

***IRVINE RANCH WATER DISTRICT
OPERATING BUDGET
FISCAL YEAR 2017-18***



Irvine Ranch
WATER DISTRICT

“ADOPTED”

April 24, 2017



OPERATING BUDGET

Assumptions as of April 24, 2017 Fiscal Year 2017-18

The goal of the District's budgeting process remains to fund the resources required to provide services to the District's customers as cost-efficiently as possible. Over the past several years, the District's operating budget has aggressively pursued reductions in expenses to offset uncontrollable expenses such as pass-through rate increases from outside agencies on which the District depends for the purchase of water and the treatment of wastewater and biosolids. Pass through rate increases from outside agencies this year were partially offset by reductions in the cost of purchased water associated with a full year operation of the Baker Water Treatment Plant in FY 20-17-18. The FY 2017-18 recommended rate increase is primarily associated pass through rate increases from outside agencies.

This document is a preliminary summary of the major assumptions driving the development of the operating budget for FY 2017-18 for input by the Finance and Personnel Committee and the Board.

I. REVENUES

Growth Estimates:

Residential development growth included both apartments and single family homes for FY 2017-18. The unit estimate is based on the most current projections received from the major developers throughout the service area. Current estimates identify approximately 3,400 mixed units coming on line in FY 2017-18. As a result, the growth factor for residential development was estimated at 2.0% for FY 2017-18.

The District experienced an increase in commercial volume which is helping to meet a return of the previously lost revenue due to the economy. Current development projections for the commercial/industrial sector identify 118 acres of development occurring in FY 2017-18 as well as 98 acres developing in the current fiscal year. Staff included a 2% growth rate for commercial and industrial development for FY 2017-18. Revenue assumptions used to estimate sewer revenue match the assumptions included for potable water.

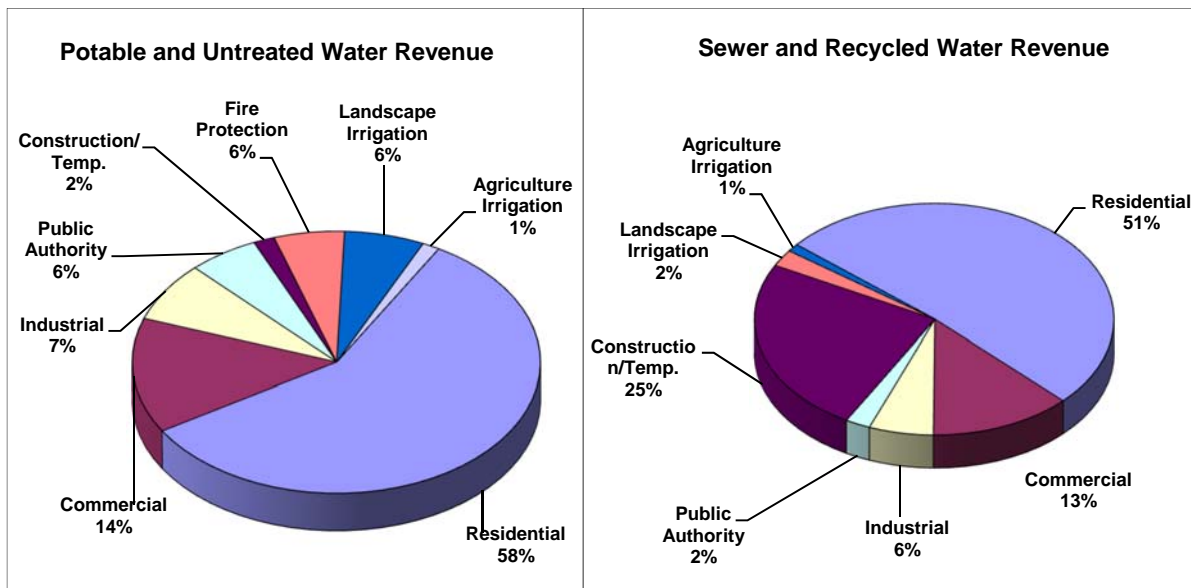


OPERATING BUDGET

*Assumptions as of April 24, 2017
Fiscal Year 2017-18*

FY 2017-18 Estimate for Operating Revenue Sources, by Customer Type (in thousands):

Customer Type	Potable	Sewer	Recycled	Total
Residential	\$ 43,233	\$ 36,799	\$ 630	\$ 80,662
Commercial	10,583	8,671	649	19,903
Industrial	5,504	4,150	72	9,726
Public Authority	4,160	1,640	0	5,800
Construction/Temp.	1,240		798	2,038
Fire Protection	4,172		0	4,172
Landscape Irrigation	4,728		17,910	22,638
Agriculture Irrigation	1,029		1,704	2,733
Over Allocation	8,326		805	9,131
Non Rate Generated	0	520	0	520
Total	\$ 82,975	\$ 51,780	\$ 22,568	\$ 157,323



The projected revenue sources and their respective percentage of the total are presented in the graph above. Total Residential, Landscape, Commercial, and Industrial revenue constitute over 84% of the total operating revenues for both water and sewer.



OPERATING BUDGET

Assumptions as of April 24, 2017
Fiscal Year 2017-18

The "Other" category in the chart above includes revenue from the following sources in the order of total estimated receipts:

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

II. OPERATING EXPENSES

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

A. Treated Water

The District continues to make efforts to do its part in encouraging its customers to conserve even though the area received significant rainfall during the past winter season. 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.

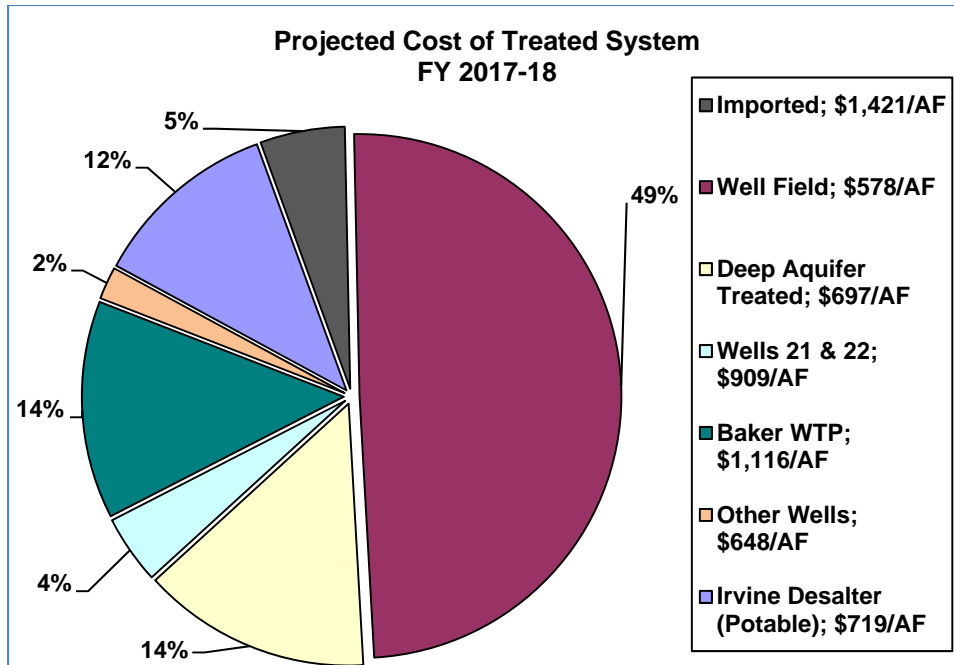
The FY 2017-18 budget anticipates no increase in use from FY 2016-17. The assumption is for a normal year of rainfall, consistent with the assumption last year. The District is projecting potable and untreated sales for FY 2017-18 to be 54,340 acre feet (AF), as compared to a budget of 54,385 AF in the prior year.

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



OPERATING BUDGET

*Assumptions as of April 24, 2017
Fiscal Year 2017-18*



Groundwater Production

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

- The Replenishment Assessment (RA) in FY 2016-17 was \$400 per AF and the rate used in FY 2017-18 is \$445 per AF, an increase of 11%. The District's basin production percentage (BPP) is set at a maximum of 70%, per the OCWD / IRWD Annexation Agreement executed in 2013.
- The Dyer Road Well Field (DRWF) pumping costs:
 - Actual energy usage will be factored with a rate increase of 6%.
 - Chemical expense is relatively flat.
- Primary changes in costs include a \$45 per AF estimated rate increase for RA for the Irvine Desalter Project (IDP), the Potable Treatment Plant (PTP), and the Deep Aquifer Treatment System (DATS).

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

- MWD is expected to increase its treated and untreated rates again on January 1, 2018 by 4%.
- Staff assumes no substantial change to the costs associated with the IRWD Reservoir Management Systems.
- Los Alisos customers will be merged into the Irvine Ranch rate area effective July 1, 2017. Rate parity will be established through the use of a sinking fund by the sale of property initially contributed to the District which the District has then added significant value to by the recording of significant entitlements including the soon to be recorded final tract map.



OPERATING BUDGET

Assumptions as of April 24, 2017 Fiscal Year 2017-18

Untreated Water

The sources for untreated water for FY 2017-18 will include purchased water.

- MWDOC purchases, Native Water and SAC water is expected to be used to meet all untreated demands. MWDOC purchases have significantly decreased as a result of a full year operation of the Baker Water Treatment Plant. Due to the rainfall in FY 2016-17, native water is expected to increase from 1,000 AF to 3,827 AF.
- Any MWDOC rate increases discussed above also apply to purchases for the untreated system.

B. Recycled Water

Customer demands for the recycled system will increase slightly from the prior year due primarily to customer usage. Total recycled demand is estimated at 28,364 AF, an increase of 1,360 AF from the FY 2016-17 budget. Sources are as follows:

- Production and storage generated from operations at the Michelson Water Recycling Plant (MWRP) and Los Alisos Water Recycling Plant (LAWRP) are expected to provide 22,300 AF.
- The Irvine Desalter will provide 3,540 AF net of water lost through treatment.
- The recycled water system is expected to purchase 3,091 acre-feet of supplemental water from the untreated system.

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

Regular Salaries and Wages	
FY 2016-17	\$31,258
New positions	723
COLA	453
Merit/Other	421
FY 2017-18	\$32,855



OPERATING BUDGET

Assumptions as of April 24, 2017 Fiscal Year 2017-18

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

Additional Contributions Provided by the District		
	FY 16-17	FY 17-18
PERS Employer Contribution	19.3%	19.3%
PERS in Excess of ARC	<u>5.7%</u>	<u>5.7%</u>
Combined Total	25.0%	25.0%
District Direct 401A Match	0.2%	0.3%
401A Matching Contribution of 3%	2.3%	2.3%

III. **USE OF OTHER FUNDS**

A. Over Allocation Revenue

Over allocation revenue is used to offset the following expenses:

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

Total conservation expense is expected to meet over allocation revenue in FY 2017-18. The conservation fund is projected to be approximately \$10.0 million at the end of FY 2017-18.

B. Enhancement Fund User Rate Component

The current enhancement fund contribution for both the water and sewer system for FY 2016-17 was a combined \$1.45 per month (\$0.70 for water and \$0.82 for sewer) for the average residential customer. There was no increase was built into these rates for FY 2017-18. It is estimated that the fund balance will be approximately \$30.0 million at the end of FY 2017-18.

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 2017-18, no increase from the prior year. It is estimated that the fund balance will be approximately \$200 million as of the end of FY 2017-18. It is expected that the 4 years of increased funding totaling \$3.00 per month per customer will adequately cover the cost of debt associated with the project.

IRVINE RANCH WATER DISTRICT
CONSOLIDATED OPERATING BUDGET FOR ALL DEPARTMENTS FY 2017-18
(in thousands)

Expense Category / Name		2015-16 Actual	2016-17 YTD 12/31/16	2016-17 Original Budget	2017-18 Proposed Budget	Incr/(Decr)	%
Salaries & Benefits	Regular Labor	\$26,123	\$13,309	\$31,258	\$32,855	\$1,597	5.1%
	Overtime Labor	1,787	936	1,758	2,037	279	15.9%
	Contract Labor	2,675	823	1,347	1,470	123	9.1%
	Employee Benefits	7,787	4,226	16,938	17,366	428	2.5%
Salaries & Benefits Total		\$38,372	\$19,294	\$51,300	\$53,727	\$2,427	4.7%
Water & Utilities	Water	29,028	18,699	36,234	35,287	(948)	-2.6%
	Electricity	11,794	6,122	14,829	14,631	(198)	-1.3%
	Fuel	505	273	566	627	61	10.8%
	Telecommunication	527	257	502	566	65	12.9%
	Other Utilities	158	72	178	171	(7)	-4.0%
Water & Utilities Total		\$42,012	\$25,423	\$52,309	\$51,282	(\$1,027)	-2.0%
Materials & Supplies	Chemicals	2,101	1,105	3,133	3,074	(60)	-1.9%
	Operating Supplies	757	460	1,478	1,475	(2)	-0.2%
	Printing	211	69	265	276	12	4.4%
	Postage	596	286	579	594	15	2.7%
	Permits, Licenses and Fees	723	931	1,219	1,797	578	47.4%
	Office Supplies	77	37	128	109	(19)	-14.8%
	Duplicating Equipment	188	89	225	192	(33)	-14.7%
Equipment Rental	85	30	129	114	(15)	-11.6%	
Materials & Supplies Total		\$4,739	\$3,007	\$7,156	\$7,632	\$476	6.7%
Professional Services	Rep & Maint OCSD & Other	15,744	7,120	14,400	13,852	(548)	-3.8%
	Rep & Maint IRWD	7,531	3,675	8,726	9,683	957	11.0%
	Insurance	781	499	1,004	1,021	17	1.7%
	Legal Fees	479	647	455	1,565	1,110	244.0%
	Engineering Fees	520	217	736	980	244	33.1%
	Accounting Fees	79	86	95	95	0	0.0%
	Data Processing	2,980	1,642	3,027	2,898	(130)	-4.3%
	Personnel Training	795	394	1,101	1,225	124	11.2%
	Personnel Physicals	27	15	51	51	0	0.0%
	Other Professional Fees	3,115	1,173	4,393	4,229	(164)	-3.7%
Directors' Fees	140	72	156	168	12	7.7%	
Professional Services Total		\$32,190	\$15,543	\$34,144	\$35,766	\$1,622	4.8%
Other	Mileage Reimbursement	165	82	132	140	8	6.0%
	Collection Fees	12	1	21	12	(9)	-42.9%
	Election Expense	30	110	145	145	0	0.0%
	Safety	157	42	83	108	25	29.8%
	Alarm and Patrol Services	113	36	170	520	350	205.9%
	Biosolids Disposals	113	59	374	246	(128)	-34.1%
	Commuter Program	141	59	156	156	0	0.0%
	Computer Backup Storage	25	6	24	12	(12)	-50.0%
	Contract Meter Reading	1,319	673	1,350	1,390	40	3.0%
	Other	30	0	12	12	0	0.0%
Conservation	2,294	(645)	2,965	2,012	(953)	-32.1%	
Other Total		\$4,398	\$425	\$5,432	\$4,753	(\$679)	-12.5%
TOTAL		\$121,712	\$63,692	\$150,341	\$153,161	\$2,820	1.9%
Less: Reimbursement from Baker Partners				(3,408)	(4,498)	(1,090)	
Grand Total		\$121,712	\$63,692	\$146,933	\$148,663	\$1,730	1.2%



REVENUES AND EXPENSES BY SYSTEM

(in thousands)

	<u>Water</u>	<u>Sewer</u>	<u>Recycled</u>	<u>Consolidated</u>
Revenue:				
Commodity	\$ 41,013	\$ -	\$ 15,132	\$ 56,145
Service	33,636	51,780	6,631	92,047
Over Allocation	\$8,326	-	805	9,131
Rate Stabilization	-	-	-	-
Total Revenues	<u>\$ 82,975</u>	<u>\$ 51,780</u>	<u>\$ 22,568</u>	<u>\$ 157,323</u>
Contribution to Enhancement and Replacement Funds	(8,474)	(18,991)	(1,120)	(28,586)
Net Revenues	<u>\$ 74,501</u>	<u>\$ 32,789</u>	<u>\$ 21,448</u>	<u>\$ 128,737</u>
Expenses:				
Cost of Water	\$ 43,120	\$ -	\$ 9,190	\$ 52,310
Operations	11,098	11,284	6,838	29,219
Water Banking	-	-	-	-
OCSD - O&M	-	12,580	-	12,580
<i>Total Direct</i>	<u>\$ 54,218</u>	<u>\$ 23,863</u>	<u>\$ 16,028</u>	<u>\$ 94,109</u>
Customer Records and Collections	2,435	1,107	885	4,427
General & Admin Expense	8,899	7,087	3,445	19,431
<i>Total Indirect</i>	<u>\$ 11,334</u>	<u>\$ 8,194</u>	<u>\$ 4,330</u>	<u>\$ 23,858</u>
General Plant	623	732	284	1,639
Marsh/NTS/Conservation	8,326	-	805	9,131
Total Expenses	<u>\$ 74,501</u>	<u>\$ 32,789</u>	<u>\$ 21,447</u>	<u>\$ 128,737</u>
Net Operating Position	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>



NON-OPERATING

SUMMARY OF SOURCES AND USES

(in thousands)

	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>Change</u>
Non-operating Revenue:			
Property Taxes	\$47,689	\$52,500	\$4,811
Investment Income	2,686	4,200	1,514
Connection Fees	22,000	26,000	4,000
Real Estate Income	12,954	13,400	446
Other Income	6,500	8,000	1,500
Total Revenue	<u>\$91,829</u>	<u>\$104,100</u>	<u>\$12,271</u>
Non-operating Expenses:			
Interest Expense	\$24,606	\$28,300	\$3,694
Real Estate Expense	6,834	7,300	466
Other Expenses	1,000	2,000	1,000
Total Expense	<u>\$32,440</u>	<u>\$37,600</u>	<u>\$5,160</u>
Net Sources & Uses	<u><u>\$59,389</u></u>	<u><u>\$66,500</u></u>	<u><u>\$7,111</u></u>



CURRENT AND PROPOSED RESIDENTIAL RATES

Before Rate Adjustment:	Irvine Ranch	
	Potable	Wastewater
Current Residential Rates:	Water (1)	Sewer (2)
Low Volume	\$1.21	
Commodity Rate	\$1.65	
Residential Service	\$10.30	\$23.20
Operations	\$7.50	\$13.07
Replacements	\$2.10	\$9.31
Enhancements	\$0.70	\$0.82
Total Service Charge	\$10.30	\$23.20
Commodity (12 ccf's)	\$17.60	
Current Monthly	\$51.10	
Proposed Residential Rate Adjustment:		
Low Volume	\$1.36	12%
Base Commodity Rate	\$1.70	3%
Operations	\$7.50	\$13.07
Replacements	\$2.10	\$9.31
Enhancements	\$0.70	\$0.82
Total Service Charge	\$10.30	\$23.20
Commodity (12 ccf's)	\$18.70	
Proposed Monthly	\$52.20	
Current Monthly	\$51.10	
Difference	\$1.10	
Change %	2.2%	

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



POTABLE REVENUE

BUDGETED REVENUE SUMMARY BY SYSTEM

<i>(in thousands)</i>	<u>FY 2016-17</u>	<u>Usage Change</u>	<u>Proposed Rate Inc.</u>	<u>FY 2017-18</u>
Water				
Service	\$ 23,517	\$ (215)	\$ -	\$ 23,302
Enhancement	2,077	84	-	2,161
Replacement	6,231	82	-	6,313
Pumping Surcharge	775	(28)	-	747
Miscellaneous	975	138	-	1,113
Commodity	41,832	(1,620)	801	41,013
Over Allocation Revenue/Fund	10,092	(1,802)	36	8,326
Rate Stabilization / Non Rate Generated	-	-	-	-
	<u>\$ 85,499</u>	<u>\$ (3,361)</u>	<u>\$ 837</u>	<u>\$ 82,975</u>
AF Sales	54,385			54,340
User Type				
Residential	\$ 42,525	\$ (62)	\$ 770	\$ 43,233
Commercial	12,144	(1,683)	122	10,583
Industrial	5,011	390	103	5,504
Public Authority	3,659	433	68	4,160
Construction/Temp.	1,280	(40)	-	1,240
Fire Protection	4,263	(91)	-	4,172
Landscape Irrigation	5,006	(211)	(67)	4,728
Agriculture Irrigation	1,519	(295)	(195)	1,029
Over Allocation Revenue	10,092	(1,802)	36	8,326
Rate Stabilization / Non Rate Generated	-	-	-	-
	<u>\$ 85,499</u>	<u>\$ (3,361)</u>	<u>\$ 837</u>	<u>\$ 82,975</u>



SEWER REVENUE

BUDGETED REVENUE SUMMARY BY SYSTEM

<i>(in thousands)</i>	<u>FY 2016-17</u>	<u>Usage Change</u>	<u>Proposed Rate Inc.</u>	<u>FY 2017-18</u>
Sewer				
Service	\$ 31,114	\$ 826	\$ -	\$ 31,940
Enhancement	1,332	51	-	1,383
Replacement	17,287	321	-	17,608
Miscellaneous	430	(101)	-	329
Reimbursements	520	-	-	520
Rate Stabilization	551	(551)	-	-
	<u>\$ 51,234</u>	<u>\$ 546</u>	<u>\$ -</u>	<u>\$ 51,780</u>
User Type				
Residential	\$ 36,347	\$ 452	\$ -	\$ 36,799
Commercial	8,670	1	-	8,671
Industrial	3,569	581	-	4,150
Public Authority	1,577	63	-	1,640
Reimbursements	520	-	-	520
Rate Stabilization	551	(551)	-	-
	<u>\$ 51,234</u>	<u>\$ 546</u>	<u>\$ -</u>	<u>\$ 51,780</u>



RECYCLED REVENUE

BUDGETED REVENUE SUMMARY BY SYSTEM

<i>(in thousands)</i>	<u>FY 2016-17</u>	<u>Usage Change</u>	<u>Proposed Rate Inc.</u>	<u>FY 2017-18</u>
Recycled				
Service	\$ 4,784	\$ 479	\$ -	\$ 5,263
Enhancement	341	9	-	350
Replacement	748	22	-	770
Pumping Surcharge	446	(198)	-	248
Commodity	15,353	887	(1,108)	15,132
Over Allocation Revenue	1,929	(1,124)	-	805
Rate Stabilization	300	(300)	-	-
	<u>\$ 23,901</u>	<u>\$ (225)</u>	<u>\$ (1,108)</u>	<u>\$ 22,568</u>
AF	27,004			28,364
User Type				
Residential	\$ 1,134	\$ (428)	\$ (76)	\$ 630
Commercial	409	258	(18)	649
Industrial	40	32	-	72
Public Authority	-	-	-	-
Landscape Irrigation	19,531	(832)	(789)	17,910
Recycled Loans	-	-	-	-
Agriculture Irrigation	-	1,929	(225)	1,704
Construction/Temp.	557	241	-	798
Over Allocation Revenue	1,929	(1,124)	-	805
Rate Stabilization	300	(300)	-	-
	<u>\$ 23,901</u>	<u>\$ (225)</u>	<u>\$ (1,108)</u>	<u>\$ 22,568</u>



COST OF WATER

BUDGETED COST OF WATER

<i>(in thousands)</i>	FY 2016-17			FY 2017-18			Change	
	Acre Feet	Total	Cost / AF	Acre Feet	Total	Cost / AF	Acre Feet	Total
<u>TREATED</u>								
Purchased from MWDOC	7,755	\$ 9,397	\$1,212	2,960	\$ 4,207	\$1,421	(4,795)	\$ (5,190)
Dyer Road Well Field	27,680	14,238	\$514	28,000	16,176	\$578	320	1,938
Other Wells	650	402	\$618	700	454	\$648	50	52
Deep Aquifer Treatment System	7,680	5,301	\$690	8,000	5,576	\$697	320	275
Lost to Production (2%)	(154)			(160)			(6)	
Wells 21 & 22 Desalter	2,400	2,432	\$1,013	2,400	2,181	\$909	-	(251)
Lost to Production (15%)	(360)			(360)			-	
Irvine Desalter Project	4,644	3,611	\$778	6,540	4,702	\$719	1,896	1,091
Lost to Production (15%)	(697)			(981)			(284)	
Baker WTP	5,783	5,338	\$923	7,611	\$ 8,497	\$1,116	1,828	3,159
LA Well Water	432			432	39	\$90	-	39
Total Shrinkage	(3,309)			(2,626)			683	
Total Irvine Ranch Potable	52,504	\$ 40,719		52,516	\$ 41,831		12	\$ 1,112
<u>UNTREATED</u>								
Purchased from MWDOC	4,103	\$ 2,921	\$712	1,000	\$ 841	\$841	(3,103)	\$ (2,080)
Native Water	1,000	212	\$212	3,827	811	\$212	2,827	599
Santiago Aqueduct Commission	264	195	\$739	175	148	\$843	(89)	(47)
Transfer to RW System	(3,402)	(2,109)	\$620	(3,091)	(2,009)	\$650	311	100
Total Shrinkage	(84)			(87)			(3)	
Total Untreated	1,881	\$ 1,219		1,824	\$ (209)		(57)	\$ (1,428)
Total Potable and Untreated	54,385	\$ 41,938		54,340	\$ 41,623		(45)	\$ (315)

Assumptions:

OCWD - replenishment assessment - \$445/acre foot.

MWDOC - Includes identified increases that will be effective January 1, 2018 from MWD.



COST OF WATER

BUDGETED COST OF RECYCLED WATER

<i>(in thousands)</i>	FY 2016-17			FY 2017-18			Change	
	Acre Feet	Total	Cost / AF	Acre Feet	Total	Cost / AF	Acre Feet	Total
Groundwater	0	\$ -	\$ -	-	\$ -	\$ -	-	\$ -
Irvine Desalter Project	4,165	2,724	\$654	4,165	2,904	\$697	-	180
Lost to Production	(625)			(625)			-	
MWRP / LAWRP Production	22,300	4,983	\$223	22,300	4,919	\$221	-	(64)
Transfer from Untreated System	3,402	2,109	\$620	3,091	2,009	\$650	(310)	(100)
<i>Total Shrinkage</i>	(2,238)			(567)			1,671	
Total Recycled	<u>27,004</u>	<u>\$ 9,816</u>		<u>28,364</u>	<u>\$ 9,832</u>		<u>1,360</u>	<u>\$ 16</u>
Total Cost of Water for Billed Usage	<u>81,389</u>	<u>\$ 51,754</u>		<u>82,704</u>	<u>\$ 51,455</u>		<u>1,316</u>	<u>\$ (299)</u>

Assumptions:

OCWD - replenishment assessment - \$445/acre foot.

MWDOC - Includes identified increases that will be effective January 1, 2018 from MWD.



GENERAL MANAGER'S OFFICE

OPERATING BUDGET SUMMARY

Program Description

The General Manager's Office implements the policies established and direction provided by the Board of Directors and, in so doing, provides overall direction to staff to complete that effort. The office also includes Government Relations which develops and advocates for policies at the federal, state and local levels that promote a reliable high quality and cost effective water supply for IRWD customers, and demonstrates the efficient use of resources. The Government Relations staff 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, Board Committee and Ad Hoc Committee meeting packets;
- Schedules all Board, Board Committee, Ad Hoc Committee and annual/special independent corporation meetings;
- Produces the minutes of all Board meetings;
- Maintains all Board resolutions;
- Schedules other meetings and functions on behalf of the Board members and makes travel arrangements, as needed;
- Maintains records of all inter-agency agreements, deeds and easements;
- Maintains records for the various independent corporations;
- Promotes beneficial inter-governmental relations;
- Manages and coordinates the legal resources utilized by the District;
- Responds to, or directs response to, all media inquiries; and,
- Responds to all public information requests.

The General Manager's Office works with the Board of Directors and staff to establish the District's strategic vision for all departments. On January 13, 2017, staff reviewed the 2017 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 2017 are summarized as follows:

Major Goals

1. Optimize and protect local water supply utilization
 - a. Update and implement near-term recommendations from 2014 Groundwater Work Plan



GENERAL MANAGER'S OFFICE

OPERATING BUDGET SUMMARY

- b. Prepare sensitivity analysis update to water supply reliability study
 - c. Select preferred alternative and begin feasibility study to repair or replace the Irvine Lake Outlet Tower
 - d. Coordinate / collaborate with Orange County Water District (OCWD) on South Basin Clean-up Project
 - e. Investigate opportunities for brine recovery for potable uses
 - f. Work with OCWD on Green Acres Project water supply opportunities
 - g. Explore local indirect potable reuse (IRP) opportunities for aquifer and surface water storage within IRWD
2. Evaluate and invest in projects and programs that will enhance future long-term water supply reliability
 - a. Identify and procure property with high priority water rights
 - b. Implement agreements with Metropolitan Water District of Southern California (MWD) and Municipal Water District of Orange County (MWDOC) that will provide water supply reliability from high priority water rights during periods of drought and supply interruptions
 - c. Advocate methods for filling the Orange County Groundwater Basin
3. Bank 90,000 AF of water for IRWD, develop 70 cfs of extraction and additional recharge and storage capacity as needed for IRWD and water banking partners
 - a. Execute long-term unbalanced exchange agreements for Stockdale
 - b. Execute long-term exchange agreement to maximize benefits of non-State Water Project water
 - c. Construct Drought Relief Project recovery and conveyance facilities
 - d. Develop Framework for water banking participation by Orange County Agencies
 - e. Identify and secure additional land as needed for recharge and recovery facilities
 - f. Construct Stockdale recovery facilities
4. Minimize discharge of recyclable water to the ocean
 - a. Complete construction of Irvine Lake Pipeline North Conversion
 - b. Convert University of California, Irvine (UCI) Cooling Towers and other projects to recycled water for minimum potable water savings of 250 AF per year
 - c. Include IRWD's recycled water demands in OCWD's total water demand calculations
 - d. Update Sewage Treatment Master Plan, including consideration of Irvine Business Complex flows
 - e. Update the Salt Management Plan – Impacts of Seawater Desalination and other issues
 - f. Perform CEQA, alternatives analysis and preliminary design for the Syphon Reservoir Expansion



GENERAL MANAGER'S OFFICE

OPERATING BUDGET SUMMARY

- g. Prepare preliminary design for diverting Shallow Groundwater Unit discharge into the sewer system
- 5. Maximize resource recovery from fully functional biosolids and other resource recovery facilities
 - a. Biosolids Facilities operational
 - b. Complete marketing plan for beneficial use(s) of pellets
 - c. Develop partnerships with other agencies to utilize surplus capacity
 - d. Evaluate process and schedule to introduce fats, oils and greases (FOG) to Biosolids Facilities
- 6. Improve electric service reliability, manage demands, and control costs
 - a. Develop program to maximize generation of renewable energy through food waste addition
 - b. Secure funding from Southern California Edison (SCE) for water conservation programs in high energy intensive areas identified through Embedded Energy Program
 - c. Pursue applications for IRWD to participate in SCE's Direct Access Program
 - d. Implement Energy Storage Projects
 - e. Prepare SCE/IRWD Phase 1 Status Report for Preferred Resource Pilot Program and prioritize next steps to further reduce peak demands
 - f. Collaborate on the development of micro-grid technologies through a partnership with UCI
 - g. Evaluate site constraints and requirements for photovoltaic installation and energy storage at the Baker Water Treatment Plant
 - h. Implement steps to outsource operation and maintenance of biogas treatment and micro-turbine systems
- 7. Maximize watershed protection
 - a. Explore potential conversion of some natural treatment system sites to infiltrate dry weather flows
 - b. Facilitate discussions with the County of Orange to identify facilities for potential cost effective recycled water recharge and storm water infiltration
 - c. Work with the County and others on Selenium total maximum daily limit (TMDL) offset trading program
 - d. Identify projects and partners to qualify for Measure M Funding
 - e. Evaluate customer Fats, Oils and Grease (FOG) and Pre-treatment programs including assessment of implementation, billing and program requirements
 - f. Complete Local Limits Study and obtain regulatory approvals
 - g. Continue to work with OC Flood to ensure appropriate capacity in San Diego Creek
 - h. Evaluate silt removal from San Joaquin Marsh Ponds



GENERAL MANAGER'S OFFICE

OPERATING BUDGET SUMMARY

8. Ensure financial and rate stability
 - a. Complete environmental and final map approval process for IRWD's Serrano Summit property
 - b. Develop plan to invest revenue generated by the Lake Forest property; establish rate parity for IRWD Lake Forest customers
 - c. Evaluate development opportunities at other IRWD properties
 - d. Complete plans, permitting, development and leasing on remaining Sand Canyon campus and other facilities
 - e. Update the Replacement Planning Model
 - f. Develop a Cost of Service Study for the IRWD sewer system that includes the Biosolids Project operating
 - g. Develop IRWD debt policy

9. Identify, assess and implement new technologies and systems to improve operating efficiency
 - a. Complete the Implementation of Part 1 of Phase 2 of the Enterprise Asset Management System
 - b. Document outstanding deed, access and other contractual restrictions related to real property
 - c. Implement the Operations Database Management System
 - d. Simplify and optimize financial module to incorporate new Infrastructure District structure and project management
 - e. Implement findings of IT-related existing/new technology opportunity assessment while maintaining District security
 - f. Implement Process Development Steering Committee to identify operational process improvements and explore new technologies

10. Enhance customer communications
 - a. Enhance customer communication through an improved customer web access portal
 - b. Develop and implement new water efficiency outreach program
 - c. Implement redesigned customer bill to improve customers' understanding of IRWD rate structure
 - d. Enhance water supply reliability outreach program
 - e. Investigate development of an IRWD customer app

11. Maximize water use efficiency in the community
 - a. Update Water Shortage Contingency Plan based on new State regulations
 - b. Evaluate water use efficiency programs and Water Use Efficiency Plan
 - c. Broadcast guide for implementing budget-based rate structures



GENERAL MANAGER'S OFFICE

OPERATING BUDGET SUMMARY

- d. Review current approach to water loss management, best practices, and compliance with new regulations
 - e. Evaluate remote meter monitoring program opportunities
 - f. Evaluate water efficiency programs
 - g. Develop automated methodologies for quantifying irrigated areas and meter locations
12. Recruit, develop and retain a highly skilled, motivated, and educated work force
- a. Implement NeoGov performance evaluation on-line system
 - b. Work with Employee Development Task Force to develop and implement a staff mentoring program
 - c. Develop employee cross training and job rotation guidelines
 - d. Develop a safety training database and two-year staff training plan based on the needs of the District
 - e. Evaluate improvements to IRWD standby / first responder systems
 - f. Evaluate future building space planning needs
13. Guide and lead local, state and federal policies and legislation
- a. Engage productively in legislative discussions regarding the development of a long-term conservation framework for California and related legislation
 - b. Advocate for legislation 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
 - c. Participate in the coalition(s) opposing legislative mandates to eliminate ocean discharges and seeking legislation to further indirect and direct potable reuse in California
 - d. Engage in discussions surrounding water and wastewater infrastructure financing including discussion related to Proposition 218 reforms consistent with Board direction
 - e. Provide input to the legislature and administration on developing water markets in California
 - f. Promote policies that encourage energy reliability and efficiency in the water industry
14. Engage and shape policies and regulations put forth by local, state and federal agencies
- a. Provide input to the State Water Resources Control Board on extensions of the statewide drought regulations
 - b. Provide input to the State Water Resources Control Board on revisions to the Mercury Policy
 - c. Seek regulatory changes promoting recycled water use in decorative lakes
 - d. Promote a "fit for purpose" approach to regulation of recycled water for both potable and non-potable uses

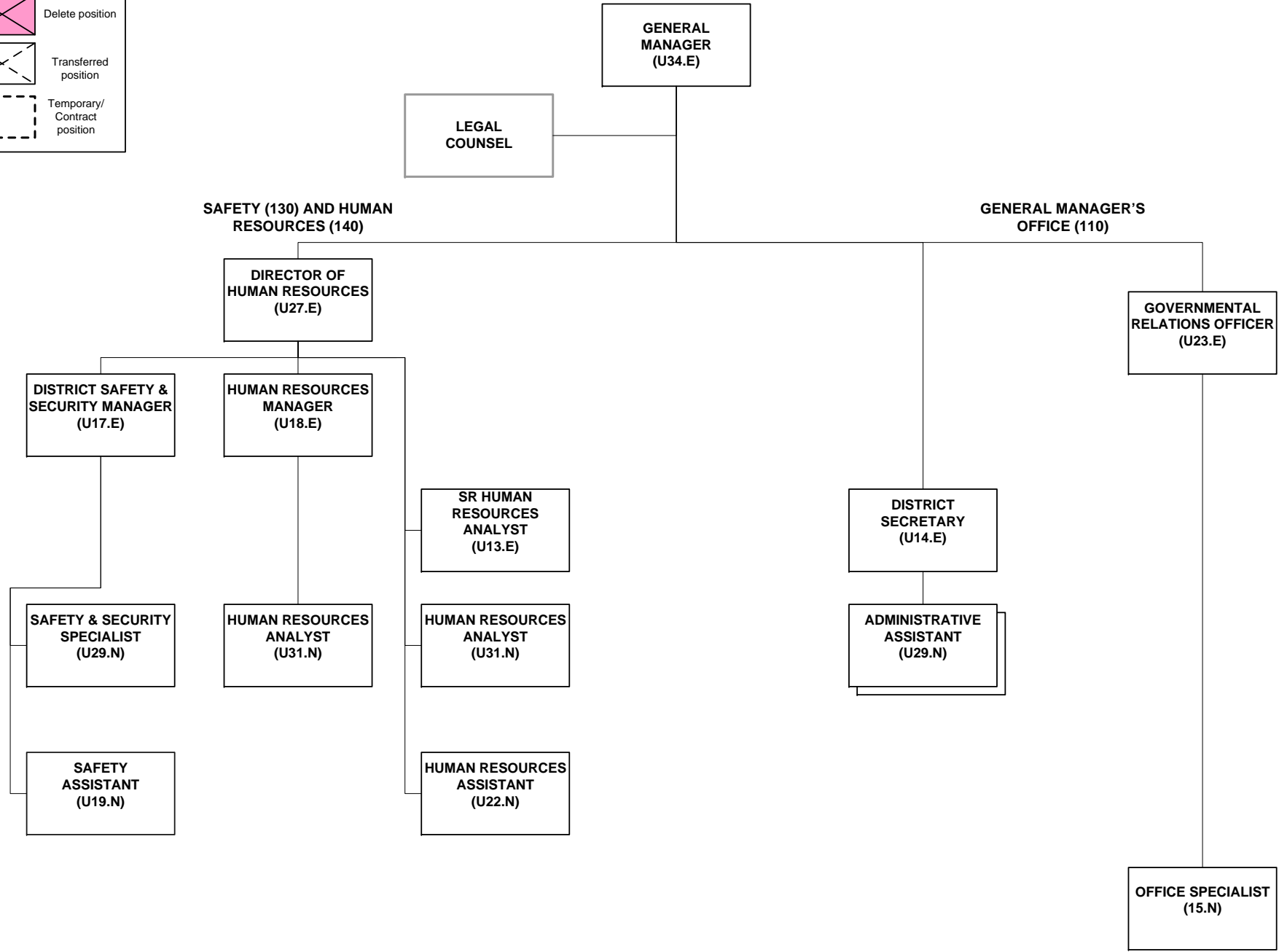
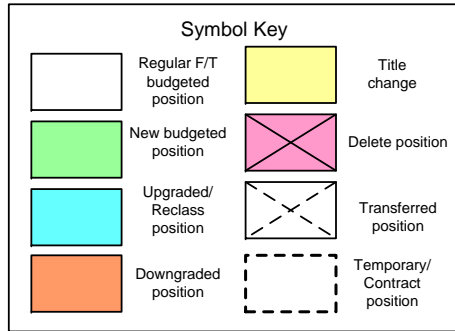


GENERAL MANAGER'S OFFICE

OPERATING BUDGET SUMMARY

- e. Promote policies and regulations that will improve air quality and allow efficient operation of District facilities and equipment
15. Increase collaboration with other agencies and entities through leadership and innovation
- a. Update South Orange County water supply reliability policy
 - b. Advocate for IRWD's Desalination Policy Principles
 - c. Evaluate and promote opportunities for shared services such as third party billing for UC Irvine
 - d. Participate as leaders in industry associations
 - e. Advocate for regional Indirect Potable Reuse (IPR) and direct potable reuse projects including Metropolitan's Carson Regional IPR Project
 - f. Evaluate opportunities for reliability sharing including Irvine Lake and updating the Irvine Lake agreement
 - g. Evaluate opportunities to update South County Emergency Interconnect Agreement
 - h. Work with other agencies to maximize Orange County benefits from Integrated Regional Water Management processes, including capture of urban runoff by Orange County Sanitation District (OCSD) for use in Groundwater Replenishment System (GWRS)
 - i. Participate in the water efficiency data collaborative program
 - j. Work with OCSD to identify mutually beneficial opportunities for use of IRWD sewer flows
16. Evaluate opportunities that enhance safety and emergency preparedness throughout the District
- a. Implement facility security assessment starting with Michelson Water Recycling Plant (MWRP)
 - b. Design improvements to eliminate the use of chlorine gas at Preliminary Disinfection Facility
 - c. Update District Emergency Plan, including training for certain high-risk scenarios

**IRVINE RANCH WATER DISTRICT
ADMINISTRATION
FISCAL YEAR 2017-18**



Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2017-18

Administration		2015-16 Actual	2016-17 Actual thru 12/31/16	2016-17 Orig Budget	2017-18 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<u>General Managers Office</u>						
110	Regular Labor	558,472	346,928	730,950	754,188	23,238
110	Overtime Labor	271	0	1,000	0	(1,000)
110	Contract Labor	2,334	0	0	0	0
110	Operating Supplies	136	64	0	0	0
110	Printing	4,921	(150)	10,000	8,000	(2,000)
110	Postage	30	118	100	100	0
110	Permits, Licenses and Fees	83,610	64,793	84,500	37,500	(47,000)
110	Office Supplies	4,197	1,970	4,000	4,000	0
110	Legal Fees	339,888	503,259	360,000	1,420,000	1,060,000
110	Personnel Training	229,909	152,987	257,000	338,500	81,500
110	Other Professional Fees	286,372	222,327	668,050	663,000	(5,050)
110	Directors Fees	140,152	72,280	156,000	168,000	12,000
110	Election Expense	30,000	110,000	145,000	145,000	0
Total General Managers Office		1,680,292	1,474,576	2,416,600	3,538,288	1,121,688



SAFETY AND SECURITY

OPERATING BUDGET SUMMARY

Program Description

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

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

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

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

Major Goals

- Evaluate opportunities that enhance safety and emergency preparedness throughout the District;
- Develop safety training data base and two-year staff training plan based on District needs;
- Update District Emergency Plan;
- Provide disaster response training for District staff, including high-risk scenarios; and,
- Implement facility security assessment starting with MWRP.

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2017-18

Administration		2015-16 Actual	2016-17 Actual thru 12/31/16	2016-17 Orig Budget	2017-18 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<u>Safety and Security</u>						
130	Regular Labor	151,459	97,519	244,800	260,254	15,454
130	Overtime Labor	657	21,328	1,500	5,000	3,500
130	Contract Labor	42,635	21,903	0	0	0
130	Operating Supplies	72,780	43,442	70,500	72,500	2,000
130	Printing	1,017	0	9,300	2,000	(7,300)
130	Postage	0	153	0	500	500
130	Permits, Licenses and Fees	27,686	52,386	40,000	40,000	0
130	Office Supplies	8,339	12,318	40,000	30,000	(10,000)
130	Rep & Maint IRWD	18,069	0	0	0	0
130	Insurance	700	0	0	0	0
130	Personnel Training	90,039	52,228	114,000	115,000	1,000
130	Personnel Physicals	16,040	7,053	36,000	36,000	0
130	Other Professional Fees	48,612	122,148	125,000	125,000	0
130	Safety	129,149	37,282	25,000	45,000	20,000
130	Alarm and Patrol Services	112,838	36,117	170,000	520,000	350,000
130	Commuter Program	140,991	59,085	156,000	156,000	0
130	Other	17,250	0	0	0	0
Total Safety and Security		878,261	562,962	1,032,100	1,407,254	375,154



HUMAN RESOURCES

OPERATING BUDGET SUMMARY

Program Description

The Human Resources function provides comprehensive organizational development and personnel management services to maximize the potential of the District's human resources and overall employee efficiency, effectiveness and satisfaction. The Human Resources program is responsible for attracting and recruiting a highly qualified work force and working in concert with the organization leadership to develop and sustain a motivated, productive 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;
- Develop and implement a staff mentoring program with input from the Employee Development Task Force;
- Implement new on-line performance evaluation system;
- Develop employee cross training and job rotation guidelines; and,
- Evaluate alternatives for standby/first responders.

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2017-18

Administration		2015-16 Actual	2016-17 Actual thru 12/31/16	2016-17 Orig Budget	2017-18 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<u>Human Resources</u>						
140	Regular Labor	557,789	287,278	649,880	667,174	17,294
140	Overtime Labor	4,004	3,090	5,000	5,000	0
140	Employee Benefits	7,786,731	4,226,121	16,937,520	17,365,620	428,100
140	Contract Labor	0	0	2,500	2,500	0
140	Printing	2,623	0	0	0	0
140	Postage	54	0	100	100	0
140	Office Supplies	3,424	538	2,500	2,500	0
140	Rep & Maint IRWD	0	0	1,000	1,000	0
140	Legal Fees	138,744	143,939	95,000	145,000	50,000
140	Personnel Training	329,050	78,324	370,800	388,800	18,000
140	Personnel Physicals	10,490	8,446	15,000	15,000	0
140	Other Professional Fees	126,644	53,460	134,500	179,500	45,000
Total Human Resources		8,959,553	4,801,196	18,213,800	18,772,194	558,394
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Total Administration		11,518,106	6,838,734	21,662,500	23,717,736	2,055,236



FINANCE, TREASURY AND PROCUREMENT

OPERATING BUDGET SUMMARY

Program Description

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

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

Major Goals

ACCOUNTING AND BUDGETING

- Prepare and submit accurate financial reports and relevant tax returns to federal, state, county and district agencies within established legal deadlines and requirements;
- Prepare and submit accurate and timely financial reports to the Finance and Personnel Committee and the District's Board of Directors;
- Coordinate the District's annual financial statement audit;
- Prepare the annual CAFR;
- Prepare the Operating Budget for Board of Director approval including setting adequate rates to ensure long term financial strength and stability;
- Ensure user rates are proportional with costs 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;
- Stabilize the upgraded District-wide Financial System including incorporation of the most recent improvement district consolidation structure, and project management ; and
- Identify and implement enhanced 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 models for financing, construction and operation of renewable and storage 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 to the Board of Directors and other interested parties within established time frames; and,
- Maintain and enhance short and long-term cash flow models and cash management practices.

REAL ESTATE

- Monitor and report on the performance of all real estate investment assets;
- Manage leasing and related property management activities for all District commercial and residential real estate investments;
- Evaluate development opportunities at other District properties;
- Complete environmental and final map approval process for property located in Lake Forest and market property for sale;
- Develop plan to invest revenue generated by the Lake Forest property; establish rate parity for Lake Forest customers;
- Complete plans, permitting, development and leasing of the Sand Canyon campus in Irvine; 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 necessary;
- Prepare and submit required continuing disclosure materials for District debt issues to appropriate parties;
- Monitor variable interest rates set by remarketing agents on District debt and make adjustments as appropriate;
- Develop District debt policy; and
- Execute, monitor and report on interest rate swap transactions as appropriate.

INSURANCE

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

PENSION

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



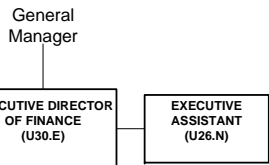
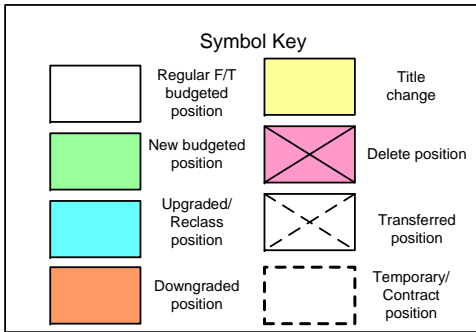
FINANCE, TREASURY AND PROCUREMENT

OPERATING BUDGET SUMMARY

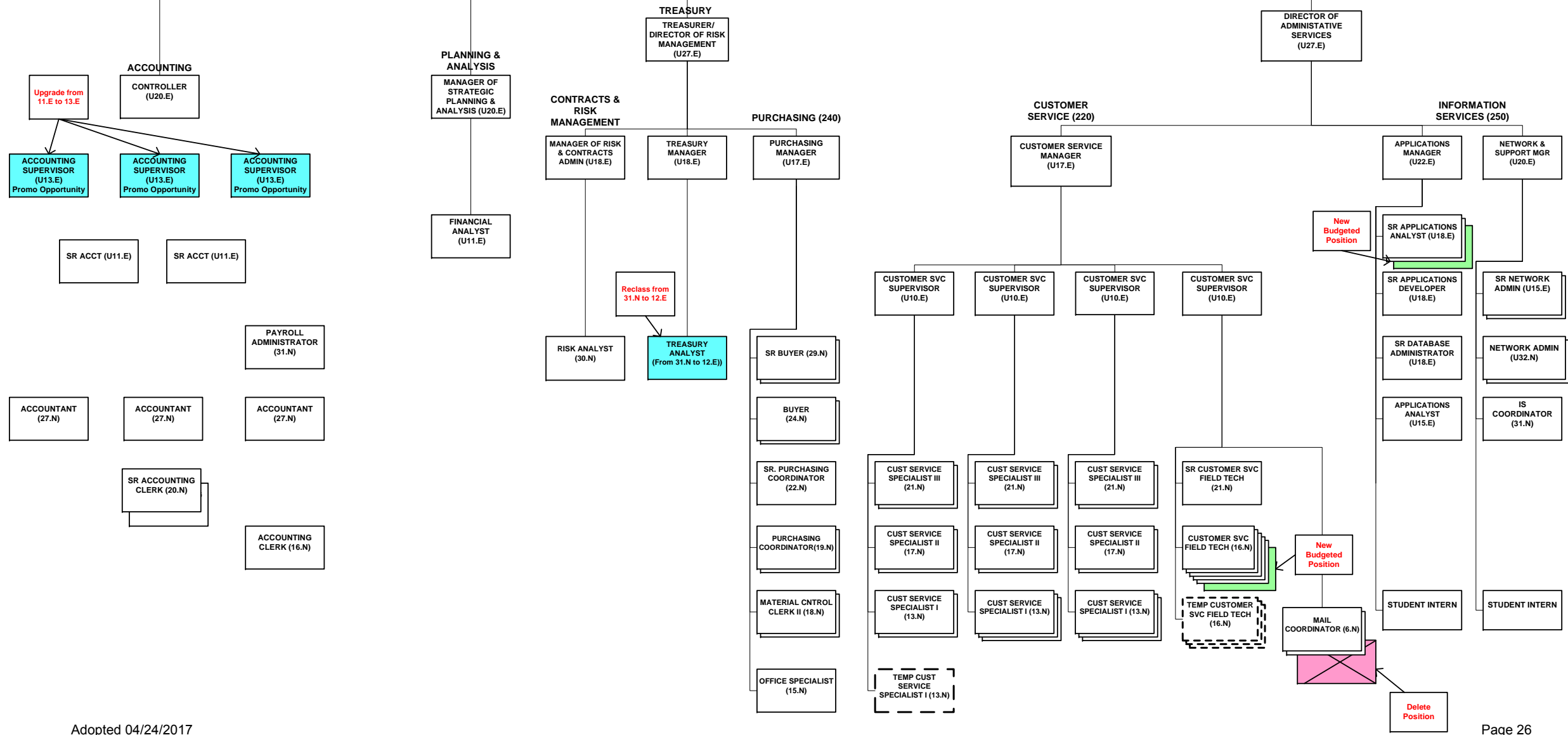
PROCUREMENT

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

**IRVINE RANCH WATER DISTRICT
FINANCE AND ADMINISTRATION
FISCAL YEAR 2017-18**



FINANCE/TREASURY (210)



Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2017-18

Finance & Administrative Services		2015-16 Actual	2016-17 Actual thru 12/31/16	2016-17 Orig Budget	2017-18 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<u>Finance and Treasury</u>						
210	Regular Labor	2,248,349	988,954	2,237,200	2,287,948	50,748
210	Overtime Labor	40,269	27,081	18,000	18,000	0
210	Contract Labor	87,925	83,149	165,800	29,000	(136,800)
210	Operating Supplies	1,115	1,458	700	2,800	2,100
210	Printing	64,453	0	70,000	70,000	0
210	Postage	8,223	4,488	8,000	9,000	1,000
210	Permits, Licenses and Fees	0	0	3,000	56,500	53,500
210	Office Supplies	3,540	1,780	5,000	5,000	0
210	Insurance	780,600	499,396	1,003,900	1,020,900	17,000
210	Accounting Fees	78,634	85,884	95,000	95,000	0
210	Data Processing	49,860	24,930	51,000	52,000	1,000
210	Personnel Training	18,570	10,238	27,500	27,000	(500)
210	Other Professional Fees	233,536	113,523	305,700	302,700	(3,000)
210	Mileage Reimbursement	90	0	100	0	(100)
210	Collection Fees	10,394	464	20,000	11,000	(9,000)
Total Finance and Treasury		3,625,558	1,841,345	4,010,900	3,986,848	(24,052)

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2017-18

Finance & Administrative Services		2015-16 Actual	2016-17 Actual thru 12/31/16	2016-17 Orig Budget	2017-18 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
Purchasing						
240	Regular Labor	706,747	351,736	787,600	792,594	4,994
240	Overtime Labor	16,596	10,128	4,000	8,000	4,000
240	Contract Labor	43,798	33,626	0	4,000	4,000
240	Operating Supplies	(494,235)	(239,233)	162,000	133,000	(29,000)
240	Printing	7,087	2,538	11,500	8,500	(3,000)
240	Postage	3,648	1,553	4,500	4,500	0
240	Office Supplies	17,416	6,736	24,000	18,000	(6,000)
240	Duplicating Equipment	187,774	89,480	225,000	192,000	(33,000)
240	Equipment Rental	14,124	0	20,000	18,000	(2,000)
240	Data Processing	277	0	0	0	0
240	Personnel Training	6,880	605	6,500	6,500	0
240	Other Professional Fees	230	32	2,000	2,000	0
Total Purchasing		510,342	257,201	1,247,100	1,187,094	(60,006)



ADMINISTRATIVE SERVICES

OPERATING BUDGET SUMMARY

Program Description

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

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

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

Major Goals

CUSTOMER SERVICE

- Deliver exceptional customer service both internally and externally;
- Review and resolve billing inquiries and adjustments in a timely manner including education of customers on allocation;
- Receive and process all orders for new service and discontinuation of service;
- Process new meter applications;
- Process payments for temporary construction meters, fire flow tests, and customer water bills;
- Coordinate and process all meter reads to ensure accurate billing;
- Process variance requests for additional water allocations;
- Respond to field problems (leaks, no water complaints, high/low pressure, water quality, sewer problems, line breaks, etc.) with a sense of urgency;
- Manage delinquent customer accounts and perform shut-offs as required;
- Provide customers with an accurate and effective bill;
- Streamline bill printing and distribution process;
- Distribute customer satisfaction surveys and maintain 90% customer satisfaction;
- Implement redesigned customer bill to improve customer's understanding of District rate structure;
- Investigate enhanced customer communication through an improved customer web access portal;
- Investigate development of a District customer application; and
- Receive, route and deliver all District mail;



ADMINISTRATIVE SERVICES

OPERATING BUDGET SUMMARY

INFORMATION SERVICES

- Provide helpful, courteous and timely support to all District staff;
- Provide internal and external software training that meets the needs of District staff;
- Provide a reliable network of servers, personal computers, 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;
- Begin implementation of projects identified and prioritized from the Technology Assessment;
- Complete the implementation of E-Mail Archiving; and
- Support the implementation of the Enterprise Asset Management System (EAM).

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2017-18

Finance & Administrative Services		2015-16 Actual	2016-17 Actual thru 12/31/16	2016-17 Orig Budget	2017-18 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<u>Customer Service</u>						
220	Regular Labor	1,532,656	785,408	1,972,880	1,974,544	1,664
220	Overtime Labor	68,145	38,331	60,000	60,000	0
220	Contract Labor	463,855	135,388	228,820	130,150	(98,670)
220	Operating Supplies	3,512	9,129	1,000	3,000	2,000
220	Printing	73,170	35,812	77,000	80,000	3,000
220	Postage	577,360	275,645	555,500	570,000	14,500
220	Office Supplies	5,373	2,249	5,500	5,500	0
220	Equipment Rental	50,947	20,573	42,500	42,500	0
220	Rep & Maint IRWD	71	0	0	0	0
220	Personnel Training	1,922	183	8,000	8,000	0
220	Other Professional Fees	3,467	1,213	2,000	2,000	0
220	Collection Fees	1,119	512	1,000	1,000	0
220	Contract Meter Reading	1,319,338	672,945	1,350,000	1,390,000	40,000
Total Customer Service		4,100,935	1,977,388	4,304,200	4,266,694	(37,506)

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2017-18

Finance & Administrative Services		2015-16 Actual	2016-17 Actual thru 12/31/16	2016-17 Orig Budget	2017-18 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<u>Information Services</u>						
250	Regular Labor	1,173,730	510,230	1,442,100	1,608,164	166,064
250	Overtime Labor	40,841	20,510	30,000	40,000	10,000
250	Contract Labor	802,552	111,327	255,000	230,000	(25,000)
250	Telecommunication	457,587	219,154	433,000	484,500	51,500
250	Other Utilities	11,574	0	9,500	0	(9,500)
250	Operating Supplies	17	0	0	0	0
250	Printing	6,951	1,540	5,000	5,000	0
250	Postage	124	0	500	500	0
250	Office Supplies	0	15	1,000	1,000	0
250	Rep & Maint IRWD	272,608	130,752	292,500	300,000	7,500
250	Data Processing	2,929,432	1,617,365	2,976,200	2,833,100	(143,100)
250	Personnel Training	2,608	3,012	35,800	35,800	0
250	Other Professional Fees	50,121	32,740	60,000	115,000	55,000
250	Mileage Reimbursement	29	0	0	0	0
250	Computer Backup Storage	24,843	6,324	24,000	12,000	(12,000)
Total Information Services		5,773,017	2,652,969	5,564,600	5,665,064	100,464
Total Finance & Administrative Services		14,009,852	6,728,903	15,126,800	15,105,700	(21,100)



ENGINEERING

OPERATING BUDGET SUMMARY

Program Description

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

Planning: The Planning and Technical Services group of the Department is responsible for all master planning, water, sewage and recycled water demand projections, water supply planning, preliminary facility planning studies for new facilities, and preparation of the District's annual and long-term Capital Programs. The Planning group provides GIS services to other District departments including the development and support of GIS based applications and facility and atlas maps, maintenance of the District's digital record drawings plan system, and 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 and bidding the water, sewage and recycled water facilities necessary to support land development. The construction of these facilities is coordinated to ensure that the facilities are available to meet development schedule requirements. Temporary and interim facilities, when necessary, are also coordinated through this group. The Development Services group also reviews developer submittals for quality and conformance with District requirements and assesses and collects appropriate fees.

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

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



ENGINEERING

OPERATING BUDGET SUMMARY

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

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

Major Goals

Planning

- Update Water Resources Master Plan;
- Provide Inter-agency technical support;
- Develop alternative water supplies;
- Implement Criticality Based Replacement Planning Model;
- Initiate Sewer Collections Advisory Team;
- Update Strategic Water Resources Mass Balance Model and initiate Potable Reuse Alternatives Study; and
- Expand GIS based applications and cloud infrastructure.

Capital Projects

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

Development Services

- Heritage Fields Infrastructure design and construction;
- Orchard Hills Infrastructure design and construction;
- Baker Ranch Infrastructure design and construction;
- Tustin Legacy Infrastructure design and construction; and,
- Irvine Business Complex Redevelopment Infrastructure design and construction;



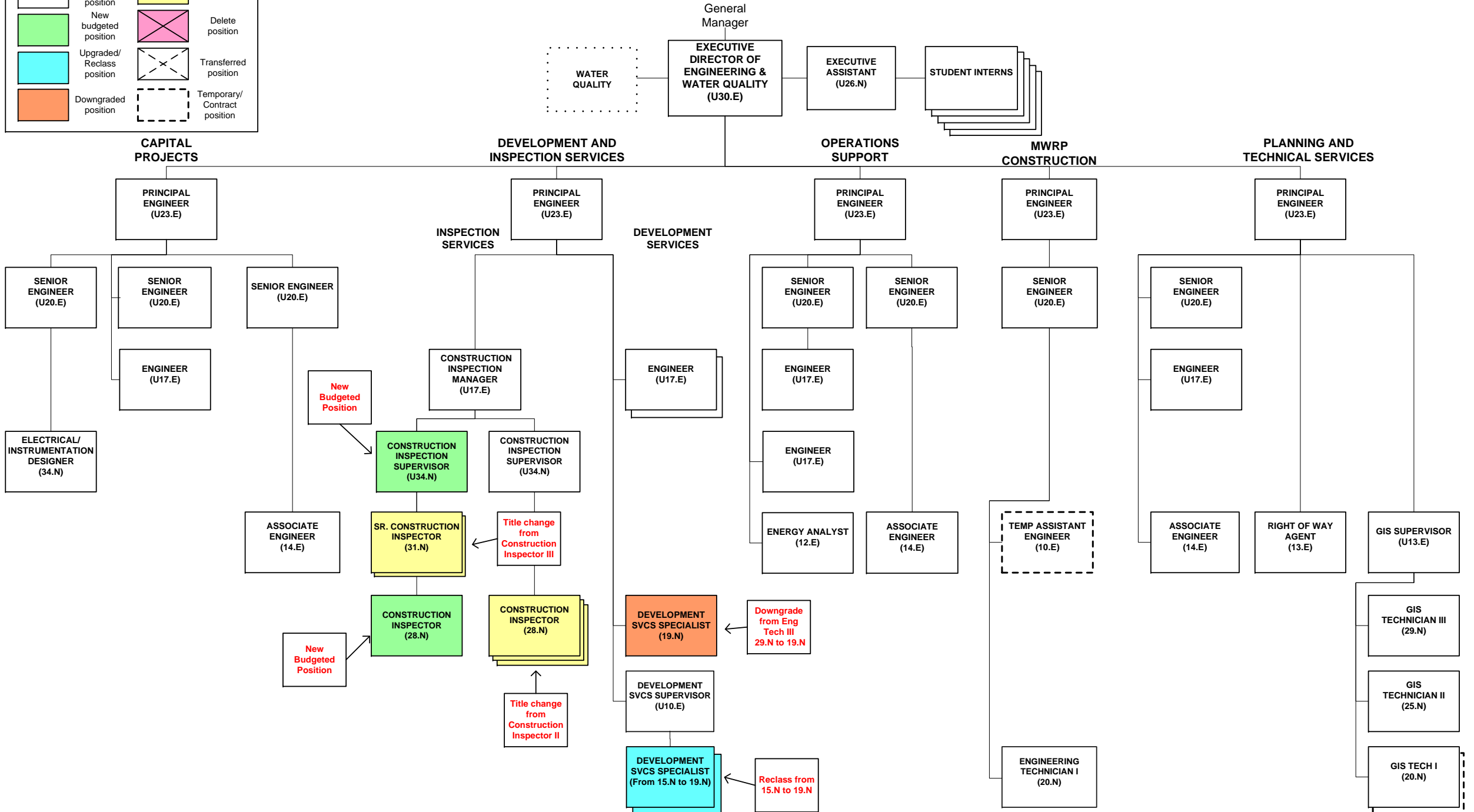
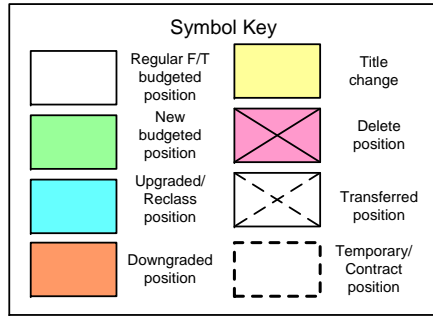
ENGINEERING

OPERATING BUDGET SUMMARY

Operations Support

- UCI Cooling Tower Recycled Water Conversion Pipeline construction;
- Newport Coast Lift Station Improvements construction;
- Michelson Sewer Force Main Rehabilitation design and construction;
- Operations Center Backup Generator Replacement construction;
- MWRP Filter Pump Station Discharge Manifold Piping Replacement construction;
- Santiago Dam Sloped Outlet Tower design;
- Well Rehabilitation design and construction;
- Dyer Road Well Field Surge Tank Replacement construction;
- 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;
- Develop test protocols, standard operating protocols and procedures, operate, perform sample collection and monitoring of bench, pilot and full-scale process facilities, including pilot and demonstration research projects;
- Act as a liaison and administer reporting IRWD groundwater extraction and treatment operations for removal of the TCE plume from the Irvine sub-basin groundwater at the IDP Principal Aquifer wells, IDP-PAP and IDP-SGU to the Department of the Navy (DON), local and state regulatory agencies; and,
- Assist in the development and coordinate district wide research, pilot and demonstration projects.

**IRVINE RANCH WATER DISTRICT
ENGINEERING
FISCAL YEAR 2017-18**



Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2017-18

Engineering		2015-16 Actual	2016-17 Actual thru 12/31/16	2016-17 Orig Budget	2017-18 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
Engineering						
300	Regular Labor	4,139,304	2,048,180	4,377,500	4,712,004	334,504
300	Overtime Labor	142,258	83,849	144,000	190,000	46,000
300	Contract Labor	261,121	113,550	221,000	411,000	190,000
300	Telecommunication	40	0	0	0	0
300	Operating Supplies	5,726	2,704	9,400	8,400	(1,000)
300	Printing	5,413	6,398	16,000	20,000	4,000
300	Postage	2,354	831	2,800	2,000	(800)
300	Permits, Licenses and Fees	1,606	0	2,000	2,000	0
300	Office Supplies	13,100	3,468	12,500	9,500	(3,000)
300	Rep & Maint IRWD	5,742	222	0	0	0
300	Engineering Fees	79,591	8,904	122,000	207,000	85,000
300	Personnel Training	20,271	13,774	30,000	30,000	0
300	Other Professional Fees	2,066	708	103,000	63,000	(40,000)
Total Engineering		4,678,592	2,282,588	5,040,200	5,654,904	614,704
Total Engineering		4,678,592	2,282,588	5,040,200	5,654,904	614,704



WATER QUALITY

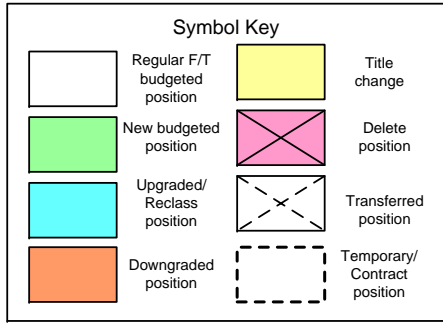
OPERATING BUDGET SUMMARY

Program Description

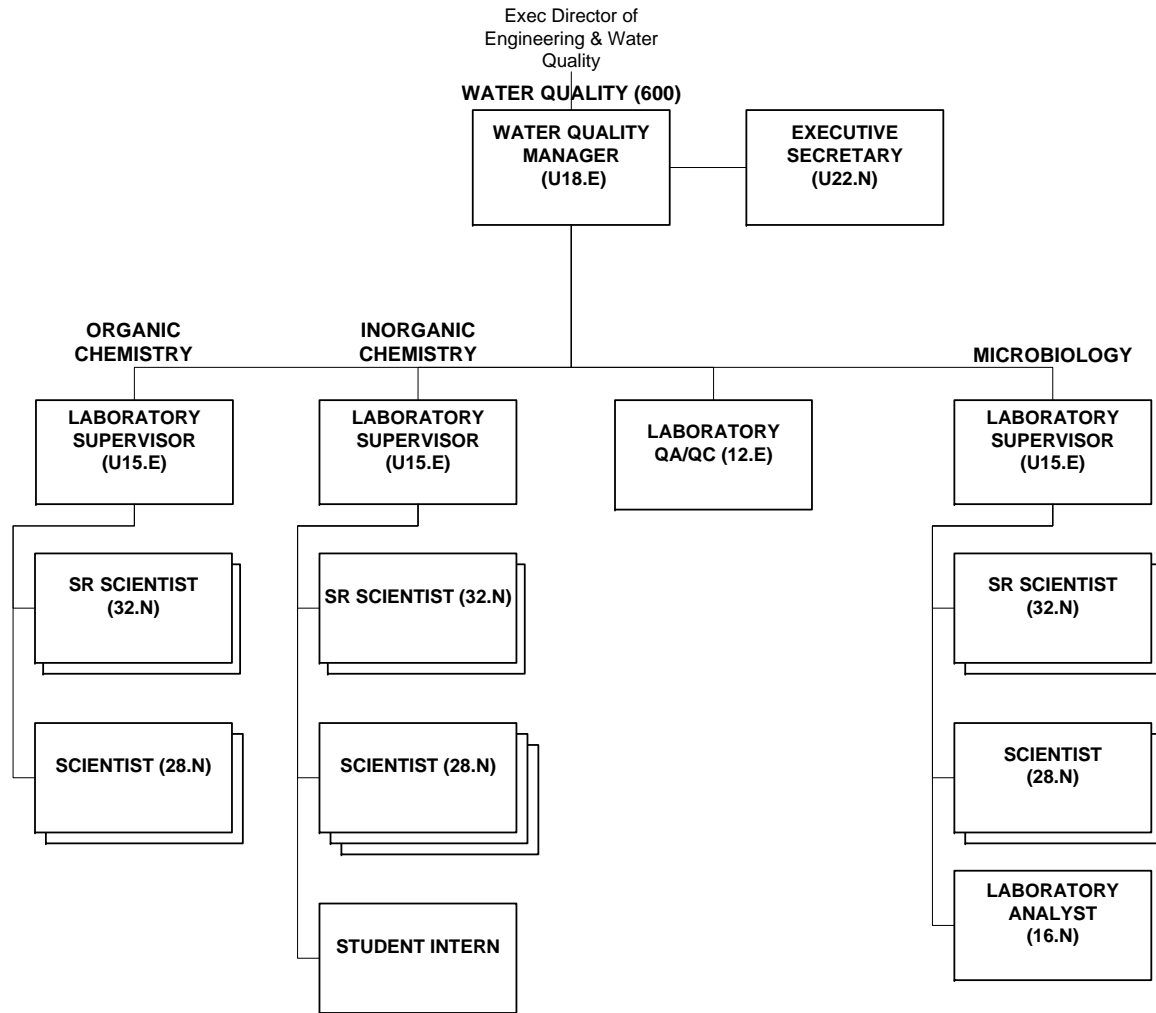
The Water Quality Department provides water quality related support to the operations and maintenance of the domestic and recycled water distribution and sewer collection systems and treatment facilities, and ensures that all District operations are conducted in a safe, reliable, environmentally sensitive manner to achieve a high level of customer satisfaction. The Water Quality Department provides internal and external customers with high quality data for regulatory monitoring and reporting, process control, research projects and capital projects utilizing state-of-the-art, United States Environmental Protection Agency (EPA) and State Water Resources Control Board Division of Drinking Water (DDW) approved analytical methods.

Major Goals

- Perform necessary analyses and ensure the District operates in full compliance with all applicable federal, state and local environmental and water quality laws and regulations;
- Monitor the development of potential future regulations that may impact District activities;
- Ensure all compliance monitoring and reporting is completed and submitted by required due dates;
- Review new technologies that may be applicable to operations;
- Provide process control data to assist operating groups in meeting their regulatory requirements;
- Complete and submit all regulatory monitoring data by the specified due dates;
- Complete analyses within specified hold times and meet quality control specifications;
- Research and implement new testing methods where justified, specifically methods routinely sent out to contract laboratories and screening methods for system security and general water quality concerns;
- Maintain the laboratory's Environmental Laboratory Accreditation Program (ELAP) certification by successfully completing the site audit and proficiency testing;
- Prepare the laboratory to implement the new EPA Method Update Rule and the developing new ELAP accreditation standard;
- Successfully complete all required water, sewage, hazardous waste and DMR proficiency testing samples and submit the data by the prescribed due date;
- Research and implement, where appropriate, improved means to communicate water quality data to internal and external customers;
- Implement to the fullest extent possible automated reporting programs;
- Reduce paperwork by maximizing electronic data collection;
- Be environmentally responsible in the selection, procurement and disposal of reagents utilized in the laboratory; and,
- Seek to improve established contacts with regulatory agencies.



**IRVINE RANCH WATER DISTRICT
WATER QUALITY
FISCAL YEAR 2017-18**



Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2017-18

Water Quality		2015-16 Actual	2016-17 Actual thru 12/31/16	2016-17 Orig Budget	2017-18 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<u>Water Quality</u>						
600	Regular Labor	1,518,599	752,795	1,726,230	1,762,174	35,944
600	Overtime Labor	49,455	24,197	26,200	33,600	7,400
600	Contract Labor	29,173	7,085	15,000	127,000	112,000
600	Operating Supplies	320,246	178,521	384,300	391,000	6,700
600	Postage	1,089	1,086	3,400	3,600	200
600	Permits, Licenses and Fees	5,975	9,003	9,000	11,250	2,250
600	Office Supplies	3,271	929	3,000	3,000	0
600	Equipment Rental	3,595	0	6,320	6,320	0
600	Rep & Maint IRWD	174,986	133,913	219,550	224,892	5,342
600	Engineering Fees	66,118	39,857	143,300	85,600	(57,700)
600	Personnel Training	10,273	28,783	25,650	34,850	9,200
600	Other Professional Fees	77,617	5,848	99,950	24,550	(75,400)
600	Mileage Reimbursement	102	0	0	0	0
600	Safety	2,255	1,163	6,400	7,200	800
Total Water Quality		2,262,754	1,183,180	2,668,300	2,715,036	46,736
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Total Water Quality		2,262,754	1,183,180	2,668,300	2,715,036	46,736



WATER OPERATIONS

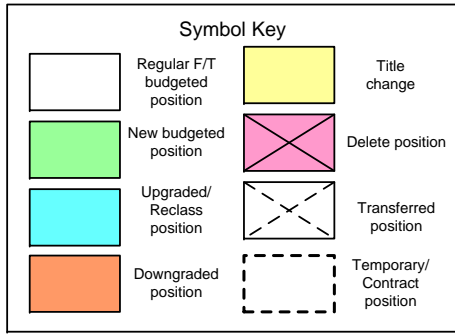
OPERATING BUDGET SUMMARY

Program Description

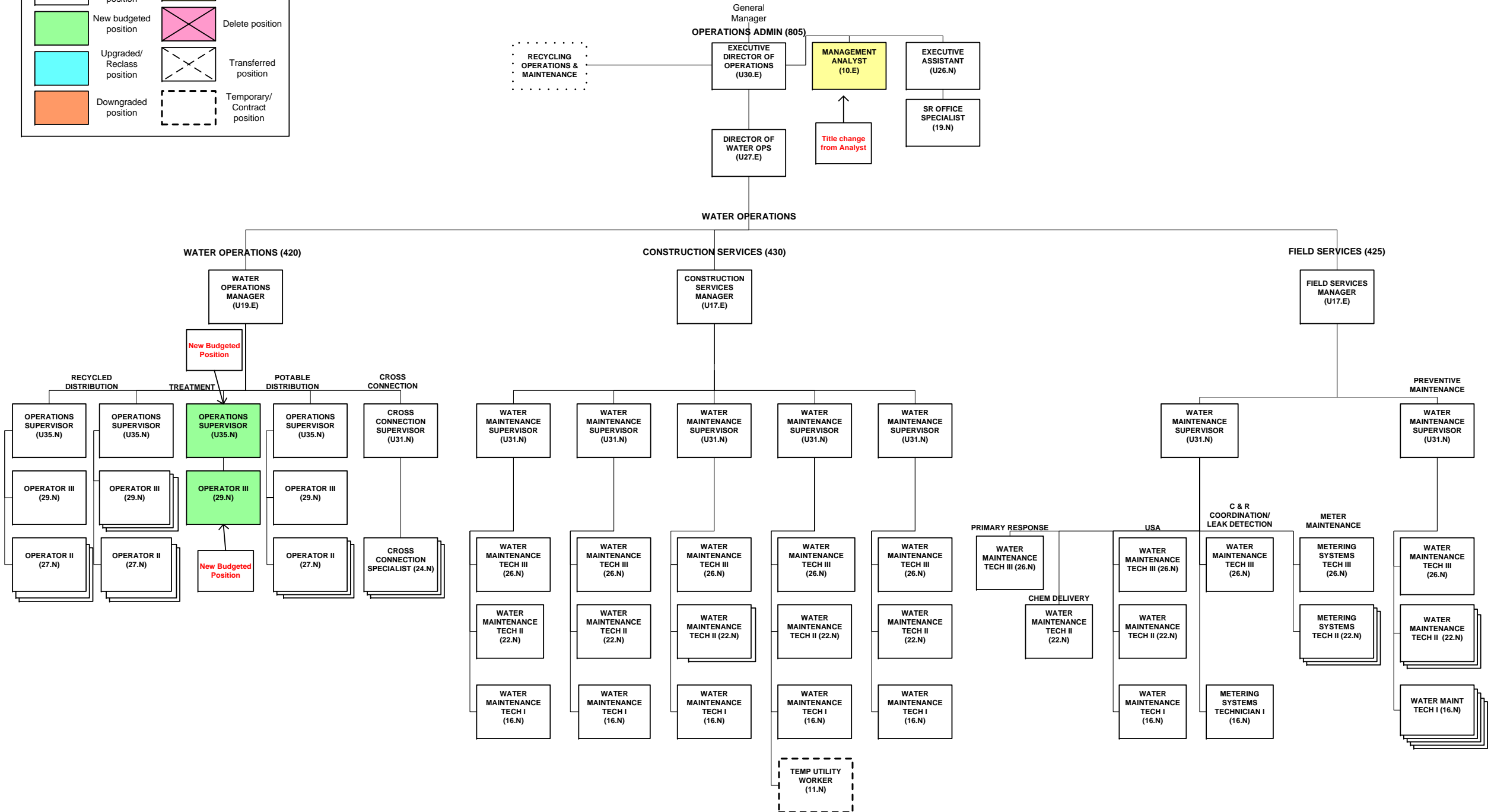
The mission of the Water Operations Department is to operate and maintain the District's potable water, recycled water and untreated water systems in an efficient, cost effective and environmentally safe manner that provides a high level of customer satisfaction. The Water Operations Department provides operation, maintenance and repair of the District's domestic water, recycled water and untreated water systems. These systems include the Dyer Road Wellfield, Deep Aquifer Treatment System, The Wells 21/22 Treatment Plant, Irvine Desalter Project (Potable Treatment Plant, Principal Aquifer Plant and Shallow Groundwater Unit) and Baker Water Treatment Plant (BWTP).

Major Goals

- Manage the BWTP to achieve operational and budgetary goals for IRWD and the project Partners;
- Maintain 100% compliance with all regulatory permits;
- Meet the Department's adopted Operations and Maintenance budget;
- Add one additional Water Operators at the T-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;
- Assist the Engineering Department with the design and startup of domestic and recycled water system facilities;
- Operate the Irvine Desalter Project (Potable Treatment Plant, Principal Aquifer Plant and Shallow Groundwater Unit) in accordance with the joint agency agreement and submit required reports;
- Ensure efficient operation of all District pumping and reservoir facilities;
- Ensure safe dam operation through the monitoring and surveillance program;
- Complete all Cross-Connection Control Program annual inspections and back-flow device Maintenance in accordance with the California Administrative Code, Title 17, Public Health Department Requirements;
- Provide construction and repair services to internal and external customers in a prompt, safe, efficient, cost effective and environmentally sensitive manner;
- Continue the sewer repair project to improve sewer system reliability;
- Complete all preventive maintenance programs for the distribution system;
- Replace residential and commercial meters on the recommended cycle;
- Mark the District's underground facilities in response to Underground Service Alert (USA) tickets to prevent potential damages to the facilities from construction activities;
- Set and complete annual maintenance goals in accordance with AWWA and industry standards; and,
- Respond to and resolve all customer service requests promptly.



**IRVINE RANCH WATER DISTRICT
OPERATIONS ADMINISTRATION & WATER OPERATIONS
FISCAL YEAR 2017-18**



Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2017-18

Water Operations		2015-16 Actual	2016-17 Actual thru 12/31/16	2016-17 Orig Budget	2017-18 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<u>Operations Administration</u>						
805	Regular Labor	711,320	328,505	952,450	1,005,296	52,846
805	Telecommunication	356	919	2,000	2,000	0
805	Operating Supplies	4,415	424	6,000	6,400	400
805	Printing	0	756	2,500	2,500	0
805	Postage	123	55	1,000	1,000	0
805	Office Supplies	10,774	3,211	20,000	20,000	0
805	Rep & Maint IRWD	38	0	0	0	0
805	Personnel Training	42,078	15,947	164,000	164,000	0
805	Other Professional Fees	51,036	10,030	163,500	163,500	0
Total Operations Administration		820,140	359,847	1,311,450	1,364,696	53,246
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Total Water Operations		46,161,787	27,722,928	58,765,850	58,094,890	(670,960)

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2017-18

Water Operations		2015-16 Actual	2016-17 Actual thru 12/31/16	2016-17 Orig Budget	2017-18 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<u>Water Operations</u>						
420	Water Purchase	29,027,599	18,698,940	36,234,030	35,286,508	(947,522)
420	Regular Labor	1,630,882	733,419	1,808,890	2,013,302	204,412
420	Overtime Labor	331,708	182,048	379,700	453,300	73,600
420	Electricity	7,697,255	4,286,982	10,098,850	9,863,218	(235,632)
420	Fuel	32,769	17,289	35,600	45,800	10,200
420	Telecommunication	48,009	24,111	48,800	53,900	5,100
420	Other Utilities	30,675	10,683	33,400	34,800	1,400
420	Chemicals	925,856	526,465	1,589,910	1,465,004	(124,906)
420	Operating Supplies	62,062	34,916	47,600	64,960	17,360
420	Permits, Licenses and Fees	46,023	122,701	184,000	204,000	20,000
420	Equipment Rental	8,588	4,912	9,000	9,000	0
420	Rep & Maint OCSD & Other	266,253	380,128	873,800	824,300	(49,500)
420	Rep & Maint IRWD	543,752	111,465	1,179,420	1,274,130	94,710
420	Engineering Fees	156,722	65,179	108,000	117,360	9,360
420	Data Processing	0	0	0	12,500	12,500
420	Personnel Training	501	0	0	340	340
420	Other Professional Fees	32,290	8,780	75,500	78,000	2,500
420	Safety	0	0	3,000	3,000	0
Total Water Operations		40,840,944	25,208,018	52,709,500	51,803,422	(906,078)

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2017-18

Water Operations		2015-16 Actual	2016-17 Actual thru 12/31/16	2016-17 Orig Budget	2017-18 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<u>Field Services</u>						
425	Regular Labor	1,370,933	690,531	1,550,900	1,542,036	(8,864)
425	Overtime Labor	182,299	97,440	150,000	166,000	16,000
425	Contract Labor	57,249	24,842	62,400	124,800	62,400
425	Telecommunication	631	146	0	0	0
425	Chemicals	1,006	914	500	800	300
425	Operating Supplies	88,756	65,300	78,000	126,430	48,430
425	Permits, Licenses and Fees	13,461	6,268	13,000	14,800	1,800
425	Equipment Rental	0	1,807	2,500	2,500	0
425	Rep & Maint IRWD	266,600	58,337	250,800	209,800	(41,000)
425	Personnel Training	0	0	0	680	680
425	Other Professional Fees	636	124	1,000	1,000	0
Total Field Services		1,981,571	945,709	2,109,100	2,188,846	79,746

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2017-18

Water Operations		2015-16 Actual	2016-17 Actual thru 12/31/16	2016-17 Orig Budget	2017-18 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<u>Construction Services</u>						
430	Regular Labor	1,569,998	695,263	1,626,000	1,646,816	20,816
430	Overtime Labor	191,517	111,246	221,000	223,000	2,000
430	Contract Labor	144,760	55,780	62,400	125,800	63,400
430	Telecommunication	205	105	0	0	0
430	Chemicals	467	228	400	400	0
430	Operating Supplies	126,111	80,623	158,000	164,520	6,520
430	Permits, Licenses and Fees	50,932	43,127	67,000	88,000	21,000
430	Equipment Rental	2,418	0	14,000	10,000	(4,000)
430	Rep & Maint IRWD	431,488	222,865	487,000	473,000	(14,000)
430	Engineering Fees	1,130	0	0	0	0
430	Personnel Training	0	0	0	6,390	6,390
430	Other Professional Fees	106	117	0	0	0
Total Construction Services		2,519,132	1,209,354	2,635,800	2,737,926	102,126



RECYCLING OPERATIONS

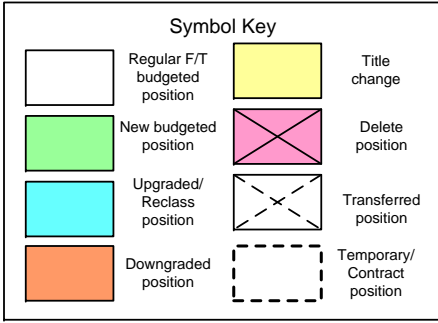
OPERATING BUDGET SUMMARY

Program Description

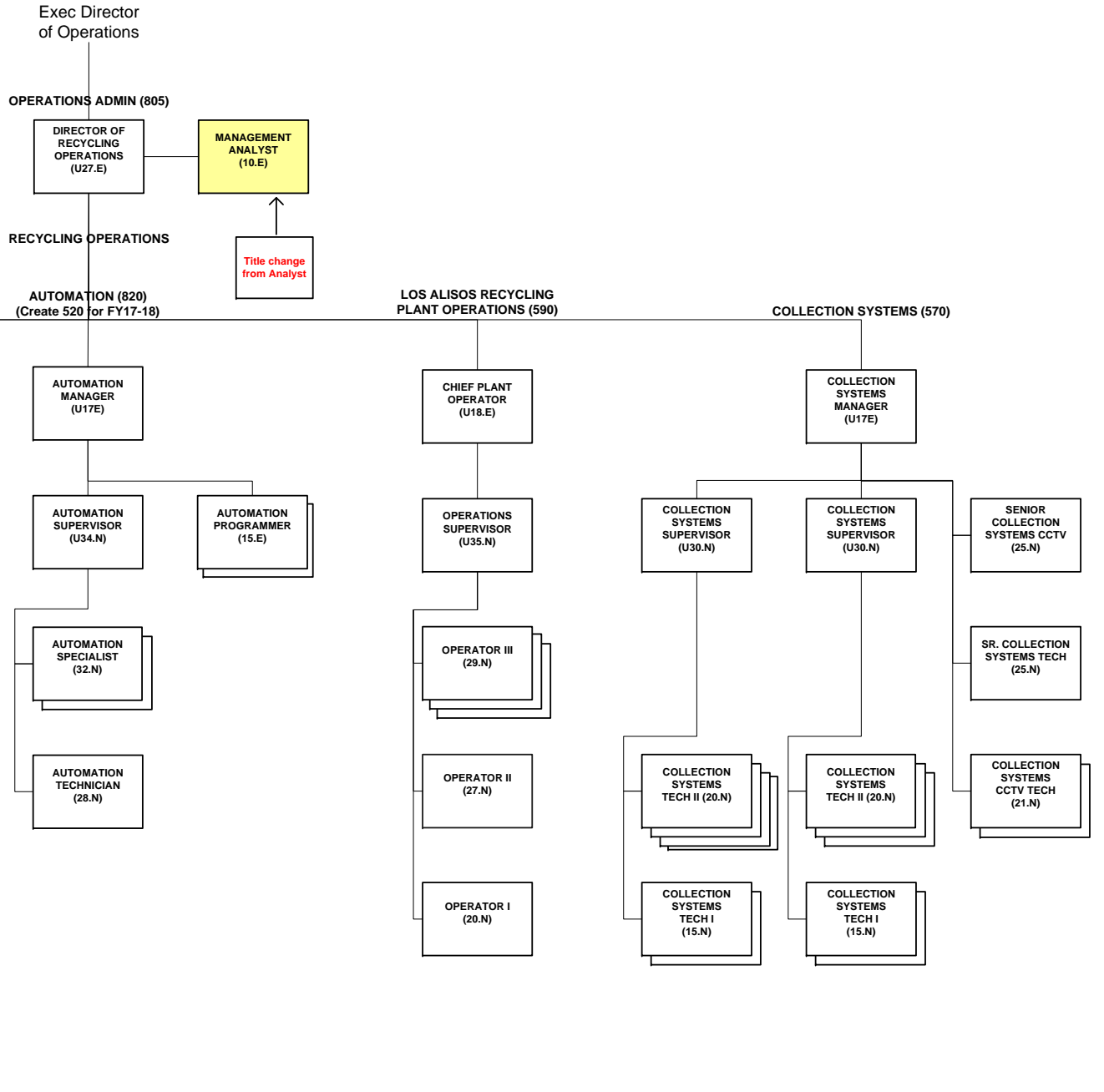
The mission of the Recycling Operations Department is to operate the District's resource recovery systems in a regulatory compliant, efficient, and environmentally safe manner that provides the highest level of customer satisfaction. The Recycling Operations Department provides cost-effective, reliable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

Major Goals

- Coordinate with Water Operations to optimize production of recycled water and balance with system storage;
- Meet the Department's adopted Operations budget;
- Achieve zero lost time accidents;
- Maintain 100% compliance with all regulatory requirements;
- Refine operational key performance indicators (KPIs) to optimize efficiency and cost effectiveness;
- Transition operational responsibilities for the completed portions of the MWRP Biosolids and Energy Recovery Facilities milestones to Recycling Operations;
- Finalize plan for FOG integration into the Biosolids facility once its facility is online;
- Maintain and develop staff competency through a combination of internal and external training;
- Evaluate and optimize chemical usage for the collection and recycling facilities systems;
- Implement findings from the marketing and distribution of pellets from the MWRP Biosolids Project
- Develop concepts and partnerships relative to implementing a food waste addition/recycling program at the MWRP once the new solids handling facilities are completed;
- Collaborate with Encina Wastewater Authority on lessons learned, O&M, product marketing and distribution, and resource sharing opportunities related to Biosolids;
- Explore participation with other agencies in MWRP Biosolids facilities (bringing in class B solids);
- Evaluate and implement options for cleaning and inspection of large sewer lines within the IRWD service area;
- Continue to work with partners in Newport Bay Executive Committee to develop and implement the elements of the Nitrogen Selenium Management Plan; and
- Complete the upgrade of the Water Operations SCADA.



**IRVINE RANCH WATER DISTRICT
RECYCLING OPERATIONS
FISCAL YEAR 2017-18**



Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2017-18

Recycling Operations		2015-16 Actual	2016-17 Actual thru 12/31/16	2016-17 Orig Budget	2017-18 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
NTS Operations						
515	Regular Labor	265,130	129,951	341,600	358,642	17,042
515	Overtime Labor	2,152	700	4,000	6,000	2,000
515	Contract Labor	72,692	29,272	30,000	85,000	55,000
515	Electricity	158,497	63,438	261,200	267,744	6,544
515	Telecommunication	425	1,854	0	3,500	3,500
515	Operating Supplies	18,418	3,550	22,000	14,000	(8,000)
515	Printing	826	81	0	1,000	1,000
515	Postage	228	0	0	0	0
515	Permits, Licenses and Fees	2,633	3,090	1,000	4,000	3,000
515	Equipment Rental	5,714	2,392	7,000	6,000	(1,000)
515	Rep & Maint OCSD & Other	24,059	6,559	24,000	26,000	2,000
515	Rep & Maint IRWD	987,916	563,073	1,043,300	1,460,000	416,700
515	Engineering Fees	43,107	17,515	92,500	192,500	100,000
515	Personnel Training	2,555	314	2,800	4,300	1,500
515	Other Professional Fees	577	0	0	0	0
515	Safety	499	0	0	0	0
515	Other	13,122	475	12,000	12,000	0
Total NTS Operations		1,598,550	822,264	1,841,400	2,440,686	599,286

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2017-18

Recycling Operations		2015-16 Actual	2016-17 Actual thru 12/31/16	2016-17 Orig Budget	2017-18 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<u>Automation Department</u>						
520	Regular Labor	0	0	0	657,022	657,022
520	Overtime Labor		0	0	80,500	80,500
520	Operating Supplies		0	0	8,030	8,030
520	Rep & Maint IRWD		0	0	190,600	190,600
520	Personnel Training			0	170	170
520	Other Professional Fees		0	0	120,600	120,600
520	Safety		0	0	3,000	3,000
Total Automation Department		0	0	0	1,059,922	1,059,922

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2017-18

Recycling Operations		2015-16 Actual	2016-17 Actual thru 12/31/16	2016-17 Orig Budget	2017-18 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<u>MWRP Operations</u>						
550	Regular Labor	1,058,406	555,191	1,474,375	1,521,968	47,593
550	Overtime Labor	118,493	50,206	108,900	108,900	0
550	Contract Labor	38,783	0	30,000	30,000	0
550	Electricity	2,639,745	1,198,168	3,025,000	3,220,610	195,610
550	Fuel	7,481	3,145	76,400	100,617	24,217
550	Telecommunication	1,512	0	1,800	1,800	0
550	Chemicals	514,339	206,621	796,225	902,116	105,891
550	Operating Supplies	24,907	14,591	74,900	74,900	0
550	Permits, Licenses and Fees	0	0	250	250	0
550	Equipment Rental	0	0	12,000	12,000	0
550	Rep & Maint OCSD & Other	15,277,304	6,585,454	13,244,000	12,744,000	(500,000)
550	Rep & Maint IRWD	839	261	64,000	64,000	0
550	Personnel Training	1,421	0	2,000	4,020	2,020
550	Other Professional Fees	19	0	75,000	75,000	0
550	Safety	226	0	12,000	12,000	0
550	Biosolids Disposals	92,991	49,148	349,200	221,440	(127,760)
Total MWRP Operations		19,776,466	8,662,785	19,346,050	19,093,621	(252,429)

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2017-18

Recycling Operations		2015-16 Actual	2016-17 Actual thru 12/31/16	2016-17 Orig Budget	2017-18 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
Collections Systems						
570	Regular Labor	1,088,119	544,200	1,223,900	1,259,522	35,622
570	Overtime Labor	134,424	64,709	111,500	148,500	37,000
570	Electricity	111,202	55,369	113,000	108,929	(4,071)
570	Telecommunication	17,144	10,172	16,000	20,000	4,000
570	Chemicals	466,410	217,699	552,000	500,000	(52,000)
570	Operating Supplies	71,597	23,327	64,000	64,360	360
570	Rep & Maint IRWD	293,540	117,715	439,800	439,800	0
570	Personnel Training	50	0	0	4,720	4,720
570	Other Professional Fees	325	0	80,000	80,000	0
570	Mileage Reimbursement	0	1,720	0	2,000	2,000
570	Safety	1,926	0	10,000	10,000	0
Total Collections Systems		2,184,737	1,034,911	2,610,200	2,637,831	27,631

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2017-18

Recycling Operations		2015-16 Actual	2016-17 Actual thru 12/31/16	2016-17 Orig Budget	2017-18 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
LAWRP Operations						
590	Regular Labor	605,780	273,194	615,050	611,538	(3,512)
590	Overtime Labor	66,130	26,055	61,100	66,400	5,300
590	Electricity	860,876	358,144	932,150	763,452	(168,698)
590	Fuel	1,009	134	1,000	1,000	0
590	Chemicals	191,769	153,255	194,400	205,500	11,100
590	Operating Supplies	10,937	4,078	6,600	6,600	0
590	Office Supplies	471	88	0	0	0
590	Rep & Maint OCSD & Other	174,647	147,875	256,000	256,000	0
590	Rep & Maint IRWD	100,372	36,069	104,000	104,000	0
590	Other Professional Fees	300	300	1,600	940	(660)
590	Safety	256	0	1,700	1,700	0
590	Biosolids Disposals	20,408	10,100	25,000	25,000	0
Total LAWRP Operations		2,032,955	1,009,292	2,198,600	2,042,130	(156,470)
<hr style="border-top: 1px dashed black;"/>						
Total Recycling Operations		25,592,708	11,529,252	25,996,250	27,274,190	1,277,940



MAINTENANCE

OPERATING BUDGET SUMMARY

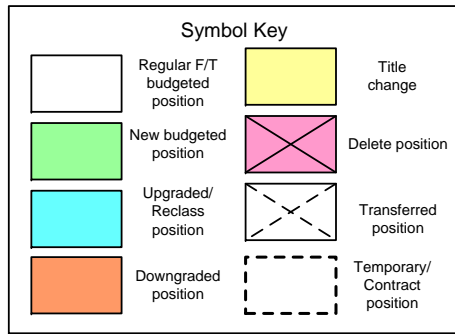
Program Description

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

- Complete part one of the IBM Maximo software implementation activities for the Enterprise Asset Management (EAM) system including the replacement of the current computerized maintenance management system (CMMS) with Maximo Asset Management and Maximo Scheduler;
- Complete the asset data collection for the MWRP Biosolids and Energy Recovery Facilities;
- 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;
- Complete the request for proposal (RFP) for the operation and maintenance of the biogas cleaning facilities and microturbines. Secure the services of a contractor to perform these services;
- Develop and implement an efficient comprehensive maintenance plan for the Baker Water Treatment Facility;
- Support the District's battery energy storage systems project through the planning, construction and operational phases;
- Maintain and develop staff competency through a combination of internal and external training;
- Investigate and expand the use of new technology to enhance and increase equipment reliability and staff productivity;
- Support the design and construction of a compressed natural gas (CNG) filling station at the Operations Center to accommodate the District's growing CNG fueled fleet;
- Provide Engineering support for projects including the Biosolids and Energy Recovery Facilities, Newport Coast Lift Station improvements, Operations Center generator, San Diego Creek Pump Station improvements;
- Optimize predictive maintenance measures through pump efficiency testing, lube oil analysis, vibration analysis, ultrasound detection, and infrared thermography program;
- Maintain all District buildings and facilities to ensure longevity to include the installation of a new Operations Center roof; and,
- Perform all required maintenance on schedule to ensure safe and dependable cost effective fleet operation.

**IRVINE RANCH WATER DISTRICT
MAINTENANCE OPERATIONS
FISCAL YEAR 2017-18**



Exec Director of Operations

OPERATIONS ADMIN (805)

DIRECTOR OF MAINTENANCE (U27.E)

MAINTENANCE OPERATIONS

FACILITIES SERVICES (850) & FLEET SERVICES (870)

ELECTRICAL SERVICES (820)

ASSET SYSTEMS (805)
(Create 830 for FY17-18)

MECHANICAL SERVICES (840)

FACILITIES/FLEET MANAGER (U17.E)

ELECTRICAL & INSTRUMENTATION MANAGER (U17.E)

ASSET SYSTEMS MANAGER (U17.E)

MECHANICAL SERVICES MANAGER (U19.E)

BUILDING/REPAIR

LANDSCAPE

FLEET SERVICES

FACILITIES SERVICES SUPERVISOR (U31.N)

LANDSCAPE CONTRACTS ADMINISTRATOR (28.N)

FLEET SUPERVISOR (U31.N)

INSTRUMENTATION SUPERVISOR (U34.N)

ELECTRICAL SUPERVISOR (U34.N)

New Budgeted Position for 1/1/2018

2 New Budgeted Positions

ASSET SYSTEMS ANALYST (10.E)

ASSET MAINTENANCE COORDINATOR (32.N)

MECHANICAL SERVICES SUPERVISOR (U32.N)

MECHANICAL SERVICES SUPERVISOR (U32.N)

MECHANICAL SERVICES SUPERVISOR (U32.N)

SENIOR FACILITIES SVCS TECH (27.N)

SENIOR VEHICLE/EQUIP. MECHANIC (27.N)

SR INSTRUMENTATION TECHNICIAN (30.N)

SR ELECTRICAL TECHNICIAN (30.N)

SR MAINTENANCE MECHANIC (27.N)

SR MAINTENANCE MECHANIC (27.N)

SR MAINTENANCE MECHANIC (27.N)

FACILITIES SVCS TECHNICIAN (22.N)

VEHICLE/EQUIP MECHANIC (22.N)

INSTRUMENTATION TECHNICIAN (28.N)

ELECTRICAL TECHNICIAN (28.N)

MAINTENANCE MECHANIC (22.N)

MAINTENANCE MECHANIC (22.N)

MAINTENANCE MECHANIC (22.N)

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2017-18

Maintenance		2015-16 Actual	2016-17 Actual thru 12/31/16	2016-17 Orig Budget	2017-18 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<u>Electrical Services</u>						
820	Regular Labor	1,346,855	715,443	1,768,350	1,202,510	(565,840)
820	Overtime Labor	163,527	74,074	158,700	161,900	3,200
820	Telecommunication	129	0	0	0	0
820	Operating Supplies	110,320	89,832	92,950	105,700	12,750
820	Rep & Maint IRWD	846,830	457,168	909,200	951,600	42,400
820	Personnel Training	145	0	0	0	0
820	Other Professional Fees	616	271	2,800	800	(2,000)
820	Safety	20,686	3,768	16,800	16,800	0
Total Electrical Services		2,489,108	1,340,556	2,948,800	2,439,310	(509,490)

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2017-18

Maintenance		2015-16 Actual	2016-17 Actual thru 12/31/16	2016-17 Orig Budget	2017-18 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<u>Asset Systems</u>						
830	Regular Labor			0	321,824	321,824
830	Overtime Labor	0	0	0	6,000	6,000
830	Operating Supplies	0	0	0	9,000	9,000
830	Other Professional Fees	0	0	0	75,000	75,000
830	Safety	0	0	0	1,000	1,000
Total Asset Systems		0	0	0	412,824	412,824

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2017-18

Maintenance		2015-16 Actual	2016-17 Actual thru 12/31/16	2016-17 Orig Budget	2017-18 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<u>Mechanical Services</u>						
840	Regular Labor	1,098,907	506,024	1,379,100	1,308,552	(70,548)
840	Overtime Labor	72,816	34,453	99,000	93,600	(5,400)
840	Contract Labor	43,258	140	0	40,000	40,000
840	Telecommunication	105	0	0	0	0
840	Chemicals	919	0	0	0	0
840	Operating Supplies	64,566	5,897	81,200	35,500	(45,700)
840	Equipment Rental	0	0	4,000	0	(4,000)
840	Rep & Maint IRWD	917,160	499,808	1,006,000	910,400	(95,600)
840	Personnel Training	103	0	0	1,690	1,690
840	Other Professional Fees	352	0	0	0	0
840	Safety	1,593	0	6,200	6,200	0
Total Mechanical Services		2,199,779	1,046,322	2,575,500	2,395,942	(179,558)

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2017-18

Maintenance		2015-16 Actual	2016-17 Actual thru 12/31/16	2016-17 Orig Budget	2017-18 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<u>Facilities Services</u>						
850	Regular Labor	555,199	255,945	621,700	640,284	18,584
850	Overtime Labor	21,830	13,231	23,400	26,000	2,600
850	Contract Labor	74,031	8,400	25,000	0	(25,000)
850	Electricity	304,661	160,077	390,000	397,924	7,924
850	Fuel	20,544	43,005	30,000	30,000	0
850	Telecommunication	369	120	0	400	400
850	Other Utilities	60,954	33,025	73,400	74,400	1,000
850	Operating Supplies	68,153	38,301	83,900	83,900	0
850	Rep & Maint IRWD	1,638,838	803,181	1,574,900	1,642,100	67,200
850	Personnel Training	2,651	16,086	0	340	340
850	Other Professional Fees	244	0	0	0	0
Total Facilities Services		2,747,474	1,371,371	2,822,300	2,895,348	73,048

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2017-18

Maintenance		2015-16 Actual	2016-17 Actual thru 12/31/16	2016-17 Orig Budget	2017-18 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
Fleet Services						
870	Regular Labor	374,081	184,590	375,000	387,176	12,176
870	Overtime Labor	11,247	3,010	10,300	10,300	0
870	Fuel	443,383	209,429	423,400	450,000	26,600
870	Other Utilities	54,914	28,563	61,600	61,600	0
870	Operating Supplies	13,350	1,418	7,800	7,800	0
870	Permits, Licenses and Fees	2,188	3,200	7,500	8,500	1,000
870	Equipment Rental	0	399	12,000	8,000	(4,000)
870	Rep & Maint IRWD	581,841	284,525	499,400	540,400	41,000
870	Personnel Training			0	1,692	1,692
870	Mileage Reimbursement	164,267	80,577	132,000	138,000	6,000
Total Fleet Services		1,645,271	795,711	1,529,000	1,613,468	84,468
Total Maintenance		9,081,632	4,553,960	9,875,600	9,756,892	(118,708)



RECYCLED WATER DEVELOPMENT

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 environmental compliance program, regulatory requirements and public affairs.

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

Major Goals

RECYCLED WATER DEVELOPMENT

- Convert a minimum of 250 acre-feet of imported water use to recycled water;
- Apply for new *Local Resources Program* funding from MWD which provides a "per-acre foot" financial incentive to increase the use of recycled water. Projects include the North Irvine Lake Pipeline Conversion Project which will conserve approximately 2,500 acre-feet per year and the UCI Central Plant cooling tower project which will conserve 125 acre-feet per year;
- Convert the UCI Central Plant cooling towers to recycled water;
- Assist WaterReuse California with its legislative agenda which includes allowing discharge of recycled water from impoundments during storm events;
- Remain active the in Orange County Chapter of WaterReuse California;
- Fully develop the Recycled Water Use Site Inspection and Testing Program including at single-family lots;

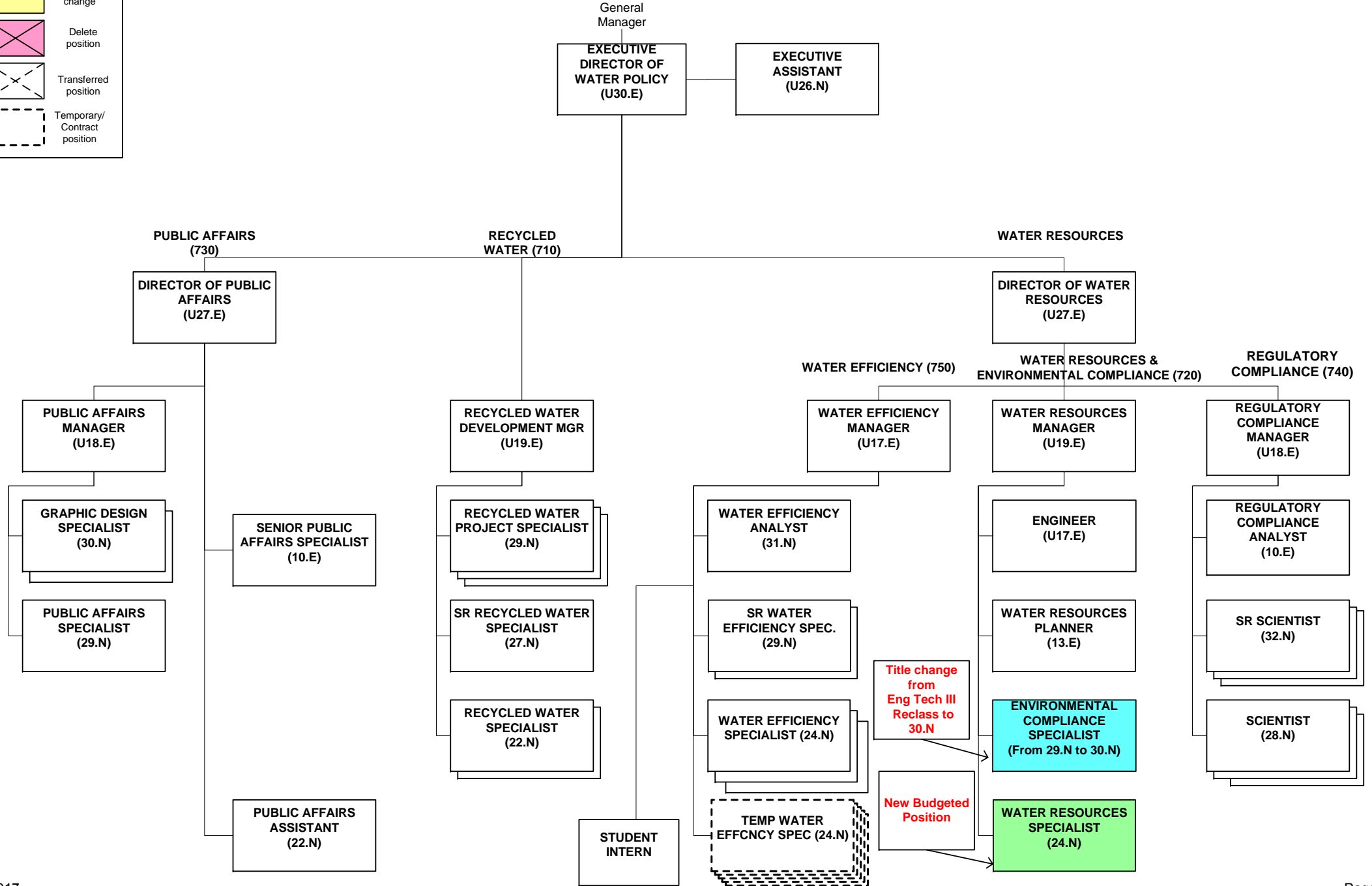
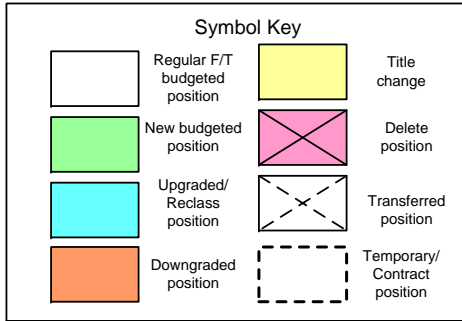


RECYCLED WATER DEVELOPMENT

OPERATING BUDGET SUMMARY

- Work with other stakeholders in Orange County to develop standards for the on-going inspection and testing of recycled water use sites which can be a template used by other agencies throughout the state; and
- Seek opportunities to dual-plumb hotels, condominiums, and apartment properties.

**IRVINE RANCH WATER DISTRICT
WATER RESOURCES AND POLICY
FISCAL YEAR 2017-18**



Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2017-18

Water Resources and Policy		2015-16 Actual	2016-17 Actual thru 12/31/16	2016-17 Orig Budget	2017-18 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<u>Recycled Water Development</u>						
710	Regular Labor	1,268,393	625,947	897,840	611,704	(286,136)
710	Overtime Labor	44,696	(850)	0	4,000	4,000
710	Contract Labor	440,840	5,771	97,100	46,000	(51,100)
710	Operating Supplies	128,817	68,899	60,000	30,000	(30,000)
710	Printing	45	143	500	500	0
710	Postage	2,944	910	2,000	2,000	0
710	Permits, Licenses and Fees	38,100	11,060	40,000	75,000	35,000
710	Office Supplies	3,605	1,536	4,000	4,000	0
710	Rep & Maint IRWD	26,186	73	0	0	0
710	Engineering Fees	73,187	33,000	108,000	115,000	7,000
710	Personnel Training	18,015	4,430	16,000	14,000	(2,000)
710	Other Professional Fees	862,443	281,660	576,600	458,600	(118,000)
710	Mileage Reimbursement	16	0	0	0	0
710	Conservation	2,294,006	(10,949)	0	0	0
Total Recycled Water Development		5,201,293	1,021,630	1,802,040	1,360,804	(441,236)



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 environmental compliance program, regulatory requirements and public affairs.

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, expanding statewide population, climate change, and expanding regulatory requirements.

This department is responsible for the planning and development of the District's water banking programs. In addition, this department is responsible for the negotiation and development of agreements with other agencies and entities throughout the State of California for water transfer and exchanges that facilitate the recharge, storage and recovery of water at the water banking projects. It is also responsible for the negotiation and the development of agreements that facilitate the delivery of water recovered from the water banking projects to IRWD's service area through facilities owned by the California Department of Water Resources, Kern County Water Agency and Metropolitan Water District of Southern California. This department is also responsible for the participation of IRWD-owned lands located in the Palo Verde Irrigation District (PVID) in MWD's existing fallowing program and any new water conservation related programs that MWD and PVID 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 and renewable energy planning activities. The environmental compliance programs focus on fulfilling the District's compliance requirements for the operation of potable water and wastewater systems operations, facility replacements and the construction of new facilities.



WATER RESOURCES AND ENVIRONMENTAL COMPLIANCE

OPERATING BUDGET SUMMARY

Major Goals

WATER RESOURCES

- Bank 90,000 AF of water for IRWD, develop 70 cfs of extraction and additional recharge and storage capacity as needed for IRWD and its water banking partners;
- Negotiate a MWD Policy for the delivery of MWD system water to IRWD's Kern County Banking Projects;
- Implement long-term unbalanced exchange agreements with Central Coast Water Authority, Carpinteria Valley Water District, Castaic Lake Water Agency and/or Antelope Valley-East Kern Water Agency and others;
Renew a multi-year unbalanced exchange among Dudley Ridge Water District, MWD and Kern County Water Agency that facilitates exchanges of IRWD's SWP water allotment associated with the Jackson Ranch;
- Develop and execute a one-year exchange agreement with Buena Vista Water Storage Agreement for pre-1914 Kern River water to be delivered to the Stockdale Integrated Banking Project;
- Develop a business plan for IRWD's water banking projects and programs;
- Execute long term exchange agreements to facilitate exports of Kern River water to IRWD service area;
- 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 land fallowing and water transfer opportunities;
- Investigate opportunities to purchase State Water Project Table A entitlement;
- Construct Drought Relief Project recovery and conveyance facilities;
- Increase IRWD's amount of water stored in Southern California; and,
- Identify, evaluate and secure land for the additional third property under the Stockdale Integrated Banking Project for joint use with Rosedale.

ENVIRONMENTAL COMPLIANCE

- Investigate fully developing the District's rights to the use of San Diego Creek flows; Investigate developing a mitigation credit inventory for the District's San Joaquin Marsh; and,
- Fulfill the District's environmental 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

- Implement recommendations from Embedded Energy Plan;
- Evaluate the impact varying water supplies on maintaining the District's salt balance;
- Update Energy Master Plan;
- Seek grant opportunities for District energy projects;



WATER RESOURCES AND ENVIRONMENTAL COMPLIANCE

OPERATING BUDGET SUMMARY

- Participate in SCE's Direct Access Program; and,
- Maximize participation in the Preferred Resources Program.

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2017-18

Water Resources and Policy		2015-16 Actual	2016-17 Actual thru 12/31/16	2016-17 Orig Budget	2017-18 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<u>Water Resources and Environmental Compliance</u>						
720	Regular Labor	592,066	292,424	603,590	992,638	389,048
720	Overtime Labor	191	65	800	400	(400)
720	Contract Labor	6,361	41,008	23,290	0	(23,290)
720	Electricity	21,851	0	8,820	8,820	0
720	Permits, Licenses and Fees	84,440	215,141	263,500	732,000	468,500
720	Office Supplies	198	0	0	0	0
720	Rep & Maint IRWD	223,042	142,409	368,500	608,900	240,400
720	Engineering Fees	890	0	0	0	0
720	Personnel Training	3,671	969	3,000	0	(3,000)
720	Other Professional Fees	16,331	49,448	26,100	56,000	29,900
Total Water Resources and Environmental Compliance		949,041	741,464	1,297,600	2,398,758	1,101,158



PUBLIC AFFAIRS

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 environmental compliance program, regulatory requirements and 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 media platforms, including print, personal contact, education programs, publications, tours, as well as electronic and social media outlets. The IRWD communication program serves the District and our customers by:

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

Major Goals

WATER EFFICIENCY OUTREACH

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

COMMUNITY OUTREACH AND MEDIA PROGRAMS

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



PUBLIC AFFAIRS

OPERATING BUDGET SUMMARY

BUSINESS OUTREACH PROGRAM

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

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2017-18

Water Resources and Policy		2015-16 Actual	2016-17 Actual thru 12/31/16	2016-17 Orig Budget	2017-18 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<u>Public Affairs</u>						
730	Regular Labor	0	267,138	681,500	681,630	130
730	Overtime Labor	31,212	12,651	27,000	33,000	6,000
730	Contract Labor	63,705	0	0	0	0
730	Operating Supplies	16	0	700	700	0
730	Printing	44,784	21,671	62,800	78,800	16,000
730	Postage	0	45	200	200	0
730	Office Supplies	3,341	974	6,000	6,000	0
730	Personnel Training	5,894	1,071	12,400	11,400	(1,000)
730	Other Professional Fees	1,319,826	199,062	1,599,800	1,402,300	(197,500)
730	Mileage Reimbursement	58	0	0	0	0
Total Public Affairs		1,468,836	502,612	2,390,400	2,214,030	(176,370)



REGULATORY 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 environmental compliance program, regulatory requirements and public affairs.

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

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

Major Goals

REGULATORY COMPLIANCE:

- Ensure the District operates in full compliance with all applicable federal, state and local environmental, water and air quality laws and regulations;
- Respond to Water Quality Customer Contacts and investigate the customer's concern;
- Determine required monitoring programs to address all regulatory requirements for potable, sewage and recycled water;
- Coordinate with other agencies with respect to Industrial Waste Pretreatment Programs and other projects;
- Research and provide recommendations for an IRWD implemented Industrial Waste Pretreatment Program;



REGULATORY COMPLIANCE

OPERATING BUDGET SUMMARY

- Evaluate requirements and options for long-term operation of the Fats, Oils and Grease (FOG) Program;
- Plan, organize and supervise the work of the Compliance Monitoring Group;
- Collect potable system distribution and storage samples to comply with the Department of Drinking Water (DDW) monitoring plan and to proactively identify any developing quality issues in the system;
- Implement and manage the District's School Lead Sampling Program;
- Collect MWRP and LAWRP samples to assure proper operation of the treatment facilities and compliance with each facilities' NPDES permit;
- Assist and provide resources to other departments with environmental, water and air permitting issues;
- Ensure compliance with all non-major and Title V air permit requirements for testing and reporting;
- Participate in industry stakeholder groups for air, water and biosolids regulatory issues;
- Prepare and submit new and renewal permit applications for routine activities, equipment and projects; and
- Assist in the development of environmental quality projects and coordinate research activities.

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2017-18

Water Resources and Policy		2015-16 Actual	2016-17 Actual thru 12/31/16	2016-17 Orig Budget	2017-18 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<u>Regulatory Compliance</u>						
740	Regular Labor	0	342,367	694,485	730,756	36,271
740	Overtime Labor	52,723	29,769	76,770	73,960	(2,810)
740	Contract Labor	0	15,946	0	14,500	14,500
740	Operating Supplies	55,585	32,082	61,100	59,400	(1,700)
740	Postage	109	1,326	800	800	0
740	Permits, Licenses and Fees	366,160	400,207	504,245	523,245	19,000
740	Office Supplies	97	372	800	800	0
740	Rep & Maint OCSD & Other	2,049	0	2,000	2,000	0
740	Rep & Maint IRWD	201,442	110,532	256,500	258,000	1,500
740	Engineering Fees	99,330	52,998	162,300	262,200	99,900
740	Personnel Training	8,145	1,464	10,000	9,400	(600)
740	Other Professional Fees	1,366	625	2,400	2,400	0
740	Safety	0	0	2,000	2,000	0
Total Regulatory Compliance		787,006	987,688	1,773,400	1,939,461	166,061



WATER EFFICIENCY

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 environmental compliance programs and regulatory requirements and public affairs.

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. An updated Water Use Efficiency Plan was adopted in December 2013. The focus was shifted beginning in fiscal year 2015-16 in response to a state mandated conservation target in response to the statewide drought. As a result of significantly improved hydrologic conditions, staff anticipates transitioning back to implementing the District's long-term water efficiency programs. Water efficiency programs including the outdoor efficiency RightScape program, new data reporting technologies to engage customers, tactical incentives and participation in innovative pilots and research that maintain IRWD's leadership position are incorporated into the fiscal year 2017-18 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

- Assist IRWD customers in meeting state mandated water efficiency goals through ongoing implementation of enhanced outreach and cost-effective demand management programs;
- Develop partnerships with private and public entities to leverage the effectiveness and reach of water efficiency programs;
- Research and implement, as appropriate, new technologies and innovative programs to assist customers with improving their water use efficiency with a special emphasis on the RightScape outdoor conservation program;
- Continue to partner with commercial, industrial and institutional customers to implement cost-effective water use efficiency programs;
- Continue to support and expand enhanced customer engagement and reporting as a tool to motivate additional water use efficiency;
- Continue to support and expand educational programs for the professional landscape industry; 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;



WATER EFFICIENCY

OPERATING BUDGET SUMMARY

- Actively engage in discussions with the State Water Resources Control Board, the Department of Water Resources and other stakeholders on implementation of state's Long Term Conservation Framework for efficient water use that balances local conditions and supplies, recycled water, prior conservation, growth and other equity adjustments;
- Establish the appropriate metrics and quantify water efficiency targets; and,
- Evaluate water use efficiency programs and Water Use Efficiency Plan.

Irvine Ranch Water District
Consolidated Operating Expense Budget for FY 2017-18

Water Resources and Policy		2015-16 Actual	2016-17 Actual thru 12/31/16	2016-17 Orig Budget	2017-18 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<u>Water Efficiency</u>						
750	Regular Labor	0	0	474,200	542,316	68,116
750	Overtime Labor	0	8,573	36,000	16,000	(20,000)
750	Contract Labor	0	135,530	128,560	70,000	(58,560)
750	Operating Supplies	0	271	5,000	2,500	(2,500)
750	Office Supplies	0	390	0	0	0
750	Rep & Maint IRWD	0	2,884	30,000	30,000	0
750	Personnel Training	0	13,644	16,000	17,500	1,500
750	Other Professional Fees	0	70,989	288,000	238,000	(50,000)
750	Conservation	0	(633,607)	2,964,500	2,012,000	(952,500)
Total Water Efficiency		0	(401,326)	3,942,260	2,928,316	(1,013,944)
<hr/>						
Total Water Resources and Policy		8,406,176	2,852,068	11,205,700	10,841,369	(364,331)
<hr/>						
GRAND TOTAL		121,711,607	63,691,613	150,341,200	153,160,718	2,819,518



GENERAL PLANT

SUMMARY*

	Fiscal Year 2017-18	Fiscal Year 2016-17	Increase (Decrease)	% Inc/(Dec)
Information Systems	\$ 681,800	\$ 696,700	\$ (14,900)	-2.14%
Transportation Equipment	580,000	563,000	17,000	3.02%
Laboratory Equipment	453,060	280,000	173,060	61.81%
Office Furniture and Equipment		119,500	(119,500)	-100.00%
Equipment	587,100	3,847,900	(3,260,800)	-84.74%
Structures/Improvements- Sand Canyon.MWRP	210,000	72,500	137,500	189.66%
Sub-Total	\$ 2,511,960	\$5,579,600	(\$3,067,640)	-122.12%
Less: Vehicle Salvage Value	(22,000)	(23,500)	1,500	-
Total General Plant	\$ 2,489,960	\$ 5,556,100	\$ (3,066,140)	-123.14%

Fiscal Year 2017-18

Funded by User Charges	\$1,627,910	65.38%
Funded by Capital Funds	655,300	26.32%
Funded by Overalllocation Rev	206,750	8.30%
Total Fiscal Year 2017-18	\$2,489,960	100.00%

Fiscal Year 2016-17

Funded by User Charges	\$ 4,466,200	80.38%
Funded by Capital Funds	1,009,900	18.18%
Funded by Overalllocation Rev	80,000	1.44%
Total Fiscal Year 2016-17	\$5,556,100	100.00%

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



GENERAL PLANT ANALYSIS

Description	Administration	Finance & Administrative Services	Engineering & Planning	Operations	Water Policy	Total
Information Systems and Technology	\$ -	\$ 624,800	\$ -	\$ 57,000	\$ -	\$ 681,800
Laboratory Equipment				78,000	375,060	453,060
Other General Plant						-
Office Furniture						-
Work Class Equipment				587,100		587,100
Transportation				580,000		580,000
Structures/Improvements - Sand Canyon/MWRP				210,000		210,000
Subtotal	\$ -	\$ 624,800	\$ -	\$ 1,512,100	\$ 375,060	\$ 2,511,960
Less Vehicle Salvage Value	-	-	-	(22,000)	-	(22,000)
Total Fiscal Year 2017-18	\$ -	\$ 624,800	\$ -	\$ 1,490,100	\$ 375,060	\$ 2,489,960
Total Fiscal Year 2016-17	-	696,700	-	4,635,400	224,000	5,556,100
Increase/(Decrease)	\$ -	\$ (71,900)	\$ -	\$ (3,145,300)	\$ 151,060	\$ (3,066,140)



CONSOLIDATED

GENERAL PLANT BUDGET

TASK	Item Description	Quantity	Price	Proposed 2017-18
Department:				
INFORMATION SERVICES				
250 8030.250.1	iPad Replacement	25	\$ 792	\$ 19,800
250 8030.250.2	iPads - Water Use Efficiency Department	5	800	4,000
250 8031.250.1	Network Disk Storage Expansion and Replacement	1	245,000	245,000
250 8031.250.2	Audio Visual Equipment - OPS Center Biosolids Conference Room	1	6,000	6,000
250 8031.250.3	Server Replacement - Automation Department	1	22,000	22,000
250 8031.250.4	Debt and Investment Management Software	1	65,000	65,000
250 8041.250.1	PC Replacement	77	1,818	140,000
250 8041.250.2	Laptop Computer Replacement	19	2,447	46,500
250 8041.250.3	Tablet Computer Replacement	6	2,083	12,500
250 8041.250.4	Tablet Computers - Automation Department	6	3,167	19,000
250 8041.250.5	Tablet Computers - Biosolids Operations Department	7	3,143	22,000
250 8041.250.6	PC Replacement - Automation Department	7	929	6,500
250 8041.250.7	Tablet Computers - Water Quality Department	8	2,063	16,500
Sub-Total				\$ 624,800
Department:				
NTS OPERATIONS				
515 8036.515.1	(3) Solar Mixers	3	\$ 26,000	\$ 78,000
Sub-Total				\$ 78,000
Department:				
AUTOMATION DEPARTMENT				
520 8033.520.1	(7) SCADA Desktop Computers-MWRP SCADA System Operation	7	\$ 1,000	\$ 7,000
520 8033.520.2	(2) Dell Computer Servers-SCADA System	2	25,000	50,000
Sub-Total				\$ 57,000
Department:				
WATER QUALITY				
600 8031.600.1	Misc. Laboratory Equipment for Unplanned Projects and Regulatory Requirements	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	\$55,000	\$ 55,000
600 8036.600.2	Existing Laboratory Equipment Replacement	1	\$162,000	\$ 162,000
600 8036.600.3	Laboratory Recirculating Deionized Water System	1	\$44,000	\$ 44,000
Sub-Total				\$ 331,000
Department:				
REGULATORY COMPLIANCE				
740 8031.740.1	Multi parameter water quality monitoring sondes for receiving water	1	\$ 23,060	\$ 23,060
740 8031.740.2	Sigma automated samper used for sampling of LAWRP regulatory plant samples	1	\$ 8,000	\$ 8,000
740 8031.740.3	Sigma automated samper used for sampling of MWRP regulatory plant samples	1	\$ 8,000	\$ 8,000
740 8031.740.4	Rehabilitation/Replace of regulatory compliance sampling equipment	1	\$ 5,000	\$ 5,000
Sub-Total				\$ 44,060
Department:				
MECHANICAL SERVICES				
840 8030.840.1	Vibexpert II - 2 channel system (part# VIB 5.310-2)	1	\$ 20,000	\$ 20,000
Sub-Total				\$ 20,000

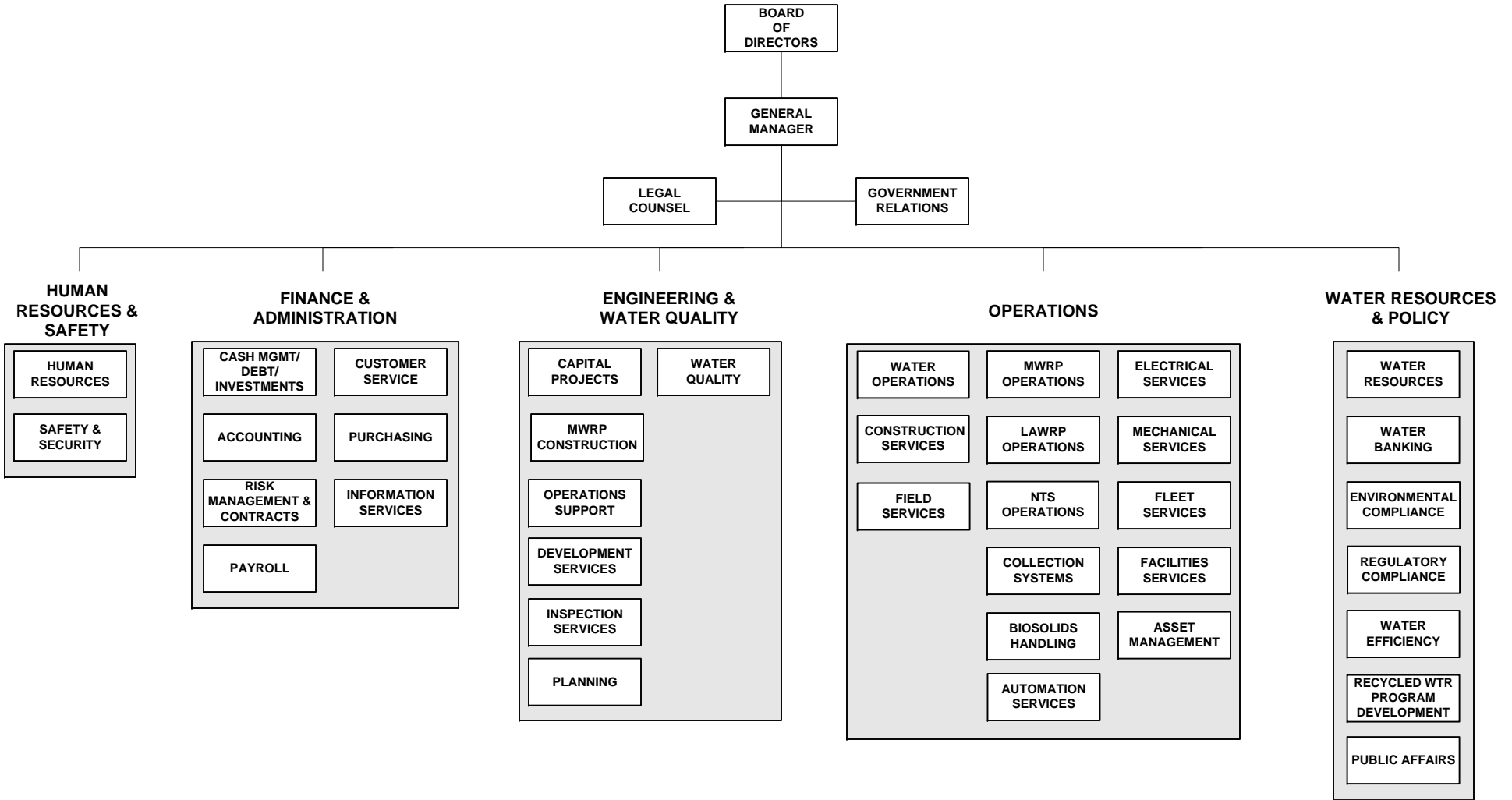


CONSOLIDATED

GENERAL PLANT BUDGET

TASK	Item Description	Quantity	Price	Proposed 2017-18
Department:				
	FACILITIES SERVICES			
850 8037.850.1	Michelson Operations Center Computer Room HVAC	1	\$ 185,000	\$ 185,000
850 8037.850.2	Sand Canyon HQ Central Plant HVAC Controller	1	25,000	25,000
	Sub-Total			\$ 210,000
Department:				
	FLEET SERVICES			
870 8037.870.1	Electric Cart (Warehouse)	1	\$ 10,500	\$ 10,500
870 8036.870.1	Boat, Controls, Engine, and Trailer	1	\$ 14,600	\$ 14,600
870 8036.870.2	(2) Amphibious ATV's and Storage Containers	1	\$ 51,500	\$ 51,500
870 8036.870.3	Forklift, Electric	1	\$ 38,400	\$ 38,400
870 8036.870.4	Utility Cart, Electric	1	\$ 13,500	\$ 13,500
870 8036.870.5	Scissor Lift, Electric	1	\$ 32,100	\$ 32,100
870 8038.870.1	Backhoe Loader	1	\$ 130,000	\$ 130,000
870 8038.870.2	CCTV Inspection Vehicle	1	\$ 199,500	\$ 199,500
870 8038.870.3	24K LB. Boom Crane (Crane Truck)	1	\$ 290,000	\$ 290,000
870 8055.870.1	Light Duty Pickup, 2WD	1	\$ 27,500	\$ 27,500
870 8055.870.10	Light Duty SUV, 2WD	1	\$ 27,000	\$ 27,000
870 8055.870.11	Medium Duty Pickup 2WD, DRW	1	\$ 37,000	\$ 37,000
870 8055.870.2	Medium Duty Pickup, 4WD w/utility bed	1	\$ 38,300	\$ 38,300
870 8055.870.3	Medium Duty Pickup, 2WD	1	\$ 27,500	\$ 27,500
870 8055.870.4	Medium Pickup, 4WD	1	\$ 31,400	\$ 31,400
870 8055.870.51	Medium Pickup, 4WD	1	\$ 31,400	\$ 31,400
870 8055.870.52	Medium Pickup, 4WD	1	\$ 31,400	\$ 31,400
870 8055.870.53	Medium Pickup, 4WD	1	\$ 31,400	\$ 31,400
870 8055.870.6	Light Duty Pickup, 2WD	1	\$ 27,500	\$ 27,500
870 8055.870.7	Light Duty SUV, 2WD	1	\$ 27,000	\$ 27,000
870 8055.870.8	Medium Duty Pickup, 2WD	1	\$ 29,600	\$ 29,600
	Sub-Total			\$1,147,100
Total General Plant				<u>\$2,511,960</u>

**Irvine Ranch Water District
Organizational Chart
(By Function)
Fiscal Year 2017-18**





POSITIONS BY COST CENTER

THREE YEAR PERSONNEL COMPARISON

Department	Authorized Positions		
	2015-16	2016-17	2017-18
Administration			
Number of Positions	14.0	15.0	15.0
% change from prior year	27.3 %	7.1 %	0.0 %
Finance and Administrative Services			
Number of Positions	75.0	80.0	81.0
% change from prior year	5.6 %	6.7 %	1.3 %
Engineering			
Number of Positions	40.0	42.0	44.0
% change from prior year	5.3 %	5.0 %	4.8 %
Water Quality			
Number of Positions	20.0	20.0	20.0
% change from prior year	(28.6) %	0.0 %	0.0 %
Water Policy			
Number of Positions	34.0	36.0	37.0
% change from prior year	25.9 %	5.9 %	2.8 %
Water Operations			
Number of Positions	71.0	73.0	77.0 *
% change from prior year	1.4 %	2.8 %	5.5 %
Recycling Operations			
Number of Positions	48.0	50.0	55.0
% change from prior year	11.6 %	4.2 %	10.0 %
Maintenance			
Number of Positions	50.0	52.0	48.0 **
% change from prior year	4.2 %	4.0 %	(7.7) %
Total Number of Positions	352.0	368.0	377.0
Number of Changed Positions	<u>16.0</u>	<u>16.0</u>	<u>9.0</u>
% Change From Prior Year	<u>4.8 %</u>	<u>4.5 %</u>	<u>2.4 %</u>

* Operations Administration is part of Water Operations.

** For FY 2017-18, one position is budgeted to start January 2018.



SALARIES AND WAGES

SUMMARY OF SALARIES AND WAGES

(in thousands)

	Total	Administration	Finance & Administrative Services	Engineering	Water Quality	Water Policy	Water Operations	Recycling Operations	Maintenance
Current Authorized:									
Gross Pay	\$30,778	\$1,613	\$6,275	\$4,353	\$1,690	\$3,338	\$5,770	\$4,242	\$3,498
Annual Increase	1,354	69	280	\$193	\$72	\$154	\$266	\$167	\$153
Sub-Total Regular Salaries & Wages	32,132	1,682	6,555	4,546	1,762	3,492	6,037	4,409	3,651
New Positions:									
Gross Pay	723	0	109	\$166	\$0	\$68	\$171	\$0	\$210
Total Regular Salaries & Wages	32,855	1,682	6,663	4,712	1,762	3,559	6,208	4,409	3,860
Insurance and Benefits	7,768	398	1,575	1,114	417	841	1,468	1,042	913
Employment Tax & PERS Contributions	9,598	491	1,947	1,377	515	1,040	1,813	1,288	1,128
Total Regular Salaries & Wages, health Insurance and employment taxes	\$50,221	\$2,571	\$10,185	\$7,203	\$2,694	\$5,440	\$9,489	\$6,739	\$5,901
Employee Count:	377	15	81	44	20	37	77	55	48



BENEFITS AND EMPLOYMENT TAX

HEALTH INSURANCE AND EMPLOYER CONTRIBUTIONS

(in thousands)

	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>Change</u>
Insurance and Benefits			
Health Ins Actives	\$5,019	\$5,220	\$201
Dental Premiums	419	421	2
Wrkrs Comp Premiums	708	660	(48)
Wrkrs Comp Paid Claims	758	612	(146)
Life Ins Actives	185	150	(35)
LT Disability Premiums	104	103	(1)
Medical Premiums - Retirees	123	115	(8)
Vision Benefit Premiums	80	85	5
RHCAP Payments - OPEB	360	325	(35)
Life Ins Retirees	33	14	(19)
Other	54	63	9
	<u>\$7,843</u>	<u>\$7,768</u>	<u>(\$75)</u>
Employment Tax and PERS			
PERS Employer Portion	\$6,033	\$6,340	\$307
PERS In Excess Of ARC	1,781	1,872	91
401A Employer Match Portion	734	734	0
401A Employer Direct Portion	60	126	66
Medicare Tax	437	476	39
St Unemployment Tax	50	50	0
	<u>\$9,095</u>	<u>\$9,598</u>	<u>\$503</u>
Total Insurance, Benefits, and Taxes	<u>\$16,938</u>	<u>\$17,366</u>	<u>\$428</u>

**FY 2017/18 Budget
Summary of Proposed Budgeted Personnel Changes**

Proposed Changes to Existing Budgeted Positions						
Dept	Job Title	Current Sal Grade	Proposed Action	Proposed Job Title	Proposed Sal Grade	Salary Costs
210	Treasury Analyst	31.N	Reclass 1 Position	Treasury Analyst	12.E	\$4,500
210	Senior Accountant	U11.E	Reclass 3 Positions	Accounting Supervisor	U13.E	\$12,000
300	Construction Inspector III	31.N	Title Change 2 positions	Senior Construction Inspector	31.N	\$0
300	Construction Inspector II	28.N	Title Change 3 positions	Construction Inspector	28.N	\$0
300	Development Services Specialist	15.N	Reclass 2 Positions	Development Services Specialist	19.N	\$8,100
300	Engineering Technician III	29.N	Downgrade 1 Position	Development Services Specialist	19.N	-\$19,200
515	Wetlands Specialist	24.N	Upgrade 1 Position	Wetlands Scientist	32.N	\$8,040
550	Operator III	29.N	Upgrade 1 Position	Process Specialist	32.N	\$3,600
720	Engineering Technician III	29.N	Upgrade 1 Position	Environmental Compliance Specialist	30.N	\$900
805	Analyst	10.E	Title Change 2 positions	Management Analyst	10.E	\$0
Subtotal						<u>\$17,940</u>

Proposed Deleted Positions			
Dept	Job Title	Sal Grade	Salary Costs
220	Mail Coordinator	6.N	-\$42,000
Subtotal			<u>-\$42,000</u>

Proposed New Positions			
Dept	Job Title	Sal Grade	Salary Costs
220	Customer Service Field Technician	16.N	\$49,200
250	Senior Applications Analyst	U18.E	\$109,200
300	Construction Inspection Supervisor	U34.N	\$88,800
300	Construction Inspector	28.N	\$74,400
420	Operations Supervisor	U35.N	\$91,200
420	Operator III	29.N	\$76,800
830	Asset Maintenance Coordinator	32.N	\$84,000
830	Asset Maintenance Coordinator	32.N	\$84,000
830	Asset Systems Analyst	10.E	\$41,400
720	Water Resources Specialist	24.N	\$66,000
Subtotal			<u>\$765,000</u>

To be filled 1/2018

Total **\$740,940**



LABOR

PROPOSED LABOR CHANGES

Proposed Personnel Budget Changes Reflected in the FY 2017/18 Operating Budget

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

Finance (210):

Treasury Analyst (From Salary Grade 31.N to Salary Grade 12.E)

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

Senior Accountant (Salary Grade U11.E) (3 positions) ➔ Accounting Supervisor (Salary Grade U13.E)

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

Engineering (300):

Construction Inspector III (Salary Grade 31.N) (2 positions) ➔ Senior Construction Inspector (Salary Grade 31.N)

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

Construction Inspector II (Salary Grade 28.N) (3 positions) ➔ Construction Inspector (Salary Grade 28.N)

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

Development Services Specialist (From Salary Grade 15.N to Salary Grade 19.N) (2 positions)

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

Engineering Technician III (Salary Grade 29.N) ➔ Development Services Specialist (Salary Grade 19.N)

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



LABOR

PROPOSED LABOR CHANGES

Natural Treatment Systems (515):

Wetlands Specialist (Salary Grade 24.N) ➔ Wetlands Scientist (Salary Grade 32.N)
This position upgrade is being requested to more properly reflect the higher level duties and responsibilities of this position.

MWRP Operations (550):

Operator III (Salary Grade 29.N) ➔ Process Specialist (Salary Grade 32.N)
This position upgrade is being requested to more properly reflect the higher level duties and responsibilities of this position.

Water Resources and Policy (720):

Engineering Technician III (Salary Grade 29.N) ➔ Environmental Compliance Specialist (Salary Grade 30.N)
This position upgrade and title change is being requested to more properly reflect the specific duties and responsibilities of this position.

Operations Administration (805):

Analyst (Salary Grade 10.E) ➔ Management Analyst (Salary Grade 10.E)
This title change is being requested to more properly reflect the specific duties and responsibilities of the position.

Eliminated Positions:

Mailroom Coordinator (Salary Grade 6.N) (one position) –
This position is being eliminated due to increased efficiency in current processes and cross-training of current customer service staff.

New Positions:

Customer Service (220):

Customer Service Field Technician (Salary Grade 16.N) – one position
This position is required to due to increased workload in the customer service department resulting from increased development. This position is currently staffed by temporary labor.

Information Services (250):

Senior Applications Analyst (Salary Grade 15.N) – one position
This position is required to support the high level of complexity in the District's tier one Oracle Enterprise Applications. This position is currently filled by contract labor.



LABOR

PROPOSED LABOR CHANGES

Engineering (300):

Construction Inspection Supervisor (Salary Grade U34.N) – one position

This position is required due to an increase in workload in the inspection services group as a result of an increase in active construction projects.

Construction Inspector (Salary Grade 28.N) - one position

This position is required due to an increase in workload in the inspection services group as a result of an increase in active construction projects.

Water Operations (420):

Operations Supervisor (Salary Grade U35.N) – one position

This position is required to provide a high level of on-site monitoring on a daily basis to maintain uninterrupted water production at the Baker Water Treatment Plant.

Operator III (Salary Grade 29.N) – one position

This position is required to manage the increased workload in Water Operations as a result of the growth and complexity of IRWD's water system assets.

Water Resources and Policy (720):

Water Resources Specialist (Salary Grade 24.N) – one position

This position is required due to the increased workload in water resources as a result of IRWD's supply reliability program which has significantly expanded over the past year.

Asset Systems (830):

Asset Maintenance Coordinator (Salary Grade 32.N) – two positions

These positions are required to manage the District's new Enterprise Asset Management (EAM) program and the implementation of its software program including the database and for planning and scheduling predictive, reactive, and preventive maintenance activities.

Asset Systems Analyst (Salary Grade 10.E) – one position

This position is required to manage the District's new Enterprise Asset Management (EAM) program and the implementation of its software program including data management and report generation.