

Departmental Operating Budget

Labor and Benefits

Labor and Benefits represent 22.7% of the total Operating Budget. In Fiscal Year 2008, the Employees' Association signed a six-year Memorandum of Understanding (MOU) with the District. The highlights of this agreement included: changes to salaries based on a salary survey, changes to the medical and dental plans, enhancements of the retirement package with to include post retirement health benefits for active employees, and rewriting MOU to streamline the District practices.

District personnel are assigned to work in six departments: General Manager, Administrative Services, Finance, Information Technology & Strategic Planning, Water Operations, and Engineering. The departments are further categorized by functions into divisions. The Fiscal Year 2010 Budget includes funding for labor and benefits for 166 Full-time Equivalent (FTE) employees and a 3% across-the-board salary increase on July 1, 2009.

The staffing level for Fiscal Year 2010 has a decrease of three FTE employees from Fiscal Year 2009. The District has chosen to eliminate three vacant positions in areas that have experienced a reduction of work due to slowing of growth.

A projected 10.0% of the labor and benefits costs will be charged to projects included in the Capital Improvement Program (CIP) and Developer Deposits. These are not considered Operating Projects and therefore reduce the Operating Budget by \$2,022,900. The Water Operations Department, with its staff of 68 employees, is responsible for maintaining and operating the District's facilities.

Administrative Expenses

Administrative Expenses represent 7.0% of the District's total operating costs. A detailed listing of the Administrative Expenses for Fiscal Year 2010 is shown on page 100. The reduction of \$528,900 in outside services expenses is due to shifting of some projects that will become capital assets to the capital budget, and cost cutting measures lead to this overall reduction of over \$600,000 in Administrative Expenses.

Administrative Expenses include such items as memberships, office supplies, staff training, Directors' fees, water conservation programs, safety expenses, and regulatory agencies' fees. Some of the administrative expenses are more discretionary than others such as insurance or regulatory fees which are mandatory, where the District may be better able to control expenses such as training or business meetings to some extent. The safety needs of the District's customers and employees, and compliance with regulatory agencies are of utmost importance, so related expenses are considered necessary.

Departmental Operating Budget

Materials and Maintenance

The Materials and Maintenance Expenses allow the District to provide reliable, high-quality products, services, and support to its customers.

As the District continues to grow and new facilities are added, additional maintenance and services will be required. This year, there is a 1.8% decrease in Materials and Maintenance Expenses due to the reductions of \$137,800 in fuel costs due to price reductions and another \$129,300 in contracted service, offset some what by increases in chemical costs of \$204,500, and other cost-saving measures.

The Water Operations Department has implemented an Infrastructure Management System (IMS) which allows for better maintenance of existing assets and monitoring of new assets coming on-line. It also facilitates planning for repair or replacement of assets as well as assessing the condition of infrastructures. IMS helps the District to better track and manage the Materials and Maintenance Expenses.

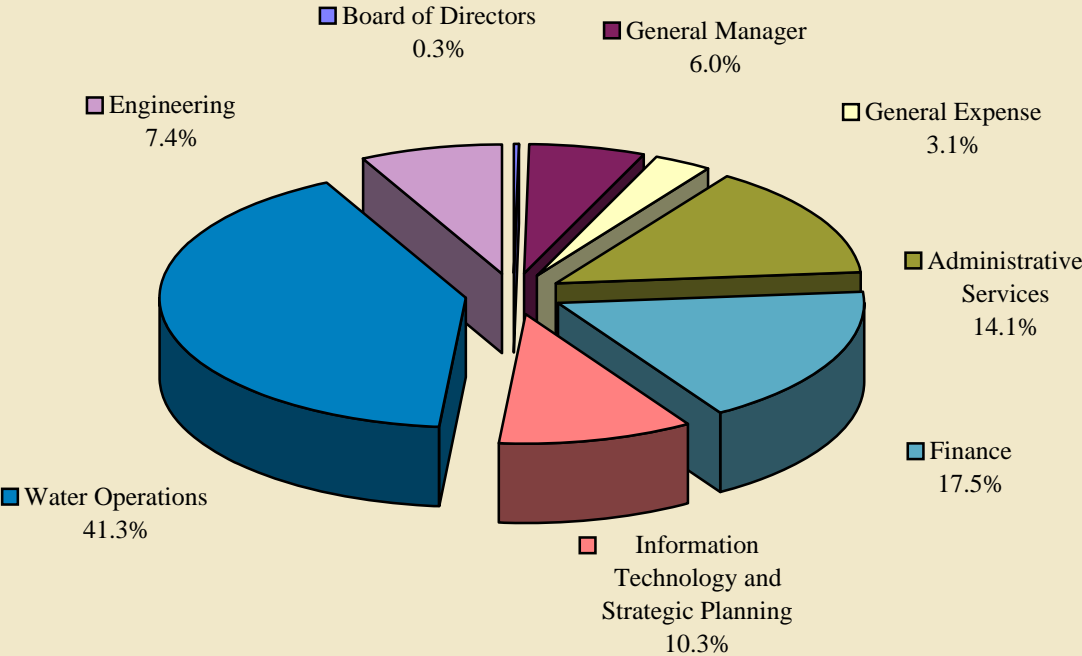
Performance Measurement Program

Strategic goals and objectives approved by the Board of Directors are incorporated into departmental operating budgets to ensure adequate funds are available to implement the Strategic Plan. The District has updated its performance measurement program this fiscal year to provide measurable results of progress on both strategic and key operational goals and objectives. (See the plan objectives and measures in the department sections that follow.) Performance measures have been developed by comparing key District activities with functional and available operational data that provide reliable feedback on progress. Developed cooperatively with staff and the help of measurement experts, the measures are designed to be comparable to measures commonly found in similar industries.

The performance measures focus on “best practice” as applied to the District. Measures are collected and reviewed quarterly by the Senior Management Team and reviewed by the Board at least twice a year. Results are used to set new targets for the following fiscal year and to hold staff accountable for the current fiscal year.

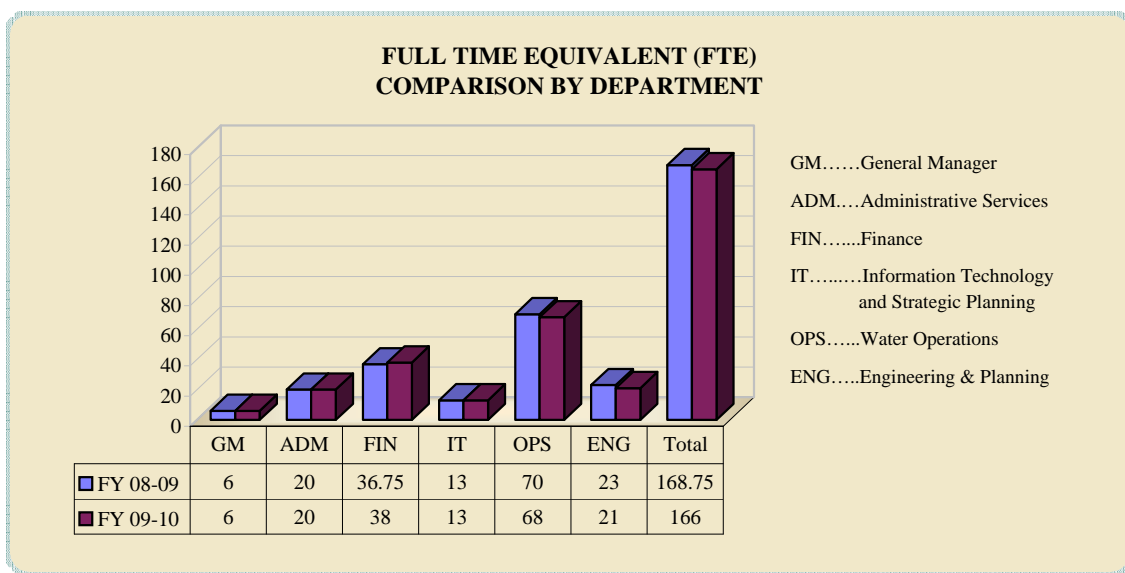
Departmental Operating Budget

TOTAL DEPARTMENTAL OPERATING BUDGET Fiscal Year 2010 \$27,818,200



Labor and Benefits

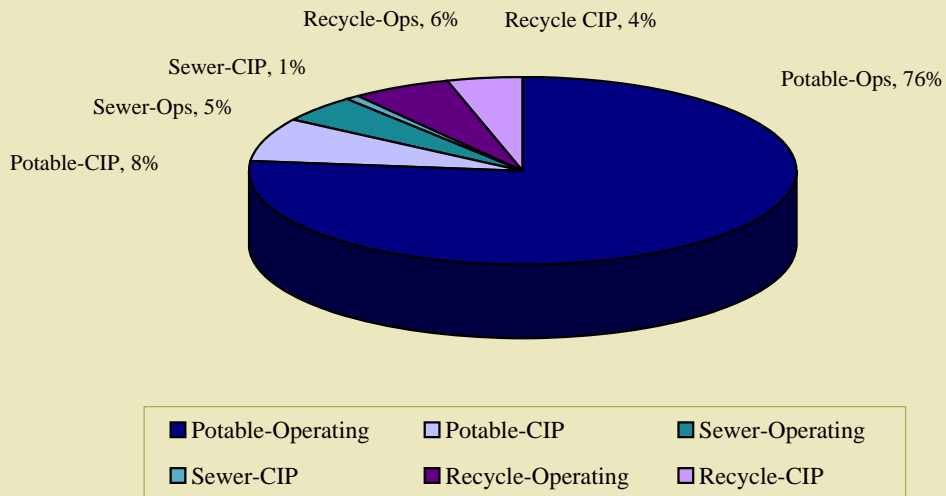
	FY08	FY09		FY10
	Actual	Budget	Estimated	Budget
Total Labor Costs	\$ 10,317,566	\$ 11,175,500	\$ 10,922,011	\$ 11,456,800
Benefits				
Pension	3,063,318	3,140,400	3,111,655	3,227,500
Employee Assistance Program	5,269	7,500	5,138	7,500
Worker's Compensation	358,860	281,100	156,822	262,300
Health/Dental/Life Insurance	1,909,802	1,934,900	1,810,350	2,076,700
Social Security / Medicare	870,316	954,300	889,137	937,000
Salary Continuation Insurance	81,560	87,700	86,342	87,800
Employee Awards	23,860	-	29,233	-
State Unemployment Insurance	26,711	20,000	6,227	20,000
Vacation / Sick / Holiday / Other Leave	1,991,568	2,063,100	2,066,505	2,091,300
Total Fringe Benefits	8,331,264	8,489,000	8,161,409	8,710,100
Total Labor and Benefits	18,648,830	19,664,500	19,083,420	20,166,900
Less: Non-Operating Labor and Benefits				
Labor Costs	943,249	1,063,800	1,143,905	1,282,300
Fringe Benefits Allocation	558,549	642,700	668,132	740,600
Total WO Allocation	1,501,798	1,706,500	1,812,037	2,022,900
Operating Labor & Benefits	17,147,032	17,958,000	17,271,383	18,144,000
Total Overhead Allocation	1,084,736	1,223,400	1,315,491	1,474,600
Less: Overhead Allocation Personnel Portion	685,011	772,600	830,733	931,200
<i>Admin Portion of OH (36.85%)</i>	\$ 399,725	\$ 450,800	\$ 484,758	\$ 543,400
Operating Labor and Benefits	\$ 16,462,021	\$ 17,185,400	\$ 16,440,650	\$ 17,212,800



Labor and Benefits by Fund - Fiscal Year 2010

	<u>Potable</u>	<u>Sewer</u>	<u>Recycled</u>	<u>Developer Reimbursed-CIP</u>	<u>Total</u>
Total Operating Labor Costs	\$ 9,304,100	\$ 387,600	\$ 482,800	\$ -	\$ 10,174,500
Benefits	7,381,400	251,700	336,400	-	7,969,500
Overhead Allocation-Personnel Portion	(1,563,300)	281,500	350,600	-	(931,200)
Total Operating Labor and Benefits	15,122,200	920,800	1,169,800	-	17,212,800
Total CIP Labor Costs	\$ 658,000	\$ 67,400	\$ 378,400	\$ 178,500	\$ 1,282,300
Benefits	387,800	37,300	207,400	108,100	740,600
Overhead Allocation-Personnel Portion	477,900	48,900	274,800	129,600	931,200
Total CIP Labor and Benefits	1,523,700	153,600	860,600	416,200	2,954,100
Total Labor and Benefits	16,645,900	1,074,400	2,030,400	416,200	20,166,900

LABOR and BENEFITS BY FUND

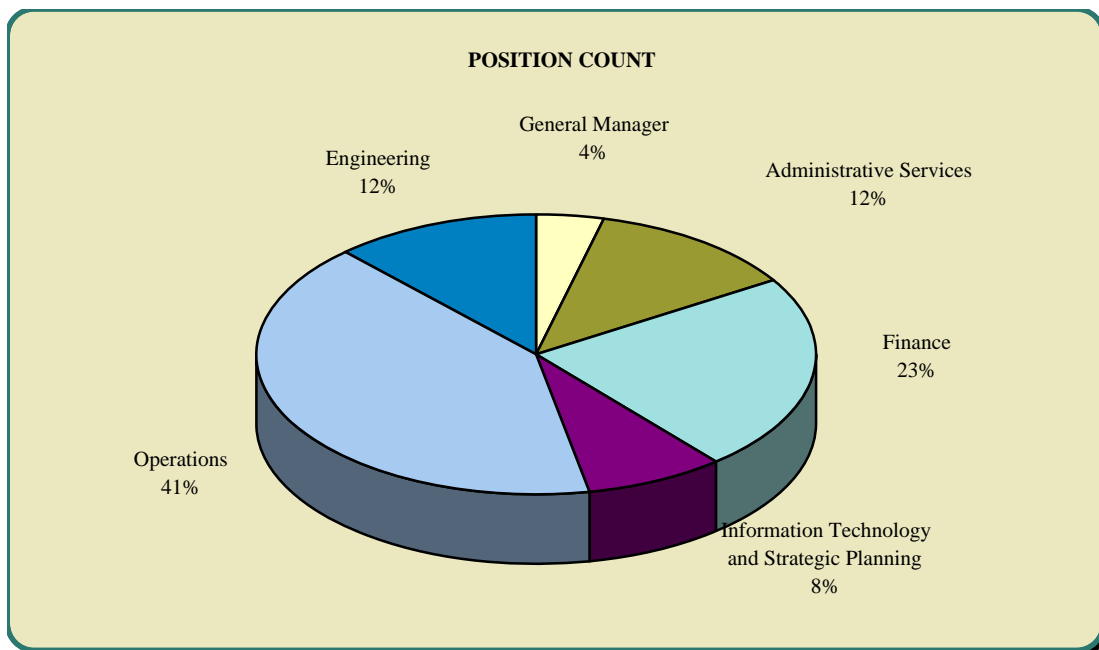


Position Count by Department

	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
General Manager	6	6	6
Total - General Manager Department	6	6	6
FTE	6.00	6.00	6.00
Administrative Services	3	3	3
Human Resources	5	4	4
Purchasing	9	9	9
Safety	1	1	1
Conservation	2	3	3
Total Administrative Services Department	20	20	20
FTE	20.00	20.00	20.00
Controller and Budgetary Services	7	7	7
Treasury and Accounting Services	6	6	6
Customer Service	19	20	22
Payroll and Accounts Payable	4	4	3
Total Finance Department	36	37	38
FTE	35.75	36.75	38.00
<u>Information Technology and Strategic Planning:</u>			
Information Technology and Strategic Planning Applications	5	5	5
Information Technology Operations	4	4	4
Geographic Information Systems	4	4	4
Total IT and Strategic Planning Department	13	13	13
FTE	13.00	13.00	13.00
Operations Management	2	2	2
Water System Operations	27	28	28
Utility Maintenance/Construction	35	33	31
Collection/Treatment/Reclamation Operations	7	7	7
Total Operations Department	71	70	68
FTE	71.00	70.00	68.00
Engineering Management	3	3	3
Engineering	24	20	18
Total Engineering Department	27	23	21
FTE	27.00	23.00	21.00
District Total Position Count	173	169	166
FTE	172.75	168.75	166.00

Contract / Temporary Employees

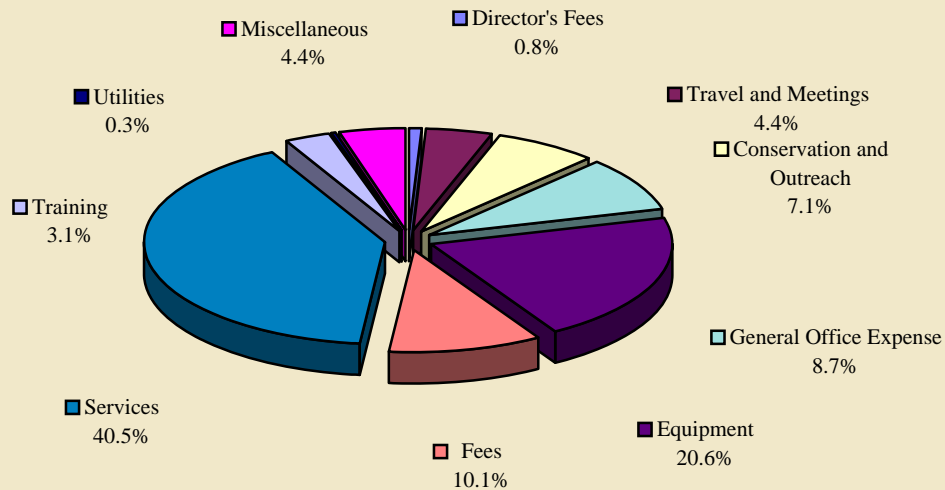
	FY 2008	FY 2009	FY 2010
Consultant	0	1	0
Customer Service Field Representative I and II	2	2	1
Customer Service Representative I and II	0	0	1
Water Conservation Intern	1	0	0
Administrative Analyst	1	1	0
County Water Authority Interns	1	1	0
Engineering Intern	1	1	0
Sr. Engineering Technician	0	0	1
Strategic Planning Assistant	0	0	1
Total Contract/Temporary Employees	6	6	4



Administrative Expenses - Total

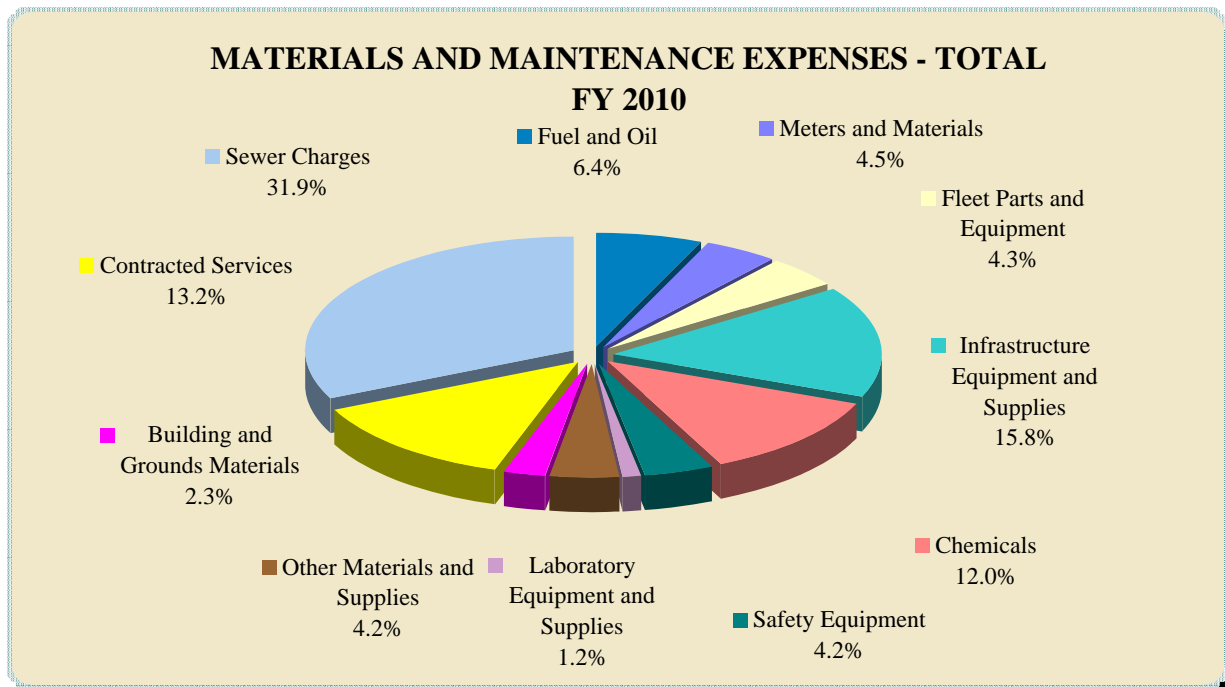
	FY 2008	FY 2009		FY 2010	Budget Variance	%
	Actual	Budget	Estimated	Budget		
Director's Fees	\$ 24,002	\$ 40,000	\$ 20,200	\$ 40,000	-	0.0%
Travel and Meetings	184,690	239,400	213,488	222,200	(17,200)	(7.2%)
Conservation and Outreach	286,240	348,000	254,209	352,800	4,800	1.4%
General Office Expense	380,573	364,900	397,104	434,500	69,600	19.1%
Equipment	1,013,411	1,052,100	1,103,654	1,028,700	(23,400)	(2.2%)
Fees	454,063	480,500	438,020	508,000	27,500	5.7%
Services	2,249,985	2,555,500	2,032,274	2,026,600	(528,900)	(20.7%)
Training	92,693	167,600	146,746	156,500	(11,100)	(6.6%)
Utilities	14,495	15,600	15,874	17,500	1,900	12.2%
Miscellaneous	239	150,000	265,741	220,000	70,000	46.7%
Total	4,700,391	5,413,600	4,887,310	5,006,800	(406,800)	(7.5%)
Less: Overhead Allocation	(399,725)	(450,800)	(484,758)	(543,400)	(92,600)	20.5%
Subtotal	4,300,666	4,962,800	4,402,552	4,463,400	(499,400)	(10.1%)
General Expenses	1,852,927	972,300	1,539,372	865,800	(106,500)	(11.0%)
Total Administrative Expenses	\$ 6,153,593	\$ 5,935,100	\$ 5,941,924	\$ 5,329,200	\$ (605,900)	(10.2%)

ADMINISTRATIVE EXPENSES - TOTAL FY 2010



Materials and Maintenance Expenses - Total

	FY 2008	FY 2009		FY 2010	Budget	%
	Actual	Budget	Estimated	Budget	Variance	
Materials and Maintenance						
Fuel and Oil	\$ 508,832	\$ 382,500	\$ 200,568	\$ 244,700	(137,800)	(36.0%)
Meters and Materials	344,203	148,500	156,384	170,600	22,100	14.9%
Fleet Parts and Equipment	153,200	164,000	170,271	164,000	-	0.0%
Infrastructure Equipment and Supplies	864,954	667,500	654,616	600,600	(66,900)	(10.0%)
Chemicals	227,476	250,000	299,207	454,500	204,500	81.8%
Safety Equipment	21,530	31,300	38,903	161,100	129,800	414.7%
Laboratory Equipment and Supplies	40,004	40,000	42,891	47,000	7,000	17.5%
Other Materials and Supplies	136,554	174,300	120,864	157,900	(16,400)	(9.4%)
Building and Grounds Materials	93,735	93,000	90,679	86,600	(6,400)	(6.9%)
Contracted Services	485,171	632,800	548,431	503,500	(129,300)	(20.4%)
Materials and Maintenance	2,875,658	2,583,900	2,322,973	2,590,500	6,600	0.3%
Sewer Charges						
Metro O&M Costs	1,034,276	1,041,900	913,033	981,000	(60,900)	(5.8%)
Spring Valley Sewer Charge	202,246	247,000	246,647	230,100	(16,900)	(6.8%)
Total Sewer Charges	1,236,522	1,288,900	1,159,680	1,211,100	(77,800)	(6.0%)
Total Materials and Maintenance	\$ 4,112,180	\$ 3,872,800	\$ 3,482,653	\$ 3,801,600	\$ (71,200)	(1.8%)



Operating Expenditures by Department

	FY 2008 Actual	FY 2009 Budget	FY 2009 Estimated	FY 2010 Budget
Departmental Expenditures				
Board of Directors	\$ 38,951	\$ 98,800	\$ 42,405	\$ 98,100
General Manager	1,766,341	1,768,800	1,687,607	1,667,100
General Expense	2,547,639	784,000	1,922,672	865,500
Administrative Services	3,224,540	3,640,100	3,337,536	3,912,500
Finance	4,023,183	4,471,600	4,368,063	4,869,100
Information Technology and Strategic Planning	2,666,776	2,819,800	2,809,666	2,856,400
Water Operations	10,858,139	11,678,900	10,716,485	11,478,800
Engineering ⁽¹⁾	2,686,961	2,954,700	2,296,284	2,070,700
Total Departmental Expenditures	27,812,529	28,216,700	27,180,718	27,818,200
Less: Overhead Allocation	(1,084,736)	(1,223,400)	(1,315,491)	(1,474,600)
Net Departmental Expenditures	26,727,793	26,993,300	25,865,227	26,343,600
Non-Departmental Expenditures				
Water Purchases	28,213,964	31,994,300	29,398,334	35,855,500
Power	2,647,885	2,780,500	2,905,101	2,637,100
Expansion Reserve	2,590,200	5,016,700	5,016,700	1,610,000
Betterment Reserve	3,432,900	-	-	3,810,000
Replacement Reserve	235,400	277,900	277,900	3,660,000
Transfer to Sewer General Fund	-	-	-	200,000
Transfer Out/In Prop 1A	-	-	-	270,300
Transfer to General Fund Reserve	-	-	-	1,330,000
Total Non-Departmental Expenditures	37,120,349	40,069,400	37,598,035	49,372,900
TOTAL OPERATING EXPENDITURES	\$ 63,848,142	\$ 67,062,700	\$ 63,463,262	\$ 75,716,500

⁽¹⁾ Engineering, and Planning and Development Services sections combined in FY2008

Operating Expenditures by Object

	FY 2008 Actual	FY 2009 Budget	FY 2009 Estimated	FY 2010 Budget
Departmental Expenditures				
Labor and Benefits	\$ 17,147,032	\$ 17,958,000	\$ 17,271,383	\$ 18,144,000
Director's Fees	24,002	40,000	20,200	40,000
Travel and Meetings	184,690	239,400	213,488	222,200
Conservation and Outreach	286,240	348,000	254,209	352,800
General Office Expense	380,573	364,900	397,104	434,500
Equipment	1,013,411	1,052,100	1,103,654	1,028,700
Fees	2,306,990	1,452,800	1,977,392	1,373,800
Services	2,249,985	2,555,500	2,032,274	2,026,600
Training	92,693	167,600	146,746	156,500
Materials & Maintenance	2,875,658	2,583,900	2,322,973	2,590,500
Power and Utilities	14,495	15,600	15,874	17,500
Sewer Charges	1,236,522	1,288,900	1,159,680	1,211,100
Miscellaneous	239	150,000	265,741	220,000
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