.1	Misc. Laboratory Equipment for Unplanned Projects and Regulatory Requiremen	1	$ 45,000	$ 45,000
600	8031.600.2	Laboratory Equipment for Biosolids and Energy Recovery Project.	1	25,000	25,000
600	8036.600.1	Laboratory Instrumentation for Future Biosolids and Energy Recovery Project	1	25,000	25,000
600	8036.600.2	Existing Laboratory Equipment Replacement	1	208,000	208,000
Sub-Total					$ 303,000
Department:		WATER RESOURCES AND POLICY			
710	8031.710.1	American Backflow Specialties - Duke Model EZ900, Robinar Hoses, Wilkins Quick Connect System plus other miscellaneous fittings.	1	$ 4,000	$ 4,000
Sub-Total					$ 4,000

GENERAL PLANT

GENERAL PLANT BUDGET DETAIL
FY 2019-20

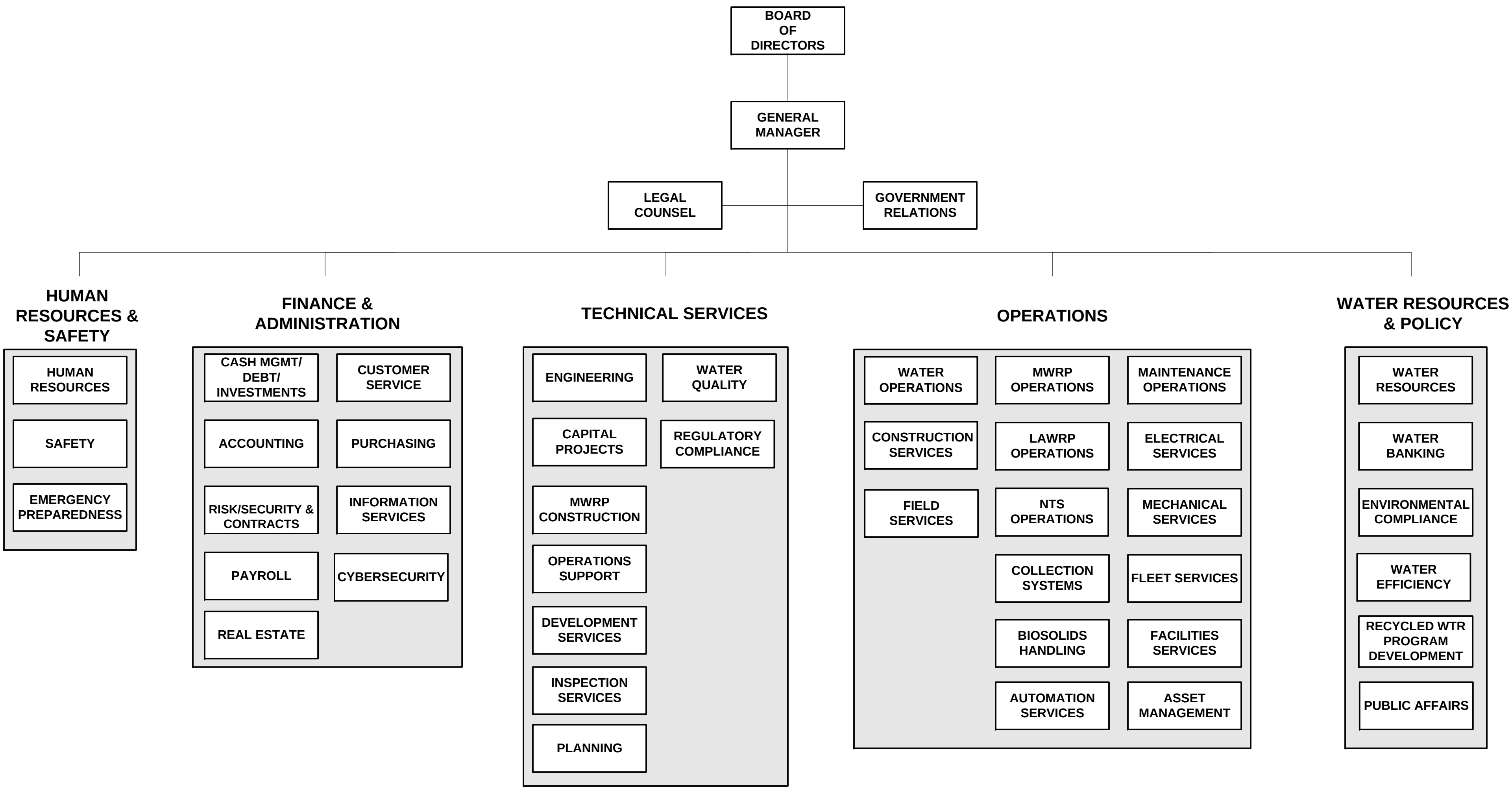
	TASK	Item Description	Quantity	Price	Proposed 2019-20
Department:		FLEET SERVICES			
870	8036.870.1	11,000 lb. Capacity Propane Forklift	1	$ 41,000	$ 41,000
870	8036.870.15	Utility Trailer and Hose Bridges	1	52,500	52,500
870	8036.870.2	8,000 lb. Capacity Propane Forklift	1	48,000	48,000
870	8036.870.3	Utility Cart	1	13,000	13,000
870	8036.870.4	Utility Cart	1	13,000	13,000
870	8036.870.5	Brake Lathe	1	14,000	14,000
870	8037.870.6	1,500 Gallon Truck Mounted Sewer Jetter	1	374,000	374,000
870	8037.870.7	Medium Duty Pickup Truck Mounted Aerial Lift	1	109,000	109,000
870	8051.870.10	Medium Duty Pickup Truck (Chassis Cab)	1	26,500	26,500
870	8055.870.11	Light Duty Pickup Truck 4x4	1	29,500	29,500
870	8055.870.16	Cargo Utility Van	1	42,500	42,500
870	8055.870.17	Medium Pickup Truck w/Utility Bed and Crane	1	67,500	67,500
870	8055.870.18	Medium Duty Pickup 4X2	1	28,500	28,500
870	8055.870.19	Medium Duty Pickup 4X2	1	28,500	28,500
870	8055.870.20	Medium Duty Pickup 4X2	1	28,500	28,500
870	8055.870.21	Light Duty Sport Utility Vehicle	1	26,500	26,500
870	8055.870.8	Medium Duty Pickup Truck w/Utility Bed, Crane, Compressor, and Generator	1	110,000	110,000
870	8055.870.9	Medium Duty Pickup Truck w/Utility Bed, Crane, Compressor, and Generator	1	110,000	110,000
Sub-Total					$ 1,162,500
Total General Plant					$ 2,269,000

GENERAL PLANT

GENERAL PLANT BUDGET DETAIL
FY 2020-21

TASK		Item Description	Quantity	Price	Proposed 2020-21
Department:		INFORMATION SERVICES			
250	8030.250.13	SCADA iPad Tablets	4	$ 1,250	$ 5,000
250	8031.250.11	Cyber Security	1	100,000	100,000
250	8041.250.1	PC Replacement	75	1,813	136,000
250	8041.250.2	Laptop Replacement	64	1,250	80,000
250	8041.250.4	Laptops for Water Quality Laboratory	3	2,500	7,500
Sub-Total					$ 328,500
Department:		NTS OPERATIONS			
515	8036.515.24	Solar Powered Water Mixer	1	26,000	26,000
515	8037.515.25	Solar Powered Water Mixer	1	26,000	26,000
515	8038.515.26	Solar Powered Water Mixer	1	26,000	26,000
515	8039.515.27	Solar Powered Water Mixer	1	26,000	26,000
Sub-Total					$ 104,000
Department:		WATER QUALITY & REGULATORY COMPLIANCE			
600	8031.600.1	Misc. Laboratory Equipment for Unplanned Projects and Regulatory Requiremen	1	$ 45,000	$ 45,000
600	8036.600.2	Existing Laboratory Equipment Replacement	1	219,200	219,200
Sub-Total					$ 264,200
Department:		FLEET SERVICES			
870	8036.870.22	Camp Crew Truck	1	110,000	110,000
870	8036.870.23	Camp Crew Truck	1	110,000	110,000
870	8037.870.28	Portable Gantry	1	10,000	10,000
870	8037.870.29	Hydro Excavator	1	530,000	530,000
870	8037.870.30	Combo Sewer Truck	1	445,000	445,000
870	8055.870.10	Hybrid Sedan	1	24,500	24,500
870	8055.870.11	Hybrid Sedan	1	24,500	24,500
870	8055.870.12	Hybrid Sedan	1	24,500	24,500
870	8055.870.31	Light Duty Pickup Truck 4x4	1	29,500	29,500
870	8056.870.32	Medium Duty Pickup 4X4	1	31,500	31,500
Sub-Total					$ 1,339,500
Total General Plant					$ 2,036,200

Irvine Ranch Water District
Organizational Chart
(By Function)



POSITIONS BY COST CENTER

FOUR YEAR PERSONNEL COMPARISON

Department	Budget FY 2017-18	FY 2018-19	Proposed FY 2019-20	FY 2020-21
Administration				
Number of Positions	16.0	16.0	16.0	16.0
% change from prior year	6.7 %	0.0 %	0.0 %	0.0 %
Finance and Administrative Services				
Number of Positions	81.0	84.5	88.0	90.0
% change from prior year	1.3 %	4.3 %	4.1 %	2.3 %
Engineering				
Number of Positions	44.0	44.0	43.0	43.0
% change from prior year	4.8 %	0.0 %	(2.3) %	0.0 %
Water Operations				
Number of Positions	77.0	82.0	80.0	80.5
% change from prior year	5.5 %	6.5 %	(2.4) %	0.6 %
Recycling Operations				
Number of Positions	55.0	56.0	59.0	60.0
% change from prior year	10.0 %	1.8 %	5.4 %	1.7 %
Water Quality and Regulatory Compliance				
Number of Positions *	28.0	28.0	29.0	30.0
% change from prior year	0.0 %	0.0 %	3.6 %	3.4 %
Water Policy				
Number of Positions *	29.0	31.5	35.0	35.0
% change from prior year	2.8 %	6.8 %	11.1 %	0.0 %
Maintenance				
Number of Positions	48.0	52.0	53.0	53.0
% change from prior year	(7.7) %	8.3 %	1.9 %	0.0 %
Total Number of Positions	378.0	394.0	403.0	407.5
Number of Changed Positions	10.0	16.0	9.0	4.5
% Change From Prior Year	2.7 %	4.2 %	2.3 %	1.1 %

* Prior years restated to reflect organizational changes

Salaries and Wages

SUMMARY OF SALARIES AND WAGES

FY 2019-20

(in thousands)	Total	Administration	Finance and Administrative Services	Engineering	Water Operations	Recycling Operations	Water Quality and Regulatory Compliance	Water Policy	Maintenance
Current Authorized:									
Gross Pay	$34,247	$1,732	$7,207	$4,607	$6,188	$4,476	$2,613	$3,218	$4,205
Annual Increase	1,512	97	343	282	308	349	117	17	238
Sub-Total Regular Salaries & Wages	$35,997	$1,829	$7,550	$4,889	$6,496	$4,824	$2,730	$3,235	$4,443
New Positions:									
Gross Pay	684	0	194	0	62	0	79	260	89
Total Regular Salaries & Wages	$36,681	$1,829	$7,744	$4,889	$6,558	$4,824	$2,809	$3,494	$4,532
Insurance and Benefits	9,089	453	1,919	1,212	1,625	1,195	696	866	1,123
Employment Tax & PERS Contributions	11,135	555	2,351	1,484	1,991	1,465	853	1,061	1,376
Total Regular Salaries & Wages, health Insurance and employment taxes	$56,905	$2,838	$12,014	$7,585	$10,173	$7,484	$4,358	$5,421	$7,031
Employee Count:	403	16	88	43	80	59	29	35	53

Salaries and Wages

SUMMARY OF SALARIES AND WAGES

FY 2020-21

(in thousands)	Total	Administration	Finance and Administrative Services	Engineering	Water Operations	Recycling Operations	Water Quality and Regulatory Compliance	Water Policy	Maintenance
Current Authorized:									
Gross Pay	$36,681	$1,829	$7,744	$4,889	$6,558	$4,824	$2,809	$3,494	$4,532
Annual Increase	1,491	82	317	204	362	200	187	139	181
Sub-Total Regular Salaries & Wages	$38,353	$1,911	$8,061	$5,093	$6,920	$5,024	$2,997	$3,634	$4,714
New Positions:									
Gross Pay	288	0	110	0	28	71	79	0	0
Total Regular Salaries & Wages	$38,641	$1,911	$8,171	$5,093	$6,948	$5,095	$3,076	$3,634	$4,714
Insurance and Benefits	9,866	488	2,086	1,300	1,774	1,301	785	928	1,204
Employment Tax & PERS Contributions	11,727	580	2,480	1,546	2,109	1,546	933	1,103	1,431
Total Regular Salaries & Wages, health Insurance and employment taxes	$60,234	$2,979	$12,737	$7,939	$10,831	$7,942	$4,795	$5,664	$7,348
Employee Count:	407.5	16	90	43	80.5	60	30	35	53

BENEFITS AND EMPLOYMENT TAX

HEALTH INSURANCE AND EMPLOYER CONTRIBUTIONS FY 2019-20

(in thousands)	FY 2018-19	FY 2019-20	Change
Insurance and Benefits			
Health Ins Actives	$ 5,423	$ 5,889	$ 466
Dental Premiums	442	464	22
Wrkrs Comp Premiums	692	727	35
Wrkrs Comp Paid Claims	813	735	(78)
Life Ins Actives	153	174	21
LT Disability Premiums	136	155	19
Medical Premiums - Retirees	151	170	19
Vision Benefit Premiums	82	85	3
RHCAP Payments - OPEB	344	496	152
Life Ins Retirees	11	13	2
Other	64	182	118
	$ 8,311	$ 9,089	$ 778
Employment Tax and PERS			
PERS Employer Portion	$ 7,468	$ 7,897	$ 429
PERS In Excess Of ARC	1,787	1,372	(415)
401A Employer Match Portion	850	924	74
401A Employer Direct Portion	160	367	208
Medicare Tax	498	525	27
St Unemployment Tax	50	50	0
	$10,813	$11,135	$322
Total Insurance, Benefits, and Taxes	$ 19,124	$ 20,224	$ 1,101

BENEFITS AND EMPLOYMENT TAX

HEALTH INSURANCE AND EMPLOYER CONTRIBUTIONS FY 2020-21

(in thousands)	FY 2019-20	FY 2020-21	Change
Insurance and Benefits			
Health Ins Actives	$ 5,889	$ 6,478	$ 589
Dental Premiums	464	488	24
Wrkrs Comp Premiums	727	763	36
Wrkrs Comp Paid Claims	735	772	37
Life Ins Actives	174	174	0
LT Disability Premiums	155	155	0
Medical Premiums - Retirees	170	177	7
Vision Benefit Premiums	85	85	0
RHCAP Payments - OPEB	496	575	79
Life Ins Retirees	13	13	(0)
Other	182	187	5
	$ 9,089	$ 9,866	$ 777
Employment Tax and PERS			
PERS Employer Portion	$ 7,897	$ 8,319	$ 422
PERS In Excess Of ARC	1,372	1,445	73
401A Employer Match Portion	924	973	49
401A Employer Direct Portion	367	387	20
Medicare Tax	525	553	28
St Unemployment Tax	50	50	0
	$11,135	$11,727	$592
Total Insurance, Benefits, and Taxes	$ 20,224	$ 21,593	$ 1,369